

Conflict Studies Research Centre



**Conservative Factionalism
& Iranian
Nuclear Strategy**

Dr Babak Ganji

April 2005

Conservative Factionalism & Iranian Nuclear Strategy

Dr Babak Ganji

Key Points

- * The main debate about nuclear strategy is taking place within the so-called conservative and radical camps in Iran.
- * The anti-NPT current is gaining in strength and it has been tacitly supported by the office of the supreme leader, Ayatollah Ali Khamene'i.
- * There is a dispute between advocates of a strategy of self-reliance and those who favour selective bandwagoning with the US on Iraq and Afghanistan as a means of facilitating Iran's pursuit of the nuclear option.
- * Domestic political pressure on Iran's chief negotiator Hasan Rowhani, who is an advocate of selective bandwagoning, led him to take a tougher stance on the nuclear issue in February and March 2005.
- * So far Iran has pursued both strategies simultaneously, partly because it has a long way to go before it can undertake large-scale weaponization of its nuclear programme. It is unlikely that both strategies can be pursued simultaneously in the long run.

Contents

Can Reforms Stymie Iran's Nuclear Programme?	2
Iranian Leaders' Perceptions of Balancing & Bandwagoning	3
Cross-Cutting Cleavages in the Iranian State Apparatus	3
Islamic Coalition Society	3
Islamic Coalition Party & Nuclear Strategy	4
The Revolution Guards Corps & Islamic Coalition Party	5
Kaleidoscopic Factionalism & Foreign Policy	6
Khamene'i Enunciates Hard-Line Policy	8
Emerging Rift in Ranks of Conservatives	8
Policy Currents Within the Conservative Camp	9
EU-Iran Talks	11
Iranian Threats to Respond to Attacks & Nuclear Opacity	11
Rowhani Reverses Iran's Position	12
Fear of Bandwagoning?	16
Threats of Retaliation	18
Continuing the Talks With the EU	19
Prospects	22

Conservative Factionalism & Iranian Nuclear Strategy

Dr Babak Ganji

Since its inception, the Islamic Republic of Iran has been beset by factionalism. The almost kaleidoscopic nature of Iranian factions has baffled foreign, as well as Iranian observers of the Iranian political scene. Thus any analysis of Iranian foreign policy behaviour must pay particular attention to the faction-ridden nature of the Iranian state apparatus. At the same time, it is important to note that when dealing with the issue of the inter-relationship between factionalism and nuclear strategy, the cross-cutting cleavages are not simply those dividing “reformists” and “conservatives”. What is significant about the current nuclear debate in Iran is that reformist groups, parties and political figures are not playing a prominent role in the debate at all.

Various Iranian political figures, reformist and conservative alike, have emphasized the importance of nuclear technology to Iran over the years. Even Ata’ollah Mohajerani, who became a controversial political figure during his tenure as Minister of Culture and Islamic Guidance, once upon a time emphasized the importance of acquiring nuclear weapons. The same is true of former President Akbar Hashemi-Rafsanjani who has made controversial statements about nuclear weapons and the outbreak of nuclear war in the Middle East.

However, before 2004, the only political figure who consistently called for withdrawal from the Non Proliferation Treaty (NPT) was the managing editor of the hard-line Kayhan newspaper, Hoseyn Shari’atmadari. Shari’atmadari has been a vociferous critic of Iranian negotiators and equated concessions on the nuclear issue with treason.

However, Shari’atmadari is no longer an isolated figure. The anti-NPT position is gaining support in the seventh Majlis and even President Mohammad Khatami has hinted that Iran may be forced to withdraw from the NPT under diplomatic pressure. Moreover, Defence Minister Ali Shamkhani, who had previously renounced nuclear weapons, has begun to talk about nuclear counter-attack and pre-emption. This is a major shift in Iranian strategy. It has been brought about as a result of a confluence of factors. The main factors are Iranian leaders’ perception of the increasing threat of a US or Israeli attack. However, current and former senior commanders of the Islamic Revolution Guards Corps have been increasingly talking about Iran’s deterrent and retaliatory capabilities.

Such terms of reference suggest that they have been thinking about weaponizing the Iranian programme. Thus the evidence suggests that they are trying to take advantage of US and Israeli policies to weaponize Iran’s nuclear capability.

Can Reforms Stymie Iran's Nuclear Programme?

Much of Western security literature on Iran assumes that a democratic Iran will inevitably eschew the nuclear option. However, there is absolutely no evidence that this is the case. It would be difficult to argue that reforms will necessarily curb Iran's nuclear advancements. Firstly, the nuclear programme is seen as a symbol of Iran's independence across the political spectrum, as well as among the people. Secondly, there is no reason why a democracy should eschew the nuclear option particularly if it is a popular policy. Giving up the nuclear option may actually cost Iranian politicians votes in elections.

Thirdly, and more importantly, the Iranian polity is becoming increasingly less democratic. President Khatami has failed to protect his supporters from assault by such institutions as the Guardian Council, the Judiciary, and the Law-Enforcement Force, as well as from the hard-liners in the Intelligence Ministry.

The first major event which demonstrated that Khatami was not prepared to challenge these powerful institutions was the student uprising of July 1999. Not only Khatami, but almost all the other prominent reformists refused to support the students. However, Khatami was astute enough to take advantage of the serial murders case to conduct a purge at the Intelligence Ministry.

In his second term, Khatami faced an uphill struggle. Firstly, he requested extra powers to implement the constitution and his request was turned down. His critics, including the head of the Judiciary Ayyatollah Mahmud Hashemi-Shahrudi, pointed out that as the president of the republic he did not really need any extra powers to fulfil his legal responsibilities.

The disqualification of a substantial number of reformist MPs in the elections for the seventh Majlis delivered the coup de grâce to reformism within the framework of the state apparatus. However, even prior to the elections it was clear that some of Khatami's supporters were frustrated with the pace of reforms. Since its very inception, the reform movement had been beset by tensions.

The Islamic Iran Participation Front and the Islamic Revolution Mojahedin Organization, not to mention a large number of reformist journalists such as Akbar Ganji, Emadeddin Baqi, Hamid Reza Jala'ipour and Mohammad Quchani, sought to transform the very nature of Iranian polity by exposing corruption at the top. More importantly, they were supported by such intelligence professionals as former deputy intelligence minister Sa'id Hajjarian and the director of the secretariat of the Supreme National Security Council Ali Rabi'i.

The pinnacle of their achievement was Khatami's purge of some hard-liners in the Intelligence Ministry. However, since then Khatami has totally failed to curb the activities of his radical and conservative opponents in the security and judicial apparatus. In fact, their activities have led some reformists, such as former deputy Majlis Speaker Behzad Nabavi, to argue that the republican component of the Islamic Republic was disappearing.

Iranian Leaders' Perceptions of Balancing & Bandwagoning

The first myth, proponents of which believe in bandwagoning and self-help strategies, is the nuclear security myth.¹ Advocates of nuclear security have drawn attention to the important role of the nuclear programme in ensuring the country's independence. Proponents of this viewpoint, including Iran's supreme leader, Ayatollah Ali Khamene'i, former president and the head of the Expediency Council, Akbar Hashemi-Rafsanjani, Defence Minister Vice-Admiral Ali Shamkhani, the Commander-in-Chief of the Revolution Guards Corps, Major-General Yahya Rahim-Safavi and former Commander-in-Chief of the Islamic Revolution Guards Corps, Mohsen Reza'i, have contended that Israel and the US were determined to destroy the Islamic revolution and that Iran had no choice but to continue its nuclear programme and aggressively defend itself.

The second myth is the nuclear insecurity myth, also articulated by Iranian officials on many occasions.² Proponents of this point of view, particularly President Mohammad Khatami, Foreign Minister Kamal Kharrazi and UN envoy Mohammad Javad Zarif, have contended that Iran did not want nuclear weapons and that because Iran has been a victim of weapons of mass destruction during the Iran-Iraq war it did not want anything to do with such weapons. Iranian political leaders, most notably Ayatollah Khamene'i and President Khatami, emphasized that nuclear weapons had no place in Iran's national security doctrine because of Iran's Islamic principles.

Moreover, as the diplomatic pressure on Iran increased, Iranian officials claimed that Iran's supreme leader, Ayatollah Ali Khamene'i, had issued a fatwa banning the use of nuclear weapons. However, the text of the fatwa has not been published and there has not been a public debate about the fatwa either. Despite claims that Khamene'i had issued such a fatwa, Khamene'i has repeatedly said that Iran would defend itself, going so far as to say that Iran would attack the interests of those who contemplate the possibility of attacking it around the world. Just like other senior Iranian officials, Khamene'i has not specified what exactly Iran would do in the event of an attack. He has made vague but harsh statements while referring to the Iranian nation's spirit of "self-sacrifice".

Cross-Cutting Cleavages in the Iranian State Apparatus

Before embarking upon an examination of cross-cutting cleavages in the Iranian state apparatus it is important to briefly describe the evolution of each major political group involved in the debate about nuclear strategy. For the sake of clarity and analytical rigour, the author has eschewed the use of current terminology used to describe various groupings in the Iranian parliament. The main groups involved in the Iranian over strategy are as follows:

Islamic Coalition Society

The Islamic Coalition Society is one of the oldest political groupings in the country. It was set up by Ayatollah Ruhollah Khomeini in the 1960s in opposition to the Shah and it was involved in the assassination of Prime Minister Hasan Ali Mansur in 1963. Prominent Iranian figures such as Ayatollah Mohammad Hoseyni Beheshti, Ayatollah Morteza Mottahari and Asadollah Lajevardi were members of the society which played a major role in the Iranian revolution.

However, because of the conservatism of the society, many young radical clerics distrusted it and, over the years (both before and after the revolution), Khomeini sought to broaden his appeal by establishing relations with leftist clerics and civilians, who placed much greater emphasis on the importance of “anti-imperialism”.

After Khomeini’s death, the Islamic Coalition Society gained much greater prominence. Given its association with bazaar merchants, it vehemently opposed President Rafsanjani’s economic policies in his second term and it has always been sceptical about opening up the Iranian economy. During Khatami’s presidency, it was sharply criticized as a bastion of anti-reformist politicking. However, despite its association with the bazaar and powerful figures in the Iranian state apparatus, it had scant support among the population as a whole. Indeed, some of its candidates stood as independents in various elections lest their association with the party lead to their defeat.

The most important figures directly or indirectly associated with the party and its offshoots, such as the Islamic Engineers Association, are: The party’s former general-secretary, Habibollah Asgarowladi, its current general-secretary, Mohammad Nabi Habibi, former Foreign Minister Ali Akbar Velayati, former deputy foreign minister and deputy for international affairs at the Judiciary Mohammad Javad Larijani, current presidential candidate and former head of the state radio and television Ali Larijani (Mohammad Javad’s brother), Asadollah Badamchian, Morteza Nabavi and Mohammad Reza Tarraqi.

The party is also closely associated with the Resalat Foundation, which publishes the daily Resalat. In its editorials, Resalat has traditionally taken a hard-line on the nuclear issue. Its prominent commentators, Mohammad Hoseyn Anbarlu’i and Amir Mohebbian have called for the preservation of the nuclear programme. Anbarlu’i has repeatedly warned of US “plots” against Iran and warned of the consequences of the victory of “reformists” which he believes will restore US influence in Iran. Nevertheless, it is important to emphasize that Resalat has not gone so far as the radical daily Kayhan, which is closely associated with hard-liners in the Intelligence Ministry, to call for Iran’s withdrawal from the NPT.

Islamic Coalition Party & Nuclear Strategy

The Islamic Coalition Party came to play an important role in the debate about Iranian policy towards the IAEA and its nuclear strategy. Former Foreign Minister Ali Akbar Velayati, who is now an international affairs adviser to Iran’s supreme leader, Ayatollah Ali Khamene’i, has been highly critical of the sixth Majlis for its policies regarding the nuclear programme. Velayati praised the seventh Majlis for following “principled” policies. Moreover, when some MPs were collecting signatures to pass a bill on withdrawal from the NPT, Velayati was in the Majlis and he said that there were strong anti-NPT sentiments in it. It is highly unlikely that Velayati would adopt such a position without Khamene’i’s prior approval. Velayati has also declared that he may be a candidate in the presidential elections. While he has not specifically made any statements about a weapons programme, the fact remains that withdrawal from the NPT may well be the concomitant of the weaponization effort.

Ali Larijani has also played an important role in the debate about Iran’s nuclear programme. He has been sharply critical of Hasan Rowhani and other Iranian negotiators for their failure to gain concessions from the EU. Although Rowhani and others have tried to downplay the significance of Larijani’s opposition and

ascribed it to his political ambitions, the fact remains that, like Velayati, Larijani is also very close to Khamene'i. However, it is important to note that, unlike Velayati, Larijani has not hinted at withdrawal from the NPT. Khamene'i appointed him as the head of state radio and television. During his tenure, Larijani was repeatedly criticized by President Khatami's supporters for the state media's biased coverage and its opposition to reforms. The investigation into the affairs of state radio and television may damage Larijani's political fortunes. However, barring a major scandal, it is highly unlikely that the powerful Guardian Council, which is responsible for vetting candidates, will turn against Larijani.

Despite the rather popular view that there is a consensus of opinion on the nuclear programme in Iran, the available evidence shows that there are vast differences over policy and tactics between senior Iranian officials. Moreover, as the presidential elections in Iran got underway, such differences over tactics and strategy were intertwined with political rivalries. The most serious current cleavage over strategy is between President Mohammad Khatami, the secretary of the Supreme National Security Council Hasan Rowhani and the chairman of the Expediency Council Akbar Hashemi-Rafsanjani on the one hand, and the Defence Ministry and former and current senior Guards officials and Islamic Coalition Society on the other.

However, this division over nuclear strategy is not replicated in the divisions over political and economic strategy. Politically, Rowhani, Rafsanjani and senior Guards commanders are much closer to the Islamic Coalition Party, the most powerful conservative political institution in the country, than they are to Khatami or even to the Militant Clerics Society. However, there have been serious differences between Rafsanjani and Islamic Coalition Party over economic strategy. The Islamic Coalition Party (then Society) severely undermined Rafsanjani's economic policies in the second term of his presidency.

Rafsanjani believes in opening up the Iranian economy and Iran's gradual integration into the world economy. The Islamic Coalition Party, which is highly influential in such institutions as the Iranian Chamber of Commerce, believes in a bazaar-based economy and tends to be more mercantilistic than Rafsanjani's Executives of Construction Party. This division over economic policy has hampered cooperation between Rafsanjani and the Islamic Coalition Party and is unlikely to be resolved given the rather sharp differences between the protagonists.

The Revolution Guards Corps & Islamic Coalition Party

One of the oldest feuds in Iranian politics is the dispute between right and the left wing tendencies within the Islamic Revolution Mojahedin Organization. The Islamic Revolution Mojahedin Organization was formed as a result of an alliance between six urban guerrilla organizations in 1979. The organization subsequently formed the backbone of the Islamic Revolution Guards Corps and played a key role in the occupation of the US embassy in 1979. Since its inception, the Islamic Revolution Mojahedin Organization has had close relations with the Islamic Coalition Society. The organization also played an important role in the suppression of the Mojahedin-e Khalq Organization in the early 1980s.

A major rift emerged in the organization in the mid 1980s when the right-wing tendency, led by such figures as Mohsen Reza'i, left the organization and formed a close alliance with the Islamic Coalition Society. The organization was then virtually dissolved. However, it resurfaced later when the left wing of the organization, led by Behzad Nabavi and Mohammad Salamati, revived the Mojahedin of the Islamic Revolution. Since then they have played a major role in the reformist camp and they

include figures such as former deputy Intelligence Minister Sa'ïd Hajjarian, former deputy Majlis Speaker Behzad Nabavi, former deputy chairman of the Majlis Foreign Policy and National Security Committee, Mohsen Armin, and former deputy Interior Minister for Political Affairs, Mostafa Tajzadeh.

There is a major difference between the new Islamic Revolution Mojahedin Organization and the old one. The new organization has sought to reinvent itself and it has failed to maintain a vigilante capability. The new organization has eschewed the resort to violence in domestic politics despite the involvement of its leaders in such events as the hostage crisis and the suppression of the Mojahedin-e Khalq. The Islamic Coalition Party, however, has maintained close links with vigilante organizations and, in that respect, it has remained committed to the organization's original modus operandi.

As far as the recent nuclear debate in Iran is concerned, the new Islamic Revolution Mojahedin Organization has hardly played a role. Mostafa Tajzadeh once said that Iran might have to acquire nuclear weapons, but other members of the organization have not made similar comments. This is despite the fact that Behzad Nabavi and Mohsen Armin have called for a dialogue with the US. However, the rift between the Islamic Coalition Party and the Executives of Construction is rather important given the close ties between senior current and former Guards commanders Zolqadr and Reza'i and the Islamic Coalition Party.

Reza'i, however, has recognized that Iranian society and the Guards Corps are changing rapidly. Since leaving the guards he has been trying very hard to create a constituency for himself among Iran's young population. In effect, he is competing for the same constituency as President Khatami and his reformist supporters. Indeed, Reza'i has even started talking about democratization and clash of civilizations, issues of major interest to Khatami and his allies.

However, Reza'i is not a charismatic figure. Despite his long years of service in the Guards, he has not exactly distinguished himself as the secretary of the Expediency Council. Moreover, he speaks in generalities and has never put forward any concrete programmes which young people might find appealing. Last, but by no means least, he is associated with the regime's apparatus of repression in the 1980s and 1990s. All these factors reduce Reza'i's appeal.

However, other Guards figures are much more closely associated with the Islamic Coalition Party than Reza'i. Guards C-in-C Yahya Rahim-Safavi and Deputy Guards C-in-C Mohammad Baqer Zolqadr are very radical in their foreign policy perspectives and conservative in their social outlook. The forthcoming presidential elections in Iran in June are rather complex in terms of the cross-cutting cleavages in the Iranian polity. What makes the presidential elections particularly interesting are the cleavages in the hard and centre right factions and parties. Between 1996 and 2004, the main cleavages in the foreign policy debate were between the reformist left and centre right and the hard right and radical right.

Kaleidoscopic Factionalism & Foreign Policy

Despite the fact that anti-Americanism has been a major factor in post-revolutionary Iranian politics, various Iranian factions have changed their policy regarding relations with the US over the years. The most notable example is the

Conservative Factionalism & Iranian Nuclear Strategy

Students Following the Line of the Imam who occupied the US embassy in Tehran in 1979 and held American diplomats hostage for 444 days. After the advent of the Khatami government in 1997, one of the leaders of the students, Abbas Abdi, emerged as a prominent advocate of opening a dialogue with the US. Abdi is now in prison for publishing a public opinion poll indicating that the majority of Iranians favoured the normalization of relations with the US.

At the same time, some groups which opposed the taking of hostages in 1979, such as the powerful and strongly conservative Islamic Coalition Society, are now among the most ardent opponents of the US, at least on the rhetorical level. The nuclear issue has often been cited as an example of Iranian unanimity.

Yet another fallacious assumption is that Iran has such vast oil and gas resources that it does not really need nuclear energy. In fact, Iran's energy imports have sharply increased partly due to its extremely inefficient energy conservation policies. One of the most serious problems facing the country is to maintain its status as an oil exporter in the long run. Indeed, so dire is the situation that the head of Iran's Atomic Energy Organization Gholamreza Aqazadeh has said that there is no substitute for nuclear energy.³

Iran's governor to OPEC, Hoseyn Kazempur, has put forward a similar argument. He has said that fuel subsidies had encouraged growing domestic energy consumption. According to Kazempur, Iran's annual domestic consumption in terms of domestic prices is 11 billion dollars.⁴ Ray Takeyh has argued that Iranian support for the nuclear programme is an indication of Iranian people's decision to equate the nuclear programme with the principle of national sovereignty. However, despite the fact that there is unanimity on the issue of the nuclear programme at a general level, there is hardly any evidence of a consensus of opinion on the nature of Iranian nuclear policy or negotiating strategy. Moreover, the nuclear issue has been closely intertwined with political rivalries in Iran. Such rivalries are likely to intensify in the run-up to the presidential elections.

The Iraq war clearly had an impact on Iranian leaders' perception of Iran's nuclear programme. On the one hand, they continued to argue that Iran had the right to gain access to nuclear technology. On the other hand, they became fearful of an American-led war on their country which was sanctioned by the UN Security Council. There were vast differences of opinion among Iranian leaders on the issue of relations with the EU. Some, such as Iranian nuclear negotiators Hasasn Rowhani and Hoseyn Musavian, believed that the EU had different interests and that holding talks with the EU would deter the US. Others, particularly those associated with Iran's supreme leader Ayatollah Ali Khamene'i, were not so sure. Radical dailies Jomhuri-ye Eslami and Kayhan, whose editorials usually accurately reflect Khamene'i's views, repeatedly argued that the EU had either failed to live up to Iranian expectations or that it was playing a double game.

As the diplomatic pressure on Iran increased in 2003, Iranian officials were alarmed at the possibility of the formation of a EU-US alliance against their country. What particularly worried Iranian officials, be they "reformists" or "conservatives", was that the US might succeed in putting together a broad coalition in favour of referring Iran's case to the UN Security Council.

Khamene'i Enunciates Hard-Line Policy

Iran's supreme leader Ayatollah Ali Khamene'i seems to have been emboldened by the Russian refusal to take Iran's case to the Security Council. On 5 July 2004, Khamene'i warned:

We, the Iranian people, within the border of our country, will cut off any hand that harms our scientific, natural, human or technological interests. We will cut off the hand that is sent to invade and work against our people's interests. We will do this with no hesitation ... If the enemy had the audacity to harm and invade, our blows against it will not be limited to the borders of our country ... If someone harms our people and invades, we will endanger his interests anywhere in the world.⁵

Khamene'i's statement started off a new round of warnings to Israel and the US. Iranian Defence Minister Vice-Admiral Ali Shamkhani warned that Iran was not scared of sanctions because revolutionary figures had got used to sanctions. He said that if there were an attack on Iran, this would mean that the IAEA was gathering intelligence on Iranian installations to prepare the ground for an attack. Shamkhani warned that in the event of an attack, Iran would abandon all of its nuclear commitments. He also said that Iran would respond with "all our force" to an attack. Shamkhani argued that Iran had managed to develop an indigenous nuclear capability which would not be destroyed by an attack.⁶

Emerging Rift in Ranks of Conservatives

In analysing the extremely complex factional manoeuvres during late 2004-early 2005, one should take account of several factors:

- The growing role of the Islamic Revolution Guards Corps in the public debate about Iranian nuclear policy and negotiating tactics,
- The close relationship between some Islamic Revolution Guards Corps commanders, such as Mohammad Baqer Zolqadr and the powerful Islamic Coalition Party
- The Islamic Coalition Party's growing political opposition to the secretary of the Supreme National Security Council Hasan Rowhani and the head of the Expediency Council Akbar Hashemi-Rafsanjani.
- Former C-in-C of the Islamic Revolution Guards Corps Mohsen Reza'i's presidential candidacy and his growing political opposition to Rowhani's negotiating tactics. In effect, Rowhani and Rafsanjani were challenged by two different factions within the Guards Corps.

What was particularly noteworthy was the emerging rift between the secretary of the Supreme National Security Council Hasan Rowhani and the main bastion of conservatism in Iran, the Islamic Coalition Party. The negotiations were further complicated by the presidential candidacy of the former head of the state radio and television Ali Larijani who emerged as the Islamic Coalition Society's de facto candidate in the elections.

This was the background against which the Paris agreement was concluded on 14 November 2004. The IAEA adopted the agreement as a basis for discussions at the meeting.⁷

The Paris agreement encouraged some conservative and radical commentators who believed that it had legitimized the Iranian nuclear programme. The daily *Kayhan*, which has emerged as the mouthpiece of the anti-NPT current in Iran and is close to the supreme leader Ayatollah Ali Khamene'i and the hard-liners in the Intelligence Ministry, published an article entitled: "Getting Accustomed to Living with a Nuclear Iran". The article argued that Iran had "reached the point of no return" in terms of its acquisition of nuclear technology.⁸

Moreover, soon after the Paris agreement, President Khatami threatened the EU, saying: "In the event that [the EU] refuses to keep its promises, we will naturally do likewise ... We have declared that we will never accept an indefinite suspension, and that we will defend our rights ... I advise [the EU] to gain our trust."⁹

During the negotiations which led to the Paris agreement, Ali Larijani accused Iranian negotiators of getting "bonbons" from the West Europeans and giving them pearls in return.¹⁰ The Larijani challenge was particularly serious because of Larijani's membership of the National Security Council. He contended that "American and European strategies are based on the denial of nuclear energy to Iran".¹¹

Speaking at a news conference held after concluding the agreement with the EU, Rowhani criticized Larijani and other critics.¹² Subsequently, Rowhani faced a barrage of criticism from conservative commentators. A conservative MP, Mohammad Khoshchereh, accused Rowhani of withholding important information from the Majlis even behind closed doors.¹³

However, former commander-in-chief of the Islamic Revolution Guards Corps Mohsen Reza'i emerged as Rowhani's strongest critic. Reza'i, who also indicated that he might be a candidate in the presidential elections, said that Rowhani had undermined Iran's "deterrent capability".¹⁴

Reza'i comments were extremely important because they, in effect, showed Iran's policy of nuclear opacity. Previously, the C-in-C of the Islamic Revolution Guards Corps Maj-Gen Yahya Rahim-Safavi and Defence Minister Vice-Admiral Ali Shamkhani had talked about Iran's ability to retaliate against Israel in the event of an Israeli attack on Iran. However, this was the first time that an Iranian official was referring to Iran's nuclear programme as a "deterrent". Reza'i's comments are particularly important given the fact that a number of Iranian officials had claimed that Ayatollah Khamene'i had issued "a fatwa" banning the possession of nuclear weapons.¹⁵ It was significant that the text of the fatwa was not published.¹⁶

Policy Currents Within the Conservative Camp

There were serious divisions among conservative politicians over the issue of nuclear strategy. One group led by the secretary of the Supreme National Security Council Hasan Rowhani and the head of the Expediency Council Hashemi-Rafsanjani, argued that the country needed nuclear technology to develop itself while engaging in negotiations with the EU and Russia to ensure that Iran would not be unfairly treated. Rowhani, basically, took a hard-headed realpolitik approach to the nuclear question, bluntly declaring that Iran had engaged in talks with the EU to ensure that an international consensus would not be established against the Iranian nuclear programme.¹⁷ Rowhani's influence was clearly visible on the Iranian negotiating team.

By and large, Iranian negotiators, such as Hoseyn Musavian, Ali Akbar Salehi, Piruz Hoseyni and others took the line that negotiations with the EU had prevented the formation of an international coalition against Iran and reassured the world about the past history of the Iranian programme. However, as negotiations proceeded, Salehi began to criticize Hasan Rowhani implicitly. Salehi charged that Iranian officials had taken a political approach to the talks with the EU, thereby allowing the latter to obtain significant concessions from Iran on technical and legal matters.¹⁸ It is difficult to overstate the importance of Salehi's allegations. Iranian official commentary had repeatedly insisted that the EU had politicized the Iranian nuclear issue and sought to deny Iran its legal rights. Now, Salehi was saying that actually the Iranians were the ones who had politicized the issue. Hoseyn Musavian tacitly gave credence to Salehi's statement when he argued after the second agreement with the EU that now "experts" could resolve the remaining issues.

After reports that the National Council of Resistance had "revealed" new Iranian nuclear sites, the Iranian Judiciary responded by putting "nuclear spies" on trial on Iran. However, the "nuclear spies" case caused policy differences among Iranian officials. Judging from the Iranian media coverage of the case, the Iranian Intelligence Ministry and the Justice Department of the Tehran Province sought to link those arrested to the Mojahedin-e Khalq Organization, whereas some officials affiliated with the Islamic Revolution Guards Corps argued that the US did not really need Mojahedin-e Khalq to spy for it.

On 31 August, Iranian Intelligence Minister Ali Yunesi had said that "dozens of spies, including some nuclear spies operating in the main state institutions and organizations had been identified and arrested".¹⁹ On 17 November, the head of the Revolution Court of Tehran Province, Ali Mobasheri, said that those arrested had been spying for "foreigners", as well as for Iraq.²⁰ The reference to Iraq was also a veiled reference to the Mojahedin-e Khalq or the National Council of Resistance.

Significantly, Baztab web site, which belongs to Omidvar Reza'i, the brother of the former commander-in-chief of the Revolutionary Guards, expressed doubt about the involvement of Mojahedin-e Khalq, reporting: "As a superpower, the US does not really need the Mojahedin-e Khalq Organization to spy for it."²¹ Baztab, argued that Mojahedin-e Khalq members "Farid Soleymani, who had close relations with Saddam's intelligence services", Naser Rashidi, Ali Safavi and Ali Reza Ja'farzadeh were American agents and were contributing to the implementation of the Bush administration's "hostile policy towards Iran".²²

What was particularly significant about Baztab's coverage of the nuclear issue was its rather sharp criticism of Rowhani and other officials. Thus Baztab referred to "dark motives" and "treasonous policies" which "could annihilate thousands of innocent people".²³

Iranian officials made contradictory statements about the arrest of spies. The Head of the Justice Department of Tehran Province Hojjat ol-Eslam Abbas Ali Alizadeh said that "four nuclear spies were arrested, three of whom were members of staff". He said that another person, Asghar S, had been arrested too.²⁴

However, the most significant attempt to politically exploit the case was made by former Intelligence Minister Ali Fallahian who charged that prominent reformists such as former deputy Majlis Speaker Behzad Nabavi and former deputy chairman of the National Security and Foreign Policy Committee of the Majlis Mohsen Armin were accompanying Khatami when he visited Natanz nuclear installations. He was

reported as having said: “It is possible that they committed treason to serve Western interests just like some of the IAEA inspectors who are CIA agents.” He declared that “some informed” sources had “committed treachery” by betraying the country’s nuclear secrets and that their behaviour was “the main cause of international problems Iran has been facing recently ... We were making good progress when we suddenly faced two major blows, namely, from the Monafeqin, who provided information to the British about Esfahan and Natanz nuclear sites, and from some of the [nuclear programme] staff employees, who work at these sites.”²⁵

Later on, Fallahian denied that he had named anyone. However, by then his remarks had been widely publicized. Khatami’s office even issued a statement to rebut Fallahian’s allegations.²⁶

On 8 December, Intelligence Minister Ali Yunesi was quoted as saying: “There are three nuclear spies who are members of the Monafeqin [hypocrites, pejorative reference to the Mojahedin-e Khalq Organization] terrorist organization. Monafeqin spy for Israel and the US.”²⁷ Foreign Ministry spokesman Hamid Reza Asefi said that he knew nothing about the arrests and expressed “surprise”.²⁸

EU-Iran Talks

The second round of EU-Iran talks on the nuclear issue took place in Brussels on 13 December 2004. Iran’s chief negotiator Hasan Rowhani described the talks as “a new chapter” in relations between the EU and Iran. An important development in the second round of talks was the failure of the EU to secure a seat for Iran’s plenipotentiary trade representative at the World Trade Organization (WTO). This was a major set-back for Iran. The EU had offered WTO membership to Iran as a concession to persuade the latter to suspend its enrichment programme. The administrator of the office of Iran’s plenipotentiary trade representative Esfandiar Omidbakhsh had previously said that Iran would be granted observer status at the WTO. However, speaking after the rejection of Iran’s application, Omidbakhsh tacitly admitted that Iranian diplomacy had failed to get results.²⁹

The chairman of the Majlis National Security and Foreign Policy Committee, Ala’eddin Borujerdi, sharply criticized the EU, saying that this was the 14th time that Iran’s application for WTO membership had been rejected. Borujerdi contended that the EU simply lacked the ability to fulfil some of its commitments. However, Borujerdi argued, the fact that EU officials did not act in a way that suggested they lacked the ability to deliver on their commitments, meant that they could have done more. However, Borujerdi indicated that the rejection of Iran’s WTO membership would enable the country to press forward with its nuclear programme.³⁰

However, by now major differences were emerging between the Iranian negotiating team, whose members were mostly protégés of Hashemi-Rafsanjani on the one hand and the Defence Ministry and the Revolutionary Guards on the other.

Iranian Threats to Respond to Attacks & Nuclear Opacity

Iranian Defence Minister Vice-Admiral Ali Shamkhani’s comments perhaps provided the best example of Iran’s policy of nuclear opacity. Significantly, when asked to comment on the Iranian nuclear programme, Shamkhani said: “No aspect of this case concerns the Defence Ministry and the only part which concerns the Defence

Ministry is a nuclear counter-attack. As far as nuclear issues are concerned, we have the power to counter-attack.”³¹

Shamkhani warned Israeli and US officials, whom he described as “mischievous people” that “threatening Iran will have unpleasant consequences”. Perhaps the most important aspect of Shamkhani’s speech was that he described Iran as a major regional power whose influence stretched from Jerusalem to Kandahar. Moreover, Shamkhani said that Iran had placed its power “at the disposal of regional states”.³²

Shamkhani also said that the military must eschew interference in politics. Shamkhani was sharply critical of American neo-conservatives whom he said were trying to take advantage of Iran’s domestic vulnerabilities. He was also highly critical of factionalism in Iranian politics, giving the closure of the Imam Khomeini International Airport as an example of factionalism.³³ Given the context of the interview and his boasting about Iran’s nuclear capability, Shamkhani clearly linked nuclear weapons to regional power status, arguing that Iran protected countries in the region from the US.

The Shamkhani interview indicated that there was a serious difference of opinion between senior Iranian defence and security officials. One of Iran’s chief negotiators, the secretary of the Foreign Policy Committee of the Supreme National Security Council, Hoseyn Musavian, sought to build support for the talks with the EU by warning of the possibility of a US or Israeli attack on Iran. Addressing the directors of the ideological and political bureaus of the armed forces, Musavian warned that if Iran had not entered into talks with the EU, the US or Israel would have attacked it and it would not have been able to respond. Moreover, Musavian noted that Russia had warned Iran that in the event of the failure of its talks with the EU, Russia would sever its nuclear ties with Iran.

Iranian Foreign Minister Kamal Kharrazi dismissed reports that the US was planning to attack Iran and said that “US threats to Iran were not serious and the chances of their being carried out are remote”. At the same time, he said that “plots were being hatched outside the region” to further Israeli interests.³⁴

Rowhani Reverses Iran’s Position

Given the strong reaction of the Guards and the intensification of the power struggle between the Executives of Construction-Islamic Participation Front-Militant Clerics Society coalition and the Revolutionary Guards-Islamic Coalition Society coalition, the reversal of Iran’s position on the nuclear issue should not have come as a surprise. By early January, it was clear that it was only a matter of time before Iran changed its position. During this period, there were also a number of Iranian reports on US, Israeli or unidentified aircraft flying over Iran. Significantly, the web site Baztab, which has close relations with the Islamic Revolution Guards Corps, carried most of these reports.

In late December, Iran ordered the Iranian Air Force to shoot down any unidentified aircraft flying in any part of the country. Iranian officials accused US and Israel of conducting reconnaissance flights over Iran, particularly over its nuclear installations. Iran deployed anti-aircraft missiles around its nuclear installations.³⁵ Iranian systems included US Hawk, MIM-23B, the Russian SA-2, SA-5, SA-6 and

the shoulder launched SA-18. In order to boost its air defence capability, Iran also tried to purchase the Russian S-300PMU.³⁶ However, Iranian air defences were not particularly effective. On 4 January, a pilotless reconnaissance aircraft landed with a parachute 25 kilometres west of Arak, the site of Iran's major heavy water plant. The unidentified aircraft was said to have been on an intelligence-gathering mission. The web site Baztab reported that some of the unidentified flying objects spotted in Iranian skies were actually "pilotless balloons and aircraft gathering intelligence across Iran".³⁷

There were also concerns that Israeli submarines might attack Iranian nuclear installations. Following a report that Israeli Dolphin submarines carrying Harpoon missiles had entered the Persian Gulf to attack the Bushehr nuclear power station, the commander of the Iranian Navy, Rear-Admiral Abbas Mohtaj, said that such a plan may have been "tentatively proposed", adding that this was part of "psychological warfare" campaign conducted by "the Zionist media". Mohtaj claimed that the Iranian navy had "full control" over all the ships and submarines entering Persian Gulf waters. He said that Iran would respond firmly to "any hostile action in the Persian Gulf".³⁸

There is no doubt that Iran saw the presence of US forces in the Persian Gulf as a major threat. Mohtaj said that the presence of outside powers presented "a potential threat" to Iran and it was "illegitimate". He said that Iran sought to increase its capabilities. However, he characterized Iranian strategy as a "deterrent strategy".³⁹ The most important action that Iran took during this period was the decision to reverse its policy on the suspension of its uranium enrichment programme. This was despite the fact that an Iranian delegation was due to attend the meetings of the Multilateral Approaches to the Nuclear Fuel Cycle (MAN), which consisted of 26 countries; Canada, the US, Brazil, Argentina, Iran, the Netherlands, Switzerland, Sweden, Spain, France, Germany, Japan, China, Russia, India, Australia, Pakistan, Malaysia and Kazakhstan. The group was supposed to send the results of its deliberations to the director-general of the IAEA by March.⁴⁰

Iran's permanent representative to the UN, Mohammad Javad Zarif said: "Iranian participation in the meeting of the committee shows that the international community has accepted Iran as a country whose ideas must be taken into consideration."⁴¹ Zarif also said that Iran was using its membership in the group to change international policy regarding access to nuclear fuel cycle, contending: "This group does not make decisions alone, and we are trying to achieve a place in other decision-making groups with regard to the future of the nuclear fuel cycle in the world."⁴² Zarif said that it was important that "a prominent personality such as Sirus Naseri" would be representing Iran at the talks.

However, Zarif expected the US to use the NPT Review Summit "to restrict the rights of other countries with regard to NPT". Perhaps in anticipation of US pressure on the Iranian nuclear programme at the NPT review summit, Sirus Naseri declared that Iran would reject the EU's offer of nuclear fuel. However, Iran did give the IAEA access to Parchin military complex's so-called green area. Iranian Foreign Ministry spokesman Hamid Reza Asefi said that he was confident that the samples taken from the installation would prove that Iranian nuclear activities were "peaceful".⁴³ Then on 12 January, Iran's chief nuclear negotiator, the secretary of Supreme National Security Council, Hasan Rowhani, said that Iran would resume the enrichment of uranium in the near future. Speaking at a meeting with the visiting Japanese Deputy Foreign Minister Ichiro Aisawa, Rowhani said that Iran would do

so under IAEA supervision to ensure that its nuclear programme would not lead to the production of weapons.

He said that the Iranian programme was peaceful and that 800-man days had been spent on the inspection of Iranian facilities. However, he made it abundantly clear that Iran saw its nuclear programme as a sign of its independence, saying that “if major powers manage to deprive Iran of its enrichment programme, tomorrow it will be the turn of other countries, including Japan to be deprived of independence and self-sufficiency”.⁴⁴

Describing Iran and Japan as victims of weapons of mass destruction and in a thinly veiled reference to the US, Rowhani said that countries which had used weapons of mass destruction had committed an “abominable crime against humanity and, therefore, are not in a position to express an opinion on the matter”. Rowhani declared: “An all-out struggle against manufacturing, stockpiling and deployment of weapons of mass destruction - through comprehensive cooperation in the field of peaceful technology within the framework of international treaties - is the Islamic strategy for global disarmament.”⁴⁵

Asked about Rowhani’s comments regarding the resumption of enrichment, Iranian Foreign Ministry spokesman Hamid Reza Asefi merely said that “Iran would indeed resume its enrichment activities if the EU failed to fulfil its commitments”.⁴⁶ However, there could be no doubt that two factors had caused the Iranian turn-around: the external pressure exerted by the US and the internal pressure exerted by the Revolutionary Guards. The dynamics of Iranian presidential elections seem to have had some impact on the timing of Rowhani’s decision to announce Iran’s decision to resume enrichment. Rowhani had been sharply criticized by the former Guards C-in-C Mohsen Reza’i and presidential candidate Ali Larijani. Rowhani’s close ally Rafsanjani had also been attacked by the representative of the Guards in the Majlis, Elias Naderan. Thus the decision to announce the resumption of enrichment showed the failure of the Rowhani-Rafsanjani approach.

The Guards reacted harshly to the Rafsanjani candidacy and the emerging de facto alliance between the Guards and the Islamic Coalition Society posed a threat to Rowhani and Rafsanjani’s political survival. Moreover, Rafsanjani’s opponents also accused him of using his position as Tehran’s interim Friday-prayer leader to promote his presidential candidacy.

At the same time, Iranian officials continued to argue that Iran needed a substitute fuel because it was running out of oil. Addressing George Soros’s Open Society Forum, Iran’s permanent representative to the UN, Mohammad Javad Zarif said that there was “a misunderstanding” between the US and Iran and that elements in both countries were deliberately encouraging misunderstandings. Zarif argued that the rise of Saddam Hussein and “Talebanism” was the direct consequence of US policy towards Iran. Zarif said that Iran had no choice but to pursue a clandestine nuclear programme because over the last 25 years, the US had sought to prevent Iran from gaining access to nuclear technology. At the same time, Zarif said that Iran would never try to acquire nuclear weapons.⁴⁷

EU and Iranian delegations met on 17 January. The meeting took place against the background of reports that US special operations forces were operating in Iran to reconnoitre Iranian nuclear installations for a possible strike. Moreover, at her confirmation hearings, secretary of state designate, Condoleezza Rice, described Iran, along with North Korea, Cuba, Burman, Belarus and Zimbabwe as “outposts

Conservative Factionalism & Iranian Nuclear Strategy

of tyranny". Iranian commentators were critical of Rice's statement about Iran. An Iranian radio commentator observed that despite the fact that Rice had threatened to take the Iranian case to the UN Security Council and made "baseless allegations concerning Iran's sponsorship of terrorism", she had not actually offered any alternatives to the EU's talks with Iran. He noted that the US did not oppose the talks because it did not have any viable policy options.

Moreover, he noted that the Bush administration would have to improve its relations with European countries and that, therefore, despite the harsh rhetoric against Iran, in reality, the administration "may be compelled to adjust America's hostile policies towards our country".⁴⁸ In January 2005, the oil company Halliburton won an oil contract in Iran. In the 1990s, Halliburton had been active in Iran despite US sanctions. Halliburton's involvement in Iran sharply divided Iranian foreign policy commentators. The reformist Davud Hermidas-Bavand argued that Halliburton's involvement indicated that US officials wanted to "moderate" their past policies. He said that US sanctions had not been ineffective, but that Iran had responded by turning to non-US companies such as the French company TOTAL. Bavand contended that after Iran's gas agreement with India, US officials had reached the conclusion that others such as Europe and India benefited from US sanctions. Bavand argued that Iran had been successful in terms of changing its geoeconomic environment despite the sanctions.⁴⁹

Other commentators were more cautious. A former reformist MP, Ja'far Golbaz, who had served on the National Security and Foreign Policy Committee in the sixth Majlis, argued that Halliburton's involvement in Iran was a positive development which might reduce the mistrust between the US and Iran. However, he cautioned: "We must be careful and ensure that the Americans will not cross the red lines".⁵⁰ He said that in the past Iran had had secret contacts with the US, but that such contacts were not of major political significance. However, the issue of Halliburton's involvement in Iran was so important that there were newspaper headlines about it and Iranian society had not reacted negatively to the news either. Golbaz said that Iran wanted to have relations with America just like any other country and that the only country with which Iran did not have any kind of relations was Israel.

However, Halliburton pulled out of Iran altogether because it was sharply criticized.⁵¹ Other companies such as BP and Kruppe-Thyssen were also staying out of Iran. EU officials argued that they could not compel European companies to participate in Iranian projects and that all they could do was to create an environment which was conducive to commercial transactions.⁵²

Moreover, during this period there were leaks to the media that no progress had been made in terms of bringing Iran's nuclear programme to a halt. One of Iran's chief negotiators, Hoseyn Musavian, denied that the talks with the EU had reached deadlock and blamed the media for such reports. He claimed: "Halting Iran's nuclear programme has never been the centrepiece of the talks."⁵³ Musavian also said that perhaps Iran should provide other guarantees by going beyond the Additional Protocol. When he was criticized for his remarks, he denied that he had ever made them.⁵⁴

The increasing pressure on Iran widened the rift between Iranian officials regarding the choice of policy. However, it would be a mistake to argue that the Guards Corps was entirely responsible for the radicalization of Iranian policy or that it sought to radicalize Iranian policy in order to increase its own political influence.⁵⁵ Iran's chief negotiator Hasan Rowhani toured Iranian provinces to canvass support for his

presidential campaign and he used the nuclear issue as a major theme. Rowhani said that many political figures were waiting for Rafsanjani to make up his mind to decide whether they would stand in the elections or not.⁵⁶ Hasan Rowhani declared that neither Israel nor America were in a position to launch an attack on Iran. Rowhani said that there had always been speculation about a possible US strike and that even if Iran were attacked, it would launch a counter-attack.⁵⁷

Rowhani lambasted critics of the government's policy, including the media, by saying that he had only agreed to serve as Iran's chief negotiator after President Khatami and supreme leader Ali Khamene'i asked him to do so. He said that "giving up one's life is more difficult than giving up one's dignity" and that he had given up his dignity in order to serve Iran's "national interests". According to Rowhani, Khamene'i had approved of all of Iran's negotiating positions and that those who were "whingeing" about Iranian policy must know that when one day the record of the talks was published, they would see that the negotiators had defended the country and refused to be humiliated.⁵⁸

Rowhani expressed the hope that the suspension of the uranium enrichment programme would come to an end by the end of the tenure of the Khatami government. He still insisted that the Paris agreement was "a major victory for Iran" and that IAEA Board of Governors had reached a consensus of opinion that Iran had not engaged in illegal activities.⁵⁹

Fear of Bandwagoning?

As the pressure on Iran increased, Iran's chief nuclear negotiator behaved increasingly erratically. Rowhani believed that balancing was the predominant tendency in the international system. However, Rowhani also made it clear that the EU could only resist US pressure up to a certain point. Moreover, Rowhani, who had presidential aspirations himself, predicted that even he would not be able to head off the conservatives of the Islamic Coalition Society operating within the framework of the so-called Coordination Council of the Islamic Revolution Forces Committee. Rowhani predicted that if Rafsanjani refused to stand in the elections, the elections would go to the second round and the conservatives would win.⁶⁰

Rowhani's rhetoric increasingly resembled that of the Guards. However, he continued to distinguish between weaponization and capability. For example, on 4 February, he said: "Producing weapons of mass destruction is not part of Iran's defence strategy and high-ranking state officials have repeatedly said so. The supreme leader has said that the production or possession of such weapons are against Islamic law."⁶¹

At the same time, Rowhani placed emphasis on the importance of "capability" in Iranian strategy, saying: "What has angered the Americans is Iran's capability. The biggest problem is our independence and we are in fact trying to maintain that independence. We will not make a deal over our dignity and independence and we have demonstrated this on different occasions."⁶²

Rowhani said that Iran had decided to enter into talks with the EU to turn US threats into an opportunity. He was still hopeful about the talks with the IAEA, saying that last year Iran and the IAEA had disagreed over 50 issues, whereas this year they only disagreed over five. Above all, Rowhani still believed in the wedge

Conservative Factionalism & Iranian Nuclear Strategy

strategy. He maintained that despite close cooperation between the EU and the US in certain areas, in other areas the two disagreed rather sharply. One such issue, he implied, was the Iranian nuclear programme. He said: “The Americans in fact do not want the Europeans to be successful. If the Europeans are successful in comparison with America with regard to Iran’s nuclear case, this will be their first major achievement in the last few decades. The Europeans, on the other hand, do not want all of American plots against Iran to be foiled. Therefore, this will be a very complicated process for us.”

Rowhani claimed that Iranian leaders had managed to navigate well so far because it had prevented the Iranian case from being referred to the UN Security Council. At the same time, he declared that US threats against Iran were “hollow”, adding: “America has thousands of problems itself and is well aware of our capabilities. America knows that it cannot compare the courageous, self-sacrificing and zealous people of Iran with those of Afghanistan or Iraq.”⁶³

However, Rowhani’s rhetoric became harsher if only because he was coming under increasing pressure for negotiating with the EU. In an interview with Reuters, he warned that Iran would retaliate in the event of an American attack.⁶⁴ At the same time, the Iranian news agency, Aftab, which is close to Rowhani and Rafsanjani, sharply criticized Secretary of State Condoleezza Rice for expressing concern about the Iranian nuclear programme, as well as its domestic and foreign policies. Aftab observed that the US ambassador in Russia had expressed the hope that the enrichment issue would be resolved diplomatically. Aftab quoted him as saying that America and Russia were pursuing similar policies regarding the Iranian nuclear programme and that they were hopeful that the issue would be resolved by the EU.⁶⁵

At the same time, German Foreign Minister Joschka Fischer said that the EU was trying to dissuade Iran from pursuing “unconventional nuclear activities”. However, Iranian officials were increasingly expressing pessimism about the EU’s willingness to resolve the issue. Iranian Foreign Ministry spokesman Hamid Reza Asefi said that the EU was not serious about negotiating with Iran. One of Iran’s chief negotiators, Hoseyn Musavian, declared that Iran might resume the enrichment of uranium. Moreover, Rowhani threatened to break off the talks with the EU if no progress was made at all three levels, namely, nuclear security and economic, by 15 March. Aftab news agency described the new round of talks as “really vital”.⁶⁶

At the same time, Rowhani was travelling across the country to promote his candidacy in the presidential elections. At a meeting in Khorasan Province, he warned that the US had hatched a plot to portray Iran as a threat to the region and that was why the International Atomic Energy Agency had issued a strongly-worded resolution against Iran. He said that the US had been trying to refer the Iranian case to the UN Security Council and to use its influence there to take “radical measures against us”. He sought to take credit for his negotiating techniques, declaring: “Not only have we managed to eliminate American threats, but we have also managed to turn them into opportunities.”⁶⁷

He said that the US had expected Iran to react harshly and that when Iran decided to pursue a diplomatic course of action they were surprised and infuriated. According to Rowhani when Washington discovered that the EU and Iran had been negotiating, it “exploded”; the US secretary of state had used harsh words when speaking to his European counterparts because he had expected to refer Iran’s case to the UN Security Council.⁶⁸ Rowhani said that had Iran adopted a radical policy it

would have played straight into America's hands. Moreover, he said that Iran expected the EU to supply advanced technology to Iran, remove trade barriers and undertake huge investment in Iran. At the same time, he warned that leaving the NPT was still an option, declaring: "We say to all of those who have a different view on this case that we are considering their solution as well. Some people are saying that we should withdraw from the NPT, but this was a costly option. We tried to adopt careful, but complex and cost-effective options. However, one day we may have to choose costly options."⁶⁹

Threats of Retaliation

Indeed, the diplomatic pressure on Iran led Iranian leaders to misperceive the situation and see everything as a plot against their country. Even President Khatami spoke in conspiratorial terms. For example, addressing the nation on the 26th anniversary of the revolution, Khatami said:

Regardless of all differences, the whole Iranian nation will unite against any form of aggression and threat [people chant slogans]. A simple incident has taken place in the world. An American society [The National Geographic] has distorted the name of the Persian Gulf. All Iranians, regardless of their preferences, united against this action and forced that society to correct its mistake. Will this nation allow aggressors to walk into this country? [people chant slogans in the background] If God forbid that were to happen, Iran will turn into a burning inferno for the aggressors. [Crowd shouts in approval]⁷⁰

Khatami was hopeful that public would turn against the Bush administration and compel the US to change its policy towards the region. He claimed that American neo-conservatives had generated the controversy over the Iranian nuclear programme to "cover up their past failures". He claimed that "whenever their real failures are revealed, American politicians make such allegations".⁷¹

The Iranian Foreign Ministry was also highly critical of the EU and accused it of lack of seriousness in the talks with Iran.⁷² More importantly, Iran's chief nuclear negotiator, Hasan Rowhani, who had come under great political pressure, declared that an attack on Iran would have "highly dangerous consequences for America". Moreover, Rowhani declared that Iran wanted to have access to all the stages of the fuel cycle. He said that Iran was in the "early stages of yellow cake" production and that he was hopeful that the country would be able to produce yellowcake in a few months. Rowhani said that the production of yellow cake had never been suspended.⁷³ Moreover, Rowhani virtually admitted that Iran had been stalling the EU negotiators in order to build up its nuclear technological capability. He said that major progress had been made in terms of the production of yellowcake and uranium hexafluoride.⁷⁴

Rowhani warned that if Iran did not reach an agreement with the EU by mid March it would pull out of the talks and that it had thought about all possible scenarios. He also linked the nuclear issue to political and trade issues, saying that if the negotiations were successful Iran would have turned "a threat into an opportunity."⁷⁵ At the same time, Rowhani contended that the US military threat to Iran was not serious and that it had to be analysed within the context of psychological warfare against Iran. Rowhani declared that the US would not be able to destroy Iran's

nuclear installations, saying: “They cannot destroy our uranium mines, our uranium reserves cannot be destroyed by a bomb. An attack will not resolve anything.” He also sharply criticized the Bush administration for trying to “export freedom”. However, he said that everything could be resolved through negotiations.⁷⁶

Continuing the Talks With the EU

Clearly, Rowhani had admitted that Iran had been taking advantage of the talks with the EU to build up its technological capability. In effect, Rowhani said that Iran had been harnessing the EU’s policy to further its own bomb in the basement strategy. Nevertheless, some Iranian officials were still positive about the talks with the EU. After a meeting with the French national security adviser, Foreign Minister Kamal Kharrazi said that Iran expected the EU to be “more serious” about the talks with Iran.⁷⁷ In February Rowhani visited Russia and Algeria and discussed the nuclear issue with Russian and Algerian officials. He declared that the US was against an EU-Iran nuclear agreement.⁷⁸ During the same period, Iranian Foreign Minister Kamal Kharrazi was trying to convince EU officials not to “politicize” the nuclear issue.⁷⁹

However, the National Security and Foreign Policy Committee of the Majlis still vehemently opposed the talks with the EU. A member of the committee, Hamid Reza Haji-baba’i, said that one of Iran’s chief negotiators Hoseyn Musavian had said that he had been satisfied with the talks. However, he criticized Britain and Germany for their attitude during the talks and declared that Iran would not be able to reach agreement with the EU.⁸⁰ By mid February, even reformist media were becoming highly critical of the EU. For example, the reformist daily Aftab-e Yazd observed: “Now it is clear that America and the Europeans do not basically disagree over the issue of Iran’s nuclear dossier ... Russia and China have also shown their hand to Iran and we cannot believe that they will not support Iran’s legitimate rights.”⁸¹

Moreover, conservative media still interpreted US policy towards Iraq and Afghanistan as failures which would prevent it from using force against Iran. For example, the daily Jaam-e Jam, the organ of the state media, which reflects Khamene’i’s viewpoints, observed that many people believed that the US could not go to war with Iran because of its failures in Iraq and Afghanistan. The daily observed that the US would not go to war with Iran because the people supported the Iranian system. However, it warned that everyone had to be vigilant lest the US used more “subtle” measures to overthrow the Iranian state.⁸²

Another issue which the state media focussed on was the US-EU rift. Bush’s visit to Europe was assessed as primarily a public relations success. The Iranian state radio, for instance, argued that differences between the EU and the US were of major strategic significance. Particularly noteworthy in this regard was the EU’s decision to lift the arms embargo on China, which the state TV interpreted as being indicative of the EU’s decision to restore the global balance of power. The radio also argued that differences between the US and the EU concerned a whole gamut of issues and they were unlikely to be resolved.⁸³

Senior Iranian officials, particularly Hasan Rowhani and Hoseyn Musavian, continued to draw sharp distinction between US and EU policies. However, Iranian

officials expected the EU to convince the IAEA to close the Iranian nuclear dossier. Hoseyn Musavian argued that unless there was “tangible progress” in the talks, Iran would stop the talks. He also accused the EU of “creating a hostile environment” in the talks. He argued that Iran had to provide tangible guarantees that it would not divert nuclear material to produce a bomb and that the EU had to enter into security, nuclear and economic cooperation with Iran. Musavian contended that the EU was “ashamed” to admit that it needed the US to reach agreement with Iran on economic issues, citing the sale of Airbus as an example.

Musavian argued that if the EU could not give Iran any tangible guarantees then it would have violated the Paris agreement.⁸⁴ He also criticized Russia for delaying the construction of the Bushehr power station. However, he contrasted Russia’s behaviour with that of Europe, saying that Russia had at least agreed to complete the Bushehr project. At the same time, Musavian tacitly welcomed US involvement in the EU’s talks with Iran.⁸⁵

However, by now the pressure on the team of negotiators had grown to the point that Iran’s chief negotiator Hasan Rowhani was reported as telling German Chancellor Gerhard Schroeder that any Iranian government that agreed to the cessation of enrichment would fall. Significantly, the Aftab news agency, which has very close ties with Rowhani and Hashemi-Rafsanjani, printed the headline in bold letters. Rowhani said that Iran was prepared to show flexibility and take confidence-building measures.⁸⁶

Rowhani said that the talks between the EU and Iran would strengthen EU-Iran relations and contribute to the resolution of many regional problems.⁸⁷ According to Aftab news agency, the most tangible achievement of Rowhani’s visit to Germany was his success in persuading Chancellor Schroeder to support Iran vis-à-vis the Gulf Cooperation Council (GCC) which had expressed concern about Iran’s nuclear programme. Aftab news agency expected Schroeder to persuade GCC states to support the EU-Iran talks.⁸⁸

However, Rowhani also declared that he had informed France and Germany that Iran was dissatisfied with the progress of the talks. Moreover, he said that Iran was continuing to produce heavy water and related equipment in Arak and that this was part of the process of manufacturing a reactor. He said that the IAEA had been informed of the construction of the reactor for “technical purposes”.⁸⁹ Rowhani argued that exerting pressure on Iran will be counter-productive because Iran will stop cooperating. Moreover, he said that issues such as Iran’s membership of the WTO and the sale of Airbus to Iran “were not particularly important”, adding that the US had politicized the issue of Iran’s membership of the WTO. Rowhani called for separating political and economic issues.⁹⁰

Rowhani argued that the EU should stop looking for a way to persuade Iran to stop the enrichment programme because cessation of enrichment was contrary to the Tehran declaration and the Paris agreement. He said that Iran would present its own “formula” for resolving the issue to the EU. The formula, according to Rowhani, was based upon ensuring the continuation of enrichment while assuring the EU that the enrichment programme was undertaken for “peaceful” purposes.⁹¹

Rowhani declared that there was no legal basis for referring Iran’s case to the UN Security Council. He threatened that if this was done no other country would cooperate with the IAEA. Moreover, Iran would immediately resume enrichment, and he added that the Middle East was such a “sensitive region” that all countries

must be “adroit” to prevent the occurrence of another crisis.⁹² However, Rowhani was still hopeful about taking advantage of differences between the US and the EU, arguing that Iran would succeed in resolving the issue with the EU if the US did not interfere. However, he said that the US would not easily agree to an EU-Iran agreement and that the US had informed the EU that the EU was “not a sufficiently significant” actor to resolve such issues.⁹³

The Majlis, particularly members of the National Security and Foreign Policy Committee who had been vehemently opposing the talks with the EU, indicated that they saw the talks with the EU as a major failure. A member of the committee, Hamid Reza Haji-Baba'i, went so far as to argue that Iran had taken all the necessary confidence-building measures and that it was up to the EU to “beat a retreat”. Haji-Baba'i contended that the promise of WTO membership was not a significant concession to Iran. He contended that Iran had the right to be a member of the WTO and to engage in economic transactions with other countries and that WTO membership was not something that Iran should see as a favour.⁹⁴ Haji-Baba'i expected the Majlis to do something to overcome the impasse. He expected the Majlis to be “transparent” about the issue and inform the people so that they would know where they stood.⁹⁵

However, Iranian officials were as far apart as ever in terms of their perspectives on Iran's nuclear strategy. A major new development in March was the proposal put forward by the Iranian government's governor to OPEC, Hoseyn Kazempur. Kazempur declared that Iran was prepared to offer the US a 50 per cent share in any future nuclear programme to show that it really wanted to use nuclear energy for peaceful purposes. Kazempur argued that Iran needed nuclear energy to expand its energy intensive industries such as cement and steel, that Iran was fully committed to the NPT and that it would allow “unhindered access” to IAEA inspectors.⁹⁶

Rowhani was not the only official who talked in terms of bringing the nuclear issue to a head. The head of Iran's Strategic Nuclear Committee, Sirus Naseri, who had been more vocal than other members of the Iranian negotiating team about abandoning the suspension process, said that the cessation of Iran's nuclear programme was totally unacceptable. Naseri was also less keen than either Rowhani or Musavian to draw a distinction between US and EU policies towards Iran. He argued that the EU had a “political” problem because the EU did not want disclose any information about the suspension of enrichment before reaching agreement with Iran.⁹⁷

Naseri said that the talks with the EU had been difficult, and that Iran was deliberately dragging out the talks to mentally prepare EU officials for accepting Iran's final proposal. “We are waiting for them to be eager enough to receive our proposal, so that they would then consider it as our final offer.” According to Naseri: “We think that we have reached a stage where there is mental preparedness to consider our proposal as the final offer.”⁹⁸

Naseri said that the US had initially sought to prevent Iran from gaining access to any kind of any nuclear energy. However, when that policy failed, the second Bush administration tried to ensure that Iran would not have an indigenous nuclear programme. In that respect, the US and the EU followed a similar policy.⁹⁹ Naseri also said that Iran could end the negotiations any time. Iran was concerned about a number of different issues, particularly the possibility of the IAEA director-general Muhammad Al-Baradi'i incorporating president Bush's proposal regarding the ban

on the fuel cycle into his proposal and settle for a five-year suspension period. Iran was also concerned about the NPT review conference and the possibility that the group in charge of making “structural changes” for the UN would include a clause regarding the suspension of uranium enrichment into its draft proposal.¹⁰⁰

Naseri said that Iran had derived some benefit from the talks with the EU because the Europeans had assured the Iranians that they had “managed to gain American support step by step”. Moreover, according to Naseri, the Europeans had assured their Iranian interlocutors that there was no “behind the scenes collusion between America and Europe”.¹⁰¹

Naseri argued that the EU was trying to convince the US to make an attractive proposal but the US could not do so because its policies towards Iran were problematic. Naseri said that after President Bush’s visit to Europe, a European official had asked him to give him a list of Iran’s demands. Naseri had told him that all Iran wanted was to be able to produce its own nuclear fuel.¹⁰² Moreover, the Majlis had told Rowhani that Iran had to have an indigenous fuel cycle, but it would also give certain guarantees to Iran’s interlocutors.¹⁰³ Naseri, however, said that Iran had not linked membership of the WTO to its nuclear programme and that WTO membership was offered to Iran as an incentive. Naseri said that Iran was about to put forward its final proposal, but that regardless of the contents of the proposal, it would not entail “heavy commitments”.¹⁰⁴

Prospects

By mid-March it was clear that Iran was not prepared to accept long-term constraints on its indigenous nuclear programme. Indeed, the opposition of hard-line conservative groups to the talks had made it more difficult for the group which favoured the bomb in the basement approach to make a deal. That was why Rowhani claimed that any Iranian government that agreed to the cessation of enrichment would fall. To be sure, some of the pressure that Rowhani talked about was self-generated. The MPs in the seventh Majlis were thoroughly vetted by the Guardian Council and their opposition to the NPT was welcomed in the office of the supreme leader. Otherwise, Khamene’i’s adviser Ali Akbar Velayati would not have said that there was support in the country for withdrawal from the NPT.

At the same time, the negotiations with the EU gave advocates of weaponization a breathing space. Iran had a long way to go before it could weaponize its programme. Therefore, advocates of the bomb in the basement strategy could claim that the best Iran could do was to make a deal with the EU and bring the US along. The proposal to involve the US in Iran’s nuclear programme was undoubtedly aimed at co-opting the US as part of a broader effort to engage the US. This proposal does not sound very strange if one considers it in terms of the policy of selective bandwagoning pursued by politicians like Khatami, Rowhani and Rafsanjani.

The policy of selective bandwagoning with the US was aimed at cooperating with the US on a number of foreign policy issues, particularly Iraq and Afghanistan, while pursuing an indigenous nuclear programme. However, the policy can only be a short term panacea for Iranian politicians. In the long run, both domestic and international political pressures will make it more difficult to pursue such a course of action.

ENDNOTES

- 1 See Charles Mayer, National Security to Nationalist Myth (MA Thesis, Naval Post Graduate School, September 2004). However, Mayer's study contains a number of serious factual errors. See also Anthony C Cain, "Iran's Strategic Culture and Weapons of Mass Destruction", Air War College, Maxwell Paper 26, April 2002.
- 2 Charles Mayer, National Security to Nationalist Myth, MA Thesis, Naval Post Graduate School, September 2004.
- 3 *Iranian Students News Agency*, BBC Monitoring, 31 January 2005.
- 4 See Kevin Morrison, "Iran offers US share in nuclear programme", *Financial Times*, 16 March 2005.
- 5 Iranian TV, BBC Monitoring, 6 July 2004.
- 6 *Iranian Students News Agency*, BBC Monitoring, 6 July 2004.
- 7 The text of the agreement was published by *Kayhan*, 16 November 2004, BBC Monitoring.
- 8 *Kayhan*, 17 November 2004, BBC Monitoring.
- 9 *IRNA*, 17 November 2004, BBC Monitoring.
- 10 See "Iran gave pearl, received bonbon in Paris nuke talks: Supreme Leader's adviser, Fars News Agency, 15 November 2004, BBC Monitoring.
- 11 "EU trio show increasing inflexibility over Iran's nuclear issue, says Larijani", *Iranian Students News Agency*, 26 November 2004, BBC Monitoring.
- 12 See Jaam-e-Jam TV, second network, 15 November 2004, BBC Monitoring.
- 13 See *Iranian Students News Agency*, 22 November 2004, BBC Monitoring.
- 14 See "Former Guards C-in-C says cooperation with EU undermined Iran's 'deterrent'", *Iranian Students News Agency*, 24 November 2004, BBC Monitoring.
- 15 See for example, "IAEA mulls Iran atomic resolution", BBC News, UK edition, 13 September 2004, "Iran's top security official warns USA against attack", *Iranian TV*, 7 February 2005, BBC Monitoring.
- 16 See "IAEA mulls Iran atomic resolution", BBC News, UK edition, 13 September 2004.
- 17 Rowhani made such statements as early as 2003.
- 18 See "Official says nuclear talks with EU politicized, Iran lacks expertise", *Baztab*, 30 October 2004, BBC Monitoring.
- 19 *Fars News Agency*, web site, 17 November 2004, BBC Monitoring.
- 20 *Ibid.*
- 21 *Baztab*, web site, 23 November 2004, BBC Monitoring.
- 22 *Ibid.*
- 23 *Ibid.*
- 24 *Kayhan*, 7 December 2004, BBC Monitoring.
- 25 *Fars News Agency*, 2 December 2004.
- 26 See "Khatami's office denies statements of former information minister", *Iranian Students News Agency*, 4 December 2004, BBC Monitoring.
- 27 *Sharifnews*, 8 December 2004, BBC Monitoring.
- 28 See Hamid Reza Asefi interview with *Iranian Students News Agency*, 10 December 2004, BBC Monitoring.
- 29 See Esfandiar Omidbakhsh interview with *Fars News Agency*, web site, BBC Monitoring, 13 December 2004.
- 30 Ala'eddin Borujerdi interview with *Iranian Students News Agency*, 13 December 2004, BBC Monitoring.
- 31 *Iranian Students News Agency*, BBC Monitoring, 18 December 2004.
- 32 *Ibid.*
- 33 *Ibid.*
- 34 Kamal Kharrazi interviewed by Saudi newspaper *Ukaz*, cited by *Iranian Students News Agency*, BBC Monitoring, 25 December 2004.
- 35 *Middle East Newline*, 4 January 2005.
- 36 *Ibid.*
- 37 *Baztab*, BBC Monitoring, 5 January 2005.
- 38 *Mehr News Agency*, BBC Monitoring, 7 January 2005.
- 39 *Iranian Students News Agency*, BBC Monitoring, 12 January 2005.

-
- 40 *Kayhan*, BBC Monitoring, 9 January 2005.
- 41 Mohammad Javad Zarif quoted by *Kayhan*, BBC Monitoring, 9 January 2005.
- 42 *Kayhan*, BBC Monitoring, 9 January 2005.
- 43 *IRNA*, BBC Monitoring, 16 January 2005.
- 44 *Fars News Agency*, BBC Monitoring, 12 January 2005.
- 45 *Ibid.*
- 46 *IRNA*, BBC Monitoring, 16 January 2005.
- 47 *Iranian Students News Agency*, BBC Monitoring, 16 January 2005.
- 48 Iranian radio, BBC Monitoring, 19 January 2005.
- 49 Davud Hermidas-Bavand interview with Iranian Students News Agency, BBC Monitoring, 12 January 2005.
- 50 Ja'far Golbaz interview with Iranian Students News Agency, BBC Monitoring, 12 January 2005.
- 51 *Reuters*, 29 January 2005.
- 52 *Ibid.*
- 53 See "Iranian nuclear negotiator denies deadlock in talks with EU", *Shargh*, BBC Monitoring, 27 January 2005.
- 54 *Aftab News Agency*, BBC Monitoring, 31 January 2005.
- 55 For this line of argument see, "Iran's military plays crucial role in nuclear stand-off", *Jane's Intelligence Review*, December 2004.
- 56 *Aftab News Agency*, BBC Monitoring, 30 January 2005.
- 57 *Ibid.*
- 58 *Ibid.*
- 59 *Aftab News Agency*, BBC Monitoring, 1 February 2005.
- 60 *Mehr News Agency*, BBC Monitoring, 2 February 2005.
- 61 See *Iranian Students News Agency*, BBC Monitoring, 4 February 2005.
- 62 *Ibid.*
- 63 *Ibid.*
- 64 *Reuters*, 6 February 2005.
- 65 *Aftab News Agency*, BBC Monitoring, 9 February 2005.
- 66 *Ibid.*
- 67 *Ibid.*
- 68 *Aftab News Agency*, BBC Monitoring, 9 February 2005
- 69 *Ibid.*
- 70 Khatami's speech on the 26th anniversary of the Iranian revolution, Iranian TV, BBC Monitoring, 10 February 2005.
- 71 *Ibid.*
- 72 *Fars News Agency*, BBC Monitoring, 21 February 2005.
- 73 See "Iran's top security official warns USA against attack", Iranian TV, BBC Monitoring, 7 February 2005.
- 74 *Ibid.*
- 75 *Ibid.*
- 76 *Ibid.*
- 77 "Iran asks EU to be more serious in nuclear talks" Iranian radio, BBC Monitoring, 14 February 2005.
- 78 "US against an Iran-EU nuclear agreement - says chief negotiator Rowhani", Iranian TV, BBC Monitoring, 15 February 2005.
- 79 "Iranian foreign minister to discuss nuclear issue in Hungary and Luxembourg", Iranian TV, BBC Monitoring, 15 February 2005.
- 80 *Fars News Agency*, BBC Monitoring, 14 February 2005.
- 81 *Aftab-e Yazd*, BBC Monitoring, 21 February 2005.
- 82 *Jaam-e Jam TV*, BBC Monitoring, 21 February 2005.
- 83 See "Iranian radio commentary expects no major results from Bush's visit to Europe", Iranian radio, BBC Monitoring, 21 February 2005.
- 84 See *Iranian Students News Agency*, BBC Monitoring, 3 February 2005.
- 85 *Ibid.*
- 86 *Aftab News Agency*, BBC Monitoring, 26 February 2005.
- 87 *Ibid.*

- 88 Ibid.
- 89 *Iranian Labour News Agency*, BBC Monitoring, 5 March 2005.
- 90 Ibid.
- 91 Ibid.
- 92 Ibid.
- 93 *Iranian Labour News Agency*, BBC Monitoring, 5 March 2005.
- 94 *Aftab News Agency*, BBC Monitoring, 15 March 2005.
- 95 Ibid.
- 96 See Kevin Morrison, "Iran offers US share in nuclear programme", *Financial Times*, 16 March 2005.
- 97 See "Iran to put forward final nuclear proposal in less than three months - negotiator", Iranian TV, BBC Monitoring, 13 March 2005.
- 98 See "Iran to put forward final nuclear proposal in less than three months - negotiator", Iranian TV, BBC Monitoring, 13 March 2005.
- 99 Ibid.
- 100 Ibid.
- 101 Ibid.
- 102 Ibid.
- 103 Ibid.
- 104 Ibid.

The author would like to thank the Defence Academy of the United Kingdom, the CSRC and BBC Monitoring for supporting this research project. The author is solely responsible for the contents of the paper.

Want to Know More ...?

See: Anthony H Cordesman, "*Iran's Developing Military Capabilities*", Washington DC, Center for Strategic & International Studies, 2004

Roger Howard, "*Iran in Crisis?: Nuclear Ambitions and the American Response*", London, Zed Books, 2004

Kenneth Pollack & Ray Takeyh, "*Taking on Tehran*", Foreign Affairs, March/April 2005

Vladimir A Orlov & Alexander Vinnikov "*The Great Guessing Game: Russia and the Iranian Nuclear Issue*", Washington Quarterley, Spring 2005

Al J Venter, "*Iran's Nuclear Option: Tehran's Quest for the Atom Bomb*", London, Casemate, 2005

Dr Steven J Main, "*The Russian Eagle & The Persian Peacock: Russo-Iranian Cooperation 1995-2005*", Conflict Studies Research Centre, Russian Series, 05/03, January 2005 <http://www.da.mod.uk/csrc>

Disclaimer

The views expressed are those of the
Author and not necessarily those of the
UK Ministry of Defence

ISBN 1-905058-19-5

Published By:

Defence Academy of the
United Kingdom

Conflict Studies Research Centre

Haig Road
Camberley
Surrey
GU15 4PQ
England

Telephone: (44) 1276 412995
Fax: (44) 1276 686880
Email: csrc@da.mod.uk
<http://www.da.mod.uk/csrc>

ISBN 1-905058-19-5