This doctoral thesis offers historical and political analysis of the political system of the Islamic Republic of Iran. It focuses on the formative period of Iranian post-revolutionary statehood and politics as well as origins of a new political system and formation of the revolutionary power structures. The author examines in detail the period of so called Iranian second republic. This era in the development of the Islamic Republic of Iran is generally defined as the period from 1989. This year brought the death of avatollah Khomeini and the amendments of the Constitution of 1979 that have been adopted in order to adapt the system to new political reality. The absence of charismatic leadership of Khomeini requested redesign of the political system. During his lifetime, Khomeini unified the religious and political authority. His successor Ali Khamenei was neither supreme religious leader nor influential political personality with independent power base. As a consequence, he had to share political power with president Rafsanjani who was the engine behind the post-war reconstruction and the architect of economic reforms at the beginning of 90th. Khamenei was not able to play Khomeini's role of supreme arbiter. Instead, we forged an alliance with conservative clergy and supported their interests against the positions of radical-leftist wing of the regime. The popular desire for relaxation of the Islamic regime and demand for reforms were main reasons behind the victory of liberal cleric Mohammad Khatami in presidential election in 1997. He pronounced the program of democratic transformation of the Islamic republic from within. However, he met fierce resistance from the clerical establishment that was finally able to stop the reform process using all the constitutional means which were at their disposal. The reformist lost their battle and electorate as well.