

Iran, Globalization, and US imperialist agenda in the Middle East

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'Globalization' has been a continuous historical process of the expansion of capitalist social relations worldwide. A new phase of this process began early in the 1980s, when neoliberal ideologues won power in the US and the UK and started the global implementation of their economic policies by 'carrot-and-stick' strategies. The development of this process in Iran has been slower in comparison to other 'Third World' countries in Latin America and Asia due to historical and conjunctural factors. With the conclusion of the Iran-Iraq war and Khomeini's death in the late 1980s, the rhetoric of the pre-1990s era was gradually replaced with a new pragmatism that amounted to increasing support for the privatization of Iran's economy and its integration into the global capitalist structure. Iran's full inclusion has, however, been impeded by its unwillingness to pay the required political price, both domestically and internationally.

The ascendancy of the neo-conservatives in the US and their drive for empire in the Middle East through the military invasion and occupation of Afghanistan and Iraq has intensified this contradiction in Iran's policy. Iran's regional and domestic security concerns, combined with its unwillingness to give up its own hegemonic aspirations in the Middle East in exchange for inclusion in the US-dominated capitalist club, has exacerbated the already tense and conflictual relationship between the US administration and Tehran. The recent consolidation of Iran's political system manifested in the election of the neo-conservative president Mahmoud Ahmadi-Nejad and Majlis (Iran's parliament) is the mullahs' direct response to the threats posed by the Bush's administration's 'war on terror' and deepening domestic and social challenges .

Islamic Republic's Theo-neoliberalism

Since the 1979 Revolution, Iran's political system has gone through five distinct stages. While the main objectives of the regime, namely the survival and expansion of Khomeinism, have remained the same throughout these changes, the means of achieving them have changed dramatically. In the first phase, which began with the overthrow of the Pahlavi Monarchy and ended with the ousting of

the first President of the Islamic Republic in 1981, Khomeini's regime succeeded in marginalizing and/or crushing almost all liberal, progressive, and socialist forces within the informal multi-class coalition that had helped overthrow the Monarchy. The second stage, the era of 'Revolution and War', witnessed the brutal and pointless eight-year war between Iran and Iraq and ended with the death of Ayatollah Khomeini. This was a period in which the regime managed to use the war to consolidate its power and extend its grip over almost every aspects of Iranian society.

Increasing popular disillusionment and dissatisfaction with the presidency of Hashemi Rafsanjani and the leadership of Ali Khamenei (Khomeini's successor) put an end to the third stage, generally known as the 'Republic of Terror', and brought Mohammad Khatami to the presidency in 1997. The fourth phase, the 'Reform Era', failed to bring about the promised changes. The defeat of the 'reform movement' and rise to power of the newly-elected neo-conservative president Mahmoud Ahmadi-Nejad has signalled a new stage in the development Iran's political system, with important domestic and international implications.

The development of Iran's political system, the changing of the guard, and Iran's foreign economic policy have always been closely related to two broad factions within the regime, pragmatic and hardliner. Although they have taken different forms at different times and advocated different strategies in response to domestic challenges and external threats, both factions have shown a strong desire for Iran's integration into the global capitalist economic system. Following the collapse of Shah's regime, the liberal governments of Bazargan and Banisadr advocated a moderate approach to the West and aimed at the normalization of capitalist relations of production in Iran. The orientation towards the capitalist system found a much stronger voice, however, after the hardliners' futile attempt to implement an Islamic banking system during the early years of the Revolution, as well as the deepening socioeconomic crisis resulting from the prolonged war with Iraq.

Iran's drive for inclusion into the capitalist club found real momentum after Khomeini's death in 1989 and during the presidency of the powerful, business-backed mullah, Hashemi Rafsanjani. Proclaiming his intention to "reinstiate Iran in the concert of nations," Rafsanjani (Khomeini's right-

hand man and one of the leading figures of the Islamic Revolutionary Council in 1979) embarked on the implementation of neo-liberal 'free-market' economic policies and normalization of relations with the United States. After Rafsanjani, Khatami's government continued his liberalization of Iran's economic system by privatizing state-controlled sectors, lowering trade barriers, opening the way for foreign investment in the oil, auto, and military industries, and cutting public subsidies. His economic reforms were supported by Rafsanjani who had been appointed the head of the powerful Expediency Council. In fact, Rafsanjani used his new position to further open Iran's economy to foreign investment and 'modernization'. He has been known "as a defender of property rights and IMF-style 'adjustments' in labour and banking laws."

Under the Rafsanjani and Khatami administrations, Iran took considerable steps towards integration into the global capitalist economy. Privatization, deregulation, and an end to multibillion-dollar public subsidies dominated the economic policies of both presidents. The 2002 passage of Iran's first foreign investment law since the 1950s, aimed at opening up the economy, has been the keystone of these developments. According to the *Financial Times*, Parliament first approved the legislation a year ago, but it was vetoed by conservative clerics on the Council of Guardians, who argued the bill would "pave the way for foreign domination of the economy." They argued it contravened the constitution and Islamic Sharia law, but the law was finally passed when Rafsanjani's Expediency Council overruled the Council of Guardians. In passing the law, Mohsen Rezaei, a former commander of the Revolutionary Guards and the secretary of the Expediency Council said, "the Iranian establishment, including Ayatollah Ali Khamenei, was firmly in favour of foreign direct investment." The liberalization of the Tehran Stock Exchange and reductions in corporate and income taxes have been among other government measures encouraging foreign investment. Furthermore, in a dramatic ruling in 2004, Iranian courts ruled in favour of US-based multinationals Proctor and Gamble and Time Warner in trademark infringement cases.

On the trade front, Iran has been lobbying hard to join the WTO since 1996. By seeking to join this imperialist institution, Iran has shown that it is more than willing to reduce tariffs on trade in goods and services and submit to the imperatives and scrutiny of global capitalism contained in the catchphrase 'technical assistance to developing countries.' The United States alone was able to veto

Iran's application to the WTO more than 20 times over the last decade. Contrary to the expressed aims of U.S. economic sanctions against the Islamic Republic, however, George W. Bush reversed US opposition to Iran's WTO membership in 2005 under the pressure from European leaders. Furthermore, he agreed to consider sales of commercial aircraft parts in March of that year. Trade relations between the European Union and Iran has also been flourishing and steadily increasing since 2003. For instance, in 2003, Iranian exports to the world's biggest trading bloc grew to €3.8 billion, up 28 percent from a year before. EU exports to Iran similarly grew from €3.7 billion to €4.3 billion over the same period.

The bankruptcy of Khomeini's 'revolutionary ideology' and the mullahs' anti-imperialist rhetoric is also evident in Iran's recent dealings with the World Bank. Under the stewardship of Paul Wolfowitz, a key architect of the Iraq invasion, the World Bank in May 2005 approved a total of \$344 million in loans assisting Iran's water and sewer projects. In December 2005, a World Bank delegation planned to visit Iran in order to finalize a \$700 million loan for related projects.

The theocratic capitalist regime has seen a 'normalization' of Iran's relationship with the West as the best way forward. The 'conservative' and 'reformer' camps differ only over the details of how to surrender Iran's economy and society to global neo-liberal forces, their primary concern being their own social position in this process. They seek new sources of profit and share the same ambitions. The apparent division between these political factions are certainly not as stark as the imperialist propaganda machine claims them to be. Rather than a manifestation of substantial or irreconcilable political differences between these factions, they chiefly reflect different strategies for coping with an ever-growing domestic socio-political challenge and the vagaries of US and European imperialism's approach to Iran .

That said, the two factions are the product of the contradictory socio-economic formation that emerged from the ruins of the Shah's regime, and in this respect, represent two somewhat conflictual ideological tendencies within the Iranian capitalist system. In the final analysis, the 'moderate' or 'reformist' faction, represented by the likes of Rafsanjani and Khatami, favours the continuation of the Shah's 'modernization policy' and the creation of a 'modern', market-oriented, 'theo-hegemonic' capitalist state. By contrast, the 'conservative' or 'hardliner' faction, represented

by Ahmadi-Nejad and his allies prefer a *dirigiste* model of capitalist state. For this reason, imperialist powers have been consistently sympathetic and supportive of the ‘moderate’ faction and accordingly adopted a more pragmatic approach to governments of Rafsanjani and Khatami..

The current entrenchment of the regime under Ahmadi-Nejad’s administration seems to be more ideological and political than economic. Ahmadi-Nejad has assumed a defensive posture in light of the domestic socio-economic crisis and imperialist threats, but not so far as to close the door to multinational corporations and other agents of neo-liberal globalization. This is evident in the statements issued by one high-ranking government official regarding Ahmadi-Nejad’s commitment to the moderates’ previous twenty-year economic plans. Furthermore, Ayatollah Khamenei’s recent transfer of some of his own important decision-making powers to the powerful Expediency Council, led by Rafsanjani, is a clear indication of the regime’s determination to assure the West that Iran will stay on its economic course, despite Ahmadi-Nejad’s rhetoric.

The Roots of Conflict and What US Imperialism Wants from Iran

If economic issues are not at the core of the conflict between Iran and the US, what then accounts for Iran’s inclusion in ‘the axis of evil’ and the increasing political and military pressure on the mullahs? The answer lies in George W. Bush’s declaration that “you are either with us or with the terrorists.” In other words, the United States demands a full and unconditional compliance with the empire, or you will be labelled an enemy. In the US-dominated world order, cutting social programs, violating human rights, destroying the environment, repressing workers’ movements, and crushing dissent are worthy deeds, but not enough. It is only under conditions of absolute compliance that you will be considered a friend of the US. If you abide by their rules and advance their interests, even if you are a terrorist, you are a ‘good’ terrorist (i.e., *their* terrorist). They will protect you, even if you are a torturer or a dictator.

The main quarrel with Iran is not just over Iran's attempt to build nuclear weapons or its support for Hamas, Hizbollah, Islamic Jihad, or resistance forces in Iraq. It is more than Iran's unwillingness to recognize the government of Israel. And it is definitely not Iran's total disrespect for human rights or its barbaric repression of the democratic aspirations of the Iranian people that lies at the source of the conflict. Even if Iran were to become a democracy tomorrow, recognize Israel, condemn terrorism, relinquish its drive for nuclear weapons, and withdraw its support for the groups on the US "terrorist list," it would be highly unlikely to lead to the "final resolution" of the US-Iran conflict. As one observer of Iran-US relations recently pointed out: "About the only way Iran would become a 'friend' of the US would be if it became a vassal state, à la Afghanistan and, more recently, Iraq."

In the 9/11 era, the US is pushing a new global imperialist agenda. Iran is seen as a major obstacle to the implementation of this strategy in the Middle East. Despite the fact there is not much left of its revolutionary fervour, Iran is still viewed by Washington as a major ideological and military force challenging US hegemony in the region and beyond. US assumptions are partially correct. Without a doubt, the Iranian regime has no desire or intention of becoming a pawn in US imperialist design for the region. The complexities of Iran's political structure, the 1979 Revolution and the ideological and political legacies of Khomeinism, and Iran's position within Islamist movements and the Arab world would not permit such a drastic compromise, regardless of whether or not such an inclination exists within the Iranian ruling class.

The key to the survival of the regime so far has been its uncompromising position on three interrelated principles: domestic despotism, export of the Islamic Revolution, and political independence. With respect to the first, Rafsanjani once said: "we will never repeat the Shah's mistake of reforming the political system" -- referring to the Shah's liberalization of Iran's politics and his democratic gestures at the outset of the Revolution. On the second principle, the regime is still actively involved (albeit on a reduced scale) in providing ideological, logistic, and financial support for a variety of Islamist movements from Lebanon to Iraq. With respect to the third principle, the Islamic regime came to power without the direct endorsement of the West, positioning themselves at the head of the mobilized masses. Consequently, the clerical regime at

one time enjoyed a considerable social base, allowing it a certain degree of political independence from Western imperialism. This, in turn, has made the new regime highly suspect in Washington. While the regime has lost most of its vast social base and popularity, slogans and an anti-imperialist posture remain a factor in keeping its repressive forces (namely the Revolutionary Guard, Basijis, and the Intelligence service) loyal to the regime. Iran's enduring political independence has also increased its manoeuvrability, both within the region and in relations with radical Islamist forces outside Iran.

While Iran has rejected subjugation, it has not ruled out 'normalization' of relations with the West, particularly the United States. In line with Rafsanjani's rapprochement efforts in the 1990s, the neo-conservative government of Ahmadi-Nejad has also been showing a certain degree of willingness to engage with the US, as evident in comments made by the deputy foreign minister Mohammad-Reza Baghari. In a recent address to US civilian and military officials in Bahrain, Mr. Bagheri expressed his disappointment with Bush's 'axis of evil' speech, especially given Iran's cooperation with US forces in Afghanistan. Baheri restated Tehran's willingness to assist US interests in Iraq, emphasizing that it expected a 'sincere' recognition of its role.

In fact, all factions within the regime have shown their willingness to 'normalize' their relationship with anyone, even their arch-enemy, US imperialism. According to Rafsanjani,

As Muslims we have no problem with resolving any of the foreign issues facing us.... We have a tenet in Islam which is the precedence of the expediency of power over the expediency of weakness.... In principle, the Expediency Council has been created on the basis of this need. To endanger our country and imagine that we are acting in an Islamic way is not Islamic.

In his 'religious' justification of Iran's efforts to establish 'normal' relations with the 'Great Satan', the survival of the regime is the main concern. The only thing Iran wants from the US in return for its *limited* compliance and cooperation (perhaps even full compliance, if it were not for certain fundamental domestic imperatives) is to be recognized and respected as a major military and political player in the politics of the region, not as merely another pawn in the American empire. This, however, is in contradiction with the US strategic plans for the world and the Middle East.

Nonetheless, it seems that both parties have come to realize that they are on a collision course rather than a path towards 'peaceful' coexistence in the region. The Americans justify their stance by pointing to Iran's refusal to recognize Israel or stop nuclear activities, its support for militant Islamist forces, its human rights record, and its troublemaking in Iraq. The US also considers Iran a threat to its objectives in Central Asia, which include the exploitation of the region's huge oil and gas reserves. Iran has already built a gas pipeline from Turkmenistan, and is engaged in negotiations with New Delhi regarding the construction of another pipeline to India. Tehran's own designs are undermining the plans of Washington and American multinational corporations for alternate pipeline routes through the Caucasus and Turkey, or possibly through Afghanistan. Consequently, the idea of overthrowing the Iranian regime, an idea raised by Bush's inclusion of Iran in the 'axis of evil', is now being pursued more seriously. The main question being contemplated by the neo-cons in Washington is now less about *what* to do with Iran, and more about *when* and *how* to bring about the desired 'regime change'. As far as Iran is concerned, the US invasion and occupation of Iraq and Afghanistan, and the presence of massive US military forces on its borders, is a direct military threat to its national security. As Aijaz Ahmad notes:

We have plenty of documents telling us that preparations for the invasion of Iran — with varying scripts and objectives — have been going on for at least three years, not just conceptually but in terms of actual military preparations: war games, positioning of men and materials all the way from Azerbaijan to the Gulf waters, not to speak of Iraqi territory itself, or negotiations for use of Turkish air space for that matter. So far, an actual invasion of Iran has been stalled due to the sheer scale of Iraqi resistance, the internal disarray of U.S. armed forces, and Iran's own ability to unleash vast forces against the U.S. in Iraq, Afghanistan and Lebanon.

The hardliners' consolidation of power in Iran, which has culminated in the militarization of Iranian politics and the installation of a neo-conservative parliament and president, is the mullahs' direct response to Bush's 'regime change' strategy.

The enemy of my enemy is not my friend

Despite their apparent contradictions and differences, the Iranian theocracy and US imperialism are two sides of the same historical coin. The Iranian regime's conflict with imperialism is not about people's democracy, freedom or socialism, nor do the mullahs represent the interests of the oppressed and exploited workers of Iran. Furthermore, Iran's opposition to the US invasion and occupation of Iraq and Afghanistan is in fact superficial; indeed, Iran's ruling elite cannot hide their delight over the removal of their two erstwhile strategic enemies in the region, Saddam Hussein and the Taliban.

The current fight between the reactionary capitalist regime in Tehran and the neo-conservatives in Washington is not our fight; their cause has no relationship to the ideals and objectives of socialists and progressive forces in Iran, Canada, or around the world. The 'anti-imperialism' of the Islamic Republic, the US imperialist 'war on terror', and George Bush's call for the 'democratization' of the Middle East all serve the interests of the ruling class in Tehran and the financial giants, multinational corporations, and petro-military industry of the United States. Socialists can and must take advantage of the contradictions between Iran and the US, but we must be careful not to become the ally of either one of them, and we must not allow either one to use our concern for democracy, freedom, equality, and justice to their own advantage.

More than 25 years of repression, exploitation, and corruption have turned Iran into a social powder keg. Social and political problems that led to the 1979 Revolution have not only remained unresolved, but unemployment, underemployment, inflation, class disparities, and poverty have grown to unprecedented levels. Now that the phoney reform movements have been defeated, the main factors preventing the overthrow of this repressive and reactionary regime are increasing revenues from the oil and gas industry, and the regime's own ruthlessness in crushing any dissent before it can develop into an organized force. Yet as the modern history of Iran suggests, Iran's working people and other oppressed forces amply possess the capability and determination to organize and defend their rights.