



IRAN DEMOCRACY MONITOR

The American Foreign Policy Council's Review of
Radicalism and Reform in Islamic Republic of Iran

Iran Democracy Monitor: No. 65

January 6, 2008 **Ilan I. Berman**

Related Categories: Democracy and Governance; International Economics and Trade; Middle East; Iran; Latin America

THE RETURN OF MOHAMMAD KHATAMI

Ever since losing the Iranian presidency to Mahmoud Ahmadinejad in 2005, Mohammad Khatami has retreated from the public spotlight. But now, amid rising domestic discontent over the Iranian government's economic and social policies, Khatami could be poised to make a political comeback. In recent weeks, the "reformist" former president has publicly attacked Ahmadinejad for his haphazard economic choices. He has also helped orchestrate a slate of reformist and moderate politicians that is intended to dilute the current, conservative-dominated make-up of the majles in upcoming legislative elections in March. But observers say Khatami has more than simply mobilizing Iranian moderates in mind; the former president "is testing the ground whether he can make a comeback in the future for presidency," according to one conservative Iranian political analyst. (Agence France Presse, December 27, 2007)

A NEW ALLY IN LATIN AMERICA

Much has been written in recent months about the growing strategic partnership between the Islamic Republic and the regime of Hugo Chavez. Increasingly, however, Tehran appears to be looking beyond Venezuela to other allies in the region. Nicaragua is one case in point. As part of its growing links to the Latin American state, Iran is said to be assisting in the construction of a \$350 million deepwater port at Monkey Point, located on the country's eastern seaboard. It has also pledged some \$500 million in expanded trade with the government of President Daniel Ortega in Managua. In a sign of these growing links, Iran has also established a diplomatic mission in the country's capital.

Some observers see the strengthening relationship as simply an effort on the part of the Islamic Republic to extend its international influence. Others, however, are not so sanguine. "They use their embassies to smuggle in weapons. They used them to develop and execute plans," according to former FBI associate deputy director Oliver "Buck" Revell. "[The Iranian presence] is definitely an area that will be of concern to our national security apparatus." (*San Francisco Chronicle*, December 21, 2007)

IRAN'S DRUG PROBLEM

The Islamic Republic is grappling with a deepening national narcotics crisis brought about by a surging Afghan drug trade. According to Iranian drug enforcement officials, nearly a third of Afghanistan's total annual drug exports end up on the territory of its western neighbor. "Afghanistan produces 8,200 tons of narcotics, 2,500 of which enter Iran," says Mohammad Reza Jahani, deputy head of Iran's anti-narcotics organization. "Of this amount, 700 tons are consumed in the country, 500 tons are seized by the police and the rest, which is about 1,300 tons, is transited through the country." This heavy flow helps explain the high rate of drug use and dependency within Iran. Although official estimates peg drug addicts to make up just three percent of the population (2,000,000 users), observers say that the actual number of narcotics users is considerably higher. (Agence France Presse, December 24, 2007)

COURTING CAIRO

The historically strained ties between Iran and Egypt have become an area of renewed focus for officials in Tehran. In late December, Ali Larijani, the head of Iran's powerful Supreme National Security Council, made a high profile visit to Cairo for meetings with Egyptian Foreign Minister Ahmed Abul-Gheit and other top officials. The result was a thaw in the chilly relations between the two countries, and a renewed commitment to normalized trade and bilateral contacts between the two on-again, off-again regional adversaries.

Perhaps the most controversial part of the thaw, however, has nothing to do with trade. During his visit, Larijani publicly announced that his government was ready and willing to "help Egypt get nuclear energy" if ties are normalized – an offer to which the Mubarak government has not yet responded publicly. (Jerusalem Post, December 30, 2007; Kuwait KUNA, January 2, 2008)