Iran Nuclear Negotiations: Reaching an Agreement

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**Question 1**

This is a question for Anoush. Given the reports about the deteriorating health of Supreme Leader Khamenei, are there signs of any sort of manoeuvrings going on behind the scenes, or more openly, about who might likely succeed him? What then are the different options open to Iranian policy in the future?

**Question 2**

Given the Republican success in Congress, is it more likely now that there will be much hardening of American opinion against a nuclear deal? Which would fit in with the Israelis as well as perhaps alienating even further the Russians, who might then be seen to be siding more with Iran. How do you see that split shaping up?

**Question 3**

Thinking about the post-agreement environment, it seems that as the agreement comes to a conclusion, it’s becoming more of a binary outcome, where on the one hand if there is an agreement, everything goes well – there’s a shift in the foreign policy of the US and Iran – but if not, everything collapses, the Middle East breaks down, US foreign policy on Iran breaks down as well. I wonder what your view of that is.

**Anoush Ehteshami**

That’s a very interesting question to ask, because I think it goes to the heart of this decision-making complex we have in Iran and the role that the supreme leader has come to play and indeed occupy, in terms of managing and processing issues and so on. It was interesting that his recent operation, ostensibly and for all intents and purposes a minor one, was televised in a sense, and was given much airing in Iran. The elite made much fuss over the leader. People have interpreted that in so many different ways. One is to prepare the ground for the eventual demise of the leader, or to reinforce his authority by showing that it’s minor and that he is back at work, at his desk, and is quite capable of carrying out his duties – although he was out of office for a while, for what is a minor operation.

So the speculation was there before but that has really increased this sense of, what happens next? The options constitutionally can go in so many ways. In Iran, it’s smoke and mirrors. It’s institutions, factions and personalities all bundled into one. It’s very difficult to see which one at any one point carries the most weight in these. There are individuals that are influential in the supreme leader’s office, the beit-e rahbati, which is now a huge monolith of 2000-plus functionaries serving the leader’s interests in his office. They front so many other interests there. But there are all these other institutions, like the Expediency Council, the [indiscernible] Shura and so on, who have a formal role in this process.

The relationship between those individuals who sit atop these institutions and the role the institutions will come to play remains very much unclear. We frankly don’t know, for example, what role the Expediency Council will have in these discussions. We don’t know what the Guardian Council will do. There is talk of a three-man body, a five-man body or someone already being groomed to succeed Khamenei. Take your pick between those options, frankly. I think the regime deliberately does not want to
highlight this because it’s a challenge to the longevity to the system, so they’d much rather not talk about these sets of issues.

On the elections, I think it can cut both ways. On the one hand, it can strengthen the hand of the American negotiators, to force a good deal of the type that Patricia has discussed here. That would then bring the Iranians to a position where they don’t wait until Congress vetoes and indeed tries to roll back the progress made so far through another round of sanctions. Because for every congressman and woman, there is an Iranian counterpart who also holds this deal in contempt. All the two will do is reinforce this mutual distrust. The Iranian parliament has got another year or so at least to run. So in fact there will be pairing up if the deal does not go through, and that is a real concern.

That said, I’m not sure how much authority the president actually has in containing a rebellion in Congress. Frankly, we don’t know, but the noises they are making are not particularly welcoming.

This binary relationship you referred to – I think it is as you put it. In many ways, Iran is in the eye of the storm, in so many ways. The nuclear negotiations can remove the sorts of problems that Jane has already discussed, to open up opportunities that frankly have been closed off for the past 30-35 years – not just between Iran and the US but also by opening that door between Iran and many of America’s allies in the region. That can be really transformative.

It will have an impact on the balance of power but again, I echo what Jane is saying, it’s not necessarily a zero-sum game. This is give and take. The parties, frankly, have not really tested the give or the take, to really understand the politics of that.

But if it doesn’t happen, particularly having made progress as much as we have done since November 2013, then on the geopolitical front it is going to be a really terrible reversal of the situation. It will strengthen the hand of the hardliners in Tehran who are waiting to show the leader that negotiations don’t work, that America deals in bad faith and that America’s allies are lined up to contain and to limit Iran’s power, and eventually destroy the revolution. This is what is really the main concern. That can spill beyond Iran’s borders, given its presence now in so many flashpoints in the region, to deteriorate the situation completely. So I think this is really on a knife edge.

Patricia Lewis

I agree with everything Anoush says on all of that. I would also add that if you are – far be it for me to advise President Obama, but I do think that he will be hanged for a sheep as for a lamb. So he’s in such a position in the United States, particularly now with the midterm elections, where he’s not going to be able to do anything right on these issues, so he may as well just go for broke. He’s going to get yelled at whatever. The people are going to say it’s terrible whatever. That’s true also in Iran, it’s true in Israel, it’s true in other parts of the world. So you may as well go for the best deal you possibly can.

He has powers in which he can enact things that go through the presidency rather than go through the Congress and Senate. I think that one of the lessons that these hardliners have to understand is that we need a bit more grownups in the room. We need people who understand they’re not going to get their way on absolutely everything – that there is no risk-free future. It’s not a binary future, it’s not either/or, it’s not good, it’s not bad. It’s going to be a muddle-through and a mess one way or another, whatever the outcome is. I just think that’s the way of humanity. At the moment it’s very messy.
So this is no magic bullet, it won’t suddenly change all the relationships and all the other things that are going on. But if President Obama doesn’t do this deal, he won’t have anything to show for his Iran policy. In terms of his long-term legacy when this period is over in the United States, people will look back and if he’s done the deal they’ll go, well, that was quite something. A bit like Obamacare. Whatever it’s thought about in the United States about this, it’s his flagship policy. He went for it and he did it. If he doesn’t do it with this one, then he’s not achieved anything in that regard. It doesn’t matter what he does, he’s going to get blamed for it anyway, so you may as well do the best you can.

**Jane Kinninmont**

I’ll just address the last question. I certainly don’t think that solving this problem will solve all the problems of the Middle East. There are a couple of potential negative scenarios if reaching a nuclear deal leaves the Iranian government feeling overly confident. One relates to the region: if Iran then overreaches in Syria, Iraq, Lebanon and so forth, there will be a backlash not only from other countries in the region but also from non-state actors. You’re already seeing in the Islamic State a movement that is very anti-Western and anti-Iranian, that sort of sees the two as twin enemies.

The other, of course, is domestic politics. You could see it go in either direction. A benign scenario would be that if this international pressure on Iran begins to be alleviated, the revolutionary regime does not need to be quite so nervous about foreign conspiracies being behind all the domestic opposition and so forth, and perhaps it could open up regarding domestic critics, the Green movement and so forth. But of course, it could also go exactly the other way. It could be that the regime that thinks that international pressure is off will feel more confident in running things in a more authoritarian manner at home. Obviously they are very different types of regime but the most recent example of a WMD deal in the Middle East, with Libya, is not exactly an encouraging example.

**Patricia Lewis**

I should have mentioned Russia as well. I didn’t talk about Russia. The really difficult relationship at the moment between Russia and the United States, and Russia and other Western countries as well, particularly with Europe – this is an area where there is agreement and where they have been working together very effectively. To throw that away, it seems to me, would also be a big risk for President Obama.

**Question 4**

I was reading the reports of the American billionaires [Haim] Saban and [Sheldon] Adelson, giving instructions to Netanyahu to bomb Iran if he didn’t like the deal that was done. Casting my mind back about 15 years to the Yugoslav situation, Bill Clinton eventually bombed Belgrade. Would it help the Israeli thinking if we were to whisper in their ear that we might bombard Tel Aviv and Haifa if they bombed Tehran?
Question 5

How much bearing, if any, do you think the falling oil prices have at the moment on Iranian decision-making in relation to the nuclear negotiations?

**Patricia Lewis**

I don’t know how to answer your question. I think if there are words spoken – there is so much whispering going on, I don’t know such words would make much difference in this environment.

**Jane Kinninmont**

Do you think that there is a risk, if there is a nuclear agreement, of unilateral Israeli action at some point in the future?

**Patricia Lewis**

I think it’s highly unlikely. Apart from reach, and that’s a real physical situation, they would need the cooperation of many other countries in the region. Plus, in terms of logistical support and actual attack, it isn’t something that Israel could do on its own. Nor would it be advised to do it. I think what would happen, if the deal is done – whether it’s good, bad or ugly – and then over a period of time it’s demonstrated that things are not going well and it’s been a stall rather than a halt, then I think we get into a very different discussion in which military action could well be back on the table. But I think it’s been off the table for a while.

But that’s nothing to do with everything else that’s going on in the region that could tip into a much bigger military conflict, nuclear issues aside.

**Anoush Ehteshami**

I also see that as an unlikely scenario, that Israel would take military action, if for no other reason than the fact its generals are actually really unhappy about being pushed into a war of this nature by themselves. I think logistically they would want to be part of a broader alliance, which must include the United States. I don’t think that it would even indulge in sabre-rattling were it not part of a bigger coalition. Nor do I think that Israel would look at this in isolation of everything else which is going on in the region and indeed domestically.

Falling oil prices raises a very interesting question. It’s a very recent phenomena, although it’s dropped like a stone – 28 per cent in a couple months. That has very direct impact on not just Iran but also many other oil-exporting countries. I think it’s too early to calculate its policy impact. Its economic implications are clear: Iran is losing many millions of dollars a day as a consequence. But remember Iran was not in a happy place before the prices dropped in any case. Its capacity to produce [indiscernible] export was
curtailed, its market in much of the world (apart from East Asia and South Asia) had been removed. Also, it couldn't compete even with pre-crisis Iraq in the oil market. So at one level, it is perhaps incidental. But if it’s prolonged, then clearly it would begin to affect Iranian calculations. But for the moment the government has said that it will not review its budgetary commitments in response to the oil prices, so they seem comfortable that there is a cushion, that they can see this through. But in the long run it will have all sorts of implications for Iran and its neighbours.

**Patricia Lewis**

Gas is a really big issue for Iran, and we haven’t really been able to exploit Iran’s gas capacity. Given everything that’s going on in the gas world today, this may be of more interest.

**Jane Kinninmont**

Oil prices are famously volatile, and making strategic decisions on the basis of a few months would not be a sensible idea for anyone. But the longer-term shifts in the oil market and the rise of China’s demand and the possibility of the US being more self-sufficient definitely plays into the calculations of all these players, and helps to explain why some of the Gulf countries are anxious about the long-term commitment of the US to their security.

That is all we have time for. Thank you very much for joining us and please join me in thanking our speakers in the traditional manner.