



HOME > NEWS & TRENDS

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, click the "Reprints" link at the top of any article.

Iran's Election Uncertainty Equals Investment Uncertainty

BY SAVITA IYER-AHRESTANI, ADVISORONE

June 10, 2013 • Reprints

Like 0

Tweet

0



Will any one of the eight finalists in line to replace controversial Iranian President Mahmoud Ahmadinejad get the requisite number of votes to become the country's new leader? Will the election, one of the most unpredictable in Iran's history, go into a second round? And most importantly, what stance will Iran's new leader take vis-à-vis the rest of the world, particularly the United States?

No one has the answer yet to any of those questions, but clearly, Iran's presidential election is of paramount importance, not just for the country and for the Middle East, but also for the rest of the world

Arshin Adib-Moghaddam, reader in comparative politics and international relations at the University of London's School of Oriental and African Studies and the Chair of the Centre for Iranian Studies, is one of the foremost thought leaders on the Middle East today. He is the author of the forthcoming book "On the Arab Revolts and the Iranian Revolution: Power and Resistance Today," and he shared his views on Iran, the election and beyond with Global Investing Insights.

Q: We've read that the Obama administration's decision to change course and allow the sale of communication devices by American companies in Iran is driven by the hope that their use will result in a more transparent election, even enabling the sort of crowd participation/protests we saw in 2009 after

Ahmadinejad's disputed victory. What are your thoughts on this and what can we expect for the election process on June 14?

A: The decision is a step in the right direction if the aim is to thaw ties with Iran, but their effect on the ground will be negligible. The political dynamics in Iran are driven by the political elites in the country. Iranians themselves have been blogging, connecting, networking throughout the sanctions period. There will not be another 2009 in this election; most Iranians are not interested in yet another confrontation and neither are the presidential candidates who have repeatedly stressed stability.

Q: There are some who believe the election won't change the US/Iran relationship, and others who feel a new Iranian leader (the hardliner Saeed Jalili is said to be the frontrunner) could actually prove even worse. What are your thoughts?

A: I don't share that pessimism at all. It is largely unfounded on analytical grounds. There will not be another [Mahmoud] Ahmadinejad type politician at the helm of the Iranian government and that must be considered a positive development. None of the presidential candidates is likely to use the kind of undiplomatic and staunchly antagonistic language that the Ahmadinejad administration espoused, not even those on the right. There is an understanding among the political elite in Iran that the outgoing president seriously endangered Iran's national interests, that his tenure deteriorated the country's relations with the world, in particular with Europe. The fact is that Iran is a regional power that has to be engaged in order to solve regional crisis, whether in Syria, Palestine, Yemen, Iraq, Afghanistan or Bahrain. The new president of the country is likely to tread rather more carefully and that should be taken as an opportunity for diplomacy.

I also think the Obama administration has changed the discourse slightly and that it can envisage engaging Iran. There seems to be an understanding that the idea of the Islamic Republic, contested as it appears in Iran itself, is here to stay.

Q: For the new Iranian leader, the state of the economy would be the greatest challenge. Would you agree with that? How much of a toll have sanctions taken on Iran economy and what needs to be redone to rebuild it?

A: The economy is pivotal, which is why so far the TV debates of the presidential candidates, one of which lasted over five hours, focused almost exclusively on the economy. The reformists, however, candidates such as [Hassan] Rouhani and [Mohammad Reza] Aref, link economic progress to political progress whereas the rather

more conservative candidates such as [Saeed] Jalili attempt to tip-toe around any questions for political change. The latter position flies in the face of the demands of majority of Iranians within the country and who have been calling for reforms within the Islamic Republic for decades now. If Rouhani and Aref join forces and tap into the constituency that carried forward the so-called "Green Movement", without the mistake to pursue a confrontational agenda, they may well have a chance to win.

Q: Even as President Obama okayed the sale of communication devices by American companies in Iran, he has announced new sanctions targeting Iran's automobile industry and its currency. Have the sanctions had the desired effect on Iran?

A: Sanctions have hurt the middle class and the poorer strata of Iranian society, but they have not yielded any political success, for they haven't changed Iran's position on the nuclear issue. U.S. foreign policy on Iran is seriously driven by outside interests and it is not in the national interest of the United States to sanction Iran. Iran holds the key to solving many conflicts in the Muslim world and we should have pursued a strategy to that end.