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Ruhani's Long-Term Game-Plan

by Alex Vatanka

On 16 January 2016, after over two years of intense negotiations, Iran was finally able to secure a clean bill of health from the International Atomic Energy Agency (IAEA). The agency reported that Iran had fulfilled its obligations as part of the Joint Comprehensive Plan of Action (JCPOA) reached on 14 July 2015, and that its nuclear program had been massively scaled back. Within hours, the nuclear-related sanctions imposed on the country, the most comprehensive in human history, were lifted. The flow of foreign investors—mostly Europeans and East Asians—and an increase in foreign trade is already part of the new post-JCPOA Iran.

The order of Ruhani's goals

This groundbreaking moment is politically pivotal for the moderate government of President Hasan Ruhani, who was elected in 2013 on an explicit promise to find a diplomatic solution to Iran's nuclear standoff with world powers and with the aim to unshackle the ailing Iranian economy from the deep problems caused by international sanctions. First objective was to reach a nuclear deal. Second objective was to unburden Iran of the sanctions. But the ultimate aim of the Ruhani government has always been to exploit the political capital from the JCPOA to build momentum for a broader and bolder political agenda that not only enables for reform in Iranian foreign policy, but one that empowers him to push ahead with political reform at home in the face of strong opposition from his hardline critics. Domestic political reform, however, is extremely sensitive in the present Iranian power setup, and making inroads on this front will be much harder for Ruhani than was the case with reaching a nuclear agreement.

This reality rests on the fact that on the issue of the JCPOA, despite much angry noise

MES Notes

Upcoming MES Lecture

On 7 March 2016 Middle East Studies (MES) will host Ambassador Husain Haqqani for a discussion of civil-military relations in Pakistan as part of the AY15-16 MES Lecture Series "A Survey and Analysis of the Armed Forces and Civil-Military Relations in the Middle East and North Africa (MENA)."

Further information about the MES Lecture Series is available at the MES website at www.mcu.usmc.mil under Affiliate Programs, or you can contact Adam Seitz at (703) 432-5260 or adam.seitz@usmcu.edu.

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coming from hardline circles, there was a consensus in Iran that major concessions had to be made for the sanctions to be lifted. This consensus was critical. But there is not consensus today in Iran about the direction of Iranian domestic politics. In fact, there is instead an ongoing and highly spiteful zero-sum game for power between the Ruhani faction and the Office of the Supreme Leader and the Islamic Revolution Guards Corps (IRGC). This fight for political power will intensify in weeks and months to come. First, Iran will in February hold elections for not only its parliament, but also the Assembly of Experts. The Guardian Council, the unelected body that has to approve candidates running for office in Iran and answers only to Khamenei, a day after the IAEA's historic verdict was out announced the disqualification of reformist candidates and Ruhani allies en masse.

The message is clear: Iran's Supreme Leader, Ayatollah Ali Khamenei, had no option but to accept a nuclear deal, but he has all the intentions to make sure the moderate Iranian president does not become empowered by JCPOA. While the parliamentary elections are relatively insignificant—as in Iran the parliament does not decide on key strategic policies—the mass disqualification of moderate clerical candidates for the Assembly of Experts is significant. This is the body that will choose Khamenei's successor, and the incumbent, and his hardline allies in the IRGC and elsewhere, are working hard to make sure someone with their ideological disposition replaces Khamenei once he passes away. Khamenei is 76 years old and the term duration of the next Assembly of Experts will last until 2024, making it highly likely that the next 86 clergymen to be elected to this body will be the ones to choose the next supreme leader.

In that sense, Iran's ability to stick to the JCPOA during its 15-year life span will depend on whether the Ruhani-Khamenei consensus, and the IRGC's tacit endorsement, will last. On the one hand, there is the Ruhani government, packed with Western-educated technocrats with unmistakable reformist political sympathies. They want to bring Iran closer to the West, and if possible, the United States. The former is acceptable to all major Iranian political stakeholders, and is already happening. Witness the visit of numerous leading EU ministers from Germany, France, the UK, Italy and others since the JCPOA was signed, and there was not much pushback from Ayatollah Khamenei's circles.

The US question, however, is far more sensitive. It requires ample caution and skill before the Ruhani team can approach Ayatollah Khamenei and make the case of deeper détente with the United States. The leader is clearly not sold on the idea just yet, and his public reservations are a testimony to that stance. However, Khamenei has repeatedly said that "Now, this [nuclear negotiations] is a new experience. If the other side [the United States] sets aside its bad behavior, this will become a new experience for us, one that will tell us that, well, we can also negotiate with them about other issues. But, if they repeat the same behavior and take the wrong path, it [the negotiations] will only reinforce our past experience."¹

MES Notes (Cont)

MES Iran Panel 2015

This issue of *Insights* builds upon a talk by Mr. Vatanka presented on 20 November 2015 as part of the panel discussion, "Clout of the Islamic Republic after the JCPOA", hosted by Middle East Studies at Marine Corps University.

The panel served as part of the AY15-16 MES Lecture Series "A Survey and Analysis of the Armed Forces and Civil-Military Relations in the Middle East and North Africa (MENA)," as well as part of the "Diplomacy and Statecraft" instructional block for the Marine Corps War College.

The panel included Michael Eisenstadt (The Washington Institute), Alex Vatanka (Middle East Institute) and Amin Tarzi (Marine Corps University).

In such a scenario, it is a no brainer that additional cooperation and compromise with Washington most definitely needs to focus on common interests in the Middle East, and particularly the critical fight against the Islamic State. Further cooperation with the US is therefore not impossible, and Ruhani and his team, most notably Foreign Minister Javad Zarif, look to have kept Khamenei's interest on this front. Still, a clear sign of how troubled such a path will be came with Khamenei's strong warning against American "traps" following the decision by the U.S. on 17 January to introduce new sanctions against Iran due to its ballistic missile program.

But domestic politics and factional rivalry outweighs even the dangers of how to handle the American question. In his first two years in office, Ruhani barely lifted a finger for the reformist opposition, but he should be forgiven for adopting a strategy of choosing his political battles carefully and keeping Ayatollah Khamenei on his side to the greatest extent possible. So far this strategy has produced for Ruhani. But he will have to tread very carefully on how he attempts to spend the political capital he has harvested from the JCPOA. The same players that have so far acquiesced to Ruhani's agenda of change, can quickly turn on him should he venture to take a stab at transformation at home.

Going forward

Despite his many and often repeated warnings against foreign political infiltration through the "backdoor"—a reference to foreign investment in the Iranian economy—Khamenei is showing little sign that he wants to stop the Ruhani administration's grand agenda to open Iran up for the global investor community. While the leader clearly has reservations about what a more globally integrated economy means for maintaining tight political control at home, he has evidently little choice.

The economy is ailing and job creation and maintaining socio-economic stability are clearly linked to the extent to which Iran can attract foreign capital and know-how to kick-start its economic engine, particularly its oil and gas industries. If Iran cannot do that, then its regional rivals, particularly the Arab countries of the Persian Gulf such as Saudi Arabia and United Arab Emirates, will be the beneficiaries. This is not something that even Iran's most ardent hawks would like to see come about.

On one hand, it is still early to judge how President Ruhani opts to utilize the political gains from the JCPOA on the home front. His initial timid reaction to the mass disqualification of moderate candidates suggests that he is likely to continue to pick his fights with Khamenei very carefully. In that sense, Ruhani is different from his predecessor, Mahmud Ahmadinejad, who repeatedly and openly challenged the Khamenei faction on domestic policy.

Ruhani, on the other hand, appears to believe that time and history is on his side, and that he can afford to let his hardline rivals undercut him on the margins—such as keeping his allies out of the upcoming elections—but that he needs time to build momentum for his all-important re-election campaign in 2017. If he acts boldly—by, for example, openly challenging the Guardian Council's mass disqualification of candidates as some of the president's allies are pressing for—he can easily lose that battle to Khamenei, and find himself to be a lame duck president for the remainder of his term. That is what happened to Ahmadinejad in his last two years in office and prior to that to reformist President Muhammad Khatami before he left office in 2005. Furthermore, in that scenario, Ruhani can be sure that Khamenei—who still controls most of the state machinery outside of the Presidential Palace—will do everything to keep him from winning re-election, including facilitating mass fraud to keep Ruhani out.

This basic equation explains Ruhani's predicament as he weighs his domestic political options. This caution by Ruhani is also evident in his posture toward the IRGC generals. While the IRGC media and top commanders continue to question many of the Ruhani cabinet's policies, Ruhani has been relentless in seeking to incorporate IRGC interests in the post-JCPOA economic and political life of Iran whenever possible. This is what he refers to as a "win-win" formula, even though he still has plenty of cajoling and convincing to do.

As Ruhani moves forward, it is important to remember the man has never once referred to himself as a "reformist." He likes to see himself as a capable and experienced bureaucrat that can get things done within the regime parameters in Tehran. In his mind, political change needs to focus on practical returns that will resonate with the greatest segment of Iranian society. Political change for moral and idealistic reasons, as was pursued by Khatami (1997-2005), is not Ruhani's forte.

Hence, his priority was to find a solution to the 12-year nuclear stalemate and his plan to grow the Iran's economy by 5-8% in the next Iranian year (March 2016-March 2017). That would be right in time, as Iran prepares for the next presidential election for summer 2017. And whatever Ruhani does in terms of political reform at home, it is invariably going to be presented not as an ideological alternative to the status quo, but as a way to avert looming security challenges that would undermine moderate or hardliners in the Islamic Republic alike.

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Notes:

¹ See Akbar Ganji, "How America Can Win Iran's Trust," *The National Interest*, April 24, 2015, at <http://nationalinterest.org/feature/how-america-can-win-irans-trust-12713>; and http://www.radiofarda.com/content/f35_ganji_nuke_talks_khamenei/26975513.html.

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