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Building bridges of understanding

## Rouhani's Nuclear Gridlock: Assessing the Domestic Challenges to President Hassan Rouhani's Nuclear Deal with the West

Bahman Baktiari





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### **Executive Summary**

- The governments of the P5+1 and Iran could not finalize a comprehensive nuclear agreement by their self-declared deadline of November 24<sup>th</sup>. Instead, they agreed on another extension of the Interim Agreement for another seven months. This is a setback for Iran's President Hassan Rouhani who had talked optimistically about a win-win agreement before November 24<sup>th</sup>.
- The stakes for a nuclear deal could not have been any higher for President Rouhani and his domestic allies. For him, the prospects of normalizing Iran's relationship with the United States starts with a nuclear agreement. Yet, this prospect also frightens the hardliners who see this prospect as a challenge to their political future.
- The internal Iranian debate is as important as the nuclear negotiations themselves. The nuclear issue and the dispute with the United States are so embedded into the fractured domestic politics of Iran that Rouhani has to navigate the dangerous waters of factional politics very carefully.
- So far, the supreme leader Ayatollah Ali Khamenei has endorsed President Rouhani's nuclear negotiations, and has endorsed the extension of the talks for another six months. But should there be a serious challenge from the hard-liners, will Khamenei continue his endorsement and support for President Rouhani?
- Even though the alignment of factional forces in the parliament, in the security and intelligence services, and in the Revolutionary Guards do not favor his message, President Rouhani still has powerful cards to play against his opponents, and a chance to forge a historic new chapter in the Islamic Republic's foreign policy. He knows that the Iranian supreme leader spent a huge amount of his reputation on the former president Mahmoud Ahmadinejad, who returned the favor by publicly challenging him on numerous occasions, demonstrating Khamenei's ineffectiveness as a supreme leader. Neither of the previous two presidents (Akbar Hashemi Rafsanjani and Mohammad Khatami) ever publicly defied Ayatollah Khamenei the way President Ahmadinejad did. If anything, it is Khamenei who needs Rouhani today.

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## Policy Recommendations

- It is critical for the United States as well as Iran's neighbors in the region to improve their understanding of the Iranian political system, a system in which factions compete with each other and policy choices are debated and contested energetically. Thirty-six years of political separation has complicated the understanding of the Iranian political system, its internal politics, and the decision-making process in the country. However, a careful examination of Iran will indicate the following: The Islamic Republic is not facing any serious domestic challenge to its existence, it is one of the most stable countries in the region, and the young Iranian society is neither conformist nor revolutionary. The gradual evolution of its political system has created a horizontal system of decision-making. Despite the political dominance of the supreme leader, he does not and cannot act outside the general consensus. The system requires him and others within it to seek consensus by persuading and bringing the main figures of the political elite along with major decisions.
- Because the Iranian parliament has to vote to endorse the IAEA Additional Protocols, it is vital for President Rouhani's administration to obtain this approval even though the parliament has not been generally supportive of his win-win approach to the West. President Rouhani can still remedy this problem if he submits the Additional Protocols along with the *fatwa* (ruling) issued by Ayatollah Khamenei that religiously forbids the development of nuclear weapons. Submitting these together as effectively one piece of legislation will dissuade hard-liners from rejecting the protocol supported by the *fatwa* of their supreme leader.
- The likelihood of an eventual agreement is very high, and this will have a significant impact on the geopolitics of the Middle East and Iran's foreign policy. Even among Iran's Arab neighbors in the Gulf there is a sense of inevitability about a final nuclear agreement with Iran and the United States. For Iran's Arab neighbors, a comprehensive nuclear deal will benefit them in the long run. It will reduce international tensions and place Iran in a framework in which its nuclear program is monitored closely. It is a mistake to perceive the nuclear deal with Iran as a zero-sum game, where Iran's gain as their rival is equal to a net loss for them. This is an oversimplification. Accommodating Iran could actually make it more conducive for Tehran to engage in regional diplomacy and seek a resolution of bilateral issues with its neighbors.
- It is instructive to remember that other countries that were enemies and faced each other on the battlefield managed to work out their differences. Prior to World War II, the hostilities between France and Germany far exceeded the enmity between Iran and the United States, and they became partners in the European Community and the NATO. The United States and Vietnam were once engaged in military hostilities for years, and yet, today they coexist in peace and cooperation. Certainly, the enmity between Iran and the United States has not ever resembled the degree of hostilities that once existed between the countries mentioned above. If they can work out their differences, surely Iran and the United States can as well.

## Iran's Fractured Politics and the Nuclear Issue

The 1979 Revolution transformed Iran from a highly centralized regime ruled by one person at the top to a horizontal system of governance characterized by power centers and factions striving for influence and protecting their territories. One expert calls the system “suspended equilibrium,”; a system in which “a number of key institutions work to undermine each other’s agendas and influence” due to lack of ideological uniformity in the ruling elite.<sup>1</sup> In such a system, factions and elites have divided up the system into islands of power controlled by their factions. Others have argued that the Iranian political system is a complicated system marked by “dissonant institutionalization” and dualism of powers.<sup>2</sup> In such a system, despite the political dominance of one person as the supreme leader, he cannot rule like a classic dictator. He must persuade and carry the main figures of the political elite along major decisions by adjudicating “between the claims of an elite made up of thousands of politicians, clerics, generals, academics and businessmen. They form a confusing and ever-shifting pattern of competing factions and coalitions.”<sup>3</sup>

Moreover, in this “organized chaos” system, some factions and power centers may adopt a particular issue as their agenda to further their political goals, paralyzing the decision-making process within the system. The manner in which the nuclear issue became a component of Iran’s fractured politics continues to challenge Iranian leaders as they try to find a diplomatic solution to Iran’s nuclear dispute with the West.

The revelation of the secret nuclear program in 2002 by an armed opposition group opposed to the Islamic Republic politicized the nuclear issue from the beginning. The Mojahedin Khalq Organization (MKO)’s role also pushed the nuclear issue deeper into Iranian politics, and with the Bush administration declaring Iran a member of an Axis of Evil in February 2002, the Iranian leadership saw the action of the MKO as an insidious attempt by the United States and Israel to bring regime change in Tehran. Many commentators believed that “MKO was used as a front for release of the information, probably by Mossad.”<sup>4</sup> In sum, the manner in which Iran’s secret nuclear program was exposed forced the leadership into a defensive posture, splitting the political ruling elite and changing the dynamics of Iranian internal politics.

President Hassan Rouhani’s election in 2013 and his nuclear diplomacy constitute the third phase of nuclear politics in Iran. The first phase involved negotiations and engagement (Khatami’s presidency 2002–2004), the second phase shifted the nuclear debate into nationalistic resistance (2004–2013), and the third phase brought a new centrist president who advocated a rapprochement with the West (2013–present).

### Phase I: Negotiation and Diplomacy (2002–2004)

Faced by external criticism and potential economic sanctions, Iranian leadership decided to engage the International Atomic Energy Agency (IAEA) about its nuclear program. President Khatami understood the extent of the problem when he publicly confirmed the developments in Natanz and Arak in February 2003. The reformist president and his advisors realized that Iran’s international credibility would suffer, and Iran stood to lose much if it did not initiate a series of confidence-building measures. Domestically, Iranian leaders realized that their best option is to weave a nationalist narrative around the nuclear issue and connect this to the three main discourses that constitute the identity of the Islamic Republic since its

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<sup>1</sup> Mehran Kamrava, Houshang Hassan-Yari, “Suspended Equilibrium in Iran’s Political System,” *Muslim World*, vol. 94, October 2004, p. 497.

<sup>2</sup> Dan Brumberg, “Dissonant Politics in Iran and Indonesia,” *Political Science Quarterly*, vol. 116, no. 1, 2001, p. 382.

<sup>3</sup> *The Economist*, November 1, 2014.

<sup>4</sup> Axworthy, op. cit. p. 382.

foundation: independence, justice, and resistance. The strategy involved linking the nuclear discourse to Iranian history, foreign victimization, national dignity, honor, and respect in order to mobilize public opinion. The leadership consciously pursued a public campaign to fit the nuclear debate into the identity of the Islamic Republic by emphasizing how nuclear efficiency Iran guarantees Iran's independence. They insisted that Iran's nuclear program is peaceful and directed toward civilian purposes, and they made a rational argument for Iran's needs to diversify its energy resources in order to meet rising domestic demand. In sum, Iranian officials and media have pointed to the fact that nuclear energy/products can be used in various fields—from medical equipment to agricultural development. In other words, the nuclear program became an important component of the economic and social development of the country.<sup>5</sup>

From their perspective, this was the only way Iran could negotiate from a position of strength. Yet weaving a nationalist narrative also allowed different factions to put their own spin on the program by using the issue to advance their political and factional interests. The politicization of the nuclear issue around the themes of Iran's national dignity, *ezzate' melli*, national pride, and scientific achievements pushed the nuclear program of Iran into another level. Iranian officials routinely drew analogies from important periods of Iranian history, such as the 1828 Treaty of Turkmenchai with Russia and the Oil Nationalization Movement of the late 1940s and early 1950s. Iranians regard the 1828 treaty with Russia as one of the most humiliating events in their long history.<sup>6</sup> Rouhani in his book references this treaty when he talks about Iran's experience with foreign powers.

President Khatami and his national security advisor Hassan Rouhani did their best to come up with a compromise solution to Iran's nuclear dispute. They engaged the IAEA and members of the EU 3 (Britain, France, and Germany) and agreed to sign the IAEA Additional Protocols, which allow for intrusive inspections of Iranian nuclear facilities. But the United States refused to go along with these negotiations. This put Rouhani and his pragmatic team between a rock and a hard place. Rouhani had managed to get the approval of the supreme leader Ali Khamenei for his negotiations and temporary suspension of Iran's nuclear activities. Yet the intransigence of the United States led to the failure of the negotiations. In his book, Rouhani describes in detail how his nuclear strategy and negotiations were undermined by the United States.<sup>7</sup> Hence, one lesson for Iran from the failed negotiations was that it needs to engage the United States directly and bilaterally. Later as president, Hassan Rouhani engaged the United States directly and opened an unprecedented channel of communications between Tehran and Washington.

## **Phase II: Nationalistic Resistance (2004–2013)**

The failure of Rouhani's nuclear negotiations in 2003–2004 was a miracle for the hard-liners and his conservative rivals. The election of Mahmoud Ahmadinejad in 2005 pushed the nuclear issue into another level, a non-compromising level, with a hardening of Iranian attitude. "To improve their electability at home, conservatives framed the nuclear negotiations as a sign of reformist weakness. Hardliners labeled President Khatami's nuclear negotiating team as spies, traitors, and tools of the West, who sold out the rights and ambitions of the country. They even jailed Hossein Mousavian, one of Khatami's top nuclear negotiators, and charged him with espionage."<sup>8</sup> In 2006, nearly 27 years after the revolution, President

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<sup>5</sup> H. Moshirzadeh, "Discursive Foundations of Iran's Nuclear Policy," *Security Dialogue*, vol. 38, no. 4, December 2007, p. 524.

<sup>6</sup> On November 17, 2014, Ebrahim Karkhanei, head of the subcommittee on Nuclear Program in the parliament, used the Turkmanchai Treaty analogy, saying that in their latest round of negotiations, "Americans want to impose a nuclear Turkmanchai treaty on Iran by forcing us to stop our nuclear enrichment, demanding a long-term halt to activities at Arak, and expanding IAEA inspections to military sites not involved in the nuclear program." . Radio Farda, November 17, 2014

<sup>7</sup> *National Security and Nuclear Diplomacy*, op. cit. pp. 640–645.

<sup>8</sup> Alireza Raisi, "Why Domestic Politics Still Matter in Iran's Nuclear Policymaking," *Jadaliyya*, May 4, 2013, p. 1

Ahmadinejad in an interview with the German magazine *Der Spiegel* repeated the points made by the Shah: "At what point has scientific progress become a crime? Can the possibility of scientific achievements that can be utilized for military purposes be reason enough to oppose science and technology altogether? If such a proposition is true, then all scientific disciplines, including physics, chemistry, mathematics, medicine, engineering, etc., must be opposed."<sup>9</sup>

In 2006, the supreme leader Ayatollah Ali Khamenei reminded a group of academics, "We are still at the beginning of our scientific progress and should continue our way by relentless efforts." He urged the professors to show "scientific courage, innovation, national pride and self-confidence as well as being hard working and preventing the copying of Western scientific development."<sup>10</sup> A senior Iranian diplomat opined in 2006, "The leader's view is that we should negotiate if our dignity is respected. This is an Iranian mentality rooted in a long history."<sup>11</sup>

By the time Ahmadinejad's presidency was about to end, the nuclear issue was the most important political narrative in the country. From the supreme leader to the president, the parliament, judicial and military bodies, Friday prayer leaders, teachers, even schoolchildren, all were involved in the nuclear narrative inside Iran. In sum, Iran's nuclear program was described as a legitimate and important component of the economic, social, and political development of the country. The strategy involved linking the nuclear discourse to Iranian history, foreign victimization, national dignity, honor, and respect in order to mobilize public opinion.

As Iranian leaders insisted on their policy of resistance and refused to negotiate, Iran faced more international sanctions and isolation. In 2005, the UN Security Council approved six resolutions, four of which imposed sanctions on Iran. The United States Congress passed several sanctions against Iran, forcing other countries to adopt similar sanctions. In 2012, the EU passed a resolution imposing an embargo on Iranian oil, and the 2012 exclusion of Iranian banks from SWIFT essentially halted all financial transactions with Iranian banks. Khamenei/Ahmadinejad's strategy led to unprecedented sanctions against Iran, affecting its economy, oil exports, financial transactions, and the banking sector. For the average Iranian on the street, nuclear energy did not create jobs; it did not change the chronically low efficiency, productivity, and effectiveness of the economy and management; and it did not improve Iran's commercial ties with the rest of the world. According to Iran's Central Bank, inflation was running at 44%, youth unemployment was 28%, and the oil embargo reduced Iran's oil exports to less than 1 million bpd.<sup>12</sup> According to one report, in 2012–2013, "the loss of revenues from oil, coupled with the cut-off of Iran from the international banking system, caused a sharp drop in the value of Iran's currency, the riyal; raised inflation to over 50%; and cut off Iran's access to most of its hard currency held outside the country. Iran's economy shrank by about 5% in 2013 as many Iranian firms reduced operations and loans became delinquent."<sup>13</sup> Ayatollah Khamenei remained defiant, saying that "the enemy" had targeted the economy, preventing its growth in an effort "to detach people from the Islamic system." The solution, he said, was "the economy of resistance."<sup>14</sup>

The punitive international sanctions combined with internal factional rifts forced the Iranian ruling elite to

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<sup>9</sup> *Der Spiegel*, May 30, 2006.

<sup>10</sup> Quoted in "Seeking International Legitimacy: Understanding the Dynamics of Nuclear Nationalism in Iran," by Bahman Baktiari in Judith Yaphe, edited, *Nuclear Politics of Iran*, Washington: National Defense University, 2011, p. 22.

<sup>11</sup> Islamic Republic News Agency (IRNA), October 12, 2007.

<sup>12</sup> Quoted in Robert Litwak, op. cit. p. 44.

<sup>13</sup> Ken Katzman, *Iran Sanctions*, Washington: Congressional Research Service, 2014, p. 2.

<sup>14</sup> *The Financial Times*, September 10, 2012.

reevaluate their nuclear strategy and engage in secret talks with the United States in March 2013. The surprise election of a pragmatic centrist president who campaigned on the platform of “moderation and prudence” and called for a rapprochement with the West was a signal by a large majority of Iranians who were exhausted with the decade long conflict with the West. Rouhani’s slogan of “it is important for centrifuges to spin, but people’s lives should run too” resonated with a large majority of Iranians.<sup>15</sup>

With the election of Hassan Rouhani as the 11th president of the Islamic Republic of Iran, a majority of Iranians hope that this seasoned politician with experience in nuclear diplomacy can finally resolve one of the most difficult and vexing foreign policy issues that threatened the survival of the Islamic Republic. In contrast to other previous presidents elected in Iran, Rouhani has deep connections inside the Iranian political system and has maintained close relationships with figures at the center of power since Iran’s 1979 Revolution. The title of a “regime insider” suits Rouhani perfectly. When it comes to the business of running the Iranian government, Rouhani has a deep understanding of the workings of the Iranian political system, what it takes to persuade and carry the main figures of the political elite along with major decisions. His cautious personality has made a seasoned politician out of him, with three decades of national security experience and a diverse network of supporters within the Iranian political system, known as *nezam* in Persian. Rouhani was an influential figure during the eight years of war with Iraq (1980–1988), served in the Iranian parliament for six consecutive periods (1980–2000), served as the secretary of the Supreme National Security Council from 1989 to 2005, and since 1997 has been a member of the Expediency Council, a powerful body chaired by Akbar Hashemi Rafsanjani.

Unlike former presidents Mohammad Khatami and Mahmoud Ahmadinejad, he has not tied his political career to one or two factions and is respected by powerful and pragmatic elements within all factions that make up the national security establishment in Iran. He has authored a book entitled *National Security and Nuclear Diplomacy*, published quietly in Iran in 2011, unnoticed by most people before his election in 2013. In the book, Rouhani explains his experience as Iran’s nuclear negotiator for 22 months during the Khatami presidency. The book also discusses Iran’s nuclear negotiations with the EU 3 (UK, Germany, France), giving a remarkably honest and straightforward explanation of the agreements he signed with them. He also does not shy away from criticizing policy decisions made during Ahmadinejad’s presidency. By virtue of his experience and personality, Hassan Rouhani was the only candidate to promise a change for the better. He defeated his opponents in the first round, demonstrating the lack of support for the conservative agenda advocated by his rivals. After his election, people poured into the streets, chanting, “Ahmadi, bye-bye.”<sup>16</sup>

### **Phase III. Rouhani’s Presidency and the Nuclear Negotiations**

Immediately after his election, Rouhani convinced the supreme leader to transfer the nuclear file from the Supreme National Security Council (SNSC) to the foreign ministry under the direction of an experienced diplomat trusted by Rouhani and Khamenei. Javad Zarif had been involved in earlier nuclear negotiations, and this experience was key to resolving the nuclear dispute. According to sources inside Iran, Khamenei agreed to the transfer of the file to the foreign minister and start the negotiations but has continued to maintain his skeptical attitude toward the United States, believing that Washington still intends to destabilize the Islamic Republic and is committed to a regime change in Tehran. While not hiding his reservations, he empowered Rouhani to negotiate with the United States and the Europeans. If

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<sup>15</sup> CNN, June 13, 2013.

<sup>16</sup> For a good analysis of the factors contributing to Rouhani’s election, see Clifton W. Sherrill, “Why Hassan Rouhani Won Iran’s 2013 Presidential Election,” *Middle East Policy*, vol. XXI, no. 2, Summer 2014.

negotiations fail, Khamenei can always maintain that he did not support it; if they succeed, he will allow Rouhani to take the credit for it.

A month after his inauguration, President Rouhani traveled to New York to give a speech at the UN General Assembly in September 2013. His nuclear negotiators were working hard in Vienna to come up with a draft interim agreement that will set the stage for a comprehensive agreement. Rouhani had coordinated his trip to New York with the supreme leader, who in a speech to the Iranian Revolutionary Guard Corps (IRGC) on September 17, 2013, unveiled a new chapter in Iranian diplomacy, emphasizing that rapprochement and negotiations would be carried out with “heroic flexibility.” Although some argued that Khamenei had intentionally remained ambiguous, exercising what Iranians call “creative ambiguity.” This way, both sides can claim their own interpretations of what Khamenei could have meant by “heroic flexibility.”

The most surprising aspect of Rouhani’s first visit to New York in September 2013 was not his speech at the UN but his September 27 telephone conversation with President Obama. This was the highest level of contact between the two countries since the 1979 Revolution and was a major public development that broke the ice and prepared the ground for an interim nuclear deal. Rouhani also surprised the Iranian public when he accepted a telephone call from President Obama. The historic telephone call was the climax of a dramatic shift in tone between the United States and the Islamic Republic of Iran. After returning home, a large group of people greeted him with cheers, and many others expressed their excitement and praise via social media. But a small group of hard-liners had also showed up to pelt his entourage with eggs, a sign that Rouhani has a complicated path ahead of him.

### **Domestic Reactions to the Interim Agreement—November 2013**

In November 2013, Iran and P5+1 announced the signing of an interim agreement that obligated Iran to cease its enrichment activities for a period of six months in return for getting access to \$4.2 billion of frozen assets overseas. Close to \$100 billion of Iranian oil money is frozen overseas, but this small step eased restrictions on trade in petrochemical products, precious metals, and parts for aircraft and cars, a package thought to be worth \$7 billion to its economy over six months. It was reported that the supreme leader had reviewed the interim deal several times and told his advisers that he cannot see anything in the agreement that accepts Iran’s legitimate rights to enrichment. Yet he consented to the agreement. Negotiators may have intentionally left out any references to Iran’s “right” to enrich uranium, but not specifically banning it can be construed as the compromise language.

Conservative media did not waste any time rounding up critics for interviews, ramping up efforts to undermine the interim deal and bolster their position in the domestic scene. The reaction from the commander of Iran’s Revolutionary Guards, Ali Jafari reflected Iran’s conservative establishment’s reaction to the deal. While publicly expressing timid support for the negotiating team, he set very clear redlines: “Everyone must help the negotiating team and Iran’s diplomatic corps so that they come to the talks with firm support and national unity and insist on the basic nuclear rights of the Iranian people, including a full nuclear fuel cycle, a clear and complete acknowledgment of Iran’s nuclear rights, [and] the complete removal of the sanctions. ... The officials must be wary of the violation of agreements and the sinister and evil intentions of the United States and some of the Western countries. If the responsible parties see any sort of violation of Iran’s natural nuclear rights or exploitation of the agreement by the West and the



United States, they must resolutely declare the cancellation of the agreement.”<sup>17</sup>

Hard-liners in the parliament also reacted to the interim agreement. Hamid Rasai, a prominent member of the *Endurance Front* and an Ahmadinejad supporter, used his speech broadcast on Iranian TV to denounce the agreement, using the term “poison chalice.” In 1988, Khomeini had used the term when he reluctantly accepted a cease-fire with Iraq in 1988, saying the decision was like drinking from a poison chalice. Rasai also criticized the transfer of the nuclear file to the Foreign Ministry, asking Khamenei to return it to the National Security Council. Other MPs urged the parliament to pass a law allowing the country to enrich uranium to 60%, knowing that this announcement will undercut the nuclear negotiations. It was reported that 2/3 of the MPs had signed the bill, but the leadership in the parliament did not bring it for a vote.<sup>18</sup> If it was not for Ali Larijani and his supporters in the parliament, Rouhani would have lost the battle in the parliament.

The Iranian foreign minister defended his actions in a session with the parliamentarians. He also responded to the criticism from the commander of the Revolutionary Guards: “I do not share his opinions and belief system and think what we [the negotiating team] achieved is noteworthy. ... Some claim that I lack all security-military qualifications; I claim that I taught national-security studies for decades and read numerous documents related to American national security.” Zarif continued by saying that “the main fear of the United States is not of Iranian weapons but of the power of the Iranian nation. ... If we do not understand the rationale of the government, we will not be able to deal with our enemies ... in any case the final adjudicator when it comes to continuing or ending the nuclear negotiations is the leader, Khamenei. ... I am only a negotiator. ... I too am not optimistic [an allusion to Khamenei’s speech in which he said he was not optimistic about the outcomes of the negotiations] about the negotiations and we put our trust in God.”<sup>19</sup> Zarif managed to survive the challenge by parliament and several impeachment attempts by the hard-liners. In April 2014, he survived a motion by 75 MPs who wanted to censure him for “publicly denouncing hard-line positions and asserting that the Holocaust was a horrifying tragedy.”<sup>20</sup>

Opponents of the interim agreement had to walk a fine line since it seemed clear to all that the supreme leader supported this deal, although reluctantly and with reservation. Since the nuclear negotiating team had to continue its negotiations toward a final settlement, and a large majority of the Iranian public supported Rouhani’s approach, conservative media commentators were careful in their criticism. A typical example of this cautious approach was present in editorials of the *Kayhan*. In one editorial entitled “Why Not be Serious?” it went out of its way to emphasize the revolutionary background of the negotiators, stating that they are trustworthy and reliable people who have a complicated task before them, but is a vague reference to the leaders of the Green Movement. The editorial stated “even the sons of the revolution with a clear revolutionary record can sometimes fall to evil intentions and make mistakes.”<sup>21</sup>

Under the direction of a political faction known as *the Endurance Front*, these opponents have held meetings, conferences, and rallies under headings like “We Are Anxious,” and the Committee for the Preservation of Iran’s Interest (*Komiteh Seanat az Manafe’ Iran*) has issued several communiqués highlighting what they describe as the futility of holding negotiations and warning Iranian nuclear

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<sup>17</sup> See the *Serat News*, December 10, 2013. Also in Michael Segall’s “The Internal Iranian Struggle in the Aftermath of the Geneva Nuclear Agreement,” JCPA, January 14, 2014.

<sup>18</sup> Ibid. *Fars News*, December 18, 2013.

<sup>19</sup> Ibid. *Khabar online*, December 18, 2013.

<sup>20</sup> *The New Yorker*, May 26, 2014.

<sup>21</sup> Segall, op. cit.

negotiators not to overstep the redlines established by the supreme leader. In May 2014, they held a conference and a meeting at the former American embassy building and issued public statements that Iran's negotiating team was ignoring national interests in the nuclear talks, which resumed on May 13 in Vienna. "The whole nation believes the main intention of the United States is to fully halt the Iranian nuclear program," said MP Fatemeh Alia, who is a central committee member of the hardline *Endurance Front*, previously allied to the former president Mahmoud Ahmadinejad.<sup>22</sup> "Since the beginning of the drafting of the final nuclear agreement with Iran is scheduled for May 13 this year, the analysts, the university students, the elites, and the university professors wish to express their worries to the [Iranian] nuclear negotiators, hoping that they would heed such concerns." Esmail Kowsari, another critic and former supporter of Ahmadinejad, argued that Western sanctions have not been removed and the nuclear negotiators cannot trust their counterparts.<sup>23</sup> To appease the critics, Khamenei ordered a review of the negotiators' performance. "I agreed to the government's initiative to negotiate, just to break the hype," Khamenei said in a speech last month, marking National Nuclear Technology Day. But Iran would continue to resist the designs of the "global arrogance," he said, referring to the United States. "The activities of the Islamic Republic in the area of nuclear research and development will not stop in any way. None of the nuclear achievements of the country can be given up," Khamenei said. As a fallback, Khamenei continued to argue that sanctions can be rendered ineffective by increased economic self-sufficiency and by attracting investment from non-Western partners, such as China.<sup>24</sup>

As the deadline for the interim deal approached in July 2014, Rouhani could not remain silent in the face of these criticisms. Although he was confident of his relationship with the supreme leader, he had learned from his previous experiences that this could change at any moment, and Khamenei is susceptible to pressures from the hard-liners. He had no choice but to take a more assertive public approach and defend his policies: "Through lies and hype, some people are trying to derail the government from its path, and this is against national interest and the leader's order ... Iran does not compromise the people's interests."<sup>25</sup> He also said that "some people seriously have nothing better to do ... they have no work, no profession, they are with delusions. They are incessantly worried about people's religion and the afterlife. They know neither what religion is nor the afterlife, but they are always worried."<sup>26</sup>

Clearly, Rouhani's tone and language indicated that he is angry and frustrated with the hard-liners trying to block his programs. According to one observer of Iranian politics, "It's not clear why Rouhani chose this time to attack his nuclear critics. In the brief video provided of the president's speech, he looked genuinely angry, and Zarif, Iran's top nuclear negotiator who was sitting to his right, looked genuinely surprised by the president's tone. Rouhani has lashed out at critics before, but his tone and language has never been as harsh as in this latest speech. It's possible that the president made a calculated decision to push against critics now, when the nuclear negotiations have been extended to a November deadline and there is no specific deal for the hard-liners to attack. It could also be that the president, having been attacked on his cultural policies and embarrassed by the arrests of journalists, is simply lashing out against conservative foes."<sup>27</sup>

In an appearance at the Council on Foreign Relations in September 2014, Foreign Minister Javad Zarif

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<sup>22</sup> IRNA, May 5, 2014; BBC News, May 10, 2014; *Financial Times*, May 5, 2014.

<sup>23</sup> Ibid.

<sup>24</sup> *The Guardian*, May 4, 2014.

<sup>25</sup> Ibid.

<sup>26</sup> Al-Monitor, June 2, 2014.

<sup>27</sup> Arash Karimi, "Rouhani Criticized in Iran Media for Saying 'to Hell' with the Critics," *Al Monitor*, August 12, 2014.

warned of the impact of a failure on Iran's foreign policy: "We started a process with the aim of changing the foreign policy environment of the country. Now if in spite of our efforts to be accommodating, we fail, then the Iranian people have an opportunity to respond to our failure in about a year's time."<sup>28</sup> He was clearly hinting at the domestic politics of his country and the coming 2016 parliamentary elections. Since Zarif was involved in previous nuclear negotiations in 2003, he remembers the 2004 parliamentary elections, when the nuclear issue became a highly politicized issue, used by the conservatives to win a majority in the parliament. He was warning his audience in New York that they need to be aware of this historical lesson and not push Iran into a corner.<sup>29</sup>

Conservative media immediately capitalized on Zarif's comments in New York, accusing him of inviting foreign interference into Iranian domestic politics. The *Kayhan* issued an editorial warning of a new American scheme, rejecting Zarif's comments that Rouhani would lose public support if it fails to achieve a nuclear deal with the West, and attacked Zarif, declaring that "in the nuclear challenge, the enemy is not only confronting the honorable administration but also a great nation which follows [the supreme leader's] commands. They are bound to fail in their trickery as they have failed in dozens of more complex ones."<sup>30</sup> The editorial warned Zarif that they should not forget their moral duties to the Islamic Republic: "In the meantime, to prevent the enemy from becoming more greedy the honorable president and the nuclear team must be more in sync with the teachings of the Islamic Revolution. For example, while the United States loses no chance to show its enmity and vindictiveness and to ignore its commitments, it is not proper for our dear brother Dr. Zarif to declare that 'if Obama promises, we will trust his promise!'"<sup>31</sup>

Ayatollah Ahmad Jannati, the powerful chair of the Council of Guardians, reminded his hardline supporters that the "seditionists" are conspiring to take advantage of a possible nuclear deal for their electoral gains in the 2016 parliamentary elections, and the takeover of the leadership of the powerful Assembly of Experts, an influential institution charged with selecting the next supreme leader. Another powerful hardline figure, Ayatollah Ahmad Alamolhoda, Friday prayer leader in Mashhad and a member of the Assembly of Experts, claimed that one cannot eliminate the sources of Iranophobia by holding negotiations with them. Using the analogy of Imam Hussein and Yazid, he asked his audience if Imam Hussein would have ever negotiated with the enemy Yazid.

On October 29, supporters of former president Ahmadinejad launched another attack on Rouhani and his nuclear negotiating team. Their newspaper *Vatan*, owned by Mehrdad Bazrpash, a confidant of former president Mahmoud Ahmadinejad, attacked the media for paying too little attention to the nuclear talks. "Beyond our borders there is a wealth of news regarding the negotiations, an issue which unfortunately remains far from the minds of the people at present. This news speaks of the current round of negotiations which ... could result in an agreement that would be detrimental in every sense of the word and further endanger Iran's national rights. In all of this, it is crucial that revolutionary media correctly interpret the news they receive and refrain from publishing items simply for their exciting content."<sup>32</sup>

Emboldened by the latest media attacks, on November 9, 200 members of the Iranian parliament signed a letter to the Speaker of the parliament, warning him that they will not support a deal that violates Iran's

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<sup>28</sup> Conversation with Iran's Foreign Minister, Council on Foreign Relations, September 17, 2014. <http://www.cfr.org/iran/iranian-foreign-minister-pledges-support-iraq-fight-against-isis/p33463>

<sup>29</sup> For a good analysis of Zarif's comment, see Farideh Farhi, "Distrust and Verify," *Slate*, November 13, 2014.

<sup>30</sup> *IranWire*, September 23, 2014.

<sup>31</sup> *Ibid.*

<sup>32</sup> *The Guardian*, November 11, 2014.

sovereign rights to enrichment activities and that they will not accept any IAEA inspections beyond what is required in the NPR Treaty. The chair of the parliament's National Security and Foreign Affairs Committee Alaeddin Boroujerdi is on record saying that Rouhani has to submit the accord to the parliament for ratification and approval. According to Article 77 of the Iranian Constitution, "all international treaties, protocols, contracts, and agreements must be approved" by the parliament. He also mentioned that the parliament may not support a deal that calls for gradual lifting of sanctions.<sup>33</sup>

## Raising the Stakes

The negotiations between Iran and the world powers have been extended until July 1, 2015. By extending the talks, Iran and P5+1 have avoided a total collapse, however, they have also increased the stakes, making it certain that a failure to reach a final deal will have dire consequences for everyone.<sup>i</sup> As far as Iran's domestic politics is concerned, the extension allows the conservatives who dominate Iran's Revolutionary Guards, parliament and media to redouble their efforts to kill the talks.

Immediately after the extension agreement, President Rouhani stressed that, "today the negotiating sides have believed that resorting to pressure and sanctions are useless in dealing with the Iranian nation." He once again repeated his previous slogan during his presidential election that "It is good to have centrifuges running provided people's lives and livelihoods are also running."<sup>34</sup> Rouhani's reference to "the wheels of people's lives" meant that he does not see the nuclear negotiations as a zero-sum gain. Yet, the supreme leader Ayatollah Khamenei again emphasized what is important for him: "In the (nuclear) negotiations, if sensible things are said and fair and wise arrangements are made, we will agree to them; but, Iranians, from the top all the way to the bottom (of social strata), from the masses of the people to all its officials, will stand up to excessive demands (*Ziyadeh Khahei*)."

There was criticism of Rouhani in hardline media and among conservatives in parliament. The hardline Kayhan daily issued an editorial on November 25<sup>th</sup> criticizing the naiveté of President Rouhani and his negotiating team: "Is this called extension of negotiations? Some diplomats say since part of the agreements are about generalities and some details are left out, this is a kind of "unwritten (verbal) political agreement".<sup>35</sup> In another editorial, the paper reminded President Rouhani and his nuclear negotiators that "the concern of America and its allies over the possibility of nuclear weapons production in Iran is only a "pretext" and has no importance... The opponent's real concern...is Iran's rapidly growing power in the region. The 'sanctions' are used as a weapon and lever to counter this power and not to prevent Iran from moving towards producing a nuclear bomb! So, it is naive to expect that America and its European allies would stop imposing sanctions even if they see the technical and legal evidence and the documents presented by the IAEA's inspections, which show the peaceful nature of Iran's nuclear activities."<sup>36</sup>

The extension also provides more opportunities for Rouhani's opponents inside the Iranian parliament to intensify their efforts to kill the extended talks. The First Vice-Speaker of Iran's parliament, Mohammad Hasan Abutorabifard, said that the latest nuclear negotiations proved that "the USA cannot be trusted" since they are "willing to sacrifice the USA's national interests for those of the illegitimate Zionist regime."<sup>37</sup>

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<sup>33</sup> See interview posted here: <https://www.facebook.com/video.php?v=719571104790999&set=vb.530854793662632&type=2&theater>

<sup>34</sup> Asia News Monitor, November 28, 2014

<sup>35</sup> Kayhan, November 25, 2014

<sup>36</sup> Ibid. December 2, 2014.

<sup>37</sup> The Islamic Consultative News Agency (ICANA), November 25, 2014.

The leader of the conservative faction in the parliament, Gholam Ali Haddad-Adel, told his colleagues that “today, we are in a crucial situation in terms of nuclear talks and sanctions. We, Majles MPs, who consider ourselves the spiritual and political children of our martyred teacher and imam, in keeping with the words of our leader tell the Americans explicitly: Lest you presume that you can once again find a way into Iran through the cruel sanctions that you have imposed under the pretext of nuclear threat...Lest you presume that you can change the outcome in your favor through nuclear negotiations and use of threat, bribery and promise of extension ..The Iranian nation would not sell its independence for the promise of comfort that you offer...We trust our negotiating team and are certain that they would not make a deal with the enemy over the interests of the nation.”<sup>38</sup>

Hardliners in the Iranian parliament have demonstrated very well that under specific conditions, such as Iran agreeing to a deal that does not lift the international sanctions, they can scuttle a final deal between Iran and the world powers. Despite this, as long as the supreme leader Ayatollah Khamenei publicly supports the nuclear talks, the deputies will not risk their political career to undermine the process. The Speaker of the parliament, Ali Larijani, is a close ally of the supreme leader, and as of this writing, he has been supportive of Rouhani and his nuclear negotiations.

## Conclusion

The internal Iranian debate is as important as the nuclear negotiations themselves. For Rouhani and Zarif, the era of extremism and securitization of politics have ended, and Iran needs to move forward and beyond its revolutionary identity.<sup>39</sup> For hardliners, a nuclear deal would undermine the revolutionary identity of the Islamic Republic.

Since his election, President Rouhani has maintained an optimistic posture on possibilities of a comprehensive nuclear agreement with the U.S.—or as he calls it, a win-win deal for all. “I think a final settlement can be achieved ... the world is tired and wants it to end, resolved through negotiations.”<sup>40</sup> However, as this report indicates, internal opposition to a permanent nuclear deal is a real possibility. A viable comprehensive nuclear deal with Iran must be based upon an understanding of the internal dynamics of Iranian politics, within which Iran’s officials and media interpret the nuclear issue. President Rouhani’s engagement in nuclear negotiations enjoys the support of a large majority of Iranians, and this has marginalized the idea of resistance. Yet his nuclear opponents are looking for any measure that leads to the confirmation of their beliefs about the untrustworthiness of the United States and are keeping tabs of foreign intrigues to undermine the independence of the Islamic Republic.

As Iran oil revenues have dropped by 30%, the lifting of sanctions is key to Rouhani’s political influence inside Iran. Although the hard-liners in Iran have so far failed to break the consensus in favor of nuclear negotiations with P5+1, they could agitate against a deal by polarizing the internal situation, hoping such polarization will force the supreme leader to reconsider his conditional support for Rouhani. As one observer has mentioned, some of the hardliners “may fantasize that the supreme leader will shut down negotiations entirely, as he did in 2005. But, mostly, they know all too well that it is too early in the process

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<sup>38</sup> Mehr News, November 30, 2014.

<sup>39</sup> The IRGC Commander Mohammad Ali Jafari criticized Zarif for stating that Iranian diplomacy and nuclear negotiations have made Iran more secure and immune to foreign attacks. Jafari reminded Zarif that Iran owes its security to thousands of martyrs who sacrificed their lives for the revolution and continue to defend the principles of the Islamic Revolution. See BBC Persian, December 3, 2014.

<sup>40</sup> *The Economist*, November 1, 2014.

for Khamenei to take such a drastic step ... After all, Ayatollah Khamenei does not want to be remembered as the one who obstructed negotiations."<sup>41</sup> According to one source, "Right now people complain—they are typically impatient—but at the same time, people know that our lives will improve ... If a [nuclear] deal happens, the most credit won't go to Khamenei but will go to Rouhani, and it will be much harder for hardliners to attack them. They will lose their weapons."<sup>42</sup>

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<sup>41</sup> Markets in Tehran reacted negatively to the news with Iranian currency the rial losing more than 5% of its value in the unofficial market. "The devaluation has clear political and economic implications: it will revive inflation, slow or stop economic growth, and increase the pressure on Iranian President Hassan Rouhani as his government tries to make good on the election promises he made 18 months ago." **Djavad Salehi-Isfahani**, "Is Iran's Rial in Free Fall?," *Lobelog*, December 2, 2014.

<sup>42</sup> *IranWire*, November 5, 2011.

<sup>43</sup> *The Christian Science Monitor*, November 11, 2014.

