

FUNDAMENTALISTS, PRAGMATISTS,
AND THE RIGHTS OF THE NATION:
IRANIAN POLITICS AND NUCLEAR CONFRONTATION

GARETH SMYTH

A CENTURY FOUNDATION REPORT

THE CENTURY FOUNDATION

HEADQUARTERS: 41 East 70th Street, New York, New York 10021 ♦ 212-535-4441

D.C.: 1333 H Street, N.W., 10th Floor, Washington, D.C. 20005 ♦ 202-387-0400

www.tcf.org

FUNDAMENTALISTS, PRAGMATISTS,
AND THE RIGHTS OF THE NATION:
IRANIAN POLITICS AND NUCLEAR CONFRONTATION

GARETH SMYTH

A CENTURY FOUNDATION REPORT

THE CENTURY FOUNDATION

HEADQUARTERS: 41 East 70th Street, New York, New York 10021 ♦ 212-535-4441

D.C.: 1333 H Street, N.W., 10th Floor, Washington, D.C. 20005 ♦ 202-387-0400

www.tcf.org

This report is part of a series commissioned by The Century Foundation to inform the policy debate about Iran-related issues.

The views expressed in this paper are those of the author. Nothing written here is to be construed as necessarily reflecting the views of The Century Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Copyright © 2006 by The Century Foundation, Inc. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of The Century Foundation.

INTRODUCTION

In this paper, I will explore the relationship between Iran's domestic politics and the nuclear issue since 2003.¹ The picture is far from static or monolithic, and involves illustrating how Iran's political class and leadership see both the nuclear program and the world outside. It involves, too, a look both at Iran's historical continuity and at the political system that has evolved since the establishment of the Islamic Republic in 1979.

Domestic politics generally has been ignored as a factor in the nuclear issue, and yet developments since 2003 demonstrate that internal differences have played an important role—alongside international and regional developments—in shaping Iran's position.

I do not go into the technical aspects of the nuclear program, nor do I answer the question of whether Iran's program is, as it says, purely peaceful. This is partly because the issue has not appeared as a live one in Iranian politics and partly because the western countries opposing Iran's nuclear program wish to stop Iran from possessing the knowledge necessary to produce a bomb, which means basically the knowledge of how to enrich uranium, even for civil purposes.

Between 2003 and 2006, the Iranian leadership has shown itself apparently open for compromise over the nuclear program, including the acceptance of limits that go beyond its obligations in international law. For reasons beyond the scope of this paper, the Iranian offer has not been accepted by the European Union or the West, a rejection that in turn has had an effect on internal Iranian politics.

The paper has benefited from comments from my Financial Times colleague in Tehran, Najmeh Bozorgmehr, and from Patrick Radden Keefe of The Century Foundation. Responsibility for the contents is mine.

THE CONTEXT: NATIONALISM AND INTERVENTION

I once drove to a restaurant outside Mashhad with Mohammad-Sadegh Javadi-Hesar, a reformist Iranian journalist. When he asked me whether Europe would ever accept Iran's nuclear program, I gave him what I intended as an objective account of Europe's official position: that the Europeans' call for "objective guarantees" probably boiled down to an opposition to any uranium enrichment in Iran.

For the next thirty minutes, my ears burned with a stinging condemnation not just of the double standards in Europe's approach (Britain, France, and Germany all have nuclear power; and Britain and France have nuclear weapons; none decries Israel's atomic arsenal) but also of the West's long-term interference with Iran's sovereignty. It was with some relief that we arrived at the restaurant and I was able to get out of the car.

Javadi-Hesar is not a hardliner, not a fundamentalist, and not a supporter of the current president of Iran, Mahmoud Ahmadinejad. On the contrary, he is a reformist who has been jailed, and who has worked for several newspapers that have been closed down. What he said came from the heart, and was expressed with the same passion with which he would have defended press freedoms or Iran's hundred-year pursuit of democratic government. He talked of a "double injustice" through which the Europeans would not only deny Iran nuclear technology but strengthen the fundamentalists in Iran through their intransigence.²

The anecdote opens a window into the Iranian worldview. Iran's twentieth-century history is marked both by a confrontation with modernity and a sense of popular resentment against foreign interference. A general level of support within Iran for the nation's right to a nuclear program sits alongside a healthy level of scepticism about Iran's rulers.

The 1979 Islamic Revolution was the result of popular revolt,³ and led to a period of evangelical Islam. But just as the French, Russian, and Chinese revolutions gradually gave up their internationalist ambitions for pursuit of national interests,⁴ so too under the governments of the former presidents Akbar Hashemi Rafsanjani and Mohammad Khatami did the tone and content of Iran's international policy change, shifting toward the pursuit of national interest. This was seen clearly in improved relations with the Saudis (Ayatollah Ruhollah Khomeini had suggested that Islam was incompatible with monarchy⁵) and less

clearly in the tentative steps towards normalising relations with Washington under Khatami.

The Ahmadinejad government has, to some extent, reversed that process. President Ahmadinejad has called for a return to what he sees as the ideals of the 1979 revolution, and has cultivated an image internationally as a Muslim radical,⁶ with some success.⁷ In televised addresses and outdoor meetings during provincial visits, Ahmadinejad has used the nuclear issue as a rallying cry.

Iran's long-term history is one of settled peoples, with great achievements in architecture, literature, and other aspects of urban life, feeling threatened from the outside, especially from nomads to the north. In modern history, the Ghajar dynasty felt growing pressure from two great powers, Russia and Britain—powers that helped stifle a popular attempt to secure representative government at the beginning of the twentieth century, and then established the Pahlavi dynasty that ruled Iran until the 1979 revolution. The United States entered Iranian politics in organizing the 1953 coup that overthrew the popular prime minister Mohammad Mossadegh, and then gave increasing military support to the Shah as the country drifted toward the 1979 revolution and the establishment of the Islamic Republic. This history is familiar to almost all Iranians.⁸

Coupled with the sense of foreign interference is a desire for modernization, or even to recapture the past glories of Iran, imagined variously to have been at their height under either the Safavids (1501–1736), the Seljuks (1040–1256) or the Archmenians (550–330 B.C.). Unsurprisingly, Iran's leadership places a huge stress on the importance of science and modernization,⁹ and this can be counterposed readily by political leaders to the efforts of foreign powers, real or supposed, to stop Iran reaching modernity or acquiring technology. The implications for the nuclear issue are obvious.

FACTIONS IN IRAN: HOW THE SYSTEM WORKS

It can be difficult to locate the center of gravity within Iran's political establishment, and ascertain the various loci of political power on any given issue. Iran has a pluralist political system, whose elections compare favorably with those of many of its neighbors and of comparable countries.¹⁰ But Iranian democracy is subject to significant constraints, which are both constitutional and arbitrary.

Constitutionally, the system gives particular power to Islamic bodies, including the Guardian Council, the Assembly of Experts, and the supreme leader himself. These bodies are appointed, indirectly elected, or, in the case of the Assembly of Experts, directly elected from a restricted field.¹¹

Moreover, these bodies can exercise power in apparently arbitrary ways. The most telling example is the vetting of candidates for elections to the Assembly of Experts, the parliament (*majlis*), and the presidency. In the 2004 parliamentary elections, for instance, the council excluded around eighty sitting deputies who had been elected four years earlier. But in the 2005 presidential election, the council reversed a decision to exclude a number of candidates—including Mostafa Moein, a leading reformist—after being instructed to do so by the supreme leader, Ayatollah Khamenei.

Important decisions, including the one involving the nuclear issue, appear to emerge from a leadership group of eight to nine,¹² whose composition may vary slightly from issue to issue. Within this group, Ayatollah Khamenei is preeminent.

Despite all the constraints, the balance between different factions or groups within the polity does affect domestic and international policy. Since the 2004 parliamentary elections and the 2005 presidential elections, both won by fundamentalists,¹³ government policy has veered away from the market reforms favored under the presidencies of Rafsanjani (1989–97) and Khatami (1997–2005). President Ahmadinejad has also appeared far more truculent than his predecessor on international issues, replacing talk of a “dialogue between civilizations” with far more assertive rhetoric.

But the picture is more complex, because political groups in Iran are not political parties in any meaningful sense, and therefore lack institutional means for resolving disagreements, either within or between themselves.¹⁴ Consequently, their membership is fluid. For example, while Ali Larijani, the secretary of the Supreme National Security Council (SNSC) since August 2005, is largely a pragmatist on the nuclear issue, he tends to be fundamentalist on domestic issues. It is also vital to note the importance of familial and religious connections in Iran, which have led some in Tehran to quip that the country is—as it was under the Shah—run by “a thousand families.”¹⁵ These connections can cross factional lines.

Iran’s main factional groups can be broken down into fundamentalists, traditionalists, reformists, reformist pragmatists, conservative pragmatists, and

the leader and his “loyalists.” These groups do not have fixed or constant memberships, and neither do these categories necessarily explain much about views on economic matters, but a brief characterization of each group is as follows:

- *Fundamentalists* (or principle-ists). This group strongly emphasizes its interpretation of the ideals of the 1979 revolution, which it feels subsequent governments have departed from. Fundamentalist views are articulated by the *Kayhan* newspaper and (to a lesser extent) *Jomhuri Eslami* newspapers. Ahmadinejad comes from the fundamentalist camp, as do many members of Abadgaran and other groups¹⁶ that organized successfully for municipal elections in 2003 and parliamentary elections in 2004. The fundamentalists were critical of talks with the European Union over Iran’s nuclear program beginning in 2003. Hussein Shariatmadari, the editor-in-chief of *Kayhan* newspapers, was a particularly eloquent critic. Contrasting the restrictions Iran faced with the international treatment of Israel, which has an atomic arsenal and unlike Iran is not a signatory of the Nuclear Non-Proliferation treaty (NPT), he has advocated leaving the NPT, and has also taken a prominent role in expressing the fundamentalists’ opposition to talks with the United States.¹⁷ In general, fundamentalists have been strong supporters of the nuclear program and have long argued that the western powers are in no position to stop Iran marching forward: they feel that Iran’s pragmatists overestimate the ability of the United States and its allies to confront Iran, and claim the assertive policies of Ahmadinejad have vindicated their position.
- *Traditionalists*. Many of Iran’s ayatollahs and their close followers do not fit into any particular faction but they nevertheless can be an important influence on decisionmaking, especially on social and gender issues. Mottalefeh, the traditionalist party once strong in the bazaar, appears to be a declining force. Other than a general desire to protect Islam and, by extension, the Islamic Republic (even if critical of certain aspects), traditionalists have no particular stance on security issues or the nuclear program other than a general backing for Iran’s rights.
- *Reformists*. The reformists have been regrouping after election defeats in 2003, 2004, and 2005. Time will tell how much stomach they have for renewed political battle, and in particular whether they have the commit-

ment and policies to win votes in social groups other than the intellectual elite and educated middle-classes, where they have been most active in recent years. Following the presidential election in 2005, Mohammad-Reza Khatami resigned as leader of Mosharekat, the main reformist party, to be replaced by the far less known Mohsen Mirdamadi. As this paper went to press, the reformists were engaging in electoral arrangements with conservative pragmatists and reformist pragmatists for both municipal and Assembly of Experts elections due on December 15. On the nuclear issue, the reformists often have urged a more conciliatory approach toward the West, accepting the need for Iran to improve confidence in the peaceful nature of the program. Reformists also sometimes have criticized Iran's tactics since Ahmadinejad and Ali Larijani took office,¹⁸ and in March 2006, the reformist party Mosharekat called for Iran to resume "voluntary suspension of all nuclear fuel cycle work to resolve this crisis and re-establish confidence." But this does not mean they do not support the program or that they dispute Iran's basic right to nuclear technology.

- *Reformist pragmatists.* Within this category are both Mohammad Khatami and Mehdi Karroubi, figures who have proved more compromising toward other political groups and to decisions taken within the political system than have Mosharekat. Karroubi fared well in the 2005 presidential election after promising to give every voter 50,000 *tomans* (around \$55) a month from oil income, and subsequently established Etemad-e Melli ("National Trust") as both a newspaper and a political party. On the nuclear issue, during his presidency, Khatami was close to Hassan Rowhani,¹⁹ even when other reformists criticized the SNSC secretary.
- *Conservative pragmatists.* Many conservative pragmatists, including Rowhani, are close to Akbar Hashemi Rafsanjani. Some are professional diplomats (or ex-diplomats fired when Ahmadinejad's government came in) and some of these are becoming active in domestic politics and think tanks. The conservative pragmatists are opposed to the policies and style of Ahmadinejad, which they believe are jeopardizing the national interest, and happy to cooperate with reformists in order to reduce his influ-

ence. While strong supporters of the nuclear program, they are uneasy at Ahmadinejad's efforts to turn it into a political crusade.

- *The leader and the "loyalists."* Ayatollah Khamenei sees his role as maintaining the interests of the Islamic Republic, and this has involved trying to maintain a balance between the different factions and a consensus over the nuclear issue.²⁰ Although he has on many occasions behaved as if part of the conservative—or even fundamentalist—faction, he also has intervened on crucial occasions against the conservatives, for example in instructing the Guardian Council to reinstate Mostafa Moein as a candidate in the 2005 presidential election. Many loyalists, such as Ali Larijani, are politically somewhere between the fundamentalists and the conservative pragmatists. The Basij, an eight-to-ten-million-strong Islamic militia, is loyal to the leader but shows strong fundamentalist influence.

In addition to these factions, Iran also has a variety of vested interests, including the military and Islamic Revolutionary Guard Corps (IRGC), the Bonyads, people with import/export privileges, ministries, state-owned companies, and so on, that can impinge on policymaking. These interests must be considered alongside the various factions and more formal political considerations in understanding various developments in Iranian public life. For example, the award to Khatam-ol-Anbia, a subsidiary of the IRGC, of phases 15 and 16 of the vast South Pars gas field, as well as a \$1.3 billion contract for a gas pipeline from South Pars to eastern Iran, can be interpreted both as a decision to reduce the role of international energy majors and as an advance of a vested interest. The prospect of economic sanctions over the nuclear program is far less of a threat to many of these interests than to Iran's private sector.

PUBLIC OPINION

There is interminable speculation in the international media on what Iranians think. The worst examples of this occur when journalists visit Tehran for two weeks and generalize from the people they meet. Meanwhile, Iranian exile groups, many of which have not returned to the country since fleeing the revolution in 1979, try to create in the West an impression of a highly politicized population in unending ferment.²¹

Much of the reporting and analysis about Iran before and during the 2005 presidential election overplayed the importance of “social freedom” to Iranians—an issue that while dear to many educated people (especially in north Tehran) is of little daily import to the poor. This even led to the assumption that a majority of voters were “naturally reformist,” an assumption inapplicable in any society, much less one as difficult to predict as Iran. Change can take many forms.

Opinion polls in Iran are carried out mainly by the government and results are not published in full, if at all. Political organizations also have carried out polls, but this can be done only with permission from the interior ministry. Hence, even the most clued-in of political organizers rely on a mixture of science, instinct, and anecdote.²²

Further complicating matters, Iranian culture encourages formality and politeness, which means people like to agree, if only on a superficial level. This can affect what people tell pollsters, and what they tell reporters. During the 2005 election, I discussed with Mohammad Saeed Ahadian, editor of the Mashhad-based *Khorassan* newspaper, my anecdotal finding that support for Rafsanjani was lower than suggested by the polls being quoted by local and international media. He said his impression about Rafsanjani’s support was the same. “Iranians, after years of foreign interference, expect conspiracies and may not tell the truth,” he said. “Also, we make up our minds at the last minute.”²³

Though polemical analyses describing Iran as a totalitarian society are absurd, the government and vested interests seek to manage and shape public opinion. A substantial minority of people are economically dependent through government or Bonyad employment: millions depend, for example, on the auto industry alone. This minority also is psychologically integrated into a dominant ideology that backs the Islamic Republic as a continuing manifestation of the popular revolution that in 1979 overthrew the Shah and in 1980–88 defended the country through heroic sacrifice against an Iraqi war machine increasingly supported by the West and particularly the United States.

Much of the media and especially television increasingly has portrayed the defense of Iran’s right to nuclear technology as part of a wider national and popular aspiration, and one that is denied by the West and especially the United States. A senior official told me in 2005 that if there were to be confrontation with the United States, the leadership would prefer that the conflict turn on the

nuclear issue, “where they have public support,” than on issues such as “human rights or democracy, where they don’t.” A diplomat also told a group of journalists in 2004 that the nuclear issue was the only one where the population was “ahead” of the regime.

Thus the government plays off Iranians’ nationalism and dislike of foreign interference. Hence the militant postures of outside governments, particularly the United States, have a tendency to annoy the Iranian public. The country’s reformists long have argued that threats of military strikes from the United States and Israel increases support for the fundamentalists. They were particularly resentful of President George W. Bush’s appeal to the Iranian people on the eve of the 2005 presidential election, which was seen as an encouragement for the boycott advocated by exile groups.²⁴

These traditional fears of foreign interference have found a concrete manifestation in the violence and chaos in Iraq and, to a lesser extent, Afghanistan. Iranians long have felt a special affinity with Iraq because of religious links, and these brought the tragedy of post-U.S. invasion Iraq into Iranian front rooms in March 2004. Tens of thousands of Iranians were in the holy city of Kerbala for the first Ashura ceremonies since the overthrow of the regime of Saddam Hussein. Iranians, many of whom had relatives visiting Iraq, were horrified as they watched the news on television as bombs killed at least a hundred people in Kerbala, mostly Iranians. Subsequent attacks on Shia shrines and merciless bombings of Iraqi Shia civilians have contributed to the horror. Anecdotally, it seems clear to me that Iranian public opinion of the U.S. role in the Middle East has become more negative as a result of the daily pictures of carnage from Iran’s western neighbor, and more recently at the Israeli bombing of mainly Shia south Lebanon in the summer of 2006.²⁵

AHMADINEJAD AND THE 2005 PRESIDENTIAL ELECTION

The 2005 presidential election confounded those who expected a low turnout and those who had long regarded Iran as engaged in a simple struggle between reformists and conservatives over social freedom or democracy. The election was genuinely competitive, with analysts unable to predict a winner. Once he reached the second round, Ahmadinejad benefited from Rafsanjani’s unpopu-

larity among lower-income groups. Ahmadinejad's humble background, modest lifestyle, and reputation for accessibility proved to be perfect electoral foils, highlighting and exploiting the vulnerability of the veteran former president.

Various conspiracy theories have been advanced for the organization of Ahmadinejad's first-round campaign: that he was backed by some sinister plot orchestrated by the leader, the IRGC, or the Hojjatieh group (which places a strong emphasis on the return of the Twelfth Shia Imam²⁶ and was traditionally suspicious of politics). There is anecdotal evidence of a word of mouth campaign among informal religious organizations, which have grown in Iran in recent years, often to the dismay of ayatollahs. The message in this case was that Ahmadinejad was a good and pious Muslim. But this seems to amount to no more than standard electioneering. Ahmadinejad picked up much support in the final days of the campaign.²⁷ Karroubi made various allegations over the election in Tehran²⁸ and there were also many suggestions from reformists that the Basij, contrary to their official role, had been partisan.

Some, if not all, conspiracy theories are weakened by the sheer fact that the fundamentalist camp was fragmented, unable to agree on a single candidate between Ali Larijani, Mohammad Bagher Ghalibaf, and Ahmadinejad.²⁹ The eventual victor seems to have emerged from the pack almost by default: Larijani lacked popular appeal and Ghalibaf alienated some conservatives with his very slick and modern electioneering. Once through to the second ballot, Ahmadinejad was ideally placed to beat Rafsanjani.

Interestingly, the nuclear program had very little profile during the election, which concentrated on day-to-day issues. This was partly because of the consensus between candidates, all of whom expressed their support for Iran's rights to have access to nuclear technology. Any differences over tactics were too specific to mean any candidate might seek to gain votes. It was only when president that Ahmadinejad sought to turn the nuclear issue into a nationwide campaign.

THE NUCLEAR TALKS UNDER HASSAN ROWHANI

The 2003–5 talks between the European Union, as led by Britain, France, and Germany, the so-called EU-3, and the November 2004 Paris agreement, were apparently the closest Iran has come since the 1979 revolution to a substan-

tial international agreement with western powers. The negotiations were conducted, it is worth remembering, despite the near total absence of diplomatic relations between the United States and Iran, which have not had embassies on one another's soil since 1979.

For Iran, the talks came toward the end of the presidency of Mohammad Khatami, whose reformist experiment was losing popular support by the time they began. Nonetheless, Khatami's international initiative had helped prepare the ground for such talks by relaxing tension. The Iranian side was led by Hassan Rowhani, a cleric who had been secretary of the Supreme National Security Council since 1988. Rowhani was, and apparently remains, close to Ayatollah Khamenei, but also shared the pragmatism of Rafsanjani in stressing national interest rather than ideology.³⁰ Rowhani's focus and apparent easy access to Ayatollah Khamenei made him a reassuring negotiator for the Europeans.³¹ His team of negotiators, including the unflappable Hossein Mousavian and the almost flamboyant Cyrus Nasser, gave the European negotiators the feeling that they were dealing with representatives who could "do business." All of this would only increase the impact of the changes after Mahmoud Ahmadinejad's election win.

Reformists were wary of Rowhani, especially when he was spoken of as a possible presidential candidate, and fearful that he might steal their policies of rapprochement abroad and social and economic reform at home. Amir Mohebian, a columnist at *Resalat*, the conservative newspaper, told me in January 2004 that the reformers "didn't have enough power to change the system" but that pragmatic conservatives, like Rowhani, would be able to "improve, not change, the system."³² The thinking behind such a comment was something along the lines of the so-called "Nixon goes to China" phenomenon in American politics: just as it was hard for a Democrat president to recognize Communist China in the face of accusations of betrayal, so Iranian conservatives were better placed to carry through reforms of the Islamic system and indeed to reach an agreement with the Europeans over the nuclear issue.

Although the initial decision to suspend uranium enrichment, taken in October 2003 in agreement with the EU-3, may well have been a tactical move to defuse international opposition to Iran's nuclear program, the Rowhani team apparently believed a sustainable agreement with Europe was possible. I was told that sometime in 2004 Rowhani had asked the leadership to back an agree-

ment that would see Iran keep some five thousand centrifuges, a proposal he seems to have believed Europe would eventually accept.³³

But the Iranian team became increasingly worried that the Europeans would not accept such a compromise. They feared that in reality the EU negotiators wanted the suspension of enrichment to become long-term cessation. As the negotiations dragged on, Rowhani's team came under increasing domestic criticism, especially from fundamentalists, for accepting outside interference in Iran's nuclear program. Iran was suspending enrichment, the critics argued, and gaining nothing in return.³⁴ Cyrus Nasserri warned in April 2005, "Because of the strong possibility of a negative wave starting to emerge, before it becomes a tide, it is best that we and Europe come to an agreement and start putting that agreement into effect."³⁵ Much later, in July 2006, Sadegh Kharrazi, by then removed as Paris ambassador by the government of Ahmadinejad, said, "On both sides, neoconservatives are strong. But neoconservatives cannot make decisions for everyone."³⁶

By early 2005, the talks had stalled. The European Union insisted that the only "objective guarantee" Iran could give that its nuclear program was peaceful was to continue suspending enrichment for an indefinite period. Mousavian said in February 2005 the Europeans "have not actively and seriously entered into the subject of objective guarantees."³⁷ The talks effectively had run their course before Ahmadinejad was inaugurated in August, but his election made it far harder for them to resume. The replacement of Rowhani as SNSC secretary by Ali Larijani and the ousting of Rowhani's team alarmed western diplomats and soured the prospects for a negotiated settlement. Without an agreement, Iran gradually resumed the suspended nuclear activities, first in August 2005 with the resumption of converting raw uranium, or "yellow cake," into feeder gases at Esfahan, and then in January 2006, with the reopening of the research plant at Natanz, which led to the resumption of laboratory-level uranium enrichment. The United States and European Union responded by persuading the International Atomic Energy Agency (IAEA) in February to "report" Iran to the United Nations Security Council, which at the end of July set an August 31 deadline for Tehran to suspend enrichment. As this report went to press, the powers on the UN Security Council were still looking for a common approach for dealing with the situation, with Russia and China arguing that sanctions would not be effective in changing Tehran's stance.

NUCLEAR STRATEGY UNDER THE AHMADINEJAD PRESIDENCY

In the first months of Ahmadinejad's presidency, the issue of Iran's nuclear policy was sidelined by the international furor over the new president. This began with U.S. media reports that he had been one of the hostage-takers who held American diplomats during the 1979 revolution, but reached a new frenzy with a speech Ahmadinejad made on October 26 at a conference under the theme of "A World without Zionism." "No doubt the new wave (of attacks) in Palestine will soon wipe off this disgraceful blot from the face of the Islamic world," said Ahmadinejad, and warned Arab countries against opening economic ties with Israel after its partial military withdrawal from Gaza the month before. "Anybody who recognizes Israel will burn in the fire of the Islamic nation's fury. Any (Islamic leader) who recognizes the Zionist regime is acknowledging the surrender and defeat of the Islamic world."

Many in the United States and Israel hastened to link the Iranian president's words with the nuclear issue. The U.S. government spokesman, Scott McLellan, said the speech "underscores the concerns we have about Iran's nuclear intention." Against the backdrop of the stalled nuclear negotiations, Ahmadinejad's remarks amounted in the eager eyes of his opponents to a threat that Iran might some day try to destroy Israel with nuclear weapons. Subsequent remarks expressing skepticism about the Jewish Holocaust, and suggesting that the mid-twentieth-century murder of European Jews did not justify the establishment of Israel, did little to allay western fears that Ahmadinejad was not a man to negotiate with.³⁸

Stuart Levey, the Bush administration's under-secretary for terrorism and financial intelligence, said in September 2006: "In Iranian president Ahmadinejad, the world faces the dangerous combination of a leader dedicated to developing nuclear weapons and to materially supporting terrorists; a leader that has denied the Holocaust and called for Israel to be 'wiped off the map.'" ³⁹

Further frustrating the prospects for negotiation, the new president replaced the Iranian officials who had overseen the country's dealings with the outside world, and specifically with the nuclear issue. Hassan Rowhani, Hossein Mousavian, and Cyrus Nasserli all lost their key roles. Sadegh Kharrazi, the Paris ambassador, who had played a significant role in nuclear negotiations, was also among the many senior diplomats who were removed. The inexperi-

ence of the new team of officials only compounded the uncertainty over Iran's nuclear posture and the new president's inflammatory rhetoric. European diplomats in Tehran, who had spoken respectfully of Rowhani, found Larijani very difficult to deal with. Meanwhile, Ahmadinejad set out to rally public opinion in favor of the nuclear program in a way Khatami and Rowhani had never done. Ahmadinejad asserted Iran's right to a nuclear program both on television and in a series of open-air meetings throughout the country.⁴⁰

In addition to bringing his case to the Iranian people, the president sought support internationally, including an appeal to the Non-Alignment Movement (NAM). He was a high-profile presence at the NAM conference in Havana in September 2006. At the meeting, the 118-member body, which comprises two-thirds of UN membership and around 55 percent of the world's population,⁴¹ reaffirmed "the basic and inalienable right of all states to develop research, production and use of atomic energy for peaceful purposes," and resolved that the stand-off over Iran should be solved through "negotiations without pre-conditions" (the Iranian position). The group also called for "a comprehensive multilaterally negotiated instrument, prohibiting attacks, or threat of attacks on nuclear facilities devoted to peaceful uses of nuclear energy." Finally, the NAM statement called for a nuclear-free zone in the Middle East and for Israel to sign the Nuclear Non-Proliferation Treaty.

BACKLASH—AND AYATOLLAH KHAMENEI WORKS TO FORGE CONSENSUS

Almost from the start, the new team handling the nuclear file had prominent domestic critics, most notably Hassan Rowhani and Akbar Hashemi Rafsanjani. In November 2005, Rafsanjani accused Ahmadinejad—without naming him—of damaging "national unity and solidarity."⁴² In April 2006, Rowhani attacked those who "consider getting close to foreigners to be like getting close to Satan."⁴³ These were public spats that seem to have prompted the leader, Ayatollah Khamenei, to intervene in an effort to forge a new consensus in the leadership. This move also entailed reining in Ahmadinejad, whose speeches became more circumspect. In June, the leader established a new body, the Strategic Committee for Foreign Policy, to oversee Iran's relations with the outside

world. The committee was headed by Kamal Kharrazi, foreign minister under Mohammad Khatami. Ali Akbar Valayati, Khamenei's adviser on foreign affairs, who is a key conduit between Khamenei and the Saudis (and through the Saudis, possibly the United States), is also a member—and Valayati has drawn an emphatic line between Ahmadinejad's rhetoric and official state policy.

This move was one of substance and not just of think-tankery. In a hugely significant step, Ayatollah Khamenei had already intervened in March to give approval for talks with Washington over Iraq. This came after Ali Larijani was criticized by fundamentalists for responding positively to a proposal from Abd al-Aziz Hakim, leader of the Supreme Council for the Islamic Revolution in Iraq, and an ally of Tehran, although no one doubted the original proposal came from Zilmy Khalilzad, the U.S. envoy in Baghdad who is believed in Tehran to be close to George W. Bush.

Sometime in the early summer of 2006, Iran's leadership group of eight or nine took a decision to accept compromise with the West, provided such a compromise accepted Iran keeping a limited number of centrifuges to carry out laboratory-level enrichment inside the country, with industrial level enrichment done abroad.⁴⁴ I was told that this put Ahmadinejad in a minority in the leadership. "Around 70 per cent of senior people may be prepared, under pressure, to accept an eventual limit on the number of centrifuges to hundreds or thousands," said a regime insider.⁴⁵ Also that summer, Sadegh Kharrazi suggested that if Europe made an offer in which Iran kept research enrichment, it would be "well considered by the Iranian authorities."⁴⁶

Iran always has maintained that its suspension of enrichment in 2003 was a voluntary confidence-building measure, and that it would never accept demands from the European Union and the United States that it give up uranium enrichment in the long term. But in accepting confidence-building measures, Iran had gone beyond its obligations as a member of the NPT, a precedent that a voluntary limit of the number of centrifuges would build on. Ironically in view of the international importance attached to Ahmadinejad's rhetoric, the evidence that emerged from the leadership suggested that Iran may have been ready for a more stringent limit under Ahmadinejad than at the time when Rowhani was SNSC secretary.

The United States and European Union argued that this was not a real offer, which was a convenient way of avoiding a discussion as to whether it

was a better option than Iran steaming ahead with the program.⁴⁷ It is hard to say if the West and Iran will come as close in the near future. The political process is not static. The Iranian leadership's readiness for such an agreement depended, and continues to depend, on its assessment of a complex set of factors: the likelihood and strength of western pressure, including sanctions and military attacks; the attitudes of Russia and China, which are sceptical of sanctions and of American sabre rattling, and which have growing material interests in Iran; domestic opinion in Iran, in the leadership, the wider political class, and the population; and, of course, Europe's willingness to agree a deal that would allow Iran to keep some uranium enrichment. The Iranian leadership must also try and calculate whether the United States's real aim is regime change in Iran, because this would mean no agreement could have real substance. As far as we can tell, the talks between Javier Solana, the E.U. foreign chief, and Larijani, beginning in June 2006, attempted to explore whether, in the context of all these factors, a common framework for negotiations was possible.

THE FAILURE OF THE SOLANA-LARIJANI TALKS

Talks between Solana and Larijani began in June 2006, when the E.U. foreign policy chief came to Tehran to present a much vaunted incentive package drawn up by the P5+1 to persuade Tehran to curb the nuclear program (at the same time, the UN security council passed a resolution on July 31 that Iran should suspend uranium enrichment, setting a deadline of August 31 that Tehran ignored). During the talks, Larijani floated a compromise: that Iran would suspend enrichment during—and not before—negotiations, if the other side was prepared to make some signal, or offer some guarantee, that the end of the negotiations would see agreement on Iran keeping a low level of uranium enrichment in its laboratory at Natanz. While the details of the talks between Solana and Larijani remain unclear (and some of them were just with translators present), and precisely what the Iranian leadership endorsed is just as unclear, the Larijani proposal would have allowed Tehran to claim some kind of victory, even if fundamentalists would have been unhappy.

“Mr. Larijani’s idea was for Iran to suspend for two or three months during negotiations if the other side offered some guarantee the talks would lead to recognition of Iran keeping a laboratory program of uranium enrichment,” a regime insider told me.⁴⁸ The insider said the Solana-Larijani talks could not bridge the gap between Europe’s insistence that Iran should suspend all uranium enrichment before any substantive negotiations and Tehran’s insistence that the European Union first acknowledge that these negotiations would recognize Iran having at least laboratory-level enrichment. He said the rejection of the Larijani proposal came first from the Europeans and then from the leadership in Tehran: “It was never a concrete position, more a play with ideas, but the leadership in Iran has now rejected suspension. I am hugely pessimistic about any deal.”

At the same time as Solana was unable to give Tehran the assurances it required over laboratory enrichment, other factors have pushed opinion in Iran toward a more assertive position. These include the position of Russia and China, both of whom are skeptical of, or opposed to, sanctions; a calculation in Tehran that the military option is less viable for Washington because of increasing instability in both Afghanistan and Iraq; and the success of Hezbollah in resisting the U.S.-backed Israeli onslaught in Lebanon in July–August. The Iranian reaction to the Republicans’ defeat in the mid-term congressional elections was a mixture of pleasure (even triumphalism) and wait-and-see:⁴⁹ neither is likely to reduce the Iranian sense that its position is improving as long as the European Union and United States fail to offer what the Iranians see as a meaningful compromise. In a public meeting in the Kurdish city of Sanandaj in November, Ahmadinejad pronounced that “Time is on our side.” The same phrase had appeared in *Kayhan* that morning, illustrating that this was the overall assessment of the fundamentalists.

Two regime insiders had told me at the end of September and the beginning of October that the willingness of the leadership to suspend enrichment for negotiations was now almost certainly over. “If the European Union had accepted limited enrichment—a fixed number of centrifuges for research—and the U.S. agreed, then Iran would have had no problem suspending for two or three months,” one said.⁵⁰

Iran’s calculations are a complex mix of domestic and international factors, which interplay with each other. But international developments through

the summer of 2006 appear to have heightened suspicion of Washington's motives and shown that Iran's position is growing stronger. These developments have strengthened the force of the arguments coming from fundamentalists who believe Iran should assert its rights rather than seek to negotiate with the European Union and the United States.⁵¹

Washington's announcement in May that it was ready for talks with Iran over the nuclear issue, provided Tehran suspended enrichment, provoked a lively debate in Iran. Ayatollah Khamenei backed the idea, on the condition that the United States recognized Iran's rights. But Iranian officials grew increasingly dubious of the motivations of their American counterparts when the Bush administration backed Israel's attempt to destroy Hezbollah, introduced punitive measures against Iran's Bank Saderat for "terrorist finance," and passed new unilateral sanctions against Tehran in the Iran Freedom Support Act.⁵²

When Larijani's proposal and Iran's response to the P5+1—which hinted that Tehran was ready to suspend enrichment during negotiations—leaked in September, there was an immediate, if brief, backlash in Tehran, where *Jomhuri Eslami* newspaper argued that there was no difference between suspension before negotiations and suspension during negotiations. The paper maintained that such a suggestion amounted to "going back to three years ago," a reference to Iran's suspension during the Rowhani-led talks with the European Union, which fundamentalists had long argued produced no benefits for Iran.

Solana may have indicated the possibility of a positive response to Larijani's proposal, but he was certainly unable to get from the EU-3 and the United States the kind of indication or guarantee Larijani wanted in response.⁵³ He could make no tangible response to Larijani other than public statements that the talks were positive, and in Tehran senior politicians and officials in Tehran gradually rallied against suspension. "They are very wrong if they think they can gain through negotiations what they failed to gain through pressure," Ahmadinejad told a crowd in Hashtgerd, near Tehran, on October 4. The mood among pragmatists in Tehran was rather downbeat, as if the opportunity for negotiations had passed some time ago. "I'm 100 percent pessimistic," one told me.

OBSTACLES TO AN AGREEMENT OVER IRAN'S NUCLEAR PROGRAM

There are those in Iran who oppose any form of negotiation or international agreement regarding the country's nuclear program, on the grounds that conceding anything to western powers will amount to a betrayal of the Iranian national interest. Hossein Shariatmadari, the editor in chief of *Kayhan* newspaper (who is appointed by the supreme leader), is perhaps the most articulate exponent of this position. Just as some in the United States have characterized Iran as part of an "Axis of Evil,"⁵⁴ with whom no compromise is possible, so there is a current in Iran convinced that the United States is a "Great Satan," and correspondingly unwilling to negotiate. The influence of these ideologues, in both the United States and Iran, has gained appreciably from the degree to which their respective positions seem anchored in contemporary reality. In Iran, the argument that the United States will never negotiate in good faith gained ground through the summer of 2006, with the U.S. reaction to the Iranian response to P5+1, the ban on Bank Saderat from dollar transactions, the American campaign to urge Europeans to boycott Iranian companies associated with Hezbollah and militant Palestinian groups, the U.S. support for the Israeli onslaught on Lebanon, and the passing of the Iran Freedom Act.⁵⁵

American voices heralding an intractable conflict between the two countries are well heard in Iran, and have an impact on popular opinion. It is difficult for Iranians, inside or outside the political class, to judge the relative influence of Iran's most ardent American critics. But the remarks of those Americans opposing talks are well aired in the Iranian media. One recent example was a report on Iran's nuclear program prepared for the House Intelligence Committee by an ally of John Bolton that was so inaccurate that it prompted a letter of protest from the IAEA. The vitriolic reaction to the visit of Mohammad Khatami also reinforced the argument that the United States would never negotiate in a normal way with Iran. Some members of the American right were incensed by the prospect that Khatami might meet with former president Jimmy Carter, and said as much. The notion that Americans become livid over such a meeting but not over the slaughter in Iraq or Lebanon inevitably affects Iranian popular opinion.

Iran and the West appear to be losing the will to work for any agreement, a regime insider told me in early October. "Both are now just emphasising their

own positions: Iran wants its rights and the Europeans want suspension. Neither is sufficiently ready for compromise. You can see this in the body language.” Some of this also seemed to be reflected in the comments of Larijani to *Focus*, a German weekly magazine, at the time of his trip to see Solana in Berlin. “The Americans pursue the same policy they have applied in Iraq in the case of Iran too,” he remarked. “But they would definitely have no chance for embracing success, since the time for adopting unilateral policies on the international scene is over.” Larijani added: “The proposal for direct talk with the United States has not raised a storm of enthusiastic feeling and happiness among Iranians.”⁵⁶

IRAN’S POSITION NOW

Iran is committed to the nuclear program as an assertion of national interest and technical prowess. This position ties in with many long-standing political instincts of the Iranian people about their country. But Tehran has in recent years shown itself open to negotiations over the program, and ready for compromises, so long as they entail respect for the country’s dignity and rights. As a senior Iranian diplomat pointed out it early in 2006, “the leader’s view is that we should negotiate if our dignity is respected. This is an Iranian mentality rooted in a long history.” Today, it is also the majority position within Iran’s collective leadership group. The exact “bottom line” varies over time, and is subject to the amount of pressure that the leadership is feeling, its judgment over what is possible, and the nature of domestic opinion on the matter. But at present, the regime’s bottom line seems to amount to the following:

- maintaining a certain number of centrifuges that actively are enriching uranium (that is, maintaining the research program at Natanz);
- conducting bulk enrichment outside the country, either in Russia or in Europe
- reapplying the Additional Protocol of the NPT, and
- the possibility (alluded to in Iran’s response to the P5+1) of giving some guarantee that Iran in the future would not break out of the NPT and develop weapons (there is nothing in the NPT or international law to stop any country doing this, and if Iran agreed to such a guarantee, it would be going beyond its legal obligations).

Such a set of concessions presumably would be subject to some kind of time limit, perhaps five years. It falls short of the United States and European Union demand that Iran halt all enrichment on its own soil. But without such an agreement limiting the program, it seems very likely that Iran will continue to expand enrichment. This will be outside the snap inspection regime of the Additional Protocol of the NPT, which Iran has not implemented since February, when the IAEA board referred its program to the UN Security Council.

OUTLOOK FOR THE NUCLEAR ISSUE AND INTERNAL IRANIAN POLITICS

While Ahmadinejad has made frequent use of the nuclear issue as a rallying cry, it is difficult to isolate the issue from others, especially as Iran lacks reliable and/or publicly accessible polling. Various factions agree that the elections on December 15, for the Assembly of Experts and especially for municipal councils, will serve as the Ahmadinejad government's first electoral test. But even these will be an uncertain gauge, as the significance of the results in the five main cities—Tehran, Mashhad, Tabriz, Esfahan, and Shiraz—is likely to dominate the political fall-out.

Ahmadinejad's critics concede that, while he is unpopular or even mocked among educated Iranians, his accessible manner, popular touch, and humble lifestyle translate to broader popularity among the mass of Iranians. A close ally of Rafsanjani gave a frank assessment in late September 2006:

All Ahmadinejad's efforts with the foreign press—like *60 Minutes*—are for domestic purposes. People are happy he stands up for national pride, talking very big. . . . But this all appeals to people from the weak level of society, who don't know about the consequences it can have for the country. Look at Lebanon. Iran's relationship with Hiz-bollah is 20 years old, yet many among the people give credit for this [the successful resistance of the Israeli onslaught] to Ahmadinejad. Two, domestic policy. We still don't know what effect justice shares [the scheme to distribute shares in privatized industries to low-income groups] can have. . . . People are very interested in all this. Three, talking to people, directly or on TV, this is attractive.⁵⁷

Critics of Ahmadinejad argue that his economic policies cannot deliver on his promises to redistribute oil wealth, reduce unemployment, and curb rising prices. For them, a crisis of confidence is inevitable in which the president will lose his popularity and the fundamentalists will be weakened in the December 2006 municipal and Khobregan elections, and then defeated in the *majlis* elections in 2008 and the presidential elections in 2009.

But it is far from clear what such a political shift would produce in foreign/security/nuclear policy. There could be a return to the less confrontational style that characterized the 2003–5 negotiations with the European Union, but this would not bear tangible fruit as long as the United States and European Union continue to demand concessions that Iran's political class, across the different factions, is unwilling to make. While some of the reformists have been the clearest advocates of the need to restore international confidence over the nuclear program,⁵⁸ it is far from clear that they are the likely beneficiaries of a swing away from Ahmadinejad. Mohammad Bagher Ghalibaf, who replaced the president as mayor of Tehran, and who ran as a conservative modernizer in the 2005 presidential elections, looks as credible a candidate for the 2009 election as anyone the reformists are likely to put forward, and with his background and support within the IRGC, he is unlikely to want to give up Iran's right to nuclear technology.⁵⁹

Since 2003, there has been a strong current of opinion in the United States and European Union that domestic politics in Iran plays no role in its nuclear policy. Events have suggested this view is mistaken. While there is broad consensus in Iran, emerging from the country's history, that it should have advanced technology, including nuclear technology, there are important differences between different factions and currents on how Iran should relate to the outside world. Evidence suggests that these differences will continue to affect nuclear policy.

APPENDIX 1

Comment and Analysis

Talking to Iran Is a Better Idea than More Sanctions

Norman Lamont

Financial Times, January 23, 2006

The prospect of Iran acquiring nuclear weapons is undoubtedly alarming and the threatening remarks by President Mahmoud Ahmadinejad about Israel are unacceptable. But the west should be careful about embarking on an Iran strategy without an end-game. Both sides in this dangerous dispute risk finding themselves in a situation from which they cannot withdraw.

It is fashionable to decry the efforts of the EU-3—Britain, France and Germany—in their ongoing talks with Iran. I believe that the instincts of Jack Straw, British foreign secretary, are absolutely right and it is only common sense to seek a diplomatic solution before a potentially catastrophic confrontation.

Some commentators talk about Iran as though it were the old Soviet Union—a totalitarian state with no dissent. Iranian democracy is limited and chaotic but it is not the Soviet Union. The recent presidential election with a range of hardline and reformist candidates was more vigorously contested than the election in Egypt that was so lavishly praised by President George W. Bush. Mr Ahmadinejad has faced plenty of opposition from the Iranian parliament, which has been as energetic as the US Congress in rejecting nominations for office. And local newspapers have criticised the president's comments about Israel.

The constitutional position of the Iranian president is not comparable with that of his US counterpart. Both the nuclear issue and foreign policy in Iran are the prerogative of the supreme ruler, Ayatollah Ali Khamenei, not the president, and there have been reports of strains between the two leaders.

History plays an important part in US and Iranian attitudes. Americans remember the humiliating hostage crisis. For Iranians, the memory is of hundreds of thousands of dead in the Iran-Iraq war. They note that Saddam Hussein has been charged with using weapons of mass destruction against his own people but not against Iran. Older Iranians see parallels between western intervention on the nuclear issue and the overthrow in 1953 of Mohammed Mossadegh, then prime

minister, in a US and British-backed coup, for daring to nationalise Iran's own oil.

For all that, Iran is neither as anti-American nor as religious as it appears. The most moving condemnation of the terrorist attacks of September 11, 2001, that I read was from Mohammad Khatami, then president, who called them "an act of nihilism" with "no place in Islamic thinking."

Yet US strategy has been to drive Iran further into international isolation, even trying to stop Pakistan, India and Iran co-operating on a gas pipeline that would give Iran a vested interest in regional stability and bring economic benefits to all three countries. This policy makes no sense.

The west has generally been reluctant to recognise the reality of Iran as a regional power although Iranian influence has been considerably increased by the Iraq invasion. The US needed—and indeed received—help from Iran when it invaded Afghanistan. Although Iran did not oppose the Iraq invasion, Tehran has since been shut out of any economic role in the reconstruction of a country in which it has a natural interest.

Iran's co-operation will continue to be needed in Iraq. But there are strong emotions in Iran about its co-religionists. Two years ago when I visited Tehran, the city centre was dominated by massive photographs from western newspapers of Muslim prisoners being abused in Abu Ghraib prison.

There are already US sanctions against Iran; like the sanctions against Cuba, they have probably helped to prop up an unpopular regime. In both countries, the government has been able to demonise the threat from abroad. Every time an Iranian aircraft crashes, it is blamed on sanctions. America may be content to stop Iran selling gas to India but it is unlikely to want to hurt itself with an oil embargo. In any case it is difficult to see how further sanctions will change anyone's mind.

It may be that we are now past the point of no return. But it must be hoped that, even at this late stage, political dialogue will continue in an attempt to address Iran's genuine security fears. A better policy than sanctions would be to do the opposite: reopen the US embassy, drop all sanctions other than those involving military technology, and encourage investment in Iran and as much contact as possible with America. That strategy would please many Iranians and make the regime in Tehran really nervous.

Lord Lamont is chairman of the British Iranian Chamber of Commerce and a former chancellor of the exchequer.

APPENDIX 2

Negotiations with the U.S.—A Lose-Lose Game

Hossein Shariatmadari

Kayhan, April 8, 2006

translated by Negar Roshanzamir

Zalmay Khalizad yesterday in a press conference announced that the negotiations between Iran and the U.S. had been postponed. He said, “The negotiations will be postponed till after an Iraqi government have been formed so that there will be no assumption that Tehran and Washington have plotted against Iraq and want to form a government by appointing selected individuals, pressures from groups or supporting some individuals.”

. . . In our editorial on 3rd April under the title “This Step and That Trap” we had referred to negative consequences of negotiations with the U.S. and we had concluded that “. . . the U.S.’s goal from negotiations with Iran is to send this message to Islamic movements all over the world that Iran too after 27 years of resistance had no choice but to surrender to the U.S.”

. . . here we deem it necessary to refer to some other points about this dangerous lure that has been spread in front of the feet of the Islamic Iran.

1. . . . the U.S.’s Ambassador speaks as if Islamic Iran too has a share in the disaster that the U.S. and its allies have created in Iraq. [referring to postponing of the negotiations till after an Iraqi government is formed]

. . . the U.S.’s comments yesterday give an illusion as if Iran and the U.S. have common and close views on Iraq’s future and that they have reached a common goal by lobbying in advance, before [their] open negotiations and have postponed the negotiations till after the formation of an Iraqi government.

All open and hidden evidence and opinion polls shows that the Iraqi people have trust in the Islamic Republic of Iran . . . this trust is one of the main concerns of the U.S. and its allies . . . for them Iraqi people’s looking onto Iran is the biggest obstacle for them to swallow up this country . . . that’s why the U.S. Ambassador in his cunning remarks have targeted the trust and confidence of the Iraqi people on the Islamic Iran and tries not only to damage that but also to turn it into an opposite phenomenon, i.e. Iran’s hostility with the people of Iraq.

2. Also it is said that the negotiations with the U.S. would be only about “Iraq security.” It has to be said that what is important for the U.S., is breaking Iran’s authority and its example of resistance against the international hegemonic system and that is why it is only thinking of very negotiations itself and unfortunately one has to admit that the U.S. will achieve this infelicitous goal by these negotiations and for them the topic of the negotiations is of no importance. This is because the U.S. only wants the negotiations for the sake of the negotiations and not for resolving Iraq’s problems or any other issues.
3. In a diplomatic trend, the very first and most important ground for negotiations between two countries is that both sides have common views on the preliminary principles of the topic that is going to be negotiated. . . . Now one needs to ask those officials who are pro-negotiations with the U.S., has Islamic Iran common views with the U.S. on the preliminary principles of “Iraq security”? . . . Haven’t we announced many times that the main reason for insecurity in Iraq is the occupation of this country by the U.S. and its allies? . . . How can we negotiate with a country who is a factor for Iraq insecurity?
4. The Americans still consider Iran as one of the factors of insecurity in Iraq and talk about curbing Islamic Iran in an official and diplomatic language. Therefore the main danger and the first damage that the negotiations with the U.S. can have is the implicit acceptance of this accusation by Islamic Iran.

A few hours after announcement of accepting negotiations with the U.S., Adam Arely, Spokesman for the U.S. State Department, while accusing Iran of terrorist activities in Iraq, referred to the announcement on agreeing to negotiate with Iran by the U.S. Ambassador as an act of summoning of an Ambassador of a country by the U.S. for explanation on the alleged accusation . . . the leader of the Revolution . . . emphasized that the U.S. does a damn thing to summon our Ambassador. . . .

5.
6. Wouldn’t the negotiations with the U.S. give to an illusion that the Islamic Republic of Iran has approved the occupation of Iraq by the U.S. and Europeans?

7. . . . why don't we announce officially as soon as possible that we have no negotiations with the U.S. and why don't we today take our foot out of this terrible abyss which is a lose-lose game by maintaining our dignity, wisdom, and expedience/interest?

NOTES

1. I arrived in Iran in December 2003.
2. The argument that western pressure on Iran strengthens the fundamentalists is commonplace among reformists and dissidents. See, for example, my interviews with Saeed Hajjarian, "Reformist Warns West that Pressure on Iran Is Threat to Democracy," *Financial Times*, July 20, 2005. A rare airing of this view in the West can be found in Norman Lamont, "Talking to Iran Is a Better Idea than More Sanctions," *Financial Times*, January 23, 2006, reproduced in Appendix 1.
3. Ervand Abrahamian, *Khomeinism* (Berkeley: University of California Press, 1993).
4. This argument was made by Isaac Deutscher. I think it was in "The Unfinished Revolution: Russia 1917–67," a series of lectures he gave at Cambridge university in 1967, but I cannot trace the book at present.
5. He apparently first argued this in 1970. Ervand Abrahamian quotes and discusses the relevant parts of *Velayat-i Faqih*, published in 1976 but based on lectures Ayatollah Khomeini had given in Najaf in 1970: see Ervand Abrahamian, *Iran Between Two Revolutions* (Princeton, N.J.: Princeton University Press, 1982), pp. 476–8. Ayatollah Khomeini's book is translated into English as "Islamic Government," in *Islam and Revolution I: Writings and Declarations of Imam Khomeini (1941-1980)*, Hamid Algar, tr. (Berkeley: Mizan Press, 1981). "Islam proclaims monarchy and hereditary succession wrong and invalid. When Islam first appeared in Iran, the Byzantine Empire, Egypt and the Yemen, the entire institution of monarchy was abolished" (p. 31). "The form of government of the Umayyads and the Abbasids, and the political and administrative policies they pursued, were anti-Islamic. The form of government was thoroughly perverted by being transformed into a monarchy, like those of the kings of Iran, the emperors of Rome, and the pharaohs of Egypt. For the most part, this non-Islamic form of government has persisted to the present day. . . ." (pp. 47–8). Interestingly, Ahmadinejad's presidency has not produced a major crisis in Iran's relations with Saudi Arabia, with a direct channel being opened from the Saudis to Ayatollah Khamenei through Ali Akbar Velayati (one of the supreme leader's closest advisors), bypassing the president.
6. Interviews with the author. "Iran and Hamas Find Common Cause," February 22, 2006, available on www.ft.com, quoting Mohsen Kadivar, a leading cleric who has been jailed under the Islamic Republic: "The Muslim world has been radicalised by US foreign policy, the gap between rich and poor that goes against Islam's belief in justice, and because modernity has brought dependence not independence for Muslim countries." The piece also quoted Mohammad-Ali Abtahi, vice-president under president Mohammad Khatami: "Ahmadinejad is a radical, but he is clever in public relations and identifies his target supporters. Anyone who talks about Israel like this is welcomed across the Islamic world." Of course, Iran's reformists would dispute Ahmadinejad's interpretation of the ideals of 1979.
7. See, for example, Shawn Donnan and Taufan Hidayat, "Iranian Leader Shows West the Way in Indonesia," *Financial Times*, May 15, 2006: "When Karen Hughes, the guardian of Washington's image abroad, last October visited Syarif Hidayatullah State Islamic University on the outskirts of Jakarta, the auditorium was half full, with much of the audience made up of diplomats and journalists. The students who joined her on stage asked combative questions about US policy in Afghanistan and Iraq. . . . Mr Ahmadinejad, in contrast, packed the same auditorium last week and drew loud cheers from students with an address littered with denunciations of the west." See also Shawn Donnan and Gareth Smyth, "Tehran Searches for Allies in Muslim World," *Financial Times*, May 10, 2006.

8. For a very readable account of the 1953 coup, see Stephen Kinzer *All the Shah's Men* (New York: Wiley and Sons, 2003). Many commentators have noted the belief common to this day that Britain is behind any or all of Iran's woes, and is the power pulling strings behind any development. Different people may have entirely different views on what strings are being pulled and for what reasons, but do not doubt the British are pulling them. See Abrahamian, *Khomeinism*, chapter 5, "The Paranoid Style in Iranian Politics."

9. Ayatollah Ali Khamenei, speech to academics, October 6, 2006: "We are still at the beginning of our scientific progress and should continue our way by relentless efforts." He urged professors to show "scientific courage, innovation, national pride and self-confidence as well as being hard working and preventing the copying of western scientific development. . . ." Islamic Republic News Agency (IRNA). Many official pronouncements point to the Islamic Republic's success in taking electricity to villages or to the huge expansion of the number of women being educated since 1979.

10. During the Iraqi election of January 2005, there were posters supporting certain lists inside many of the polling stations I visited, on public buildings, and even on the sun-shields of traffic police. In Iran, such posters are banned, and in the 2005 presidential election I was asked to go outside the polling station if I wanted to interview people queuing to vote.

11. Iran's constitution is available online at <http://www.iranchamber.com/government/laws/constitution.php>. For a useful book on the political system in Iran, see Wilfried Buchta, *Who Rules Iran?* (Washington, D.C.: Washington Institute for Near East Policy and Konrad Adenauer Stiftung, 2000).

12. Off-the-record interviews with senior officials in Tehran, 2005 and 2006.

13. I apply this term to those who call themselves "fundamentalist" or "principle-ist." The term "hardliner" seems to me judgmental, whereas "right-wing" may give a confusing picture to many readers about people whose economic policies are, in some respects, quasi-socialist.

14. The rejection of three of Ahmadinejad's nominees as oil minister by the conservative-controlled *majlis* was an interesting example under the current government. Kazem Vaziri-Hamaneh, the fourth nominee, was approved by 172 to 53 votes, with 34 abstentions, in December 2005, four months after the government took office.

15. This was one of the assumptions challenged by Ahmadinejad, who is an outsider to the political elite that has taken shape since the revolution. To give a few examples: Mohammad Khatami's father was an ayatollah and he is married to a niece of Mousa Sadr, the Iranian-born cleric who led Lebanon's Shia until his disappearance in Libya in 1978; Mohammad Reza Khatami, brother of the former president and the ex-leader of Mosharekat, the reformist party, is married to the grand-daughter of Ayatollah Khomeini; Ali Larijani is the son of Ayatollah Mirza-Hashem Amoli and is married to the daughter of Ayatollah Morteza Motahari, killed by a 1979 bombing in the revolution's early days. By contrast, Ahmadinejad is the son of a blacksmith and has no clerics in his family. See "Iran's Intellectuals Left in Cold by Populist President," *Financial Times*, June 21, 2006; "Man of the People Ready to Take On Ayatollahs," *Financial Times*, April 28, 2006; and "Tehran's Mayor Has Rafsanjani on Defensive," *Financial Times*, June 21, 2005.

16. Abadgaran were a list in Tehran, although there is now a wider faction called Abadgaran in the *majlis*. A similar current in other cities in the 2003 municipal election took other names, such as "Where Is the Friends' House?" in Esfahan and "Front of the Followers of the Imam (Khomeini) and the Leadership" in Mashhad.

17. See Hussein Shariatmadari, "Negotiations with the US—A Lose–Lose Game," *Kayhan*, April 8, 2006, reproduced in Appendix 2.
18. See, for example, "Call for Openness over Iran Nuclear Programme," October 14, 2005, available online at www.ft.com, in which Mohammad Atrianfar, editor of the now closed newspaper *Shargh*, told me, "There has been a failure to clarify what will happen if we insist on this technology."
19. See, for example, "Khatami Hails Iran's Uranium Deal as Great Victory," Reuters, November 17, 2004.
20. See "UN Nuclear Deadline Leaves Iran's Leader with a Challenge That May Define His Rule," *Financial Times*, August 31, 2006. Ayatollah Khamenei generally has favored consensus among the leadership group in taking important decisions.
21. This has become something of a joke in Iran, where many people poke fun at Los Angeles satellite stations, even if they listen to them for music shows. Mohsen Asgari and Gareth Smyth, "Iran 'Liberator' Bit Too Busy to Invade This Week: Exile Epitomises Weakness of Opposition to Tehran," *Financial Times*, September 30, 2004; Najmeh Bozorgmehr, "Satellite TV Brings Iran a Sense of the Ridiculous—Around 30 Farsi-Language Channels Broadcast from Abroad but the Political Effect Seems to Be Minimal," *Financial Times*, January 24, 2006.
22. It is a reasonable assumption that the more certain anyone is of what Iranians think, the more likely they are to be wrong. The best political brains in Iran usually are reluctant to make predictions. My colleague Najmeh Bozorgmehr once called Mohammad Ali Abtahi, the former vice-president, to ask him about a political development. "I can't comment," he said, entirely seriously. "I've been out of the country for a week and don't know what's happening."
23. A friend of mine in Tehran, whose livelihood depends on good international relations, told me before the second round of the election that he would vote for Rafsanjani, only quietly to confess, in an embarrassed tone some days after the poll, he had voted for Ahmadinejad.
24. I traveled to a number of polling stations in Tehran on polling day and one of the questions I asked those queuing to vote was what they thought of Bush's speech. In one of the most up-market districts of north Tehran, I deliberately picked the trendiest looking young woman, whose multi-colored headscarf rose like a peacock's feathers in anger. "I am an *Iranian*," she insisted. "I will not be told what to do." Iranian state television broadcast Bush's appeal over and over again, presumably to encourage voter turn-out.
25. From the beginning of the Israeli offensive, Iran demanded a ceasefire (although some fundamentalists preferred to call for a Hezbollah victory), whereas U.S. officials backed Israeli actions even after clear evidence that most Lebanese victims were civilians, many of them children.
26. Mohammad ibn Hassan, the twelfth leader whom Shia regard as a direct successor to the prophet Mohammad, entered "occultation" in 941 and according to Shia belief will one day emerge to rule justly on earth before Judgment Day.
27. This was mentioned to me on the eve of the first ballot both by a reformist organizer and by an organizer in the Rafsanjani camp: the latter said Ahmadinejad had a good chance of making the second round.
28. There were many "neutrals" unconvinced over Karroubi's allegations. One Rafsanjani supporter told me that his low level of support in Tehran reflected a poor performance in most cities, with most votes for Mr. Karroubi coming in the countryside.

29. During the election, several fundamentalist figures expressed the fear that a split vote would let in Rafsanjani or even a reformist.

30. See “Torch Bearer for Iran’s Pragmatic Conservatives,” *Financial Times*, January 21, 2004.

31. Conversations with European diplomats in Tehran, 2004. When Sir Jeremy Greenstock, Britain’s special representative to Iraq, came to Tehran in December 2003, he was visibly disappointed that he was unable to meet Rowhani and would have to make do with lesser mortals, including the president.

32. Author interview; see “Torch Bearer for Iran’s Pragmatic Conservatives.”

33. The inside story of the negotiations—if there is just one—may never be told. But there were certainly European diplomats who thought the end of the process could well see Iran having some level of enrichment inside the country as well as larger-scale enrichment outside.

34. See my article, “Iran’s Hardliners: Diplomatic Brinkmanship,” *Khaleej Times*, March 16, 2004: “the beneficiaries of Mr Rowhani’s demise will not be the reformists. . . .” I did two interviews with Hossein Mousavian later in 2004 that gave useful insights into the mind-sets of the Iranian negotiation team, including their awareness of growing domestic pressures (the transcripts of interviews were published on www.ft.com on September 12, 2004, and October 24, 2004). European diplomats at that time tended to downplay, or even dismiss, fears of domestic pressures in Iran as a tactic used by Iranian negotiators. *Kayhan* newspaper on November 27, 2005, recalled: “Much to the joy of the United States and its allies, Iran has on several occasions retreated from its inalienable right to peaceful nuclear technology. All these setbacks never gained the expected results (but) instead made the opponents even more voracious and aggressive. . . .” A classic quote came from Ali Larijani, who said in November 2004 that giving up uranium enrichment for trade concessions was like “trading a pearl for a candy.”

35. Author interview, Tehran, April 27, 2005. Transcript available online at www.ft.com/nasseri.

36. “Israelis Putting Iran Nuclear Deal in Peril, Says Iran Pragmatist,” *Financial Times*, July 26, 2006. The full transcript of the interview is at www.ft.com/kharrazi.

37. Najmeh Bozorgmehr interview with Hossein Mousavian, published on www.ft.com, February 3, 2005.

38. Part of the explanation of Ahmadinejad’s remarks in his early months in office may be simple inexperience. Nasser Hadian, professor of politics at Tehran University and a friend of the president since childhood, told me in 2005: “With international issues, I am sure he will learn, as he’s intelligent. My worry is that by then it may be too late. At the beginning, I am 100 percent sure he did not expect such a reaction. He used to say such things from ideological conviction, as if he was talking to Ansar Hizbollah. As the president of the country, things are different.”

39. “Treasury Official Levey Addresses American Enterprise Institute for Public Policy Research,” *US Fed News*, September 8, 2006.

40. I attended one in Karaj, an industrial satellite town to the west of Tehran, in late September 2006. Many present had come to hand in a letter to the president about their personal problems (see “Crowds Turn Out with Petitions to See the President,” *Financial Times*, September 29, 2006) but the cheers for his remarks on the nuclear issue were real enough.

41. China is also an observer. Diplomats from many leading developing countries in Tehran—Muslim and non-Muslim—have expressed annoyance to me that the United States and European Union so often claim to be speaking for “the international community” in their approach to Iran’s nuclear program.

42. Rafsanjani, in a speech to Friday prayer leaders, “Don’t Talk Vaguely about Economic Corruption,” Iranian Students News Agency, November 16, 2005, available online at <http://www.isna.ir/Main/NewsView.aspx?ID=News-615113>. See also “Iran Leader [sic] Damaging Unity, Says Rafsanjani,” *Financial Times*, November 17, 2005.

43. “Time Has Come to Be Moderate in Decision-makings,” Iranian Students News Agency, April 20, 2006, available online at <http://www.isna.ir/Main/NewsView.aspx?ID=News-700100>. See also “Iran’s Former Nuclear Chief Makes Call for ‘Less Emotion,’” *Financial Times*, April 21, 2006.

44. “Iran ‘Ready to Limit Nuclear Programme,’” *Financial Times*, June 19, 2006.

45. Ibid.

46. “Israelis Putting Iran Nuclear Deal in Peril, Says Tehran Pragmatist.”

47. Conversations with E.U. diplomats in Tehran and Europe, 2006.

48. Conversation, early October 2006.

49. A senior official told my colleague, Najmeh Bozorgmehr: “The Democrats have been very critical of Bush’s policy in the region, but with America it’s always hard to distinguish between the rhetoric of elections and what people do in practice.” Nasser Hadian, politics professor at Tehran University, said he expected the Democrats to push for an Iraq policy “including gradual [military] withdrawal” that would give “greater opportunity for regional talks, including Iran, over Iraq’s future.”

50. Conversation, late September 2006.

51. This has long been the argument of fundamentalists, as shown repeatedly in the speeches of president Ahmadinejad. Ahmadinejad’s critics realize very well that his anti-U.S. crusade is very popular in the Arab and Muslim worlds; see “Man of the People Ready to Take On the Ayatollahs.”

52. Ileana Ros-Lehtinen, a Republican representative, said: “It would be a critical mistake to allow a regime with a track record as bloody and as dangerous as Iran to obtain nuclear weapons. Enough with the carrots. It’s time for the stick.” “Washington in Brief,” *Washington Post*, September 29, 2006. There also has been, throughout 2006, a barrage of threats from Israel over attacking Iran. Ehud Olmert said in November: “. . . this government and the people of Iran must understand that if they do not accept the request of the international community, they’re going to pay dearly”; see “A Conversation with Ehud Olmert,” *Washington Post*, November 12, 2006.

53. I was told in Tehran that Solana had distinguished between the E.U. position and the UNSC position, which may have encouraged the Iranians to think he was hopeful of giving them the assurance they wanted. My own colleagues in Europe tell me officials close to Solana have denied this. Solana’s own rather sketchy account of the talks was issued as “Remarks by Javier Solana, EU High Representative for the CFSP, on the Latest Developments Concerning Iran, to the European Parliament Foreign Affairs Committee,” Brussels, October 4, 2006, available online at www.consilium.europa.eu/solana.

54. See David Frum and Richard Perle, *An End to Evil* (New York: Random House, 2003). The book advances the remarkable (theologically speaking) case that evil is something that can be defeated. “There is no middle way for Americans: It is victory or holocaust.”

55. Ordinary, middle-class Iranians who already face problems with international banking because of U.S. sanctions are well aware their government every day sells 4 million barrels of oil for U.S. dollars without undue difficulty.

56. Quoted by Islamic Republic News Agency, October 3, 2006.

57. Interview with author, Tehran, September 28, 2006.

58. See, for example, note 17, above.

59. I am unaware of Ghalibaf’s precise views. In an interview (by fax) with the *Financial Times* during the 2005 presidential elections, he said: “I believe that Iran, following up international detente, should show its spirit of seeking tangible and transparent interaction with the whole world. One of the most effective ways to do so is through developing economic links around the world.” Published on www.ft.com, June 15, 2005. See also “Qalibaf Challenges Old Guard in Iran Election: Sophisticated Campaign Gains Popular Support,” *Financial Times*, June 13, 2005.

ABOUT THE AUTHOR

GARETH SMYTH is the chief Iran correspondent of the *Financial Times*. Before moving to Iran in 2003, he was based from 1996 to 2003 in Lebanon, and has also reported widely from Syria and Iraq.

ABOUT THE CENTURY FOUNDATION

The Century Foundation sponsors and supervises timely analyses of economic policy, foreign affairs, and domestic political issues. Not-for-profit and nonpartisan, it was founded in 1919 and endowed by Edward A. Filene.

BOARD OF TRUSTEES OF THE CENTURY FOUNDATION

H. Brandt Ayers	Richard C. Leone
Peter A. A. Berle	Jessica Tuchman Mathews
Alan Brinkley, <i>Chairman</i>	Alicia H. Munnell
Joseph A. Califano, Jr.	P. Michael Pitfield
Alexander Morgan Capron	John Podesta
Hodding Carter III	Richard Ravitch
Edward E. David, Jr.	Alan Sagner
Brewster C. Denny	Arthur M. Schlesinger, Jr.
Christopher Edley, Jr.	Harvey I. Sloane, M.D.
Charles V. Hamilton	Theodore C. Sorensen
Matina S. Horner	Kathleen M. Sullivan
Lewis B. Kaden	Shirley Williams
James A. Leach	William Julius Wilson

Richard C. Leone, *President*

The Century Foundation sponsors and supervises timely analyses of economic policy, foreign affairs, and domestic political issues. Not-for-profit and nonpartisan, it was founded in 1919 and endowed by Edward A. Filene.

A CENTURY FOUNDATION REPORT

THE CENTURY FOUNDATION PRESS
41 EAST 70TH STREET
NEW YORK, NEW YORK 10021

THE CENTURY FOUNDATION

HEADQUARTERS: 41 East 70th Street, New York, New York 10021 ♦ 212-535-4441

D.C.: 1333 H Street, N.W., 10th Floor, Washington, D.C. 20005 ♦ 202-387-0400

www.tcf.org