

INSS Insight No. 471, October 4, 2013 Hassan Rouhani and the Spiritual Leader: A New Style of Negotiations Ephraim Kam

Within just a few short weeks, using a sophisticated, complex, low cost move (the cost included having eggs and shoes thrown at his car), Hassan Rouhani, Iran's new president, succeeded in changing the rules of the Iranian nuclear game. The change generated by Rouhani consists of two interdependent aspects: an historic breakthrough to direct dialogue with the United States at the very highest echelons, and the projection of a more moderate approach that can – according to Rouhani and the United States – resolve differences and lead to an agreement on the nuclear issue within a short time. The relationship between the US and Iranian presidents – so far manifested in written exchanges and one publicized telephone call – could make it possible, for the first time since the 1979 Islamic Revolution, for the two nations' leaders to discuss disputed issues directly and attempt to resolve them.

Negotiations on Iran's nuclear program between Iran and the six foreign governments involved (and perhaps subsequently on other issues) will resume soon, but this time they will apparently be held in a different atmosphere. Iran's conduct during the coming talks will in all likelihood be based on a few starting points:

- a. The sanctions are painful and affect Iran's policy. Even if they have not led to an outbreak of popular unrest, they contributed greatly to Rouhani's election as president and his conduct since. Therefore, both Rouhani and Supreme Leader Ayatollah Khamenei want to reach an agreement that will close the Iranian nuclear file and lead to the lifting of the sanctions.
- b. Rouhani is dependent on Khamenei, who remains firmly in control of all important decisions. Therefore the president needs the ayatollah's backing, which is why Rouhani made a point of stressing that Khamenei had charged him with the mission to reach an agreement. Khamenei has spoken of the need for "heroic flexibility" in dealing with the issue, leading one to conclude that he supports Rouhani's approach, at least up to a point.
- c. On the other hand, important elements in Iran have reservations about developing a better relationship with the United States, including at least the leadership of the

Revolutionary Guards. Their reservations were illustrated by several incidents connected to Rouhani's visit to the United States: the need Rouhani felt to demand that the Guards not interfere with politics; the Guards' complete disregard of Rouhani's demand and their public warning to avoid making concessions to the US administration; cancellation of the planned handshake between Rouhani and Obama; and the – very rare – public criticism by the Guards' commander, specifically regarding the phone call between Rouhani and Obama. Khamenei's position on the phone conversation is unclear, but it is hard to imagine that the Guards would criticize the president publicly had they assumed Khamenei supported it. Perhaps this is Khamenei's way of hinting to Rouhani that there is a limit to his freedom of maneuver. In any case, these reservations about Rouhani's approach impose constraints on his conduct and will force him to try to mollify his critics.

The main tool Rouhani will likely use to promote an agreement will be an effort to create trust between Iran and the West by fostering an atmosphere of openness and breakthrough towards the United States. Some members of Iran's leadership seem to feel that an historic move vis-à-vis the United States is part of the price Iran must pay, and that it in turn merits a confidence building measure on the part the administration, especially in the form of a substantive reduction of the sanctions. But it is also safe to assume that a good atmosphere alone will not suffice, and that Western governments will demand substantive concessions of Iran that have so far been rejected by Iran. The reason is simple: The sanctions are the primary leverage the West has to use against Iran and there is no reason to assume that the West will revoke them merely because of flowery Iranian rhetoric. The sanctions will be lifted only if Iran shows a positive approach and agrees to substantial concessions.

The sanctions also compel Iran not to try to use the negotiations as a stalling tactic. Unlike in the past, Iran is currently not interested in gaining time to advance its nuclear program because uppermost in its mind is attaining an agreement that will result in revocation of the sanctions, not to mention that the nuclear program has already reached an advanced stage. This is why Rouhani has talked about negotiations leading to an arrangement within three to six months. Therefore it is also clear that Iran will, at the very outset of the talks, seek US willingness to lift or at least significantly reduce the sanctions, thanks to the new atmosphere, and thereby also score a coup for Rouhani that will help him deal with the domestic critics opposed to a better relationship with the United States. If he fails to extract a more moderate response from the administration, Rouhani will likely try to obtain an explicit promise for full – perhaps gradual – lifting of the sanctions in the future, once the talks succeed.

To date, Rouhani has not presented even one new idea or concession on the nuclear issue, but the Iranians will presumably inject some new ideas in the coming talks. There are several possibilities:

- a. Rouhani stresses Iran's willingness to present new proof that the nuclear program is designed for peaceful purposes only and its acceptance of full transparency and closer working relations with the International Atomic Energy Agency. This means accepting more rigid inspections of the nuclear installations, possibly including ratification of the Additional Protocol, and inspections of the Parchin site, suspected of hosting activity and experiments directed at developing nuclear weapons after the Iranians scrubbed it free of all remnants of nuclear materials.
- b. The principle Rouhani set out in his speech at the United Nations General Assembly is recognition of Iran's right to enrich uranium on its soil. This would mean a rejection of the idea raised in the past of enriching uranium on behalf of Iran in a third country.
- c. In the past, the Iranians have signaled that they would be willing to make concessions and accept an agreement about enriching uranium to 20 percent. This leaves open the question of whether they will now agree to limit enrichment to the 20 percent level and use the enriched amount for the reactor, stop enrichment at this level altogether, or even allow all or some of the enriched amount to leave Iran.
- d. Before Rouhani left for New York, news reports stated that Iran would agree to close the Fordow enrichment facility in exchange for the lifting of the sanctions. In the past, Iran rejected this idea outright, and this time too the Iranians hurried to refute the rumor. Nonetheless, if the talks in fact proceed, one cannot rule out the possibility that the Iranians would agree to limits or even a freeze on the facility's activities, if not to closing the site altogether. In any case, most of the enrichment is now taking place in Natanz. The big advantage of the Fordow plant is its superior fortification, as it is set deep inside the mountain, safe from aerial attacks. But if Iran does reach an agreement with the United States, it will acquire immunity to attacks from the air, certainly by the US and possibly also by Israel.

The sides will soon come together for the start of difficult talks but with a sense that this time the chances of their ending successfully are higher than at any point in the last decade. However, success is far from assured, and the domestic pressures – including Khamenei's future stance – can become a significant hurdle, as was the case in the past. The problem lies not only in the differences between the sides over the details but also in the gulf that separates their fundamental positions. The US administration is committed to keeping nuclear weapons out of Iranian hands, whereas Iran would apparently be willing to make various concessions as long as they don't interfere with the capability it has already constructed to break out to nuclear weapons within a short period of time.