Domestic Challenges and Foreign Policy: The Case of Iran and Its Nuclear Programs

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Domestic Challenges and Foreign Policy: The Case of Iran and Its Nuclear Programs

John Farid Boutros

Abstract

This thesis investigates the factors that motivated Iran to sign a nuclear agreement with the US and five other major international powers, known as the P5+1 group, in 2015. Although the Iranian regime’s ultimate goal in signing the deal was to lift economic sanctions and end Iran’s international isolation, it is obvious that its main objective was to ensure the regime’s survival. The international community imposed sanctions on Iran after it refused to suspend its nuclear program, which led to an economic crisis that crippled Iran.

The thesis investigates the questions: Why has Iran shifted its position all of a sudden? What made Iran’s Supreme Leader, Ayatollah Ali Khamenei, change his views? How can regimes and governments that are driven by ideology be pragmatic and resilient at times?

Furthermore, this study will demonstrate the balance between Iran’s ideological views with pragmatism to achieve its goals. Iran was well aware of its economic challenges, which could have posed a threat to its domestic stability, similar to the uprising witnessed in neighboring nations. As a result of the nuclear deal, a strengthened regime, most economic sanctions were lifted and ended Iran’s international isolation.

Keywords: Iran, Middle East, Nuclear Weapons, Foreign Policy, Nuclear Deal.
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Chapter One

Motivating Factors for Iran’s Nuclear Deal

Introduction

Iran has been at odds with the international community, and specifically the United States, over its refusal to suspend its “peaceful” nuclear program. The United States (US) and its allies’ main objective was to prevent Iran from acquiring any nuclear weapons. As a result, the international community imposed sanctions on Iran, economically and politically isolating it from the rest of the world. Despite this isolation, Iran continued to resist the increased international pressure imposed on the country ever since the United Nations Security Council passed resolution 1696 in 2006 (United Nations, 2006).

The Iranian regime asserted that it has the right to nuclear energy and that no power can prevent it from enriching uranium and developing its “peaceful” nuclear program. Nevertheless, in 2013 Iran suddenly decided to cooperate with the United States and a series of talks began, shifting its position from refusing to suspend its nuclear program to limiting its nuclear activities in exchange for loosening sanctions.

Since the beginning of the crisis between Iran and the US, key players have recognized Iran’s reluctance to engage in negotiations despite all the pressure it was under. Iran considers itself to be an independent sovereign state and any deal made with the West
will allow Western interference in Iran’s domestic affairs, which could result in the loss of credibility among the public Iranians as well as the weakening of the Iranian regime.

Why has Iran’s position suddenly shifted its position? What made Iran’s Supreme Leader, Ayatollah Ali Khamenei, change? How can regimes and governments that are driven by ideology be pragmatic and resilient at times? Is there any other domestic cause than what analysts are proposing? Why did Iran agree to a nuclear deal now, after many decades of hostility with the United States, and when such an offer was presented years ago? Is the nuclear deal the rational choice to preserve the regime and hinder the possibilities for any domestic development and change?

According to existing literature on Iran’s nuclear deal, some analysts link the change in Iran’s official decision to the regime’s plan to achieve its strategic goals: to gain more power/influence and regional hegemony. This, in turn, will tilt the balance of power in the Middle East towards Iran. Furthermore, analysts believe that Iran seeks to ensure its hegemonic role in the Islamic world in order to impose itself as a major regional power (Mousavian, 2015); others have linked this significant change of mind to the severe economic sanctions and the international isolation imposed that crippled the country for almost a decade (Milani, 2015).

This thesis investigates how Iran used its foreign policy in order to serve its domestic interests in addition to its regional objectives. The deal was made from a fundamental domestic perspective to resolve internal problems that might threaten the regime. The main argument of this thesis will demonstrate that the nuclear deal between Iran and the United States primarily serves Iran’s regime interests. Iran’s domestic politics and
economic challenges has forced the regime to make a wise move in its foreign policy in order to preserve the “nizam”\(^1\) and prevent any domestic movements or opposition due to the harsh economic sanctions that have afflicted Iran for decades. The deal, above all, will allow the regime to strengthen its position domestically based on “ideological principles but flexible and practical approaches” (Saghafi-Ameri, 2009).

The actions of the Iranian regime can be linked to the realist approach up to a certain extent. Realists reason that the relation between ideology and pragmatism is not matched, but rather hierarchical. The Iranians were rational in approaching solutions to their major problems in a resilient manner. Throughout history, Iran had a democratic government until the Islamic Revolution of 1979; when Iran fell to the more powerful and was dominated by religious ideology since the revolution.

The international community has labeled Iran as a threat and accused it of being responsible for most tensions in the region due to illicit nuclear activities that intensified fear in the region and in the West. However, despite its strong position, Iran was dealing in domestic issues, mainly economic, due to the hard sanctions imposed on the country. Iran’s economic hardships prompted the people of Iran to speak out against the governing system and demand change.

The major challenges that threaten the existence of Iran are:

- **Economic challenges**: Mainly due to severe international sanctions. Iran’s economic situation has reached a critical point and the Iranian people are starting to feel this; moreover, many of the revolutions that swept the region were

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\(^1\) The literal definition of *nizam* is order; however, it can also be interpreted as regime or governing system.
primarily due to economic crises and this set off an alarm in Iran to prevent this crisis from crossing over onto its territory.

- Reforms: The rise of civil movements calling for change since 2009. Iran’s domestic politics revealed, during the last election, that Iranians favored moderate president Hassan Rouhani over the arch-conservative former Iranian president, Mahmoud Ahmadinejad.

An examination the aforementioned issues will assist in developing my thesis, which will try to prove the essential relationship between Iran’s domestic factors and its foreign policy; in addition, it will highlight how Iran’s foreign policy has served its domestic interests and demonstrate the willingness of the authoritarian regime to strike a deal with one of its greatest enemies in an effort to stabilize the country. This thesis will focus on the pragmatic actions that substituted ideology in order to attain a deal, which legitimized the regime; this leads us to the conclusion that the Iranians have hit the head of the snake with the hand of their enemies.

**Literature Review:**

While limited literature is available on the Iranian nuclear deal, most articles on the topic are predicting the changes and outcomes of the deal—both in the short and long term. Most of the literature focuses on Iran’s efforts in pursuing a successful deal that met the minimum requirement of both Iran and the United States in order to eliminate both internal or external pressure, secondary to sanctions; however, what has not been discussed in depth are the domestic issues that pose a threat to the regime, especially since Iran has already been swept by a revolution in 1979, and history could repeat itself.
In the article titled “Iran’s Domestic and Foreign Policies” (2013), commenting on the inauguration of Iranian president Hassan Rouhani, Alan Salehzadeh stated: “In August 2013, another reformist president was sworn in, Hassan Rouhani. The reasons behind his election are largely similar to the ones behind Khatami’s. Rouhani is now perceived as the savior of the Islamic Republic, who is going to reestablish good relations with neighboring countries and the West reflate the economy and prevent large protests and the Arab spring to spread to Iran.” (Salehzadeh, 2013, p.5)

Analysts who examine Iran’s foreign policy from an ideological point of view can recognize the transformation of Iran’s identity when dealing with West— aligning its foreign policy along more moderate and pragmatic lines. In formulating their approaches toward the United States, Iranian leaders are rarely influenced by their domestic political ideologies when negotiating a pragmatic deal which stands to benefit the regime.

The enigma of national interest versus ideology in Iranian foreign policy has proven to be problematic for Iranian decision-makers, since the relative power of Islamic ideology and national interest in foreign policymaking depends on the conditions of the case at a particular time. In the article “Ideology and Pragmatism in Iran’s Foreign Policy,” Ramazani states: “perhaps the most striking example of dominance of pragmatic factors over ideological influences in Iran’s foreign policy during Khomeini’s lifetime was the secret purchase of arms from the United States ‘the Great Satan’ and Israel ‘the Lesser Satan,’” adding that, “American and Israeli arms were to be shipped to Iran in return for Iran’s help with the release of Western hostages in Lebanon” (Ramazani. 2004, P.8).

Overall, president Rouhani has accomplished much under the umbrella of the Islamic Republic and is always secondary to Iran’s Supreme Leader Ayatollah Ali Khamenei. Today, Iran has successfully reached a landmark nuclear deal and was able to thwart any
attempts to form opposition movements in Iran. However, as of the beginning of 2016, Iran has taken steps to strengthen its economy and is planning a big economic boom. All this change has happened without any strategic modification to Iran’s position in the region, especially in regards to the Syrian and Yemeni file. Albeit President Rouhani’s position as a reformist, this will prove to be a challenge and will not give him the right to repel any critical factor that might threaten the conservative government. Iran is ruled by Shiite Muslims who are loyal to the supreme leader, and its governed by system does not allow any true political independence since the Supreme Leader has the last say on all state matters, including foreign policy.

Iran is a regional power; its sphere of influence stretches from Afghanistan to Lebanon. Iran is capable of creating chaos in the region; however, it is eager to make a deal with the West in order to: preserve the regime, as well as maintain its position as a Shiite power in the Arab world. Reaching a deal is a smart step on the Iran’s part; it had the option of choosing between creating a nuclear bomb, which is useless, or to strengthen its position in order to thwart any opposing movements within the country and widen its sphere of influence in the Middle East and the world.

Andrew Nathan, in his article, “China’s Changing of the Guard: Authoritarian Resilience,” which explores the Tiananmen crisis in June 1989, claims that many experts believed the breakdown of the Chinese Communist Party’s governing system was necessary. China’s ruling system has strengthened the country by regulating inflation, boosting economic development, and has become more open to foreign trade and began to permit foreign investment, attracting foreign investors to the country. Moreover, as the case of Iran, they re-established diplomatic relations with the Group of
7 (G-7), a group of industrialized countries (consisting of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) that had placed sanctions on the country, to relieve these sanctions as soon as possible and beginning a series of talks with the United States. China had put itself at the heart of the diplomatic process by means of pragmatic resilience approach in foreign policy, despite its communist ideology, which rejects capitalism. China also managed to reclaim Hong Kong in an attempt to re-establish the self-determination of the Chinese people. Moreover, China sought to become more involved in international affairs by hosting the 2008 Beijing Olympics, which attracted millions of tourists and advanced the country’s economic growth. Nevertheless, the Chinese regime began a crackdown on political protesters, obliterated the young and inexperienced democratic party of China and successfully eliminated all other spiritual and/or youth movements. Consequently, many analysts predicted the regime would collapse and a “third wave of democracy” would begin (Nathan, 2003). However, the pragmatism of the elusive and persistent regime with visible legitimacy and supreme decision-making power, which dominates institutional decisions, has proven to be resilient—winning won over democratic movements (Nathan, 2003).

In his book “Latin American Foreign Policy: Between Ideology and Pragmatism, Gian Luca Gardini explores the peak of “neoliberal triumphalism” in 1990, when all of the Latin America countries, excluding Cuba, collaborated with the United States, which was viewed as the “winner” of the Cold War. These countries believed this union with the United States was the most reasonable option for their countries that would allow them to further develop their economic and political interests (Gardini, 2011, P.4). The
outcome was the result of balancing their national ideologies with a certain degree of pragmatism (Gardini, 2011, P.4).

**Methodology**

This thesis will follow a case study approach based on qualitative analysis. It will try to analyze the discourse surrounding the Iranian nuclear deal and it will highlight the domestic challenges in relation to foreign policy in Iran.

The thesis will employ scholarly articles, journals (such as, Foreign affairs magazine, Foreign Policy magazine, the Economist, etc.), books and research papers on one side, as well as news media releases and trusted media sources.

**Theoretical Framework:**

This thesis will demonstrate the way the Iranian regime has applied the realist theory of International Relations to examine and explain the Islamic Republic of Iran’s behavior in relation to the nuclear deal. The importance of the deal on the prominence of the Middle East as well its support of Iran’s strategic objectives, this study will help clarify and deepen understanding of how the Iranian regime survived by adopting a pragmatic approach that served its interest. Despite the harsh political and economic sanctions imposed on the Iranian regime and placed tremendous pressure on the Iranian people for decades, the regime did not respond fast enough to achieve a rapid solution to the problem. The deal could have been achieved earlier; however, the regime’s primary concern was to strike a deal and maintain strong position of aiming for success while
disregarding the rule of the game. Essentially, they applied the principle of “the end justifies the means” (Machiavelli, 1532).

Besides accomplishing its main objective, the regime exploited this achievement to further its interest goals and strengthen its position domestically. In order to achieve its goal, the regime needed to reconfigure its foreign policies and make a deal with its greatest enemy for survival under the pretense of Iran’s interest. Although the deal has protected the regime interest, the regime’s realist approach was utilized to overcome the challenges that threatened its existence, by creating an overlap between regime and country interests. The Islamic regime in Iran has felt threatened ever since the 2013 presidential elections, when the Iranian people began to demand government change for a more moderate system and the alleviation of the country’s poor economic situation inside and feared that the revolutions in neighboring countries would spread in their country. The regime has utilized national interest as shield to protect its self-interest by applying the realism approach. According to the Stanford Encyclopedia, in International relations “Realists view human beings as inherently egoistic and self-interested to the extent that self-interest overcomes moral principles,” furthermore, “according to Thucydides’ History during the debate in Sparta, Athenians affirmed the priority of self-interest over morality,” thus, achieving power and self-interest trump ethical norms (Korab-Karpowicz, 2010).

Iran’s main interest was to strike a deal with the United States, whom they called the “great Satan” for decades; this move in the Iranian foreign policy has served its domestic interests and eliminated the possibility of any foreign military interference against the regime. “Realists place heavy emphasis on the role of power in international affairs,”
moreover, “realists insist that the pattern of conflict and cooperation within the state system confronts largely to the requirements of a balance of power” (Heywood, 2007). According to Scott Burchill and Jack Donelly, “rationality and state centrism are frequently identified as core realist premises” (Burchill, Donelly, 2009); by looking from different angles, we can conclude that the Iranians embraced rational thinking to serve the regime’s interest in preserving a peaceful nuclear program.

Iran’s foreign policy has been erratic and has experienced challenges since the outbreak of the Islamic Revolution in 1979; however, Iran’s foreign policy demonstrates a balance between pragmatism and rationalism in order to overcome major problems and maintain its sovereignty. Moreover, the powerful military and political position of the Iranian state, even while under sanctions, was considered a big challenge for the regime, because ensuring “success in a challenging and rapidly changing world requires striking a balance between ideological world views and pragmatism” (Saghafi-Ameri, 2009).

Realism is the foundation of the Iranian regime and its leading school of thought. The Iranians sought the survival of the regime to increase their power and sphere of influence; moreover, realism accompanied with pragmatism is a form of rationality in politics to attain what is desirable at the lowest cost possible; therefore, striking a deal with the US was done primarily to ensure the survival of the regime (Zaara, 2011).
Chapter Two

International reactions to the “Iranian Nuclear Threat”: Isolation and Sanctions

Introduction

This chapter will discuss the Iranian nuclear program, the reaction of the United States and the international community, the implementation of crippling sanctions on Iran, the consequences of the sanctions and the major points of the Vienna agreement.

Iran’s Nuclear Program

Iran’s nuclear program was launched in the 1950s with the aid of the United States government as part of the Atoms for Peace program (APP). The United States and Western European governments were involved in Iran's nuclear program until the 1979 Iranian Revolution that overthrew the Shah of Iran; after the revolution, the Iranian government briefly disbanded elements of the program, however, soon after they decided to resume its nuclear development program with less Western assistance than before (Busi, 2015). Iran's nuclear program included several research sites, two uranium mines, a research reactor, and uranium processing facilities that include three known uranium enrichment plants (Chubin, 2015). When Iran began to break up elements and contracts from the peace program, fears began to rise, especially from the United States (Chubin, 2015).
A report by Iran Watch in November 2015, estimated that Iran had time and the necessary elements to fuel a nuclear weapon prior to the implementation of the latest nuclear agreement: “By using approximately 9000 first generation centrifuges operating at its Natanz Fuel Enrichment Plant as of October 2015, Iran could theoretically produce enough weapon-grade uranium to fuel a single nuclear warhead in less than 2 months. This timetable is longer if Iran operates fewer centrifuges, or feeds the machines with natural uranium rather than low-enriched uranium” (Iran Watch, 2015).

Reports by the International Atomic Energy Agency (IAEA) in March and December 2015 showed that Tehran did provide the necessary information as required by the agreement nor did it assist inspectors in resolving several problems that are directly related to the production of nuclear weapons, providing only specific information on certain issues and not granting them [IAEA inspectors] access to military site. Furthermore, the IAEA has not discovered any signs of nuclear activity or of the development of any militarized nuclear bomb in Iran since 2009 (IAEA, 2015).

**The Iranian Nuclear Program: A Threat to the International Community**

Iran’s geopolitical position in the region, which is strategically important, is very delicate since it neighbors the Gulf and Israel, the friends and allies of Washington. This is also why the Iranian plan to obtain nuclear weapons has been viewed as a threat to the regional and international community. The Iran nuclear program has created high pessimism that the international community can hardly support a nuclear Iran; moreover, there is doubt that they can manage the cost of nuclear Iran (Edelman et al., 2011).
For Washington, a stronger Iran would pose a threat and impose limitations on the United States’ interests in the Middle East. The United States has several military bases in the region; it frequently interferes in Middle Eastern politics; it is involved in various wars/conflicts in the region, including Iraq and Afghanistan; and it benefits from low oil prices and considers itself responsible for the security of its allies, the Gulf and Israel.

The US and the international community feared Iran would be joining the nuclear club; the dangers of a nuclear-armed Iran include:

- Threatening the United States’ interests in the region.
- Threatening its regional neighbors by supporting anti-American and anti-Israel terrorist organizations.
- The increased probability of a conventional nuclear war in the Middle East.
- An incentive for other regional states, especially Saudi Arabia, to join the nuclear club based on the argument of, “why is it okay for Iran and not Saudi Arabia?”, or they will view it as sectarianism, “why are the Shiites permitted to join, but not Sunnis?”
- The reconstruction of the geopolitical balance in the Middle East.
- The necessity for a strong force to prevent or limit the dispersal/spread of nuclear weapons.
- The transformation of Iran into a major diplomatic rival of the US.
- American allies might distance themselves from Washington; however, its enemies will become much more aggressive toward American policies.
Options for Stopping Iran’s nuclear program: Sanctions and Military Intervention

According to Washington, the Islamic Republic of Iran was looking forward to the day it became the world’s tenth nuclear power, despite Tehran’s frequent claims that its program was peaceful (Kroeing, 2012). Yet, any military strike to destroy Iran’s nuclear facilities would only delay Iran’s nuclear program for a few years, and it would definitely make it harder for Tehran to join the “nuclear club”; however, without stopping the program, Tehran could have the nuclear materials needed to develop a bomb ready before the end of US President Barrack Obama’s term in office (Kroeing, 2012). In addition, any domestic political instability could possibly lead to the collapse of or, at the very least, weaken the regime, which would result in fundamental changes in Tehran’s domestic and foreign policies and prevent it from continuing to develop nuclear weapons.

Washington and the international community as a whole had to choose one of two solutions to put an end to Iran’s nuclear program: 1) military intervention or, 2) imposition of sanctions. Military intervention can take place at anytime and anywhere; however, attacking Iran was not the most viable choice for several reasons. First, Washington did not have accurate or precise information on the nuclear program phases, and according to the IAEA, after 4,000 hours of inspection, no evidence of bomb building in Iran’s nuclear activity (Mousavian, Reuters, 2012). Moreover, launching an attack on Iran will only briefly delay its program, but it will never destroy it completely. The more secure way of delaying the program was by striking the nuclear deal, which granted international inspectors permission to access Iranian nuclear sites. Another
important factor that increased the chances of making a deal was the Iranian Supreme Leader’s *fatwa*, or decree, that forbids the production of nuclear weapons, stockpiling and the use of all weapons of mass destruction since it contradicts Islamic beliefs. (Mousavian, 2012)

Therefore, military strike will become the only feasible solution if Iran is in violation of the deal, or the talks and sanctions fail. This way, Washington and the international community will protect their interests and to reestablish the trust between their friends and allies in the Middle East by protecting the balance of power in the region. (Kroeing, 2012)

**Sanctions on Iran:**

The most important sanctions that crippled the country are the following:

**The United States Sanctions**

**Finance, banking and economic:**

The main purpose was to isolate the country from the international financial system, enforced by the US Department of the Treasury. The ban goes beyond US institutions; in 2011, President Barack Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA), which prohibits “The supply of goods, services, technology or support for the “development” of Iran’s ‘petroleum resources’ and the ‘maintenance or expansion’ of Iran’s ‘petrochemical industry.’” Furthermore, Sanctions will be imposed on any company or individual who is in violation of the .(Zachary, 2015) Moreover, Washington took things a step further in late 2011, by implementing sanctions that penalized transactions with Iran’s Central Bank, curtailing its oil exports from 2.5 million barrels per day (mbd) to almost 1.1 mbd
(Katzman, 2016). Another financial measure that reduced oil imports was the restriction on Iran’s access to foreign exchange, which meant that Iran did not have access to hard currency and was forced it to oil use bilateral trade with the buying country or through the exchange of goods.

**Oil Exports:**

In addition to the pressure imposed on Tehran through restrictions that prevented it from accessing the international financial system, another major focus was the oil sector. The Obama administration focused on limiting Iran’s imports and cut one of its main sources of income to influence its nuclear program policies. After 2012, the revenues from the oil sector reduced the government’s income by half, which constituted 20% of its GDP (Zachary, 2015).

**Trade:**

The trade embargo sanctions almost all types of trade with the US, excluding food and medicine, and prohibits American companies from dealing or even investing in Iran. However, the Obama Administration amended the embargo to allow the trade of telecommunication technologies and major software systems (Zachary, 2015).

**Frozen Assets and Travel Bans:**

These sanctions were strictly reinforced after the September 2001 terrorist attacks in New York. Under President George W. Bush, who referred to Iran as part of an “Axis of Evil,” an executive order was issued mandating the freezing of assets of Iran and many Iranian individuals and a travel ban on sanctioned individuals for Iran’s involvement in terrorist acts carried out against the US. Several individuals and institutions were on the list, including the Iranian Revolutionary Guard Corps (IRGC);
moreover, additional sanctions were imposed during President Mahmoud Ahmadinejad’s term, due to the Iranian government’s misconduct, which included: human rights abuses, suppressing protest movements, aiding foreign organizations that are designated terrorist groups by the US, interfering in Iraq’s affairs through the involvement of the Quds Force, and assisting president Bashar al-Assad in Syria’s civil war (Zachary, 2015).

**Weapons Development:**

The Iran-Iraq Arms Non-Proliferation Act of 1992 (Laub, 2015) requests the sanctioning of any individual or firm that aids Iran in developing or acquiring any nuclear weapons or technology for any of their military programs.

**The United Nations Sanctions Against Iran:**

The UN has supported the US sanctions against Iran, especially after 2010; however, the United Nations Security Council (UNSC) has gradually developed an international sanctions system against the Iranian regime that requires all its member states’ commitment (Laub, 2015). The UN’s sanction system was created in 2005 when the International Atomic Energy Agency (IAEA) declared Tehran’s noncompliance with its safeguards requirements. In 2006, the UNSC collectively agreed to take action against Iran, which included an embargo on supplies and equipment used for the manufacturing and enrichment of Uranium, as well as blocking financial trades assisting the nuclear and military programs.
In 2007, the UN halted all financial aid, excluding humanitarian assistance, to Tehran, and has ordered all member states to examine all cargo for prohibited materials, to ensure that Iran does not acquire any supplies that can be used for its nuclear program (Zachary, 2015).

**The European Union (EU) Sanctions Against Iran:**

The EU has supported the UN mandated sanctions against Iran and has imposed harsher sanctions that are equivalent to those of Washington. In 2007, they froze all assets of all individuals and entities connected to Tehran’s nuclear program and banned the trade of any items that can help in the program’s progression. In 2010, they supported US measures by banning financial transactions between European banks or organizations and any Iranian bank to prevent any investments in Tehran’s energy and shipping sectors. Until 2011, one year before the oil embargo, the EU was one of the largest buyers of Iranian oil, averaging around 600,000 barrels per day. However, in order to implement changes to the EU’s restrictive measures against Iran, the union’s 28 member states must collectively approve the changes (Zachary, 2015).

**The Hard Impacts of Sanctions on Iran**

The sanctions imposed by the international community against Iran have crippled the country for years. The sanctions affected all of Iran, and impeded its economy; the sanctions resulted in: Iran’s economy shrinking by 20%; the loss of $160 billion in oil revenue; over $100 billion in frozen assets; a 56% decline in the value of the Rial, Iran’s currency, which caused inflation to accelerate; the highest unemployment rate in Iran’s
history and isolation from the international financial system (Laub, 2015). Another important factor that contributed to the decline of Iran’s economy was the drop in oil prices, because as long as the lowest price is $92.5 per barrel, Iran can maintain economic stability and won’t experience losses, according to IMF (Zachary, 2015). Iran’s major problems occurred mostly during President Mahmoud Ahmadinejad’s term in office and the turning point for Iranian diplomacy began with President Hassan Rouhani’s presidential campaign in 2013, who promised to improve Iran’s international relations, and work to undo economic sanctions and diplomatic isolation against the country.

The sanctions have caused a rift between the Iranian regime and its people. Opposition movements were formed in Iran when President Ahmadinejad refused to ease Iran’s tensions with the international community; however, the president’s aggressive approach only intensified tensions.

**Outcomes of the Sanctions:**

The main purpose of the economic sanctions imposed on Iran was to pressure the regime to persuade it to suspend its nuclear program. The unified efforts of the international community against Iran’s nuclear program were strict and severe, and as a result, the Iranian government made a deal with the West and was forced to suspend its nuclear program. After decades of struggling to survive under harsh sanctions, Iran’s Supreme Leader Khamenei and government realized it was time to make a deal.
The sanctions applied the necessary pressure to influence Iran and ensure its compliance with the nuclear deal. The IAEA announced that—thus far—Iran has complied with the nuclear deal, meaning the Joint Comprehensive Plan of Action is being implemented and economic sanctions have been lifted (IAEA, 2016). Under the embargo, Iran was on the brink of catastrophe and would have collapsed if it had not re-established relations with the international economy.

International sanctions prevented Iran from trading freely with the West; however, the only solution for Iran’s problems was to scale back its nuclear program.

Moreover, the sanctions had severe negative impacts on the Iranian regime on many levels. First of all, the sanctions have seriously weakened the Iranian economy. This began when the oil embargo was implemented, banning all European Union member states from buying/importing Iranian oil; moreover, the United States has enforced penalties on most foreign nations that purchase Iranian oil; the oil embargo “wreak[ed] havoc” on Iran’s economy, since oil comprises more than 80% of the total public revenue (Peterson, 2012). The decline in the country’s revenue impaired the regime’s ability to invest in the development in several of the country’s vital sectors reflecting the state’s developmental challenges. With the effects of the sanctions, and only selling one million barrels of oil per day was not sufficient enough to restore Iran’s control and stability; furthermore, the embargo prohibited Iran from importing new equipment needed to regenerate its oil manufacturing capacity from Western nations and this, in turn, resulted in significant decline to its production performance (Mousavian, 2015). If Iran had to continue living under sanctions, in one year’s time, it would have turned into an oil “importing” country instead of an “exporting.” According to Mousavian, “The lack of investment in the country’s oil industry not only deprives Iran of a vital source of
revenue, but in the long term will make it an importer of oil, according to a senior Iranian energy official. The country requires at least $200 billion in investment to upgrade and expand its run-down oil and gas industry. According to Iran’s former oil minister, the annual investment needed to save Iran’s oil infrastructure is 2.5 times greater than the country’s total development budget” (Mousavian, 2016). All these problems continued to develop on a daily basis, which has reflected positive outcomes from the Iranian side to achieve a fair solution instead of allowing sanctions to continue to crush the country.

Secondly, another pressing problem—due to sanctions—in Iran is inflation. Inflation has been an ongoing problem in Iran, but lately it has become a huge issue due to the trade embargo imposed on the country. Isolating Iran has resulted in the high demand for essential goods and services, which led to the doubling and tripling of prices in some cases (IRNA, 2015). The sanctions, especially in the last three years, have led to the disruption of supply networks and the surge in operating costs. The Iranians have felt the impact of the rapid rise in inflation, unlike any other time in its history, officials report that the inflation rate has reached 44% (IRNA, December 2015).

In 2012, the Iranian Central Bank reported an inflation rate of 22.2%; however, economy experts believe the numbers were highly underestimated when compared to the prices in the Iranian market, since prices are constantly fluctuating (Bozorgmehr, 2012). In one week, the price of goods escalated, especially food cost; for example, the price of chicken had risen by 30%, while the price of vegetables rose by 100% (Peterson, 2012). Commenting on the dramatic rise in prices, Iran’s Deputy Parliamentary Speaker Mohammad Reza Bahonar stated, “inflation is reaching a boiling point which is
seriously worrisome” (Bozorgmehr, 2012). In addition to the fluctuating prices, youth unemployment rate stood at 23% (Bozorgmehr, 2012).

The inflation rate accompanied by a high unemployment rate has caused Iranians to feel depressed, because they have reached the point of not being able to afford to buy the basic essentials. Iranians have been faced with the daily increase in the prices of goods and a decrease in wages, and struggling to make ends meet. President Ahmadinejad was also part of the problem; instead of trying to solve the problem pragmatically to try to lessen the impact of the sanctions, in December 2010 he created another problem with a “subsidy reform plan,” which entailed “withdrawing subsidies on food staples, electricity, water and gas, further pushing up prices and affecting households and companies alike” (Peterson, 2012).

Iran’s third critical problem was the decline in the value of its currency, the “Rial.” For Iranians, the Rial along with their passport ranking is directly related to their sense of pride. The value of the Rial fell by around 50% against foreign currencies due to the high demand for the US dollars due to the ban on financial or banking transactions between Iran and foreign banks; moreover, what made the situation worse was the demand for US dollars since it was viewed as a stable investment when compared to the declining value of the Rial. This caused a state of panic among Iranians, who turned to the black market to purchase dollars paying black market prices of 19,600 Rials to the dollar versus the official rate of 12,260 Rials to the dollar (Peterson, 2012).

As in most crises, many Iranians exploited the poor economic situation while others have suffered gravely. The harshness of the sanctions has wiped out the middle-class in Iran; this has led to an imbalance in social classes, where: the lower-class Iranian living in Tehran can barely afford to buy food, such as meat, while the upper-class Iranians live
a luxurious and comfortable life in the Northern districts. The growing gap between the lower and upper classes of Iran has caused even more bitterness for the sanctions (Peterson, 2012).

The consequences of imposing sanctions pose a critical question: Are sanctions effective? In fact, the effectiveness of sanctions and whether sanctions can influence Iran’s nuclear program agenda is a greatly debated topic. Moreover, several neighboring countries have been affected by revolutions and/or are involved in a civil war due to economic hardships and high unemployment rates similar to Iran. However, Iran’s case differs from the cases of its neighboring countries and many believe that Iran will utilize its ideology to convince its citizens to resist hardships. Some analysts speculate that the Iranians might condemn the West for the sanctions imposed on the country, instead of blaming the Iranian regime. Moreover, others are confident of the Iranian regime’s resilience and believe that the regime would never bow to the West, despite the imposition of increasingly harsh sanctions.

From another angle, it demonstrates the inseparable link between domestic stability and economic problems that is triggering revolts in the region, and right on Iran’s borders, which could spread to Iran at any moment... For instance, both Egypt and Tunisia’s revolutions began as the result of unemployment and inflation.

In light of these two observations, the question remains: Can harsh sanctions influence the Iranian regime’s policies, and how long can people endure living in such a state?

As Iran’s economic situation continues to decline, a rise in dissatisfaction is expected due to the surge in poverty, especially if people are unable to obtain food that is crucial for their survival. No matter how strong the ideology, starvation can destroy it; this is what the West is betting on. As the economy declines, unhappiness is expected to surge;
where this resentment is directed, towards the regime or the West, will illustrate whether or not the sanctions were effective. The international community must observe the Iranians’ attitude to determine who they blame for their current conditions; furthermore, the West must also be aware of their objectives, which is not to topple the Iranian regime, but to make a pragmatic move toward their nuclear program and foreign policy while preserving the integrity of the state of Iran.

The Vienna Deal: Iran and the P5+1:

Timeline of Nuclear Diplomacy With Iran:

July 14, 2015, marks the day of the landmark nuclear deal between Iran and the six world powers, namely China, France, Russia, Germany, the United Kingdom and the United States. The deal limited Iran’s nuclear program, while improving its international relations and relief from sanctions. In the last two decades before the deal, Tehran has made several attempts to develop its nuclear program that would allow it to obtain a nuclear weapon, and even though it was Iran’s intentions for building a nuclear program were unclear, its activities of developing a wide range of technologies, such as “uranium enrichment, warhead design and delivery systems,” has tilted the balance into a nuclear Iran (Davenport, 2016).

On February 3, 2009, Iran declared that it had launched its “first satellite,” which incited fears that Tehran was developing a ballistic missile; however, two months later, the United States declared that it would fully participate in the P5+1 talks with Tehran following a review of the Iran policy by the Obama administration, diverting from the
policy of the previous administration which require Iran to comply with the United Nations (Davenport, 2016).

In June 2009, President Ahmadinejad wins Iran’s presidential elections, which incited protests across Iran for several weeks delaying diplomatic attempts to resolve Iran’s nuclear program; however, in September 2009, Washington, the United Kingdom and France revealed that Tehran was building a secret uranium enrichment facility in Fordow. In February 2010, Iran announced that it will begin the process of manufacturing 20% enriched uranium; and in June 2010, US Congress approves a series of harsh sanctions against Iran that was followed by additional European sanctions in July 2010. In January 2011, Iran and the P5+1 attend a meeting held in Istanbul, after a failed meeting a month earlier, but an agreement could not be reached due to Iran’s preconditions. In the meantime, Iran was continuing to increase its production of enriched uranium; several other meetings were held that did not produce any positive outcomes (Davenport, 2016).

On June 14, 2013, Hassan Rouhani was elected president, which marked the turning point of Iran’s political process and nuclear program; Rouhani stated that he wanted to continue developing Iran’s nuclear program but offered to be more transparency. He called for the revival of talks with the P5+1 regarding Iran’s nuclear program. On September 26, 2013, the foreign ministers of the six world powers met with Iran’s Minister of Foreign Affairs Mohammad Javad Zarif in New York, who US Secretary of State John Kerry described as “very different in the vision” (Davenport, 2016). After the meeting, Kerry and Zarif had a private meeting where they agreed primarily on “the parameters of the end game” (Davenport, 2016). Meetings continued to be held on a
regular basis to continue negotiations and in January 2014, they announced the beginning of the implementation of the Joint Plan of Action. On July 14, 2015, in a meeting held in Geneva, negotiations were finalized and an agreement for a peaceful nuclear program was born (Davenport, 2016).

The Nuclear Deal

Iran’s nuclear deal marked the end of the regime’s ambitions to acquire nuclear power and relieved decades-worth of tensions between Iran and the international community. The main provisions of the agreement, which gave Iran its “natural right” to a peaceful nuclear program, are:

- Tehran is required to reduce its uranium enrichment production by, the procedure that could be used to develop the main part of a nuclear bomb; essentially, Iran is permitted to keep about 6,000 of 19,000 centrifuges on implementation day. Any excess material will be delivered and under the supervision of the IAEA.

Iran is expected to export 98% of its stockpile of low-enriched uranium, keeping 300 kg in total for ten year period (Blair, 2015). The purpose of the measures is to ensure that it would take Iran a year to produce the necessary amount of enriched uranium to develop a nuclear bomb; prior to the deal, it would have taken Iran 3-4 months to produce and develop a bomb (Blair, 2015).

For research and development, Natanz, Iran’s only enrichment facility, will be converted to a research center, where uranium-enrichment activities will be carried out under limitations for the first eight years (JCPOA, July 2015). Moreover, Fordow facility, which was secretly built inside a hollowed-out mountain, will also be converted into a
research center two-thirds of its centrifuges will be removed and uranium enrichment is prohibited (Blair, 2015). As for the Arak Heavy Water Reactor, Iran is required to “modernize and rebuild” it into a lower power research reactor (JCPOA, 2015) that cannot produce weapons grade plutonium (Blair, 2015).

Moreover, Tehran must apply the “Additional Protocol measures” safeguards agreement (JCPOA, 2015) that gives IAEA inspectors the right to inspect Iranian nuclear sites and facilities (Blair, 2015). These measures will give Iran the right to enrich uranium for “peaceful” purposes as approved by the Nuclear Non-Proliferation Treaty (NPT) (Blair, 2015).

When the IAEA confirms Iran has successfully complied with the provisions as stipulated in the deal, Washington, followed by the international community, will gradually lift all sanctions that were imposed on Iran as a result of its nuclear program; however, Iran will be monitored for 5 years before the UN’s arms embargo is lifted and “restrictions on its ballistic missile program” will continue for another 8 years (Blair, 2015).
Chapter Three

Structure, Legitimacy and Foreign Policy in Iran

Introduction

The success in reaching a nuclear agreement between the United States and Iran in July 2015 was the result of a spiraling arms race; the main influence for ending this battle was the harsh economic sanctions imposed on Iran. According to foreign affairs magazine, this plan of action by “The Joint Comprehensive Plan of Action, or JCPOA, ranks as one of the most deficient arms control agreements in history” (Cohen, Foreign Affairs, and P.64).

Disregarding the true causes of this deal, the Iranian regime took a brave step forward to meet the US and international community halfway down the road and signed the deal. This wise move in, striking a deal, partnership has strengthened the regime after struggling for decades under harsh political and economic embargos on the country. The Iranian regime, based on interest and power, has realized that this embargo has taken a heavy toll on the country and a pragmatic move was necessary to save the whole system.

On the other hand, Washington understands that Iran’s deal proposal will be based on the pragmatic assessments of a conservative regime as well as the radical views of a revolutionary regime (Katzman, 2015).

For this deal, there is a rational Iranian strategy that will dictate the level of cooperation with the JCPOA. The deal acknowledges Iran’s right to enrich uranium and develop its nuclear powers in the long run. This deal agrees that Tehran can build a nuclear structure to further research and development (Blair, 2015).
In order to have a clear picture of all the steps taken during the talks, we need to understand the structure of the Iranian regime, how decisions are made inside Iran and the mechanisms used to legitimize the regime.

**Hierarchy of Power in Iran:**

In Iran, the constitution charges one man with control of its political system as a whole. There are five power centers in Iran, and the Supreme Leader Khamenei dominates them all. However, the Assembly of Experts elects a Supreme Leader and has the power to challenge his decisions and to dismiss him. Before trying to understand how the system works in Iran, a short summary of the hierarchy of the system is required (Inside Iran, 2014).

**The Supreme Leader or the “Ayatollah”**

First of all, the Supreme Leader is the commander-in-chief of the armed forces, including the revolutionary guards and regular military forces. Ayatollah Ali Khamenei currently holds the position of Supreme Leader, and he has the final say on Iran’s domestic and foreign policies.

**The Islamic Revolutionary Guard Corps (IRGC)**

Second, the Islamic Revolutionary Guard Corps (IRGC) is considered the most powerful military group in Iran and is charged with the protection and security of the regime, estimated to number about 120,000 ideological and powerful soldiers. Khamenei assigns its top management and leadership but it is not monolithic. (Bohl, 2014). General Mohammad Ali Jaafari was appointed commander of the Iranian Revolutionary Guards in 2007. The Guards are Iran’s most influential economic players, since they can impact political decisions in the country. As for the Guards’ relationship with Khamenei, they
have created a “symbiotic” relationship that supports the “Ayatollah” influence and conserves the status quo. The Guards did not object to the nuclear deal due to the harsh economic sanctions imposed on the country; however, they will oppose major political and economic revisions after the nuclear deal (Nader, 2015).

As for their relationship with the President, it depends on how close the ties are with every president since they are commanded by the Supreme Leader. For example: President Ahmadinejad had closer ties to the IRGC than President Rouhani. In turn, the Revolutionary Guards control:

**The Quds Force**

The Quds Force is an elite branch that operates overseas and is commanded by General Qasem Suleimani (Alfoneh, 2015).

**The Basij Militia**

The Basij Militia, headed by General Mohammad Reza Naqdi since 2009, is an auxiliary force with many responsibilities, mainly domestic security, and implementation of laws, specific religious and political procedures and ethical monitoring. The Basij Militia is currently present in all over Iran and has played a major role in thwarting domestic movements demanding reforms and better economic conditions, specifically after the 2009 presidential elections. Moreover, Khamenei has empowered the Basij to respond to any real or perceived threats to the regime (Alfoneh, 2015)

**The Council of Guardians**

Third, the Council of Guardians, headed by Ahmad Janati since August 1988, is composed of 12 experts on Islamic law, the experts are then categorized into two groups: the first will include six clerics who yield the most influence and six jurists who are
mainly bureaucrats; the six clerics are appointed by the Supreme Leader, as well as the head of the judiciary who appoints the six remaining members of the Council of Guardians that requires the approval of the Iranian parliament (Inside Iran, 2014). The Council of Guardians is considered an influential and dominant body that supervises the activities of the Parliament and the authority to determine which candidates are qualified to run for elections. Therefore, the council controls elections, determines who can run, approves the candidacy of presidential candidates and has the power to veto incompatible laws. It is the regime’s caretaker, eliminating any reformist efforts that might threaten the regime (Harvard, 2016).

The President

Fourth, the President of the Islamic Republic of Iran, Hassan Rouhani was elected in 2013 and holds a position power; the president’s power is dependent on the strength of relationships and alliances with the regime, especially the relationship he has with the commanders of the Revolutionary Guards or Basij Militia (Inside Iran, 2014). He has the nominal rule of the National Security Council and he appoints the loyalists who represent the top ministers in the country, including those responsible for elections, media and internal security. The Supreme Leader can supervise the president and has to power to dismiss him (Inside Iran, 2014).

The National Security Council

Fifth, the National Security Council’s secretary Ali Shamkhani was directly appointed and under the command of the president. The Council is the foreign policy advisory body; this council advises Khamenei on nuclear policies, however, they rarely act against the wishes of the Supreme Leader (Bohl, 2014).
The Expediency Council or the Assembly of Experts

Another board is the Expediency Council which resolves debates and disputes between the Council of Guardians and parliament; the main function of its 86 members, who are elected by the people every eight years, is the election, evaluation of work and dismissal of the Supreme Leader (Inside Iran, 2014). However, the absence of a real check has permitted the leadership to gain more power within the system.

The Assembly of Experts has elected two Supreme Leaders since the revolution in 1979, Khomeini and Khamenei. The fourth Assembly of Experts served from 2007-2016 (Fari, 2015) and was headed by Rafsanjani (Fari, 2015). In February 2016, the fifth assembly was elected.

The Iranian Regime’s Operational Method

The Iranian constitution is very clear regarding the positions within the system and its hierarchy; there are both elected and non-elected positions in the government. In her book “The New Foreign Policy: Power Seeking in a Globalized Era,” Laura Naeck states: “the most powerful post is the unelected position of the supreme leader” (Neack, 2008, p.72). This position is occupied by Ayatollah Ali Khamenei today, who is responsible for the description and the regulation of the general strategies of the Islamic Republic, which means that he has the keys for setting the attitude and the path for both domestic and foreign doors. This post is maintained for life—it does not come with an expiry date. The assembly of experts is a council made up of 86 religious experts, who select the Supreme Leader and this council will regulate his role. He is the leading figure in shaping Iran’s politics because he has complete authority over the “executive, legislative and judicial branches of the government” (Ghanji, 2013: p. 24). Moreover, he
is “the head of state, commander-in-chief, and top ideologue” (Ghanji, 2013: p.24). The Supreme Leader controls the armed forces with decisions of war and peace, security issues, and important or critical foreign policy issues, such as the nuclear deal. His authority permits him to appoint six members of the guardian council, which consists of twelve members; an assembly that must approve laws, regulations and, most importantly, the council must approve all the parliamentary and presidential candidates. The Ayatollah’s sphere of influence is elongated through his delegates, estimated to number 2,000, who are spread throughout all branches of the government and their function is to be the Supreme Leader’ office operators. These delegates, at a certain place, are more powerful than some ministers who are appointed by the president of the state and have the ability to interfere in any issue on behalf of the Supreme Leader. Furthermore, Iran is the only state whose military forces are not controlled by the executive, but by the Supreme Leader (Inside Iran, 2014).

The second most significant position in the Iranian state is the elected president of the republic. The President is in charge of assembling and regulating economic policies of the country, with a minor role over the Supreme National Security Council and the ministry of security where the Supreme leader commands all issues domestically and internationally. Since 2013, moderate President Hassan Rouhani is filling the presidential position of his predecessor, the hardline conservative Mahmoud Ahmadinejad; unlike Ahmadinejad, President Rouhani is supporting cooperation with the International Atomic Energy Agency (IAEA) and the European delegates in order to achieve a win-win solution for the nuclear program (Magri, 2015).
Iran’s parliament is a “unicameral legislative body” (Inside Iran, 2014), whose members are elected every four years directly by the public. Its main function is legislation, approving agreements and agreeing on state’s (Inside Iran, 2014).

The non-elected organizations include: the “Ayatollah” or Supreme Leader, the Council of Guardians, the Expediency Council and the armed forces; these organizations are more influential and authoritative than the elected government, which includes: the president, parliament and cabinet. However, the leader of the Expediency Council is an elected position that has just as much influence as the non-elected positions, since this individual has the power of electing the Supreme leader (Neack, 2008).

Therefore, decision-makers in the Iranian Republic who are considered inferior to the Supreme Leader, but also a part of his inner circle are: President Rouhani, the head of the Expediency Council, the head of the Supreme National Security Council, the head of the Revolutionary Guards, the head of the Council of Guardians, and the foreign policy advisor of the Supreme Leader whose words are taken into great consideration (Inside Iran, 2014).

The highest body governance in Iran is an unclear and cloudy one. This permits one to form interesting assumptions on how top Iranian chiefs have solid arrangement for critical national subjects and how they try to do their best, pursuing whatever is in the best interest of the country.

Since the Ayatollah Ali Khamenei’s words are considered decisive, then it is very important to start our analyses of what happened in Iran from his point of view, since the others are partners in the decision-making process and he is directly responsible for the final decision.
Akbar Ganji sheds light on the thinking process and behaviors of the Ayatollah in his article titled “Who is Ali Khamenei?” According to Ganji, “Khamenei is not reflexively anti-Western or anti-American. He does not believe that the United States and the West are responsible for all of the Islamic World’s problems, that they must be destroyed, or that the Koran and Sharia are by themselves sufficient to address the needs of the modern world. He considers science and progress to be “Western civilization’s truth,” and he wants the Iranian people to learn this truth” (Ganji, 2013 P.25).

Although the Supreme leader word is considered final and decisive regarding Iran domestic and foreign policy, still the existence of both hardliners and moderates plays an important role in making his decisions and not obliged to stick to a unique view. The Supreme leader is in the balance position to determine what suits his regime and act pragmatically with either faction in the country. As for the nuclear deal, the Supreme leader who is considered a hardliner has managed his decision based on the people choice during the last elections. He viewed that the moderate wave inside Iran is dominating; however, opposing this wave might topple the regime as in neighboring countries. The presence of the moderates and hardliners is a healthy system inside Iran that gives the Supreme leader and his government the choice to balance their decisions in a way that suits their interests.

**Major Shifts in Iran’s Foreign Policy after the Revolution:**

Iran is based on a theocratic government that combines religion and state— more than any other state in the world. Iranians completely agree with their religious clerics, as well as abide by their religious laws (Cole, 2010). The response to their Supreme
Leader, for example, is superior to any other normal politician within the state. Working domestically or internationally, they wish to spread their Islamic laws across the globe and choose it as a reference point for their actions and movements.

Going back in history, prior to the Islamic revolution in 1979, Iran was in an alliance with the United States; moreover, Iran’s position was very evident and progressive in the Gulf region under the rule of Mohammad Raza Shah (Rakel, 2007). The Iranian revolution put an end to the alliance and tensions began to grow between the two countries until the signing of the nuclear deal in 2015 in Geneva.

A brief summary of Iran’s foreign policy since the overthrow of the Shah:

**The Era of 1979 - 1989**

In the first decade after the revolution, 1979 until 1989, and under the authority of the Supreme Leader Ayatollah Ruhollah Khomeini, Iran’s foreign policy was directed based on two main beliefs that were purely grounded in ideology. The first ideology was: “Neither East nor West but the Islamic Republic,” and second, “Export of the Revolution” (Rakel, 2007, P. 160) which threatened transfer its revolution against anyone who opposed Iran’s laws, especially the West, and exporting the revolution in order to free mainly Muslim states whose leaders were unfair and repressive leaders, according to the Iranian dictionary.

The Iraqi-Iranian war, which lasted took place in 1980-1988, was the basis for Iran’s second main, which had the regime focusing its foreign policy on this war in a way to motivate the people of Iran and their allies to support the regime against President Saddam Hussein (Rakel, 2007).
The Era of 1989 - 1997

In the second phased, two decades after the revolution, specifically during the days of President Hashemi Rafsanjani term in office, the major effort was focused on the effects of the Iran-Iraq war, in order to restore the economy and improve Iran’s role in the international system (Rakel, 2007). This phase presented a more pragmatic approach, especially when dealing with the Gulf, mainly Saudi Arabia, Russia and some Asian nations.

The Era of 1997 - 2005

In the third stage, President Mohammad Khatami ruled from 1997-2005, foreign policy was an extension of Rafsanjani’s political agenda, characterized by a pragmatic approach, but always based on ideology. Khatami maintained good relations with the Gulf and went as far as connecting with Europe. However, this pragmatic move did not escape the red line of the ideology of the Islamic Republic which refused any external interference in Iranian affairs (Rakel, 2007).

The Era of 2005 - 2013

from the fourth phase, from 2005- 2013 under the presidency of Mahmoud Ahmadinejad, Iran took a less pragmatic and more aggressive foreign policy approach than that of the last two decades. Hostility toward the West intensified, mainly the United States due to the sanctions imposed and Israel whom Ahmadinejad wanted to erase from the map. President Ahmadinejad’s foreign policy was drawn by the hardliners who refused to deal with the West and wanted to exercise an ideological approach to foreign policy.
The Era of 2013 - Present

The fifth phase, which began in 2013-present day, President Rouhani has adopted a moderate approach to Iran’s foreign policy to produce a successful nuclear deal with the West, ending decades of US imposed sanctions, and preserving the regime and opens Iran to the West again.

The foreign policy decision-making process in Iran is a bit complicated since it follows a formal system. The president does not have the final say on policies; all domestic and foreign policies must be take into consideration the opinions and approval of the Ayatollah; therefore, it starts and ends with him. Other foreign policy players in Iran are the president, the Council of Guardians, the foreign minister, the Supreme National Security Council (SNSC) and the *majles* (Rakel, 2007). The decision-making process passes from the president to the *majles*, but the only way for the law to pass is when it is approved and signed by the Supreme Leader.

Ideology versus foreign policy in Iran:

Ideology in Iran is linked to many fundamental values that are considered “a red-line not to be crossed” in the Iranian government, and this is reflected, either directly or indirectly, in Iranian foreign policy. First of all, its ideology is ingrained in religion and the constitution. (Mozaffari, Vol. XXV-3). Secondly, in the case of a national crisis, the Supreme Leader Khamenei is the only one who could restore balance between ideology and interest (Mozaffari, Vol. XXV-3). Thirdly, the only time the Supreme Leader will choose between interest and survival is if the regime comes under threat, and will continue protecting the regime as long as it is in danger. (Mozaffari, Vol. XXV-3) The
third case was the main reason Iran struck a deal with the international community—in order to put an end to after decades of hostility (i.e. sanctions). The danger of taking non-responsive action, with the ongoing revolutions and civil wars in neighboring countries, could lead to a national uprising followed by foreign intervention since all the issues were being pushed against the regime and specifically the economic sanctions.

According to Mozaffari, “The worldview of the Islamic Republic of Iran toward the outside world rests on four pillars: Its revolutionary character, totalitarian character, Non-Westphalian view, and imperialist ambition” (Mozaffari, Vol. XXV-3). Mozaffari suggests that the application of normal tools, such as “national interests and purely materialist gains” cannot accurately illustrate the intricate political system of Iran (Mozaffari, Vol. XXV-3).

Therefore, realism along with rationalism, not ideology, is the fundamental basis of Iran’s foreign policy; this has been clearly expressed by the regime’s pragmatic approach to overcoming the dangers facing Iran, and the clever translation of the 2013 presidential election results, which favored the reformist ideals. Various elements have exhibited what is functional and what is problematic for the regime. The severe measures taken against Iran, by the international community, for aiding terrorist groups, attempt to obtain a nuclear bomb, its interference in the affairs of others, the huge military capacity, etc., have diminished Iran’s international credibility and damaged its foreign policy. In fact, this was related to the ideological basis of the Islamic regime, which functioned as a security valve in past; however, the deal has surprised Iranians, as well as the international community, because it was considered a complete change of attitude, shifting from an ideological approach to a rational approach in foreign policy. Rationalism in foreign policy has reinforced the foundation of the regime and its beliefs;
the regime implementing changes to its foreign policy’s ideological approach is highly improbable. However, the regime will continue to balance pragmatism and ideology until it becomes “unbearable.”

The main principals of the Iranian regime’s foreign policy have appeared as a set of predetermined, uncompromising and non-negotiable ideological policies; this has been revealed by the actions of the Iranian regime’s foreign policies, primarily in the last decade, based on Islamist ideology. With all the harsh sanctions imposed on the country, the regime continuously insisted on maintaining its nuclear program. However, the theory does not attest to the considerable shift in the Iran’s foreign policy vis-à-vis the nuclear deal and coherent move. A major debate regarding the role of Islamic ideology in determining foreign policy develops as a result. Were Iran’s actions directly linked to national interest? Is there an overlap in religious ideology and rationalism in Iran’s foreign policy that would serve the country’s interest? Until what degree can Islam serve the Iranian interest?

**Pragmatism versus Ideology in the Iranian Government**

Ayatollah Khamenei thought rationally and has acted pragmatically for successful negotiations with the “Great Satan,” according to Iran’s hard-liners dictionary (Erdbrink, 2015). Khamenei was not looking for opportunities of aggression, but a chance to relieve the country of the tough international economic sanctions.; Moreover, he will be inclined to compromise his too strong views when dealing with the West, and to overlook the length and difficulty of process, because in order to achieve a long-term comprehensive nuclear deal, compromises must happen by both sides (Marashi, 2015). Khamenei has been Iran’s Supreme Leader since 1989 and many Iranian presidents, both
hard-liners and moderates, have held office during his reign (Ghanji, 2013). Under the presidential administrations that maintained a hardline approach, nuclear negotiations were put on hold, especially when President Ahmadinejad was in office; however, moderate President Rouhani, was capable of achieving a deal that meets the minimum requirements with Khamenei. Therefore, Khamenei was open to all possibilities, but there was another barrier that would delay such an agreement, between hardliners and reformists, and its main function is how to preserve the regime.

This will start the discussion that will determine how internal legitimacy was formed and what mechanisms were used to ensure legitimacy? To answer this, we must determine Iran’s decision-making process, due to the dynamic views of Iranian decision-makers.

In June 2013, President Hassan Rouhani was elected a president of the Islamic Republic of Iran, based on his moderate views that would reform the regime and rekindle Iran’s ties with the West. Without a doubt, his successful impact has transformed Iranian diplomacy and has served as an example of the potential liberalization or restructuring of Iranian domestic and foreign policies. Despite the Iranian constitution granting the Supreme Leader the final say on domestic and foreign policies, Iran successfully reached a nuclear agreement due to the efforts of the three diplomats, Ayatollah Khamenei, President Rouhani and Foreign Minister Zarif, which would not have been possible during the reign of Ahmadinejad.

Therefore, the system in Iran is directly regulated by the Supreme leader Khamenei; the country’s domestic and foreign policies have changed, which means that the Supreme Leader is not exercising the full power of his position. With time, especially after the election of Rouhani, the Ayatollah has demonstrated pragmatism and has shown
resilience in order to revitalize Iran’s regional and international role through his government and ministry of foreign affairs.

The Iranian presidential election that has been held in June 2013 can be translated in two ways: first, it reflected the Iranian citizens’ willingness of a more open and moderate state, especially on the foreign policy level. The huge voter turnout that pushed for change in the president’s position as a hardliner to a moderate reverberated across the country, and especially in concerning the level of power of the Supreme Leader, since the elections reflect the true will of the people since the most important positions are assigned and not elected. Voting against hardliners, whose major concern was resisting and fighting against the West on the nuclear file, and after the massive opposition movements that filled the streets in 2009 along with the Green Movement, the Iranian people’s message was clear: they did not want to overthrow the regime; instead they wanted a more moderate regime that reflected their views. Second, in order to avoid setting the stage for another movement similar to the one that took place after the 2009 elections, which led to opposition of the regime and the demand for Ahmadinejad’s removal, Rouhani’s election respected the people’s decision and served their interests. This very advanced step was taken to protect and legitimize the regime domestically. The Iranian people’s desires were clear: they wanted Rouhani to win. However, to be eligible to run for the presidential elections, all individuals must be nominated by the Council of Guardians, which is deemed a “first round victory” (Inside Iran, 2014). President Rouhani’s election was a major success for Iran, on both a domestic and social level. Iranian leaders initially believed that a moderate president will provide a more comprehensible strategy that will aid the regime in resolving its current problems without toppling the regime. The Iranian elites received a signal after the 2009
presidential elections which called for a more pragmatic approach when addressing the will of the people in order to save the regime. Nevertheless, when around two million Iranians took to the streets on June 15, 2009 (Siamdoust, 2009) in protest of President Ahmadinejad after calling the people “merely dust and dirt” in his presidential address (Rahami, 2010). This is when the Supreme Leader recognized the dissatisfaction of the Iranian people and realized that change is imperative in order to avoid an uprising, which already plagued several neighboring countries.

Iran’s foreign and domestic affairs cannot be separated and remained strong throughout the stages of Iran’s Revolutionary; the consequences of the ideological impacts in the foreign policy presents certain challenges, up to a certain point, especially in a country like Iran that had led a revolution in the days when revolutions were a rare occurrence. Despite many general records about the varying nature in Iran’s foreign policy and the time Iran spends without a clear foreign policy approach, the Iranian regime has reached to a pragmatic strategy in its foreign policy when striking a deal with the its greatest enemy, the US (Rakel, 2007); furthermore, the Iranian regime classifies its international relations with other states on a friendly to enemy scale. According to the Supreme Leader Ali Khamenei, the president of Iran: “We have divided the World into groups, brotherly countries, friendly countries, neutral countries, and enemy countries. Enemies are governments which launch aggression against us and have anti-Iranian posture. The rest are classified as brothers, friends or neutral” (Ramazani, P.21).

The critical difficulty in identifying the value of the impact of Islam on forming and implementing Iranian Foreign policy is not clear when examining Iran’s practices, but by dissecting the policies announced by its leaders. This occurs as a result of Iran’s unclear foreign policy strategy and lack of resolution, commitment or action that reflects
the state’s Islamic ideology in its foreign policy. The decision-makers assert that the governing principles are not based on Western nor Eastern ideologies, only Islamic ideology; however, these decision-makers claim that some super powers have attempted to dominate the country at certain times (Saghafi-Ameri, 2009). Due to all these factors, which play a role in Iran’s foreign policy, many analysts believe that it is imperative to exercise both pragmatism and ideology. (Saghafi-Ameri, 2009).

The Iranian regime seeks pragmatism over doctrine, openness over isolationism, and long term institutional development over superficial short term solutions. Applying rationalism has put an end to the embargos for the time being, opened the country to foreign investments and prosperity to revive its economy, institutions and bring relief to the people of Iran. In authoritarian regimes, leaders believe that liberating free markets will weaken the state’s authority; this is only true when a government is weak and incapable of managing its institutions, while repressing its people at the same time. The openness of Iran to the West, especially after the 2013 presidential elections has: led to the formation of a more moderate ruling system; allowed Iranian leaders to overcome their concerns—that such deal may weaken the state’s authority. The application of pragmatism requires a strong regime that can embrace any domestic changes that might occur as a result of this deal, which will bring an influx of money and foreign influence to the country. In comparison to its neighboring states, especially country’s undergoing revolutions, Iran was the first to thwart any serious opposition movement due to the poor economic situation that had plagued the country for decades; the regime’s success was reflected domestically when millions of Iranian took to the streets in celebration of the implementation of the deal.
The pragmatic policies of President Hassan Rouhani on both domestic and foreign matters won the support of Iranians, during the presidential elections, who wanted a more moderate government. Rouhani’s campaign achieved notability due to his moderate views toward foreign policy and bringing hope to the Iranian people (Memarian, 2013). On the other hand, he maintained a realistic outlook and addressed the dignity of the Iranian people; he managed to convince his people that Iran can be pragmatic in reaching a deal with the West without sacrificing the dignity of the people. This is what distinguished Rouhani from his competitors, in addition to: a clear evaluation of Iran’s current position, the challenges facing Iran and its people, a clear and detailed strategy for a global solution of the main challenges of Iran and his straightforward methods for viable solutions and outcomes.

Mohammad Javad Zarif argues that President Rouhani called for “prudent moderation,” an approach based on: “realism, self-confidence, realistic idealism, and constructive engagement” (Zarif, 2014). The school of realism, which dominated the Iranian system, has proved to be pragmatic in signing a deal with the West, shifting the regime’s position from opponent to collaborator. Although Rouhani’s approach is realistic, he needs to have a complete understanding of the situation, procedure, and the power capacity of the international community in relation to that of Iran.

Moreover, “Rouhani’s foreign policy platform was based on a principled, moderate, and wise critique of the conduct of foreign relations. The changes he proposed demonstrated a realistic understanding of the contemporary international order, the current external challenges facing the Islamic Republic, and what it will take to restore Iran’s relations with the world to a state of normalcy” (Zarif, Foreign Affairs, 2014).
When President George W. Bush was in office, the Bush administration proposed changing the regime Tehran to eliminate the nuclear threat that challenged the US administration and the international community. From another angle, replacing the regime will neither eliminate the nuclear threat nor form a more cooperative and pragmatic regime. What works to the advantage of Iran is the United States’ inclination toward a diplomatic solution rather than a costly and destructive war in the region, which according to Iran was considered a “halfway policy,” since a war can postpone its nuclear developments but not eradicate it (Secor, 2014). Moreover, it is doubtful that Iran would drop their “current clerical leaders,” regardless of their popularity, and this will give support to the regime since ideology dominates Iranian culture. In other words, regime change may not put an end to the nuclear program; it might, however, increase the people’s resentment of the international community for attempting to violate their dignity and rights.

Iran’s President Mohammad Khatami’s presidential campaign gained notoriety in 1997 for his foreign policy module, which called for the normalization of Iranian relations with Europe, and policy addressing domestic problems (Chubin, 2014). When Khatami won the presidency, he successfully implemented his policies toward reconnecting Iran with the international community and replacing aggression with flexibility. This achievement was nevertheless notable, “because, in reversing foreign policy toward the Gulf and European Union, Khatami had to contravene two express injunctions by Ayatollah Khamenei, whose will and testament (in relations with Saudi Arabia) and fatwa (in the case of Sulman Rushdie) had been major obstacles to change” (Chubin, 2014). Khatami’s achievement in overcoming these difficulties implies that the Iranian
regime should apply flexibility and pragmatism in order to achieve its objectives; this suggests that given a certain understanding for necessity will pave the way for more pragmatic solutions.

In his book *Whither Iran?* Shahram Chubin claims that “foreign and domestic policies are tightly linked in revolutionary (and hence highly ideological) states. Iran has been ideological but not suicidal, tempering ideology with pragmatism when regime security is at stake” (Chubin, 2014, P.14). Therefore, foreign policy is an extension of domestic politics and not an obstacle.

What has helped president Rouhani achieve his objectives was the great popularity and support he received throughout the last election, which gave him domestic legitimacy and greater international acceptance abroad, specifically for his moderation. This pragmatism in Iranian foreign relations does not mean that the role of ideology no longer exists.

**Pragmatic Factors that Saved the Regime**

The Iranian regime put its ideology aside and utilized a pragmatic approach that helped them conclude that reestablishing relations with the United States has become an absolute priority in order to preserve the system. Starting with this fact, Tehran used rationalism to strike a deal with the US in order to serve its domestic interests and to legitimize the regime, while avoiding the risk of chaos breaking out. Furthermore, the positive feedback to the presidential elections saved Iran from a scenario similar to the Arab Spring. The Iranian nuclear deal has resulted in the revival of the confidence of the people in their regime while respecting their ideology and dignity; however, this serves
the mutual goals of both Iran and the west in solving the nuclear problem, while preserving Iran’s rights to a nuclear program.

**Interpretation of the Results of the 2013 Presidential Elections**

The election of President Rouhani in 2013 was accompanied with the feelings of liberation and excitement. The Rouhani choice has triggered optimism in a system that has lost its legitimacy to a certain point, after President Ahmadinejad election. According to Perteghella, “President Rouhani was elected on a platform calling for ‘prudence and hope’ and resting mainly on three pillars: ending Iran’s diplomatic isolation, resuscitating its economy, and enhancing social and political freedoms” (Magri & Perteghella, 2015, P.51). In the first half of his presidential term, President Rouhani succeeded in opening Iran to the West through a nuclear deal that has led to the lifting of major sanctions and ended its international isolation.

The Iran nuclear deal was not only the result of wanting to lift sanctions or avoid any war. The pragmatic shift in Iranian foreign policy to serve its domestic interests happened after Rouhani presidential elections, the military block in Iran’s conflict, and to reduce tensions between Iranian elites and the people; moreover, there seems to be an Iranian appeal for establishing a new partnership with the United States in order to loosen tensions. On the other hand, the United States needs the deal for rapprochement with Iran, without getting involved in another war in the region and to relieve the fears and anxieties of its allies (Mafizadeh, 2014)

**Foreign Policy versus Domestic Issues**

On the domestic level, two factors are very essential in formulating Iranian foreign policy. The first is the Iranian ideology along with the intra-sectarian subtleties (Mahan,
second is the unique role of the Supreme Leader the Ayatollah who has the final say on policies related to Iran and whose major concern is to save the regime. The Supreme Leader was alarmed by the election of Rouhani, since it reflected the people’s desires for change, in contrast to Ahmadinejad elections in 2009, and he acted pragmatically in paving the road for a deal with the West to end Iran’s isolation and save the regime.

Foreign policy and domestic legitimacy in Iran are correlated and work to strengthen the state and the regime domestically. In spite of the internal opposition that started to pose pressure on the regime, the Iranians were under serious sectarian and ethnic threats from their neighbors who were pushing the international community against Iran, due to its nuclear program, especially American allies, Saudi Arabia and the Gulf. Iran made a smart move by striking a deal and put an end to threats that might weaken the regime from the outside. In this sense, leaders in Iran, mainly Ayatollah Khamenei, preserved their political system throughout this agreement instead of maintaining their non-cooperative stance. Any refusal of cooperation will pave the road for domestic challenges which, in turn, could lead to international interference in Iran. What helped Iran from failing domestically was the foreign policy achievement through the deal, in contrary, to other Arab nations who suffered from uprisings against their respective regimes. Legitimizing the political system in Iran was very essential because the choice was limited to either insisting on maintaining a nuclear program, which would endanger the whole political system or to agree on a peaceful solution that would satisfy all players.
Legitimacy in the Iranian System

In most of the Arab world, acquiring legitimacy is primarily based on the ruler and not the people similar to most liberal countries. Discussing legitimacy and authority is essential since legitimacy is linked to the leader directly, and if a leader is weak then his legitimacy will also be weak. As for the authority, it is linked to the individual directly if he will give it to the leader or not. In most of the Arab world, legitimacy is given blindly because this term is a Western rule and directly derived from the people; however, most of these countries are ruled by monarchs or authoritarians. The relationship between effectiveness and legitimacy is essential, since effectiveness brings legitimacy to the regime and effectiveness is based on whether or not the people think the regime is functioning well. The smart move for Iranian leaders was the exact timing in striking the deal, because there is always time limit on the effectiveness and stability of a regime. Therefore, if any regime is failing to govern or to reflect the views of its people, then this regime will end up losing. This paper sheds light on a major concept of how a regime must function in order to balance societies and how this regime will operate like elastic, knowing when it needs to tighten its grasp and when to loosen it. Therefore, legitimate regimes will lose their effectiveness gradually when their leaders begin to lose legitimacy. The leaders, mainly in authoritarian countries, attain their legitimacy through foreign gains in order to impress their population for a certain period of time and gain their support. According to Dawisha, “The Arab leader has to have a career portfolio of consecutive “success stories” in order to maintain his credibility, his legitimacy and ultimately the stability of his political order. Hence, foreign policy seems destined to
continue to play a central role in the legitimization of Arab leaders and their political orders” (Dawisha, P.283).

This “success story” in Iran, according to Dawisha, has achieved two strong supports for its rigid policy. First, is the acknowledgment of the United States and most of the international community of the Iranian regime in signing a deal together; throughout this agreement, the Islamic Republic will be legitimizing itself against any regional and domestic threats that might offend its political system as a whole and continue to impose religious ideologies on the state and thwarting any internal opposition that seeks to reform or overthrow the regime. Second, this achievement has allowed Iran to enrich uranium and become a member of the nuclear club, with a promise to end IAEA inspections for its nuclear activities by applying for non-proliferation or after a period of ten years through a resolution from the United Nation Security Council (UNSC).

Part of Iran’s strategy is based on its ambitions to become a major player in the region, as well as to renew its relations with the international community, where its demands will be taken into consideration as long as it abides by international laws and does not interfere in the affairs of other nations or use its power for regional dominance. This way, the United States can guarantee its allies in the region, mainly the Gulf States, of their control over the Iranian hegemony in the region after the deal, especially since Iran is partnering with major powers.

A regime’s major purpose is to maintain security and continuity. They need to utilize new methods in order to change or collaborate with their people and this is what most regimes lack. In general, we have two types of securities, the first depends on the status quo, safety and order; however, the second depends on dynamic change, freedom of
action and justice. The most difficult challenge for a regime is to determine where to stand on these two types of securities and any missteps might lead to a revolution.

The foreign and domestic politics are too connected and this is the main cause of Arab Spring. Connecting foreign and domestic politics is very essential and the moment a country can’t fly freely on foreign policy then it will be in danger. Iran has benefited from this relation between its foreign and domestic politics to legitimize the regime and ending Iran’s international isolation with the West after decades of hostility.

**Decision-Making and Foreign Policy in Iran**

The internal political structure of a country is a major determinant of its foreign policy; foreign policy falls into the hands of executive, regardless of any internal factors. The mass public shows less interest in foreign affairs than domestic problems; however, achievements in foreign politics will be reflected positively on the country. The greater the change in a regime, the greater the change in policy, since some regimes are open to democratic change and some are not. From this perspective, Iranian diplomats have benefited from their previous statements on their desire for a peaceful nuclear program and based on this desire they signed the deal (Fitch, 2015).

US policymakers did not expect a rapprochement between the US and the Iranian government, because the Iranian regime might think that such a relation is dangerous and would pose a threat to the survival of the regime. The United States, however, considers Iran dangerous and a threat to its allies in the Middle East region. As for Iranian policymakers, they understand the need to protect their nuclear program and thwart the possibility of a military intervention. The problem is the program needs about ten years for a new generation of centrifuges to be established. From this perspective,
Iran’s diplomatic task was to protect this program through legitimization, allowing researchers to accomplish their goals (Fitch, 2015).

Iran preserved the power of its regime domestically, while continuing its nuclear program through a foreign policy agreement; Iranian leaders are also looking forward to maintain their influence over some capitals in the region for a greater domestic gain, which will effectively delay the international community’s plan to rebuild failing states in the region and ending their civil wars. The Iranian regime interest is to delay solutions in the region in order to utilize the chaos for furthering its influence. Blocking the Iranian sphere of influence in the region will require blocking all the regime’s regional interests after weakening its allies. This will put pressure on Iran’s economy and society as a whole. By challenging Iran’s expansion throughout the region, the United States can place more pressure and costs on the regime by providing regional stability. After signing the deal, the Iranian regime has achieved the peak of its power regionally.

Iran has recognized that among all the interactions in the region, it was very wise not to get involved in a war to keep its regime safe; if it had opted to keep its nuclear program, a coalition might have been formed against Iran, which would weaken, if not destroy, the regime. (Cohen, 2016).

Throughout the deal, the Iranians have worked on obtaining sanction relief; however, this has also led to the decrease in the price of oil, which could harm the economy, specifically Saudi Arabia and the GCC, because their economies are based on oil revenues.

For Tehran, it is extremely hard, almost impossible, to go up against the US and the international community, especially with the instability across the Middle East; furthermore, Iran’s allies, including Syria, Iraq, Yemen and Lebanon’s Hezbollah, are
currently preoccupied and need its support in their wars. During this time, the Iranian regime was cautious not to abuse its weaknesses, by increasing the costs for any foreign intervention outside its borders, deteriorating its economy, and backing its domestic frustrations. From this perspective, we can summarize that this deal has been done to the advantage of both countries (Cohen, 2016).

The Iranian revolution of 1979 that toppled the Shah’s regime transformed Iran’s foreign affairs from maintaining strong relations with the international community, mainly the United States, to opposition to any organization supported by any Western government. Actually, since the revolution until the presidential elections in 2013, Iran has maintained an anti-American and anti-Western policy in an attempt to damage their influence in the region. Moreover, aggressive behavior had been directed towards Israel, specifically during President Ahmadinejad term. Iran’s foreign policy was in constant fluctuation since the revolution to present day, going from an ideological to a pragmatic president, which depended on domestic and foreign affairs. During the last era of President Ahmadinejad, he followed an isolationist and confrontational foreign policy approach, following an extremist ideology similar to that of President Khomeini (Rakel, 2007). Therefore, the major obstacle of Iranian foreign policy was the presence of many political groups and rivaling powers that set barriers that crippled the country’s foreign policy decision-making and the implementation of its vision in both, the short and long term. However, far from internal conflicts and competing groups, the Supreme Leader has sensed that a pragmatic move was needed for domestic survival on all levels, especially to enhance the economic situation and the regime’s preservation. The moderate President Rouhani and Foreign Minister Zarif have led a mission unlike any other mission in Iran’s political history. An agreement with the West, which was
impossible during Ahmadinejad’s days that has ended era Iran’s isolation and has allowed it to start a new phase with a better economic, political and humanitarian situation. Pragmatism in foreign policy has dominated ideology; this pragmatism was not delivered from a vacuum, but as a result of elections that clearly favored reformists over hardliners. This led to the realization that this could spark an uprising if it spread in the streets, which political groups responded to in a smart way and different from before where Iranian foreign policy was tightly linked to the ruling elites and whichever clique dominated also drew its foreign policy. Variations in Iran’s policy was not an indication of an intentional step to reform the system, but was used to respond to domestic, regional and international pressures. The major concern was relieving sanctions against Iran, and easing regional tensions and ensuring the preservation of the regime and rejoining the international community.
Chapter Four

The Relationship between the Economy and the Arab Revolutions: What Does Iran Really Want from the nuclear deal?

Introduction:

No doubt, everyone in Iran will benefit from this deal. As for the poor and middle-class, they will have the opportunity to benefit from the reconnection with the international finance system that will allow Iranians to transfer money abroad, attract investors, develop the tourism sector, improve their businesses, and, most importantly, they will be able to trade their hand-made crafts, specifically those who work in the Persian rugs/carpets industry. As for the government, in addition to protecting the regime, reformers will gain politically from this deal and this will be reflected in the first election that should give reformers better and improved positions, which has never happened in Iran before (Muzaffar, 2016).

Due to harsh sanctions, Iran’s economy suffers from retarded and taken a major toll on the Iranian people. Many Iranians have been living below the poverty line, and have continued to endure these hardships for several decades. Surrounding Iran’s borders are several revolutions, dubbed the Arab Spring, that are the result of economic and financial problems. These movements have been a threat to the stability of the Iranian regime since the people of Iran are suffering from the same problems as their neighbors.
What Iran Wants from the Nuclear Deal

No doubt that the nuclear deal was a turning point, with important consequences, for the future of Iran’s political process on both the domestic and international level.

The aim, of the P5+1, and the United States in specific, was obviously to stop Iran from enriching uranium and developing a nuclear weapon that would cause problems in the Middle East region and goes against the interests of the United States (Edelman, 2011). The Iranians, on the other hand, agreed to limit its production of nuclear capabilities, while protecting its natural right to obtain nuclear weapons, in exchange for sanctions relief. (JCPOA, 2015). The Iranians has claimed that in spite of their huge oil and gas reserves, they need an alternative source of energy for domestic uses if they want to keep their dynamic export returns stable; even if Iran does not request a nuclear program for military needs, it aims to maintain this capacity for the future when it can re-activate and re-produce nuclear weapons. Iran does not go back to point zero since it has maintained that the technology is going to be used for peaceful and domestic purposes (Salhani, 2013). But the question of what Iran really wants remains unknown. According to Robert Toscano, who served as Italy’s ambassador in Iran, “Tehran always considered the nuclear issue more as a means than as an end” (Toscano, 2016). Therefore, the major concern is not only its militaristic interests, but the talks and reconciliation with the West. This agreement has placed Iran on international maps again, after almost a decade of living in a state of unconsciousness. Iran used this agreement to make the US and the West accept Iran as an equal and legitimate partner and through this, Iran will legitimize its regime that was under threat from the international community. Through the deal,
Iran has put an end to all to the threat of war for its refusal to suspend its nuclear program, and is no longer classified as a nation that aids terrorism.

Analyzing the facts, the Iran’s priorities differed from the West, because Iran sold an innovation that it did not own; in other words, they knew that it is impossible to complete the end phase for the bomb, because the international community was very clear on this issue and could have triggered a third world war. Through a pragmatic approach, Iran had to choose between developing a nuclear bomb, which would lead to the toppling of the regime and the destruction of the country versus signing a nuclear agreement that would allow it keep a peaceful program, legitimize the regime, thwart any domestic movements and create new partnerships with the West. By choosing the second option, Iran has put an end to all conspiracies against the country. At this phase, whatever we knew about Iran and its priorities must be forgotten and not listening to the heated speeches on the news and front pages of newspapers and instead focus on the core elements.

Iran’s position in the Middle East is not simply to overcome or dominate; Iran is a challenging subject in foreign affairs for it is militarily powerful, which is hard to overcome, and it is an icon for Shiite Muslims and its sphere of influence in the region (Wright, 2015). Iran’s major regional and international problems, therefore, are its main concerns in terms of state priorities and its geopolitical authority could lead to conflict with other regional powers, mainly the Gulf countries and the United States.

Iran is definitely motivated throughout history and remains till date; its motivation for development goes back to the days of the Shah and his dreams of greatness before the
revolution (Amuzegar, 1991), even though some Iranian presidents have slowed down Iran’s progress in the past. The Iranian people’s concept differ from other population, since they view the nuclear program a national interest and not regime interest (Mousavian, 2015); furthermore, they wouldn’t accept in the failure of this file since it is one of the things that Iranians are proud of (Zarif, 2014). Their persistence and resistance to the sanctions and embargos has reinforced their government’s position, because many regional powers had bet on the people to revolt against their regime. In Iran, people are motivated by national pride, which has been seen through its history; even when there is a revolution or a protest, Iranian k eep their language soft. Furthermore, Iranians believe in traditions and believe that by breaking the regime they are breaking their country (Jahanpour, 2015). Therefore, for the Iranians their priorities lie with both the people and the regime.

First of all, security is a priority, which is reasonable thinking after the era of the Iran-Iraq war that lasted around eight years and has retarded Iran on most levels (Zarif, 2014). The Iranians do not aim to weaken their regime even more, but they have their own way of having their voices heard by Iranian leaders— like they did in the last presidential elections in 2013 (Jahanpour, 2015).

Second, ending Iran’s isolation is another vital priority that will reflect positively on the economy of Iran and the security of the country in general, due to the easing of pressure from the international community (Zarif, 2014).

The alluring national unity that backed up Iran’s international relations, which was the result of the 2013 presidential elections, when the people favored reformists over
hardliners, has supported President Rouhani’s program and Foreign Minister Mohammad Javad Zarif, can be translated in two ways.

First, when the P5+1 deal with Iran was signed, the Iranians celebrated; they were satisfied and grateful (The Guardian, 2015). They knew for sure now that Iran was not going to be bombed, since the West recognized that talking to Iran was a necessary step and that the country is a major power in the region.

We must not be deceived by the apparent stability of the aged religious elites at the top levels in Iran; however, the people did not respond to the wishes of these elites (Toscano, 2106). What distinguish the people of Iran are their honest reactions to certain events; the Iranians did not wish to overthrow or change the regime; but they wanted reforms, better living situations, an open economy and a balance between pragmatic thinking their ideology, which is considered the core (Jahanpour, 2015). A very important event was the crowds that met Foreign Minister Zarif at the airport upon his return from Vienna; the people were chanting: “Zarif, you are the new Mossadeq” (Toscano, 2016).

Going back in history to compare them to the crowds that used to shout “death to America” (Toscano, 2016) a major difference is noticeable and Zarif’s supporters were more natural than the previous aggressive movements. The thousands that filled the streets of Iran when the agreement was signed revealed the true face of the Iranians that could have gone one month before overthrowing the regime (The Guardian, 2015). The Iranians can determine the good from the bad where their country is concerned and they were not in a position to weaken their country; on the contrary, they respect their
ideological thinking, their religion, their state and their dignity (Mousavian, 2015). The Iranians have waited for so long to strike a deal for a better economy, a stronger regime and a wider sphere of influence (Zarif, 2014).

The Supreme Leader Khamenei’s pragmatic decision to enter into talks with the West and reach an agreement with the P5+1, and specifically the United States, has paved the road for President Rouhani’s government to sign a deal that is considered the beginning of a successful project for Iran and not an end. Applying an ideological approach domestically while being rational outside was an excellent step that has revived the Iranian body that was slowly dying. Moreover, Iran has necessitated the P5+1, especially the United States, to recognize Iran as an legitimate partner to coordinate with on many files of mutual interest in many parts of the region where Iran imposes a certain influence and specifically to coordinate against the regional and international threat of the Islamic State (Mousavian, 2015).

The Supreme Leader’s decision was not an easy one to make, since there is a conflict going on inside the regime between the hardliners and the reformists. He made the decision to protect the country and the regime from a global war on Iran. Khamenei was very wise reading between the lines, and realized that standing with the hardliners, whatever the result, is a risky choice that will destroy both reformers and hardliners, and Iran will dive into the unknown.

For a period of time, the principle of condemnation had dominated the principle of duty so that toppling a dictator was believed to be a priority, without any regards to the consequences. During the Arab Spring, and even before, the toppling of Muammar
Kaddafi in Libya, Saddam Hussein in Iraq, Hosseini Mubarak in Egypt and the Civil War in Syria against Bashar al-Assad’s regime were good lessons for the Iranian regime. The toppling of leaders was secondary to a domestic revolution that led to international interference. Therefore, building bridges with the West is considered a pragmatic move in Iran’s foreign policy to serve its domestic interests.

Comparing some of the speeches of the Supreme Leader, we can determine the level of Iran’s awareness of this deal. In a speech given in April 2015, Khamenei was “neither for nor against” the nuclear framework after finalizing the details (Iran Primer, April 9 2015). Moreover, he proceeds to say, if “Iran can negotiate with the United States over other matters as well” (Iran Primer, April 9, 2015). Therefore, despite his doubt, he was very optimistic and was willing to sign the deal when the agreement is finalized and move on to discuss others points that they can agree upon. Khamenei put his trust in his negotiators to get a deal that meets Iran needs, he was quoted stating: “I trust our negotiators but I’m really worried as the other side is into lying and breaching promises” (Iran Primer, April 9 2015).

While addressing the Revolutionary Guards’ commanders on October 7, 2015, the Supreme Leader claimed that further negotiations with the United States are “forbidden” due to the threat of the US interfering in Iran’s domestic affairs in order to weaken the regime (The Iran Primer, 2015). He clearly said, "Negotiations with the United States opens gates to their economic, cultural, and political and security influence. Even during the nuclear negotiations they tried to harm our national interests” (The Iran Primer, 2015).
In a speech given on April 9, Khamenei contradicted his previous claims regarding his trust in the people who were negotiating with the West, accusing them of being “naïve,” and not seeing or understanding the danger of Americans who were brainwashing them and change their views. He blamed the country’s problems on the “thoughtless” and gullible officials who do not care or do not see the realities (The Iran Primer, 2015). This message was directed at the reformists who, according to Khamenei, were “thoughtless” and labeled the moderates as “gullible” this was seen as a direct attack on President Rouhani’s government in front of the hardliners of the Revolutionary Guards.

**Positive Impacts of Sanction Relief:**

The deal’s primary concern was to preserve the regime and strengthen the positions of the elite domestically; however, this deal will bring many other benefits to Iran in both the short and long term.

Tehran was insisting that its nuclear program was peaceful and that they never intended on building a nuclear bomb; this prompted a positive response, in the form of a deal that will provide a safer world with less armed conflicts and prevent a third world war, from the West (Kara, 2016).

In addition to validating the regime’s authority, the lifting of sanctions was the second most important cause to pave the way for any domestic changes, since Iran will become a very strong economic power. This will reinforce its position, in the long run, which will allow it to wage war in the region and cause trouble. Many observers, especially Israelis, argue that the deal will make Iran into a nuclear power in 15 years and believe that Iran will not be loyal to this deal (Kasra, 2016).
Increase in Iran’s Power

As for the Gulf countries, their concerns are almost similar to that of Israel, Iran will be a member of the international community and will be active, which will strengthen the position of Iran regionally and allow the Persians to expand their sphere of influence at the expense of Arab states, chiefly the Gulf, whom they consider America’s closest allies in the region; moreover, they also depend on Washington’s support in facing Iran (Kasra, 2016). Their fear of Shiite expansionism has led to the implementation of aggressive measures, such as the execution of Shiite cleric Nemr el-Nemr and cutting all relations with Iran. The Sunni-ruled Gulf states are concerned the lifting of sanctions is a threat and the Iran- US rapprochement is at their expense. They are worried that this push might lead Iran to interfere in countries such as Iraq, Yemen, Syria, Bahrain and Lebanon tilting the balance of power in its favor at the expense of Saudis. In addition, Gulf countries do not believe that Iran can help in the fight against ISIS, because the international community believes that Iran will not support a solution in Syria that is not in the interest of President Bashar al-Assad. (Kasra, 2012).

Ending a Black Era

In Iran, “implementation day” was the day the nuclear deal went into effect and sanctions were lifted, and with it came the end of the black era in which Iran was isolated by the international community (Kasra, 2016). The deal will open Iran’s economy back into the international market, allowing it to partake in free trade and revive its economy. Re-launching oil trade, even in low quantities, will make Iran a significant competitor in this market, since Iran is one of the biggest oil producers in the
world; by reinvesting oil fields, Iran can increase the international supply which will decrease the price of the barrel and create competition since demand for oil are very low today.

Iran has access to money that was frozen under sanctions, which will revive Iran again through the import of goods, services, facilities, and most importantly it will have the ability to modernize and provide all the necessities to improve the living conditions of the people. Iranian officials signed a deal with Airbus to purchase new aircrafts in order to reconnect with the rest of world through its national airline (Airbus, 2016). Iran’s enemies argue that the regime will use the money to fund terrorism and purchase arm that it will use to dominate the region (Katzman, 2016).

**Reconnecting with the International Community**

Another positive outcome of the deal was the Iran-US reconciliation, which can be reflected in the whole region to lessen tensions and create a more secure Middle East in the long term. Although major issues will remain on hold, there are many points of mutual interest to start with. Talking to the United States and the international community will make the West better understand Iran’s actions and be able to discuss solutions at one table, not through middlemen. The first step one of a thousand mile journey has begun and it might take a long time, perhaps decades, to reestablish trust. It is actions that will rebuild this confidence and not just the words of both sides.

No one obliged the two countries to strike this deal if they did not see equal benefits for them as primary and for the whole world in second. President Rouhani labeled the moment sanctions were lifted as the “golden page in his country’s history” (Kasra,
Throughout history, the Persians were not a hostile people, their words are always taken for granted, their history goes back 6,000 years and they deserve to be one of the best people in the world. Reading the results of the last elections that took place in February 2016, which resulted in a strong win for the moderates for the first time since the Iranian revolution reflect the outlook of the people who want to live in peace, reconnect with the world and end conflicts with the regional and international community. President Rouhani was elected for this purpose and he has fulfilled his promise of ending sanctions and Iran’s isolation.

This deal has relaxed the tough political and economic situations that have troubled the country since the presidential elections in 2009. After the 2009 elections, the hardliners and reformists had split into two parties clearly as an attempt to create problems on certain issues between the Supreme Leader Khamenei and President Ahmadinejad. Due to these problems, Khamenei gradually revealed his appeal to take control over all political power, fearing from losing control over the country due to the emergence of domestic movements. From his proposal, it was clear that he wanted to remove the position of president from the constitution and stressed on his unwillingness to share his executive authority with any another elite or leader in the Islamic Republic.

**Economic Boom**

Iran’s economy has passed through a very critical situation which delayed its economic development, increased inflation, led to high rates of unemployment and reduced the government’s revenue. This has added to the frustrations of the people along with heightened fears over shortages due to the tough sanctions that prohibited Iranian
companies from connecting to the world financial system, as well as the difficulty of importing many goods that are considered essential for the country. In spite of the government’s efforts to minimize the consequences of the sanctions and overcome it, the result of their efforts was quite the opposite (Bazoobandi, 2012).

Therefore, between the political conflict for power among Iran’s elites and the burden of the economic embargo, the people of Iran could have taken to the streets to demand better living conditions and face their leaders. Movements have taken place in Iran since 2009, when millions of people occupied the streets against the regime, but the Basij militia managed to limit and even succeeded in stopping them (Ganji, 2014). In order to avoid a repetition of the 2009 movements, the Supreme Leader take an important decision: which candidate to support in the next elect? He could throw his support behind President Ahmadinejad, again, which would have only one outcome: more instability; or he could act rationally and listen to the demands of the people. The 2013 presidential elections was a turning point for the Iranian political process and the nuclear deal was the result of the elections and has reflected the resolve of the people. The Ayatollah has been drawing a policy chart to oppose President Ahmadinejad along with his clique within the regime by countering their hardline political policy with an open language of moderation for the sake of the regime or what he called “Maslihat el Nezam” (Bazoobandi, 201).

President Rouhani was the Supreme Leader’s best choice with a new government that would act moderately with its dynamic Foreign Affairs Minister Mohammad Javad Zarif. This trio has put Iran back on the right track through the nuclear agreement, as a first step, to ease its political and economic problems. Iranian people filled the streets,
the day the deal was signed, in a demonstration to support the government instead of toppling it which was exactly the opposite case from the Arab states that were undergoing revolutions.

**The Power of the Iranian People versus their Leaders:**

The nuclear agreement has set a free defense of the fundament constitution of the Iranian regime. The 2013 Iranian presidential elections that led to the victory of moderates over hardliners placed a true command for Iran’s decision-makers that there are red lines not to be crossed. The hardliners and their supporters, at the moment, are considered a minority as the results have shown; even though they are still hold the most powerful seats in government, judiciary and the Revolutionary Guards (Gilsinan, 2016), but this will not give them the right to enforce their commands on the people of Iran, especially after the elections. The structure of the regime allows hardliners a very special power to interfere in the government and presidential affairs, especially if the Supreme Leader is on the hardliners side (Gilsinan, 2016).

Moving forward, the hardliners are beginning to confidence in the legitimacy and the transparent objectives of President Hassan Rouhani and his government in tackling self-interest priorities, from relieving sanctions to ending Iran’s isolation; moreover, President Rouhani’s rivals take him so seriously in avoiding many ways to affect and disturb his political mission. (Gilsinan, 2016)

In spite of all these bickering, still the “ayatollah” have the last word but not in a relax position as before the 2013 elections. However, many questions can come to our minds regarding this issue. Did the supreme leader changed his mind forcefully or did he
analyze the regional situation in relation to domestic? Was he gambling when he sent his delegates to Geneva? What really happened?

Looking from several cornerstones and far away from Khamenei position as a hardliner or ideologist, the real fact is that Khamenei went pragmatic to show that he is the best reader and analyzer at all moments. During the talks, he threw many thermal balloons to get all kind of answers and build his decisions. Khamenei has received the signal and reacted in the exact perfect timing to become “surprisingly pragmatic” (Toscano, 2016) and save his regime and all the Iranian factions from both domestic and foreign attacks.

Khamenei, along with Rouhani Government, has legitimized the Iranian regime through a deal with Washington, to reverse a situation where Washington was supposed to lead any military attack against the Iranian regime or interferes domestically inside Iran in case the Iranian people have started any opposition movement against the regime. This deal has surprised the gamblers who wanted the US to lead a harsh attack on Iran in order to destroy a raising military, political and economic power from the region.

The Supreme leader Khamenei green light to President Rouhani and his foreign affairs minister Javad Zarif to terminate Iran political isolation and economic sanctions through a deal with the West, has succeeded to relax Iran domestic political tensions avoiding any opposition movement that they can determine where it starts but never knows where it ends. Nowadays, after Khamenei has preserved his regime, does he act surprisingly ideological again if he determines that the people of Iran are opting to be influenced by Western societies and this openness to the West might insult the Iranian regime?

In fact, translating the 2016 elections, the strong win for the reformists and moderates in both the assembly of experts and the parliament has fortified the position of Iran politics in striking a deal with the international community. The assembly of experts, who in
turn elects and regulate the Supreme Leader actions, is composed from a total majority of moderates who supports President Rouhani policies in domestic and foreign affairs who claims after the elections that “The competition came to an end and now it is time to open a new way through consensus and convergence of the nation and government and by relying on opportunities created from outside, to open a new chapter in the growth and flourishing of national economy.” (Sonawane, 2016)

The Iranian elections has drawn a clear target for a better future of Iranian youth, educated and creative who waited so long and burdened the maximum to win a peaceful country and not to let the outsiders interfere in their affairs or weakening their regime. The Iranians was the smartest in the region to get all their needs without getting the others into their territories and without losing one Iranian civilian at any fight but through their will and their votes at the right time and in the right place. The Iranians has followed a famous Persian proverb that tackles their patience in doing things: The Iranian can slay a chicken with a piece of cotton.

**Iran policy after the deal:**

**The Short and Long Term Impacts of the Deal**

The agreement between the United States and the P5+1 has lowered the threat against Iran from any external militarily conflict that could have been a turning point in Iran’s plan. Economically, this deal was the first step in a one thousand miles walk. Releasing the sanctions will decrease the economic pressure imposed on the country for almost a decade, Iran will restore the strength of the oil and energy sector, the Iranian frozen money will be released and will open the flow of foreign investments into Iran; in other
words, releasing sanctions will be reflected positively on both the short and long run on
the country. (Magri, 2015) As for the short term, the frozen Iranian assets will be
returned to Iran along with normal oil exporting to the pre-sanctions era to increase from
1.6 million barrels per day (mb/d) in 2014 to 2.4 mb/d in year 2016 (Magri, 2015, p.43); however, on the long term, the major effect is the increase in the oil and gas production
with the increase of foreign investments in the country from telecommunication, energy,
banking and infrastructure. (Magri, 2015) No doubt that this deal was a significant
political success for Iran, the US and the international community as a whole. Releasing
sanctions is not sufficient alone to boost the Iranian economy; however, this will be the
first step in the thousand miles trip. Releasing sanctions will pave the road for the
Iranian government to start reforms, modify some laws for foreign investors, and allow
citizens to interfere more freely within the system.

As for the Iranian relations in the region, especially with the Gulf countries, Foreign
Minister Zarif has started immediately a round in the region to explain the Iranian
position after the deal; in other words, the Iranians has started the good neighbor policy
for better relations (The New Arab, July 2015); however, the Saudis has rejected this
policy to take an advantage in cutting all the relations with Tehran after the execution of
Sheikh Nemr and the attack on the Saudi embassy in Tehran. (Hubbard, 2016)

In Riyadh it seems that the decision makers are not yet clear whether to stay ignoring
Iran or opens new lines in an approach for better relations specifically after a deal with
the P5+1 that ensures, to a certain extent, a peaceful nuclear program with less threat on
the whole region. Zarif visit to the Gulf countries for a serious dialogue and a
compromise about major problems in the region was not a bad start for a hope in
comparison to the hostility that has been found for decades between the US and Iran

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whom already set a deal ending at least this hostility partially. In other words, there is a larger possibility that a rapprochement can happen between Iran and the GCC, especially in restoring normal bonds and relations as neighbor Islamic countries.

Another important consequence for the agreement is the establishment of the first accord between Iran and the United States in almost four decades to break a major barrier that has cut all channels between the two countries, especially the diplomatic. (Azodi, 2015) This agreement will open the connections again between the two governments and pave the road for future cooperation. Acquiring a solution to the nuclear problem will start a mutual cooperation on major points that is of major interest for both countries especially fighting ISIS. (Mousavian, 2015) This deal has strengthened the Iranian regime in tilting the balance of power for its sake regionally and in making the Iranians happy and confident domestically. (Milani, 2015) This gain in power has been automatically considered on behalf of the Gulf countries, especially Saudi Arabia, that has used the threat of the Iranian regime to acquire U.S. assistance for decades. In economy, this deal will bring investors and wealth into the country; in politics, this deal will legitimize the regime and block the road on any domestic movement due to sanctions lifting; in power, this agreement will automatically increases Iran regional influence. (Azodi, 2015)

Of the major impacts to this deal is the future relation that can be drawn between Iran and the Arab World in general regarding the security file and the relation between Iran and Saudi in specific; moreover, producing conflicts throughout the region all through Yemen, Lebanon, Syria, Iraq and Bahrain will increase chaos and conflicts since the rivalry between, Iran and Saudi, the two major regional powers is the core problem that threatens regional security. The way the new Middle East cold war progresses will
highly determine the security aspects and will redesign the Middle East for the near future in drawing new alliances.

This sectarian conflict can burn the whole region and its effects will spread to influence the international community. An expected outcome for the nuclear deal must provide a good opportunity in reducing tensions between Saudi and Iran on the long term especially that the Saudi major ally, the United States, is the godfather of the deal. At the beginning, this deal has created tensions in the region due to the fear, especially for Gulf Countries, from the idea that the balance of power has been tilted into Iran’s favor; moreover, some others have considered that this deal has improved relations between Iran and the west, especially the United States, at the expense of the US-Saudi alliance (Kasra, 2016). A conversation with Iran will pave the road into more peaceful region and less sectarian tensions if all players know how to tackle such sensitive issue from a peaceful point of view and as neighbors. President Obama has addressed that such a deal will provide good opportunity for relieving sectarian tensions: “reducing the scope of those conflicts is for the Saudis and other Sunni states or Arab states to be at least in a practical conversation with Iran that says, ‘The conflict we are fanning right now could engulf us all in flames.’” (Mohseni, 2015. P.3)

Likewise, denoting a probable change in U.S. foreign policy concerning its Arab partners what exactly has worried the Saudis and the Gulf in general has been clarified by President Obama who highlighted that “America has to listen to our Sunni Arab allies, but also not fall into the trap of letting them blame every problem on Iran. The citizens of more than a few Arab Gulf states have been big contributors to Sunni jihadist movements that have been equally destabilizing.” (Mohseni, 2015. P.3)
During the pre-nuclear deal era, the Saudis have enjoyed an exclusive partnership with the U.S. as major allies in the Arab world; on the contrary, the deal gave Iran the opportunity to open direct lines with the United States and to break the exclusivity of the Saudi-U.S. alliance in the region, (Kasra, 2016) to permits the Iranian petrol in reaching the West, to bring investments into Iran, and to strengthen Iran position cutting the road on any war against Iran that might destroy the country and topple its regime. 

The big challenge for the outcome of this deal was the enhancement of Iran position; this has been clear from the pragmatic move in foreign policy in alleviating the economic problems and releasing Iran’s frozen money, disabling any war on Iran territories keeping the land intact, protecting and legitimizing the regime, cutting the road on any movement inside Iran and reducing the gap between the regime and the people. In other words, Iran has shifted itself from a limited state in its environment to a regional power. The deal has been reflected positively on Iran position in the region, especially that Iran was involved in many conflicts from Yemen to Lebanon. This can transform a non-stable region into stable if all the players knew how to handle such agreement peacefully. The most dangerous factor that can delay any improvement is the Saudi-Iranian tension; normally, there will be an increase in aggression and intimidation to Iran regionally in order to weaken its image after the big gain in its foreign policy and to raise the Gulf people hate towards the Iranians especially; this was clear through the murder of “Sheikh Nemr el Nemr” that created a crisis between the two countries on all levels. (Kasra, 2016) All these targets was to reduce Iran position, trying in a way or another to pull the carpet from under the Iranians aiming for a new conflict between Iran and the United States in making Iran responsible for all the chaos in the region. (Mohseni, 2015) All these attempts has ended up soon since Iran was not willing to
create any conflict with the Gulf Countries or any other Arab state, especially that the nuclear deal has been agreed on basics that fits the interests of both Iran and the US (Zarif, 2014) and due to the good position that Iran has reached so far. The Gulf countries position against Iran was not an advantage on the long run and these countries must cooperate with Iran in order to overcome the problems that are deteriorating the Middle East nations so far. Several challenges are facing the Gulf countries from the low price of the petrol barrel that has started an economic crisis in the Gulf and this problem might be harder than the Iranian sanctions on the long term since around 90% of Gulf countries budgets depends on the petrol sector, to the political divisions among the Gulf countries, to the nuclear agreement that has strengthened Iran image, economy, influence and to the Gulf countries security requirements for foreign support. (Mohseni, 2015)

A new era has started after the deal due to the cards shuffle in the political process and the agreement that will give some advantages for certain regimes on the expense of others. The increased attack from the Saudi regime against Iran is not a refusal to the nuclear deal but a fear from the rapprochement of Iran to the U.S. simultaneously with the all the weakness that the Gulf countries are passing through. (Wright, 2016) In spite of the strong alliance between the GCC and the United States, the Saudi still have some doubts regarding the attitudes of the United States especially after the Syrian case and the red lines of President Obama in Syria when addressing the use of the chemical weapons and nothing has changed after its usage; however, the Assad regime ended up more strong. (Wolfgang, 2015) This fear is growing from the repetition of similar attempts with Iran in turning a blind eye from the United States and the international community in order to serve their own agendas in the Middle East which will falls in the
advantage of the Iranian regime and strengthen Iran’s power on both the regional and Islamic level. On the other hand, the Saudi might be overstressing in their doubts from the Iranian hegemonic dreams that might not exist and will scatter with time when this deal effect starts to be applied effectively. Saudi Arabia, with the Gulf countries, are not trusting this deal with Iran but considering a game rule that there must be a loser and a winner; however, the Iranians tried the policy of political openness right after the deal while Saudis chose the policy of cutting relations with Iran. (Hubbard, 2016) It seems that the Saudi’s wanted a deal between Iran and the U.S. expecting no benefits to Iran and to stop the nuclear program in total. If we go back in history, not far away, we can remember the big hostility that existed between the U.S. and Iran, and if compared to the Iranian Saudi case then we can find the prior was far more aggressive and it ended with an agreement. Zarif positive intentions visit to neighboring countries could have drag positively on the Iranian Saudi relations to produce advantageous result between the two countries if the Saudis met him half way. This could have opened the region for better cooperation, less problematic, less chaos, improved economy, less problems between the Arab states, better security and less interference from the West in general. No doubt that Iran position has strengthened after the deal but also there is no similar doubt that any peace process in the region requires Iran approval and participation for the game to complete. There is no way to exclude any power in the region when a peaceful agreement is required; starting from this formula, the Iranians started to build bridges with the Arab countries right after the deal but they were offended by the Saudi Reply to cut all ties between the two countries. (Hubbard, 2016) Still the Iranians are trying to smooth things and open the negotiation for better future dealing from strong position of Iran after the deal; For Iran, connecting to the West and preserving the regime is more
important than acquiring a nuclear bomb and stay isolated from the world with increased hostility. (De Bellaigue, 2005) Therefore, it is either to acquire an increased Iranian influence with intensified tensions or increased collaboration with less conflict in the region.

There is nothing guaranteed either on the short or long run regarding the Arab states practice towards Iran because instead of creating peaceful relations or scaling down conflicts, it may restore rivalry on the Middle Eastern territory fearing from the Iranian regional power recurrence, even if Iran showed moderation and controlled its ideology.

The important outcomes for the nuclear agreement is not only limited for security, nuclear production and economic issues; however, it is also important for the possible consequences it will have on both Iranian domestic and foreign affairs. Actually and far away from any complication for the procedural characteristics of this agreement, the political aspect is very serious for confirming the lengthy and longstanding determination of the problem. The major decision will return to Iran itself based on its domestic, regional and international calculations regarding its position in the region if it obeys the details of the deal during the time given or it sees an urge to nuclearize the army and by this it will be breaking all the rules of the game. For the moment, or the short term, the Iranian regime sees an urge to freeze its nuclear program due to the threat that faces Iran domestically and internationally. (JCPOA, 2015) In a wise attempt, the regime has legitimized itself in throwing away the nuclear bomb possibility on the short term in order to thrive; the Iranian regime has cut the most harmful effects that might intimidate its presence. Of these threats was a possible domestic movement, due to the heavy economic pressure from sanctions, after the 2013 elections that showed the big refusal for hardliner elites and wanted moderate ruling.
The American decision makers main concern was to stop any production for a nuclear bomb in Iran which they consider as a dream for the Iranian elites especially hardliners; freezing this process is the United States major concern because the rapprochement with Iran will open more possibilities for less nuclear Iran and more secure Middle East. (The White House, July 2015) The major purpose for the U.S. administration request a new concept of dealing with Tehran as President Obama addresses that this relation must be composed of “A different path, one of tolerance and peaceful resolution of conflict, leads to more integration into the global economy, more engagement with the international community and the ability of the Iranian people to prosper and thrive.” (The White House, July 2015)

**Moderate and Resilient Iran:**

This deal has opened the road for a more moderate Iran and whether the policy of “integration” (The White House, July 2015) that President Obama has addressed can create a change in the Iranian foreign policy for more pragmatism and resilience when dealing regionally and internationally. The challenge becomes a big question whether the Iranian regime will make any serious changes in its political system before the deal terminates.

The moderation and resilience needs a certain procedure in order to be achieved. First of all, this has started through the election of President Rouhani who represents the moderate thinking in contrary to the previous President Ahmadinejad. (Gilsinan, 2016) The 2013 elections have started a modified thinking through the Iranian elites into accepting the desire of the people for a more moderate Iran; moreover, the 2016 elections has continued the job that according to president Rouhani, “The people showed
their power once again and gave more credibility and strength to their elected government." (Nakhoul, 2016) The nuclear deal was the beginning of the reform phase that the people needed as primary in the Islamic Republic of Iran even though there was a limited space for any form of regime opposition and free popular involvement. In spite that the final decision making is for the Supreme leader Khamenei, the ayatollah has responded pragmatically to the last election results and gave the joker paper to achieve a successful agreement. (Zarif, 2014) His approval was the leading pragmatic and resilient move in the foreign policy of Iran because his decisions are considered final and convince the Iranian elites to follow. The wise decision making in foreign policy has showed a transformation in the power structure amongst the Iranian leaders; furthermore, the Iranian people can lead and express foreign involvement and reflect an Iranian society that can impress the West. (The Guardian, 2015)

Second, the Iranian decision with lower security for the nuclear agenda has been positively reflected internationally on the domestic political level, this deal has restored the bonds between Iran and the West after decades of boycotting. (Mohseni, 2015) One of the United States major concerns was regime change in Iran; however, Iranian leaders has faced this threat domestically by stressing on the people that the West needs to destroy our nuclear system in order to weaken Iran. The regime used the security threat in order to block any modification or improvement while stressing on boosting the militarily forces and the Iranian revolutionary guards which was always refused by the West with increasing threats. (Mohseni, 2015) Nowadays, after striking a deal, the military attack risk against Tehran has been reduced due to the increased ability and aptitude for domestic liberalization and moderate elite thinking.
Third, the huge economic merge for Iran with the international community will develop and nourish foreign investments where investors will rally into Iran for better business. Developed foreign investment will prepare the ground for a better moderate system due to the Iranian direct engagement with Western companies and will be reflected on the elite level due to the increased ties that will takes place. (Bazoobandi, 2015) Therefore, decisions to fortify the militarily system or nuclear program will be reflected harmfully on the economic and political welfares that Iran has acquired from what President Obama called as “integration”. (The White House, July 2015)

In addition, fortifying the nuclear program will facilitate an alliance between Sunni states, mainly Tukish-Saudi alliance to face Iran; this alliance could be used to restrict Iranian benefits or any advantages as an outcome of the nuclear deal and to limit the regional power of Iran at the same time. (Ibish, 2015) A military Sunni state alliance might be therefore one of the consequences after the deal.

The convergence of all these factors will result in a very effective situation for the Iranian political system to tilt the balance into moderation since the deal took place on the days of President Rouhani. According to Hamidreza Jalaeipour, a Tehran University sociologist and a member of the reformist Participation Front “This deal is positive by itself firstly because it shows that such a complicated issue could be resolved through patient dialogue,” Jalaeipour proceeded, “It is also important because it was a collective effort. It wasn’t only the government pushing for it, but the main forces behind the state were also behind it, so were the people.” (The Guardian, July 2015) On the other hand, a big obstacle will face hardliners inside Iran due to the domestic popular support from the Iranians and the International support for the government if the deal is successfully
applied. According to Mohammad Ali Vakil, editor of the reformist newspaper Ebtekar “Rouhani’s government will have more legitimacy and that will weaken the hardliners and strengthen the progressives.” (The Guardian, July 2015) Lifting sanctions and repositioning Iran internationally will be reflected as a big domestic gain that brings prosperity into Iran; moreover, this will definitely put a positive impact for the moderates to progress in the next parliamentary elections in 2016 and any other elections that take place inside Iran making it impossible for hardliners to attain full power of the state again. In the aftermath, strengthening the moderates will motivate and brings reforms into the Iranian political system; this will be reflected negatively on hardliners if the democratic game takes place since they cannot gain good positions through normal elections. (The Guardian, 2015) They might strengthen their position in institutions where positions are appointed and not elected. A more moderate system might alter the Iranian involvement outside its borders for a more secure Middle East when the command shifts from the revolutionary guards into the moderate government. This will result in better coordination with the international community, especially with the United States, on regional issues of mutual interests where Iran have influence; however, this will pave the road for a better relations with the Gulf and mainly Saudi Arabia.

Therefore, the direct effects for this deal is preserving the regime, cut the road on any opposition movement inside Iran, prevented the diffusion of revolutions into Iran from neighboring countries, reduced the possibility of any attack on the Iranian territories, will boost the Iranian economic sector to increases its occurrence internationally with public sector strengthening and will allow a moderate system to start appear inside Iran.
If these direct effects happened, a major question can be imposed; who benefits from this deal: the moderates, the hardliners or the regime in general?

Such a positive situation, still not assured, will fall in the advantage of both the moderates and the hardliners. This deal will decrease the risk from forming any international coalition to bomb the Iranian territories as the case of Libya or at least to impose any extra sanctions at the moment. The influence that has been imposed by the international community therefore will diminish in order to re-establish natural relations with Iran and affiliate on some points of mutual interests. The ties with the international community will put the Iranian military forces in a stronger position, at least not fearing from any attack from outside its borders, and be more concerned on domestic security issues which will unify the majority of the people around the army and not divided either with or against interfering in missions outside borders. This will result in less chaos in the region and will calm the Gulf countries position towards Iran because Arab countries was feared from any successful nuclear program and this fear increased from the deal with the U.S. due to the strong power that Iran will gain in the region. Iran must benefit from the calming effects on its borders in order to strengthen its security forces domestically in a way to make the majority of the Iranian people support the army and forget any opportunity to revolt against the regime or the revolutionary guard.

As for the economic relations, Iran can open up on the world markets and it can freely work with Russia, India, China and others freely different from the days of sanctions. This economic cooperation and openness to outside will put Iran is an advanced position to re-calculate its benefits and loses before going back into any dangers of new session of sanctions due to the bad experience that disconnected Iran from the whole world.
This analysis will show that the hardliners will be more beneficial due to the Islamic regime preservation that became more solid and powerful. The ideology of the Islamic regime remains intact following all the Islamic rules with pragmatism in foreign policy in order to serve domestic interests but never to suicide in entering a war that will destroy the country.

The timing and rapid completion of the nuclear deal has astonished the Arab world and most of the international community since Iran was refusing to strike a deal and was considered as a very hard country in reaching a consensus with its major adversary in such an easy manner. Many questions have been imposed regarding this alteration in the Iranian politics. Some analysts have related this change due to the shift in the last presidential elections from a hardliner into moderate. However, others has related it to the change in the Iranian decision making process. Many questions can be imposed here. Does the Iranian discussing team strong position have indicated a change in leadership? Can things change very rapid inside an ideological regime especially on the level of decision makers and the supreme leader? In order to have a clear answer for what happened, we need to understand the structure and the personalities in this regime.
Chapter Five

The New Iranian Balance of Power

Introduction:

Similar to most countries of the world, Iran political system includes both moderates and hardliners. The moderates supported the deal with the West, as long as it ends Iran’s suffering from the harsh embargos imposed on the Islamic Republic of Iran; however, the hardliners were against striking a deal with the West in order to preserve the ideology of the regime and maintain their power in Iran’s leadership (The Guardian, July 2015). The 2013 elections revealed the resolve of the people who participated in the elections; of the 72% of votes 50.7% went to the moderates who were represented by Hassan Rouhani, and hardliner Mohammad Bagher Ghalibaf came in second with 16.46% of the votes (Bozorgmehr, CNN, July 2013).

The shift in the balance of power in Iran:

Even though the hardliners attained 16.46% of the votes in 2013 (Bozorgmehr, CNN, July 2013), they still have more power than the moderates since they occupy the strongest positions related to decision-making. The hardliners regulate the judiciary, Assembly of Experts, the Revolutionary Guards and the Council of Guardians (Gilsinan, 2016).

Despite all their power, the Iranian parliament acknowledged the deal after the Supreme Leader, who normally has the final say on all domestic and foreign policies, gave it the green line after much debate and some reservations.
According to Ghonim, “the power of the people is stronger than the people in power,” and this was apparent after the 2013 election, which was the turning point for Iran (Ghonim, 2012). The elections brought an end to the monopoly and supremacy in Iran through the approval of the nuclear deal. The second time came through the stunning victory by moderates in February 2016, winning them the majority of parliamentary seats and the assembly of experts to tilt the domestic balance of power in their favor. Therefore, this agreement has already begun to shape the community toward the moderates.

This shift in Iran’s domestic politics, that came 37 years after the Iranian revolution and opposition to the West, has led to a new era of relations between Iran and the West. Although most observers are tackling the foreign relations benefits of the deal, for most Iranians, its main purpose remains the improvement domestic interests by relieving sanctions and bringing peace to Iran. (Magri, 2015)

After all the compromises and the shift to a more pragmatic approach from the regime’s part, the United Nations Security Council and the West gave Iran assurances that the nuclear deal re-legitimizes its program and sanctions will be lifted on implementation day (Jahanpour, 2015).

This deal has caused uneasiness among hardliners as much as it reflects the optimism of moderates. Their distrust of the West and especially the US is due to their interference in their domestic affairs, which will weaken their revolutionary principles and their Islamic attitudes. Moreover, the Commander of the Iranian Revolutionary Guards General Mohammad Ali Jaafari has warned against this “nuclear sedition” that is a ploy organized by the US to destroy the achievements of the Iranian Revolution in 1979
(Esfandiari, 2015). In addition, the Supreme Leader shared the same worries in a speech to labeling the negotiations as the “infiltration” (Fitch, 2015).

As we can determine, the Iranian elites are confused by the outcomes of the deal, but regardless of the all the concerns, the Supreme Leader has overcome this fear and advanced with strong confidence to strike the deal and initiate the change that represents the majority of the Iranian people while maintaining its religious and cultural principles. This amendment in its domestic politics was the smartest move ever that increased the regime’s authority insider out, the Iranians undergoes the democratic ways for a change and not a revolution because they don’t want to topple or even weakens the regime; however, if the regime insisted on remaining locked and un-caring about the economic disaster, then a revolution was definite. The Iranians has sharply opposed any change, through a revolution, the way it happened in neighboring countries. They preferred development and improvement rather than chaos and aggression. The Iranian people acted pragmatic to choose the democratic way and receive a more pragmatic action from their regime in a time that most of the regional and international community was accusing the Iranian regime as authoritarian. (Jahanpour, 2015)

The story has become a fact during the Presidential campaign of President Rouhani when he promised repetitively the Iranians to develop the liberty of the community as well as the political liberty. (Bozorgmehr, 2013)

Even though the Iranian president and government are still too weak to face the official Iranian institutions, mainly the judiciary and security entities, they have kept their promises and are serving the people. Furthermore, its actions have achieved its goal of winning the February 2016 Parliamentary and Assembly of Experts elections, due to the
sincere promises and actions from the government to add another important institution that has a major role in electing and dismissing the Supreme leader (Gilsinan, 2016).

It must be clear that keeping the status quo was impossible in Iran’s domestic and foreign policy after the results of the 2013 elections; therefore, change occurred from within Iran without any external “infiltrations” or “incitements,” but through the power and will of the Iranian people who trust in their leadership ability in playing the game (Fitch, 2015).

According to Farhang Jahanpour, “The JCPOA has opened new horizons for Iran. In the foreign policy field, it has lifted the shadow of war and has made Tehran the diplomatic and economic capital of the Middle East” (Jahanpour, 2015).

Iranian leaders succeeded in diminishing the gap between the people and government after the great support was received during elections, which allowed them to dominate the government through the people. This move has freed the people of Iran, repositioned Iran in the world order, and prevented an uprising.

Therefore, it was the most ideal time for Iranian leaders to partake in the fruitful talks and to connect with the world. Ambassador John Limbert, a former US Deputy Assistant Secretary of State for Iran and a former US hostage during the Iranian hostage crisis; he stated that some Iranian contributors were “now older and wiser” to join reformists in Iran (Ramsey, 2014); Limbert, who is also fluent in Persian, added “may be symbolic of larger changes in the Islamic Republic’s relations with the rest of the world, especially with the US (Ramsey, 2014). Later, in his speech, he attacked both the US and Iran, saying: “Both sides, after 34 years, have made a very startling discovery, that diplomacy long-neglected tools of listening, of seeking small areas of agreement, of careful choice
of words can actually accomplish more than shouting insults, making threats and the wonderful self-satisfaction of always being right” (Ramsey, 2014).

**The Beginning of the End for Iran’s Hardliners:**

Since the days of the Iranian revolution in 1979, it is a bit strange to discuss applying democracy in Iran’s institutions because it was dominated by theocracy or used to support the authority of that theocracy; moreover, the clergy use their veto power to dismiss or reject parliamentary law (Tayekh, 2016). The oddness of Iran’s democracy is that it is regulated theoretically; regulation is intensified by elections and the Iranian media that reflected the electoral campaign during the February 2016 elections as a pure competition between the hardliners and the reformists revealed the deep divisions between Iran’s elites; the election campaign, as well as the actions of President Rouhani since his first presidential victory in 2013, has classified him as the moderate candidate where his supporters have classified him as a “hope and change candidate” (Tayekh, Foreign Affairs, 2016).

Their objective to weaken the hardliners was very high due to the huge campaign that prior to elections. However, the results were not as harsh as they had expected; they had predicted the end of Iran’s lively reformist movement, and the end of the leftists that yield most of the Iranian reformers.

There’s a great difference between the reformists of Iran and other reformists in neighboring countries: The Iranians want to change the conditions of the people, to involve them in the decision-making process, they want their delegates to be elected directly by the people rather than having people appointed by one holy man. People who are considered reformists were those that are very faithful to the Iranian revolution and
they don’t want to weaken the outcomes of this revolution; however, they believe that a forceful obligation for religious restrictions while disregarding democratic concerns will inevitably destruct both the confidence and the institutions of the government. Therefore, they had a full faith in the capacity and the power of the people to tolerate a country that is religious in spirit, yet exercises democratic actions (Tayekh, Foreign Affairs, 2016).

The reformers in Iran has always used to face challenges, their history of calling for boycotting the elections and to organize domestic movements against the regime has passed through hard times to achieve positive outcomes nowadays; their major problem was the exclusivity of power in the hands of the Supreme leader and the revolutionary guards who were considered pure hardliners; later on, reformers attain the presidency and the parliament that represents the legitimacy of the system. (Malekzadeh, 2015)

The Islamic leftists has performed many tryouts and conspiracies to illustrate how the reformers are planning with Western intelligence services to weaken and destabilize the Islamic Republic but all their trials have failed; the major reason for such actions and accusations against the reformers was simply the fear because the clergies knows well that the popular strength stands next to the reformers and they no longer have the required authority to rule. (Abedin, 2015)

Instead of facing the people who demands reforms in majority, the regime made a wise move to shift them from revolutionists into partners; this has been exactly the case in the last two elections that took place in 2013 and 2016. As a result, the new Iranian parliament structure is distributed between conservatives, hardliners and reformists. Such an election result will draw the path that the Islamic Republic is behaving to translate the political transformation from left to right; moreover, to transform some
extremists leaders into conservatives in order to keep their popular power up to a certain extent as the Speaker of the Parliament Ali Larijani (Tayekh, Foreign Affairs, 2016).

During the recent two elections since 2013, the true winner was President Rouhani who is considered a pillar for the moderates. The increasing number of votes for the moderates, with every election session, is strengthening President Rouhani image and position in the West to assist for more future investment inside Iran; on the other hand, bringing investments into Iran will help to develop the moderate thinking on the expense of the hardliner.

The theocratic regime elite problems and divisions are always present in Iran since the Islamists are strongly affected by different political groups, as Marxists, which can create an accepted opposition within the system, the presence of a vital leftist or reformist persistent group will bring confidence and optimism among the people that the regime could be opened through legitimate procedures (Tayekh, 2016). This brings the hope that someday the elections will count and reformers might assume power in Iran even if they stay weak or under the command of the hardliners elites at the moment.

Iran is in the bottleneck at the moment and this the hardest phase leaving the bottle after decades of trials. The hard economy that starts to alleviate out from the burden of sanctions, the political command that need to become more democratic and liberalize, and the Iranian people that cannot appease; all are major challenges that need to be resolved in order to release Iran out of the bottle. Signing a deal with the West has relaxed Iran domestic tensions and foreign relations. As for the domestic part, the moderates who pushed for the deal have strengthened their position well inside Iran, at this phase the rally between the hardliners and the moderates has favored the moderates in overcoming the hardliners in a round. Still very hard work to be established on the
domestic level regarding accountability, liberty, elections, institutions and checks and balances; on the contrary, the regime will not use hard force against the people anymore, people will not revolt as other Arab states unless something very grave will takes place and the Iranian elites determines very well that brute force will not beat the will of the Iranian people who are very different from other people because they have resisted decades of blockade and their purposefulness remained solid for not to weaken their regime.

**Losers and Winners:**

If the two sides, that favor and resist the nuclear deal, have been transparent and voiced their true opinions, then the route forward offers a mutual ground where rivals and supporters can work together. This can be translated into reality because the Iranians have given up on the major functions of their nuclear program in order to benefit from re-connecting with international markets, have access to their money, open Iran for huge investments that will bring an influx of revenue, and will no longer be internationally isolated. However, Washington’s major concern is to prevent Tehran from obtaining nuclear weapons, and verifying that they do not have a hidden agenda to strengthen its position in the Middle East as President Obama has mentioned (Ghitis, 2016).

All factions concerned must work for maximum profits and minimal losses as an outcome of the deal. Transparency from both sides will pave the road for easy solutions with no surprises; the US and its allies want to twist “from the kid-glove requirements of diplomacy to a single-minded effort to prevent Iran from turning this moment into an opportunity to wreak more havoc in the Middle East” (Ghitis, 2016).
The Iranian challenge is still about who dominates between the reformists, who are in pursuit of a more moderate Iran, and the hardliners, who are constantly resisting change and want it to continue resembling the Iran they remembered from the 1979.

**The Committed Change:**

The recent elections were held in February 2016, revealed better results for the moderates, giving them a push from the 2013 presidential elections. The latest parliamentary and the assembly of experts elections proved to be a success for the powers of moderate and the anti-West, anti-American hardliners and side with the Supreme Leader Khamenei. These results are important, because they indicate that the country is transforming into a true democracy that is already deeply-rooted. The major problem of Iran are the non-electoral institutions that have veto power in the decision-making process, especially in selecting who can run for office.

Even though the final outcomes in Iran remains foggy, the fact remains that all candidates who side with President Rouhani and assist in preserving the nuclear agreement and relieving economic pressure, opening Iran to the international committee will attain high scores. These candidates who are allied to President Rouhani, “have swept all 30 parliamentary seats in the capital Tehran, and appear to have done well elsewhere in the country.” Moreover, “in the 88 member Assembly of Experts, which is constitutionally charged with picking Iran’s next supreme leader once the 76-year-old Khamenei dies, two prominent “hardliners” lost their seats, leaving a more moderate majority” (Gilisinan, 2016). These results are a beginning for a better democratic system as Ali Akbar Dareini explained to Associated Press: “the next Supreme Leader will favor the expansion of democratic freedoms and greater openness toward the West” (Gilisinan, 2016).
Chapter Six:

Conclusion and Personal Analysis

The Iranian nuclear program has remained a major concern for both Iran and the international community. The nuclear plan that had begun in collaboration with the West transformed into a serious danger for the same Western countries years later. Since then, Iran has faced a serious of problems with the international community, and specifically the United States, regarding its nuclear program. The United Nations ordered Iran to suspend its nuclear program for not complying with the Non-Proliferation Treaty (NPT), but Iran refused, insisting its program was peaceful; the international community did not believe that. The United States’ major objective was to stop Iran from producing a nuclear bomb or any nuclear weapons. As a result, the United Nations, the United States and Europe imposed harsh sanctions and isolated Iran economically and politically. Despite international pressures and isolation, Iran did not collapse under the pressure imposed on the country since 2006, under the United Nation Security Council’s resolution 1696. The Iranians asserted that no pressure can stop them from developing their “peaceful” nuclear program that is the right for the country and directly related to Iran’s sovereignty. Nevertheless, after the 2013 presidential elections in Iran, the US began a series of secret talks with Iran regarding a nuclear agreement that would reconnect Iran with the international community and relieve sanctions that have choked the country’s economy.

There is no doubt that both sides entered in negotiations to serve their own interests in addition to finding a peaceful solution; however, the power and interest cannot verify
why Tehran and Washington have not been able to unite through a process of broad significant discussion in the past decades for, at least, minimal collaboration.

During the talks there were periods of hot and cold politics due to the huge pressure imposed on Iran. The Iranian regime believed the world powers were prohibiting Tehran from acquiring its natural right of enriching uranium; moreover, the Iranians have focused on their pride as a priority to their rights. This was clear in Zarif’s statement, when he said: “the Iranian people demand respect for their rights but demand respect for their dignity [too]…and I hope this process can do that” (Shabani, 2015). Discussion went back and forth until the 2013 presidential elections in Iran and the election of a moderate president and government, the polar opposite of the hardliner, President Ahmadinejad, who occupied the position from 2009-2013. The Geneva talks, a door of negotiation with the Iranian regime, in an attempt to find a mutual point of interest to start from.

Since the beginning, Iran’s had little desire to strike a deal, despite all the pressure the country was under. Iran considers itself a sovereign and independent nation and any deal made comes with possibility of foreign intervention in its affairs.

Therefore, why has Iran suddenly shifted?

Throughout this paper I have discussed the general shift in the Islamic Republic of Iran’s foreign policy, choosing the optimal time for a deal to serve regime interest. Regardless of the changes that have occurred on the political level and the stunning results of the recent elections that reflected the Iranian peoples’ desires, we cannot shed enough light on the role of the Iranian people who struggled under the embargos and overcome all the challenges imposed on the country. The Iranians did not want to topple their regime; moreover, not even to destroy their country. Their patience has shocked the West, who
had bet that the sanctions would trigger an uprising and call for foreign intervention, especially since many of Iran’s neighboring countries are undergoing revolutions, mainly due to economic failures. The bet on a contagious effect was very strong, but not stronger than the will of the Iranian people who believed that their strength is directly related to their national unity that is directly related to their pride; in addition, it is reasonable to believe that most of Iran’s 80 million citizens do not care for a more luxurious life than anyone in the world. But ahead of the elevated principles of “equal footing” and “mutual respect” (Shabani, 2015), dignity for the Iranians can be measured through other useful terms. According to Shabani, “for most Iranians, the state of their dignity can be measured through the value of two crucial pieces of paper: their national currency and their passports” (Shabani, 2015).

Concerning the regime, pragmatism in foreign policy to serve domestic interests was the winning bet that has reflected positively on Iran, while maintaining domestic principles that is considered a priority to the Iranian people under which they struggled and suffered for so long. The smartest move on the regime’s part was altering their foreign policy practices after the 2013 presidential elections to meet their needs. The Iranian people demanded a moderate regime that would put an end to the embargo and open Iran to the West, while enhancing the economy. This has reduced the risk for any domestic uprisings; moreover, it prevents the spread of uprisings from outside the borders. Striking the nuclear deal with the West and mainly the United States has strengthened Iran’s position and tilted the balance of power in the region in its favor, causing fears to rise among some of the US’ allies in the region. The easing tensions throughout this deal
will be reflected in the security of the region and the better economic development that will take place post-deal.

In conclusion, the Iranian regime has overcome a huge domestic issue protecting its position. This wise move in the country’s foreign policy has blocked the road for any movement or revolution aiming to topple the regime. The Iranian’s firm resistance throughout the embargo years has put the Iranian government in a better position to negotiate with the West and strike a deal because such a deal could have not been made as powerful if there were any signs of civil dissent.
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