Testimony before the House of Representatives Committee on Foreign Affairs, Subcommittee on the Middle East and North Africa

"Elections in Iran: The Regime Cementing Its Control"

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Chairman Ros-Lehtinen, Ranking Member Deutch and Members of the Subcommittee, I'm very grateful for the opportunity to discuss the recently-concluded presidential election in the Islamic Republic of Iran. Tehran's nuclear ambitions, support for terrorism, and repression of its own citizens has long ranked it at the forefront of U.S. security interests in the Middle East and across the world. The election of a new president does not alter any of those concerns or priorities, but the campaign and the outcome does offer the *possibility* of new momentum in addressing them. And it highlights the apparent success of the strategy pursued by the Obama Administration in generating , as well as the need for thoughtful diplomacy to make the most of whatever opportunity lies before the world now that the

In my testimony today, I will address the significance of elections and the role of the presidency in the Islamic Republic, the political ramifications of the campaign and the victory of Hassan Rouhani for Iran, and the implications for the interests and policies of the United States.

Why Iranian Elections Matter

Many, including Chairman Ros-Lehtinen, have dismissed the relevance of the electoral processes and institutions in Iran's Islamic Republic. I respectfully disagree. My interpretation is not based upon the outcome of this election — indeed, I articulated these positions well before the election's outcome, back when the smart money was only a tightly controlled election and an outcome that offered absolute lock-step continuity on the nuclear issue. Rather, I base my contention that Iran's elections and institutions matter upon my experience doing research on and in the Islamic Republic for many years as an academic, a government official, and now as a scholar at the Saban Center at the Brookings Institution.

I fully understand the rationale for the argument that the elections are pure farce. Iran is, after all, an Islamic theocracy, a state in which the supreme leader is the ultimate decision-maker and elections are heavily stage-managed from start to finish. The president's powers are explicitly limited, and whatever sense of electoral unpredictability that characterized Iran in the past— for example, in 1997, when a reformist cleric upset the heavily-favored front-runner— appeared to have ended with the contested 2009 reelection of Mahmoud Ahmadinejad. Millions of Iranians outraged by the unusual speed and dubious margin of Ahmadinejad's ostensible victory took to

the streets chanting “where is my vote?” This violence that greeted this appeal, and the show trials and other Stalinist tactics that followed in its wake, seemed to suggest that Iran's quirky system had devolved to a more banal authoritarianism, where polls serve as mere pageants and institutions are unabashedly manipulated.

However, as confirmed by the unexpectedly dynamic debate during the campaign and the outcome that contravened the conventional wisdom, it is a misreading of Iran’s complicated domestic dynamics to dismiss its elections or its representative institutions as mere window-dressing. And it was a mistake to disregard the brewing antagonisms within Iran’s political establishment as irrelevant. Don’t get me wrong— I don’t mean to suggest that the election was a truly democratic enterprise; even in the best of times, the Islamic Republic fell far short of meeting international standards for free and fair elections.

However, elections— even ones that are heavily rigged— represent critical junctures in the lifecycle of political systems, and in Iran they have repeatedly sent the revolutionary system careening in new directions. At times, these changes in course were deliberate, as in 1989 when Ali Akbar Hashemi Rafsanjani ran virtually unopposed in order to spearhead the country’s post-war reconstruction. At other times, the shifts have been largely unanticipated, such as the advent of the reform movement or even Ahmadinejad himself, whose mid-term transformation from the Supreme Leader’s acolyte to his whipping boy has given the Iranian political establishment whiplash.

Iran’s revolution was the product of a deeply divided coalition that agreed on little beyond their opposition to the Shah, and throughout its history, the Islamic Republic has experienced an intense, evolving competition for influence. That contest remains as dynamic as ever, and the election will offer an opportunity for external observers to gauge the state of play. For those within the system, the campaign provides endless openings for ambitious contenders and rival factions to position themselves for future influence and reframe Iran’s political climate, just as Khatami and Ahmadinejad did.

The election that just concluded in Iran reinforced the subversive utility of semi-democratic institutions in authoritarian states. Iran’s elections matter because they provide openings for candidates to challenge the official narrative on thorny issues — as they did during this campaign on the nuclear issue — for journalists to push the envelope of state censorship, and for large gatherings of voters to demand the release of political prisoners, including the very candidates detained after the last rigged ballot. Elections — even explicitly orchestrated ones that offer only a highly imperfect array of options — release the genies from the bottles, to paraphrase a statement by Akbar Ganji, one of Iran’s foremost dissidents.

And because the legacy of the revolution and Iran’s century-old struggle for representative rule has made popular participation incumbent even upon its theocracy, its elections mobilize millions of Iranians in ways that often prove difficult to control, even with a well-orchestrated repression. We saw this play out in dramatic fashion in 2009, when millions of Iranians came to the street to demand their votes be counted, because even though they appreciated the constraints of the system in which they live, Iran’s citizens refuse to be cut out of the prospect. The fact that 74 percent of the Iranian electorate bothered to engage in Friday’s ballot, often waiting in long

lines and certainly braving the fear and frustration that is the legacy of the 2009 upheaval demonstrates that Iranians themselves believe their electoral processes and institutions matter. Neither their sacrifices nor their celebrations at the outcome should be dismissed.

If the past eight years of antics by Iran's current president, Mahmoud Ahmadinejad, have taught us nothing else, they have demonstrated over and over again that Iran's presidency matters. Despite its electoral illegitimacy, its institutional constraints, and the assiduous efforts of a system built around a divine mandate, the office of the presidency has emerged as one with real power to shape the context for domestic and foreign policy. The post exerts considerable authority over the Iranian budget, the framework for internal political activities, the social and cultural atmosphere, and even the most sensitive aspects of Iran's security policies. When Hassan Rouhani assumes the office in August, he will find himself near the apex of power, at a time of unprecedented external pressure and at the cusp of generational change within the Iranian regime.

To appreciate the significance of the much-maligned Iranian presidency, simply consider the track records of its most recent occupants. During his two terms in office (1997-2005), reformist president Mohammad Khatami managed to curb some of the worst abuses of Iran's own citizens and establish new avenues for political participation and speech. His tenure attracted foreign investment to Iran, unified its exchange rate, and established an oil stabilization fund to promote responsible economic stewardship. He repaired Iran's relationships with much of the world, and even helped push through a multi-year suspension of the most worrisome aspects of its nuclear program.

It was not an unadulterated success by any stretch of the imagination; Khatami's ambitions for change were inherently limited by his steadfast loyalty to the theocratic system and many of its most problematic policies, and even his mild reforms were thwarted at every turn by hardliners' opposition. Still, compare those years to the two terms of his successor, who oversaw a crackdown against technocrats and the media, squandered an epic boom in oil revenues, and indulged in hate speech that helped alienate the world and isolate his country. It's clear that Iranians as well as the international community were better served by Khatami's halting moderation than by Ahmadinejad's impetuous antagonisms.

Repercussions of The Election Outcome and Expectations for Rouhani Presidency

The question we are confronted with now is whether Iranians and the world will be better off under the administration of Hassan Rouhani, the cleric who the election with a narrow plurality but a decisive lead over his conservative rivals. The early signs are certainly auspicious, but Iran's tortuous system and the sway of hard-liners, particularly those in the security establishment who revile Rouhani's past diplomatic approach to the nuclear issue, offer no certainties about the outcome.

However, the purpose of this hearing to analyze the election, and I want to take a few moments to highlight the factors that facilitated an outcome that gainsays much of the pre-election analysis. Going into the election, a Rouhani victory seemed unlikely. The conservatives' favored candidate was said to be Saeed Jalili, a pious and prim bureaucrat who was appointed as lead

nuclear negotiator six years ago. Jalili's chief qualifications for the post were his status as a "living martyr" (he lost a leg in the war with Iraq), his discolored forehead (from dutiful prayer), and his cultivation of Ayatollah Ali Khamenei over the past ten years. It is easy to understand why Jalili was seen as leading the pack; he is basically an improved version of Ahmadinejad, a younger generation hard-liner who boasts total commitment to the ideals of the revolution but who, given his limited national profile, would be perfectly subservient to Khamenei.

By contrast, Rouhani initially drummed up minimal excitement within Iran and even less attention outside the country, despite the implicit imprimatur of Ali Akbar Hashemi Rafsanjani, Iran's foremost power broker. Because the clergy is so unpopular in Iran at the moment, and because the hard-liners disparaged Rouhani's track record on the nuclear issue almost non-stop, his prospects seemed dim. Further, in the unlikely event that his campaign did gain steam, it seemed, hard-liners would have no qualms about doing whatever it took to neutralize a potential threat.

Despite these disadvantages, several important factors that enabled Rouhani to prevail. First, he ran a very savvy campaign that managed to build confidence among an influential swath of the political establishment at the same time that he lured Iran's young, disaffected voters to give him a second look. Rouhani had spent eight years disparaging Ahmadinejad's policies, and in his focus on the nuclear issue, he repeatedly highlighted the costs to Iran's economy and by extension, its political stability. That clearly resonated with traditionalists, who were already uneasy with Jalili or the other heavyweight conservative candidate, Tehran mayor Mohammad Baqr Qalibaf, for a variety of reasons including doubts about their reliability and capacity to manage the state.

In reaching out beyond the conservatives who came up through the system with him, however, Rouhani needed to persuade reformists as well as Iran's disaffected youth that he could and would take up the mantle of their causes. He pushed against the regime's red lines, for example, by promising to release political prisoners. And, in a clear reference to Mir Hossein Mousavi and Mehdi Karroubi, two reformist candidates who were detained after the 2009 vote, he said that he would free all those who remain under house arrest as well. He bypassed state media by releasing a compelling video around his campaign theme of leading Iran out of the winter of its discontent. The video also highlighted his experience during the war with Iraq and on nuclear negotiations. His aggressive campaign caught the attention of a disaffected Iranian population, who eventually began to throng his rallies.

The final element of his campaign strategy was to push the boundaries on the nuclear issue. Rouhani sparred heatedly with Jalili's campaign chief, who was also the deputy negotiator, around the relative merits of their respective strategies, and with an interviewer on state television. In this respect, he was responsible for the most surprising and dramatic turn in the campaign— the emergence of a fierce and unvarnished critique of the current approach to the nuclear issue. The critique exploded onto the scene during one of the three televised debates among the eight approved candidates. During the course of a four-and-a-half-hour discussion broadcast live on state television, an exchange about general foreign policy issues morphed unexpectedly into a mutiny on the nuclear issue. One candidate, Ali Akbar Velayati, a scion of the regime's conservative base, attacked Jalili for failing to strike a nuclear deal and for permitting U.S.-backed sanctions on Iran to increase.

The amazingly candid discussion that followed Velayati's charge betrayed the Iranian establishment's awareness of the regime's increasing vulnerability. It could only be understood as an intervention —one initiated by the regime's most stalwart supporters and intended to rescue the system by acknowledging its precarious straits and appealing for pragmatism (rather than Jalili's dogmatism). The discussion was also an acknowledgement that the sanctions-induced miseries of the Iranian public can no longer be soothed with nuclear pageantry or even appeals to religious nationalism. This worked to Rouhani's advantage, since his moderation on this issue appears to have greater resonance with the broad base of the population than the defiance and resistance preached by Jalili and Khamenei.

In addition to running a shrewd campaign, Rouhani also benefitted from an unprecedented alliance between Iran's embattled reform movement and the center-right faction to which Rouhani, as well as Rafsanjani, are generally understood to belong. The division between the two factions dates back to the earliest years of the revolution. It became more entrenched after the reformists gained power in 1997, when Mohammad Khatami, the reformist standard-bearer, was elected president in a major upset. By aligning with the center-right in this campaign, the reformists got a path out of the political desert in which they have languished since the end of Khatami's presidency. By joining with the reformists, Rouhani got a powerful get-out-the-vote effort and the withdrawal from the race of Mohammad Reza Aref, the sole approved reformist candidate. By contrast, the conservative camp remained divided, never coalescing around a single candidate, despite increasingly shrill and desperate appeals from some of its ideologues. Had the conservatives managed to field a single candidate rather than splinter their vote among four individuals, they could have at least forced the election into a run-off, and may well have dampened Rouhani's momentum sufficiently to prevent his election.

Of course, Rouhani's most powerful advantage was the bitter unhappiness of the Iranian people, who have witnessed the implosion of their currency, the return of austerity measures not seen since the Iran-Iraq War, and the erosion of their basic rights and freedoms over the past eight years. The fact that they were willing to hope again, even after the crushing disappointment of 2009 election, underscores a remarkable commitment to peaceful change and to democratic institutions. They did so in some substantial measure as a means of preventing a worse outcome, the election of nuclear negotiator Saeed Jalili, whose slogans of resistance seemed to promise more of the same of what Iranians have endured over the past eight years.

All this might explain the massive turnout on election day and Rouhani's overwhelming popular victory. It does not explain, though, why Khamenei avoided the chicanery that plagued the 2009 vote and why he let the result stand. Here, I think we must continue to analyze the campaign, its precedents and the establishment of the next administration.

One explanation is that Khamenei simply miscalculated and found himself, once again, overtaken by events when Rouhani's candidacy surged with little forewarning. After all, the conservatives have held all the cards in Iran since 2005; they dominate its institutions and dictate the terms of the debate. With the leading reformists imprisoned or in exile, no one expected that the forces of change could be revived so powerfully. It is certainly possible that Khamenei began to appreciate that the campaign was shifting unexpectedly in a less tolerable direction, but wanted to avoid new stresses to the system by intervening to obstruct it as they had in 2009.

There is another possibility, however, and one that better explains Khamenei's strangely permissive attitude toward the thousands who chanted for the release of political prisoners at Rouhani rallies and the candidates who defied his dictates on the nuclear issue while on live television. Khamenei even made a last-minute appeal for every Iranian —even those who don't support the Islamic Republic —to vote, an unprecedented gesture given the regime's ideological strictures. In this analysis, it is therefore possible to interpret that Khamenei's unexpected munificence as a deliberate effort to steer the election in a different direction than many expected. Instead of viewing Rouhani's election as a replay of the shocking political upset that Khatami pulled off in 1997, it may in fact be an echo of Ayatollah Ruhollah Khomenei's sudden shift in 1988 and 1989, when he charged Rafsanjani, a pragmatist, with ending the war with Iraq, and then helped Rafsanjani win the presidency so that he could spearhead the post-war reconstruction program. Now, as then, Iran's leadership is not bent on infinite sacrifice. Perhaps allowing Rouhani's victory is Khamenei's way of empowering a conciliator to repair Iran's frayed relations with the world and find some resolution to the nuclear dispute that enables the country to revive oil exports and resume normal trade.

That does not mean, of course, that Rouhani has an easy road ahead. He must wrangle the support of the hard-liners and lock in at least continued tacit backing from Khamenei. In doing so, he will have to overcome a decade of resentment. During his stint leading nuclear talks, Rouhani made the sole serious concession that the Islamic Republic has ever offered on its nuclear ambitions: a multi-year suspension of its enrichment activities that was ended just before Ahmadinejad took office.

The move won Rouhani the unending fury of the hard-liners, including Khamenei, who approved the deal but has publicly inveighed against Rouhani's nuclear diplomacy as recently as last summer. Today, however, many Iranians —including, apparently, many within the establishment —find his ability to craft a viable deal with the world on the nuclear issue appealing. His election thus suggests that a historic shift in Iran's approach to the world and to the nuclear standoff could be in the offing. Still, to overcome old antipathies among the conservatives and to advance his agenda for change within Iran's Machiavellian political culture, Rouhani will need the clear and unwavering support of Khamenei, something that the Supreme Leader has only accorded to one president during his 25-year tenure: Ahmadinejad, in his first term.

For Iran's Islamic Republic, Rouhani's victory represents a significant turning point, albeit one whose proportions and precise vector remain uncertain. Rouhani is in many ways an accidental instrument of change in Iran. His past political affiliations lie closer to Iran's traditional conservatives rather than the leftists who spearheaded the reform movement 15 years ago. Rouhani is a blunt pragmatist with plenty of experience maneuvering within Iran's theocratic system. He is far too sensible to indulge in a power grab à la Ahmadinejad. And, as a cleric, he assuages the fears of the Islamic Republic's religious class. He embraced reformist rhetoric during the campaign, but will not deviate too far from the system's principles, the foremost of which is the primacy of the Supreme Leader. Meanwhile, Rouhani's focus on the economic costs of Ahmadinejad's mismanagement resonates with the regime's traditionalists as well as with a population battered by a decade of intensifying hardship and repression. All in all, the new president might benefit from a broader base of support than any in Iran's post-revolutionary history, which will be an important asset as he seeks to navigate the country out of isolation and economic crisis.

Implications for U.S. Interests and Policy

The ultimate conclusion from Rouhani's victory is that neither Khamenei nor Iran's military commanders harbor any illusions about the depth of the existential crisis confronting the regime. Whether they can demonstrate similarly pragmatic flexibility in seeking to resolve the causes of that crisis— the standoff with the international community over the nuclear issue— remains the next great conundrum of Iran's always unpredictable political narrative.

For Washington, this is a moment of tremendous opportunity, but no easy answers. Signs of domestic moderation in Iran may only encourage the erosion of the heretofore robust international coalition on sanctions implementation. And whoever takes the helm in Iran in August will still contend with a thorny factional landscape on the nuclear issue as well as on all the other areas of concern for Washington, particularly Syria and the regime's treatment of its own citizens. Still, whatever happens in the ensuing hours and days, we must appreciate that the arc of Iranian politics has shifted in ways that contravened the conventional wisdom. That alone is an auspicious sign.

During the campaign, reports emerged that Iran's foreign minister, Ali Akbar Salehi, has persuaded the country's Supreme Leader to authorize a wide-ranging new initiative toward Washington. Tehran quickly disavowed that disclosure, but the report reinforces a surprising sense of possibility that has come through in the course of the just-concluded campaign for Iran's presidency surrounding the nuclear issue and the long, bitter estrangement between the Islamic Republic and the United States.

This news, like the just-concluded presidential election campaign, underscores how much the ground has shifted within Iran on dealing with Washington, even at a time when conservatives control the narrative within Iran. Today, it is almost easy to forget that for most of the Islamic Republic's history, advocating dialogue with Washington was the political equivalent of the kiss of death. Even a decade ago, the kind of free-wheeling debate on *how* to negotiate with the 'Great Satan' that took place last week on state television and throughout the course of this presidential campaign would have been unthinkable; even then it was still rare, and risky, for Iranian officials to publicly discuss *whether* Iran should talk with Washington at all.

The opponents of dialogue are not insignificant, and foremost among them is Supreme Leader Ayatollah Ali Khamenei. His persistently hard-line views reflect a deeply engrained mistrust of American intentions that has endured at least three decades and is probably beyond propitiation. Without his buy-in, nothing is possible in Iran's Islamic Republic.

For Washington, all these developments offer welcome confirmation that the U.S. strategy is working, at least to a point. The outcome confirmed that political will for a nuclear deal exists within the Islamic Republic. Even with a more moderate president at the helm, however, the nuclear issue will not be readily resolved, and Iran's divided political sphere is as difficult as ever.

The unexpected twist in the initial election narrative, from what was presumed to a tepid cakewalk for a hand-picked protégé of the Supreme Leader to a knock-down, drag-out public brawl over Iranian foreign policy and a late-game revival of the street excitement that preceded the 2009 vote, Washington's dilemmas today even more acute. So far, the tone and the message appear to be just right— steady reminders of the opportunities for resolving the nuclear crisis and combined with dispassion on the presidential contest.

To overcome the deep-seated (and not entirely unjustified) paranoia of its ultimate decision-maker, the United States will need to utilize creativity and some additional patience. First and foremost, U.S. policy-makers must appreciate that Rouhani will need to demonstrate to Iranians that he can produce tangible rewards for diplomatic overtures. That means that Washington should be prepared to offer significant sanctions relief in exchange for any concessions on the nuclear issue. Congress' role in this moment of opportunity is extremely important; for Washington to greet the empowerment of a serious moderate with real credentials and an apparent mandate to make progress on the nuclear issue with a new raft of sanctions would be an ill-advised response to the first good news emerging from Iran in years.

U.S. policymakers should also appreciate that Rouhani may face real constraints in seeking to solve the nuclear dispute without exacerbating the mistrust of the hard-liners. In other words, the path out of isolation and economic crisis is perilous, but Iran's new president, who has sometimes been dubbed "the sheikh of diplomacy," may just be the right man at the right moment to walk it.

I appreciate the opportunity to appear before you today, and I look forward to answering any questions you might have.