Triggering the Next Iranian Revolution

Is the current U.S. strategy designed to stop the fundamental changes under way in Iran in their tracks?

Four years ago, *The Economist* -- the prestigious British-American weekly -- "...supported America's invasion of Iraq." The paper recently wrote that it "...believed, erroneously, that Saddam Hussein was working to acquire nuclear weapons."

Now, the same weekly says about Iran that "Mahmoud Ahmadinejad, a populist president..." through "...his apocalyptic speeches convinced many people in Israel and America that the world is facing a new Hitler with genocidal intent."

Whatever the demerits of Mr. Ahmadinejad, his inflammatory rhetoric alone is not reason enough to respond with war preparations.

That may be the fashion *du jour* in the White House. The customarily accorded power of these two locales notwithstanding, the rest of the global community has a clear-cut message. It is a message that should resonate – since it represents six billion people and not just a few political leaders.

After all, the track record of these leaders on contemporary matters of this nature – as evidenced in the attack of Iraq (and in great contrast to their proud and highly capable forbearers in office during the World Wars) – is highly suspect, if not downright disastrous.

So-called evidence furnished by them - at the expense of double-digit billions of dollars - proved to be cooky and wholly unreliable.

Even if Iran is now working on a nuclear weapon – and that is currently as much 'proved' as the assertion four years ago about the Iraqi 'weapons of mass destruction' – they are a long way from getting enough close to possess it and to become a real threat to anybody – whether nearby or far away.

But my point is not to rehash the saga of the Iraq War. Rather, following revisits to Iran in recent time and as a former reform leader in Eastern Central Europe during a time of true revolution and transformation, serving as Poland's Deputy Prime Minister and Finance Minister, I have come to one clear conclusion regarding the current U.S. strategy for Iran.

Assuming the possible American air strike will occur to attack certain facilities linked to Iranian nuclear program, that measure will not deliver the revolution expected by the American 'worriers'. It will only make the situation in that vital country much more complex and difficult to resolve.

What amazes me in reading U.S. newspaper headlines is that, while Iran is receiving much media attention these days, it is primarily concerning the country's nuclear aspirations — but not the issues that really matter on the ground in Iran itself.

As anybody who has visited the country knows full well, given all the socio-economic pressures — including a youth bubble and demographic and technological change — the mullahs' regime is facing tremendous internal pressures.

Having lived in Poland for most of my life, I vividly remember how events unfolded rapidly, even though the Polish people faced a seemingly hopeless situation. In my view, something similar to what happened in Poland in the 1980s could repeat itself in Iran as well. Both are proud nations and despite all their skills, achievements and history, have had to

-

¹ The Economist, February 8th, 2007 ("Next stop Iran?")

contend with unfortunate constellations surrounding them, the manifestation of weaknesses at home at the worst possible moment, aggressive neighbors – and also just sheer bouts of bad luck.

When I went to Tehran, I also had this question in my mind: Why couldn't the Iranian people extricate themselves from their present, very suboptimal circumstances in terms of economic opportunity, freedom of speech and vital human rights just as we Poles have done?

Form there, I slipped into my professional mindset and asked myself to imagine what "The Next Iranian Revolution" would look like? Surely, the 1979 edition – despite the injustices perpetrated by the Shah – was not so much a revolution but a restauration, a significant move backward in time.

The economist in me can sense quite easily that – due to the demographic process and technological change already underway – that forward-looking revolution unlocking Iran's full potential is just around the corner.

Alas, an American intervention would only achieve one purpose -- postpone that critical event by years!

Why is it, I wonder, that some of today's leading politicians are so fixated on the nuclear weapons issue? Why do they not focus with at least equal zeal on triggering Iran's truly nuclear explosion, the power and potential innate to its people?

Remarkably, that - to me and, I assume, most foreigners admiring the historical contribution of the United States to human progress, is the essence of what this country stands for.

Too bad its current leadership so badly neglects America's own historic mission so badly in the case of Iran. After all, it probably is the country that is most ripe for the application of that classic American medicine -- of a powerful dose of economic opportunity and democratic spirit.

At the same time, we all know that Iran is neither an epitome of democracy -- nor it is a part of any evil axis. We would do well to remember that it does have a fine and working system of checks and balances, including the right to undertake votes of no confidence in parliament against the sitting president – something that even the United States cannot claim for itself.

This nation of almost 70 million well-educated people is also a country of robust changes. Few people in the West realize one of the mullahs' biggest challenges. Two-thirds of the population is too young to remember the triumphant come back of Ayatollah Khomeini 28 years ago.

Most of them are not really devoted to the orthodox Shia faith, regardless of what the flickering images on Western TV screens show after Friday prayers.

In my visits, I have found people to be open-minded, multicultural, pragmatic and looking both towards East and West. They are definitely not hostile to the West in general -- and to the United States in particular.

In fact, according the recent Gallup poll conducted in 27 mostly Muslim countries, only in Iran have the sentiments toward the United States improved. The percentage of people with "unfavorable views" of the United States fell between 2001/2 and 2005/6 from 63% to 52% — while, for instance, it rose from 33% to 62% in Turkey.

Instead of pondering bombing this place with bombs – conventional, I hope, not nuclear – and delivered by long-range airplanes, it would be much better to "bomb" with a steady flow of new ideas.

I found Iranians to have a big thirst for more insights into building a knowledge-based economy; about free trade, civil society; the institutional foundations of an open economy and society. About structural market reforms, privatization and the management of public finance.

There is – and not only in Tehran – a tremendous thirst for precisely this kind of know-how. Especially the younger generation – students, professionals, managers, businessmen, new staff in the government administration, both central and local, media people – are all looking forward to learn much more from the outside word. And such knowledge should be delivered.

So, if we want to help the Iranians their next, their real revolution, we should resolve not to bomb them, but invite them – in thousands! – to study at American and European universities.

Of course, there are alternatives. With doors shut in their collective faces, young Iranians will study elsewhere – in India, Russia, China, Egypt, South Africa, Brazil. With all attached implications.

What intrigued me the most during my visits was how eager the Iranians – at the government agencies and in academia, in business and in media – are to learn a lot from us, that is, from the post-communist East Central Europeans and our emerging markets.

At meeting after meeting, conference after conference, interview after interview, I was bombarded with questions: What worked? Why did it work? What failed -- and why did it fail?

They were eager to hear not just about the economic theory, but much more so the policy concepts and plans as well as the political inside story to absorb our experience with privatization of the economy – and restructuring of the government sector.

Iranians widely regard privatization and deregulation not only as fashionable, but as necessary. Interestingly, that conclusion is drawn not only by entrepreneurs, but also within the ruling elite.

That became fully apparent during my most recent working visit to Iran. Influential leaders such as the Secretary General of the Expediency Council, Mohseh Rezaee, and the former Governor of the country's central bank, Majid Ghasem, asked many questions not only about technical matters, but also on the wider implications of the economics and politics of privatization.

In this regard, it is important to note that the process of the denationalization of assets in Iran is to be open to foreign bidders. U.S. companies, though, may find themselves excluded because of irrational U.S. policies.

If that indeed is the U.S. strategy, it should be announced publicly that the current administration plans to leave Iran in its entirety reserved for French, Germans, Italians, Indian and – God forbid! – also Russian and Chinese investors.

Meanwhile, as regards the longstanding U.S. sanctions, most Iranians take them rather easy. "We have been quite accustomed to them for years", the Chairman of the Iranian Industry and Trade Chamber, A. N. S. Khamoushi, told me.

Despite the current bout of media attention, the sanctions hardly work, as they are bound to in a country as rich in natural resources. Indeed, Iran's foreign currency reserves exceed \$50 billion.

Of course, as a Pole, I cannot forget that, a quarter of a century ago, Western countries – led by the United States – imposed economic sanctions against my country.

The Polish government spokesman at the time made it into the history books by saying that, whatever the effect on the population at large, "the government will feed itself."

And so it did! The sanctions had caused much more hardship for the people than for the government, at least for a number of years. Well, U.S. sanctions strategists might argue, the old communist regime did collapse at the end of the day, didn't it?

Yes, indeed, it did -- but that course of events was due to the gradual, home-made process of institutional-building and dialogue between the emerging democratic opposition and the reform-minded part of the government.

In short, Poland's revolution was the result of **our work** -- and not of **their sanctions**! As the adage goes, dialogue (and thinking in general) can create miracles, while war usually generates disasters.

Let's face it, that is the real alternative. If we cannot turn Iran's current President and some of its conservative mullahs into good friends, we should resist the temptation to mask our frustration about our own inabilities by turning millions and millions of Iranian professionals and students into foes.

I am convinced that only someone who is not traveling to Iran and is simultaneously gripped by ignorance and arrogance can miss that a kind of "realism revolution" in the socioeconomic and culture areas that is already well underway in Iran.

While in Tehran, I also turned to ask myself, since I've been asking this question the other people and its their answer, both on the street and in the government offices: Where in the world are Iran's friends?

The answer was: "the U.S. of A., of course. Ever since Ayatollah Khomeini's return from exile in France, nobody has been able to unite this entire nation as much as it is united right now due to the American threat."

In that sense, I can only say, God bless America! For all the world knows that it should rather be the other way around – that Iranians aspire to see the U.S. as a shining example and inspiration to guide them out of their age of relative darkness.

I am amazed to comprehend how it is possible, given all the smarts and intellectual resources readily at hand in the United States and to the government itself that so many, presumably smart (?) people can make so many stupid -- and at the end of the day harmful – decisions for the United States and its people, that is.

And now, the "experts" in Washington, editorial page bosses, think tank pleasers want to gear up to recommit that folly one more time?

That's almost unbearable to believe.

Professor Grzegorz W. Kolodko (kolodko@tiger.edu.pl) – a key architect of Polish reforms and author of his country economic success – is a Director of TIGER, Transformation, Integration and Globalization Economic Research (www.tiger.edu.pl) at the Kozminski Business School (www.kozminski.edu.pl) in Warsaw. In 1989 he took a part in the historical Round Table negotiations. In 1994-97 and 2002-03 he was Deputy Prime Minister and Minister of Finance of Poland. The author of numerous research papers and books, including "From Shock to Therapy. The Political Economy of Postsocialist Transformation" www.oup-usa.org/isbn/0198297432.html (Oxford University Press, 2000) and, most recently, "The Polish Miracle. Lessons for the Emerging Markets" www.ashgate.com/shopping/title.asp?key1=&key2=&orig=results&isbn=0%207546%204535%205 (Ashgate, 2005) and "The World Economy and Great Post-Communist Change" www.novapublishers.com/catalog/product_info.php?products_id=4286 (Nova Science Publishers, 2006).