

# Iran: What Now?

A RUSI Qatar Policy Dialogue

Transcript of Presentation by:

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## Summary

- The five stages of the crisis so far. The opposition do not have the power to prevent President Ahmadinejad's inauguration next month, but it is not likely that this will take place with an appearance of national unity.
- Opposition has been damped down. When, where and how it will break out again is unknowable. Iran will never again be the same as it has been. The Revolutionary Guard Corps are more prominent, given the failure of the political system to control disagreement between political factions. There is tremendous concern about what *might* happen: Iranians want orderly change but many fear that it is now impossible.
- In the short term there will be calm punctuated by occasional protest. Iran will settle uncomfortably with Ahmadinejad as its President. One scenario is continuity - under this Iran and the world gets more of Ahmadinejad's familiar policies. There is a variation – adjustment – under which behind-the-scenes understandings ensure that Ahmadinejad shifts towards the centre. This would be out of character for him, but there is a history in Iran of internal compromise to get through a crisis.
- Iranian interest in exploring both what the US can offer bilaterally and the collective new thinking of the Six countries negotiating on the nuclear question will reappear in due course. The chances of success are not high but there are ways to improve them.
- It is of huge importance for the GCC that the effort succeeds: extra sanctions would be inevitable if the talks collapse, leading to awkward choices for the GCC and some economic harm. Military means of addressing the problem posed by Iran would be disastrous, imposing not just a risk that war would spill over onto some GCC territory but continuing instability and an eventual nuclear arms race.
- The election is likely to lead to more continuity than change in Iranian policy towards its neighbours and the neighbour's policy towards Iran. It would not be in Iran's long-term interest to be more aggressive in the region and they are not sufficiently strong to impose their will.

## Transcript

"I would like to thank Dr Jonathan Eyal for the opportunity to address you. It is very good to be in Qatar, a country that is taking the lead in seeking peaceful settlement of disputes and believes in building bridges.

How did the crisis arise and what will happen now?

The crisis.....

### 1. Campaign

It was remarkable for its intensity and for the clarity with which differences between the candidates were set out especially through TV debates. President Ahmadinejad had been campaigning for months if not years. Provincial tours, government spending, building up the privileges of the IRGC and the baseej volunteers, boasting about Iran's power and the achievements of his administration, obtaining the public encouragement of the Leader: all were designed to win over sceptics, permanently defeat the reformists and ensure he followed in the footsteps of the previous Presidents – all of whom had been elected for two four-year terms.

It is impossible to track the development of the voting intentions of the Iranian public. None of the very limited polling can be taken to be conclusive. Many voters in Iran make up their minds at the last minute: my own reading of the evidence is that Ahmadinejad may have had an early lead, but that Mousavi emerged well from the debates and benefited from a late surge of support for more market oriented domestic policy, less confrontational foreign policy and more freedoms.

### 2. Election

Observers are unlikely ever to get to the bottom of what happened. The persistence of the opposition leaders – all regime loyalists - in refusing the Leader's adjudication in favour of the President on 15 June, and in declaring a new government so chosen illegitimate, provide strong support to those inside and outside Iran who doubt the truth of the declared outcome.

It always pays to follow what Iranian leaders say: in this case the fatwa issued by an ayatollah close to the President justifying falsification of election results, if it were likely that a government that would endanger the influence of Iranian Islam in the region would be elected. The claim by some members of the Interior Ministry that this fatwa existed still stands. I believe the supporters of the President would have preferred a clean victory, but were not prepared to risk a second round contest in which he would face Mousavi. I believe the results were at the least severely distorted, in order to preempt this.

There are three reasons why: to enhance the power of Khamenei and Ahmadinejad by winning in a more decisive manner than Khatami had in 1997 and 2001; to reduce the power of the centrists such as Rafsanjani whom Ahmadinejad had bitterly condemned (with I believe Khamenei's tacit support) in the TV debates; and to make the Principleist (osulgaran) vision of Iran's future an irreversible fact.

### **3. Protests and Repression**

The authorities hoped that a certain tolerance of the first marches would allow the winds of protest to blow themselves out. Warnings of severity followed when this did not happen. Finally, sufficient deaths, street thuggery, arrests, and limits on electronic communication were imposed to eliminate overt challenge in the streets.

The fire has been damped down. When, where and how it will break out again is unknowable. We can only describe some of the factors: will the opposition in the streets turn into a broader based movement, with a leadership and a strategy? Will the authorities take legal action against Mousavi? What will be the impact of the government expenditure cuts and trade finance shortages that are impending?

Maj. Gen. Mohammad Ali Jafari, the Commander of the Revolutionary Guard, made clear their vital role when he said on 5 July that they had taken over the nation's security. He warned that there was no middle ground in the ongoing dispute over the reelection of President Mahmoud Ahmadinejad. This was, he said, a revival of the revolution and clarification of the value positions of the establishment at home and abroad.

### **4. Leadership Debate**

There have always been tensions between factions. They have not been so acute since before the Iran-Iraq war. While supporting the Islamic system themselves, the dissenting leaders are being accused of risking its overthrow. The explanation for this paradox lies in Iran's dual system: the religious and the republican elements have never been reconciled. Ayatollah Khomeini, the founder, may have said that without the people everything would be lost, but what if people want something that is anathema to the divinely-ordained leadership? Dissenters do not have the power to prevent Ahmadinejad's inauguration next month, but it is not likely that this will take place with an appearance of national unity.

### **5. Consolidation, leading to formation of a new government**

The lines are now clearly drawn: the statement by opposition leaders on 6 July shows they are not giving up. The Commander of the IRGC said that day too that they had had to take control of the nation's security, and that there were those who were for the revolution and the establishment and those who were against – there was no middle way. At the same time the centrist grouping that includes Rafsanjani, the Kargozaran, was clearer than it has been to date in support of Mousavi.

Iran is unique, but it is like other countries in having centres of power, whose consent and behaviour underpins stability. Most appear to be calculating that Khamenei, the IRGC and Ahmadinejad have won for now. The government apparatus, the parliament, the clergy, the commercial elite and most civil society organisations have not declared for fundamental change. So stability is more likely now than fresh instability.

But I still believe those Iranians who say that something fateful has happened and that Iran will never be the same.

First, the scepticism of the majority of Iranians about theocracy has been deepened. They participated as never before and in huge numbers in the political process and were unjustly treated, as they see it. Second, the authorities have failed to hold the line against strong criticism of the system and its Leader – so the

prestige of the system and the fear it inspires may be diminishing. Third, many consider that a process towards change may have begun: in the careful words of Ayatollah Montazeri:

“If Iranians cannot talk about their legitimate rights at peaceful gatherings and are instead suppressed, complexities will build up which could possibly uproot the foundations of the government, no matter how powerful”.

And finally, there is tremendous concern about what *might* happen: Iranians want orderly change but many fear that it is now impossible.

### **The main actors**

The reformist leaders have criticized “the security state” imposed on the nation and may mount further protests. Despite the open challenge, the security forces will try to avoid arresting them for fear of provoking more unrest.

In recent days, the body of clerics in Qum has split on reformist and conservative lines. Business and civil society have been quite quiet, but they are probably polarized too.

People ask themselves whether there is enough disquiet for senior figures like former President Rafsanjani, and the Grand Ayatollahs who have not declared themselves either way, to be able to broker a compromise? It has been hard going for centrists like Rafsanjani since 2002, and they did not win any major battles after 2005. Khamenei has spoken and the theory of rule by “the supreme jurist”, *vilayet al faqih*, requires acceptance by all that his decisions have the highest possible binding religious value.

This weighs on the Assembly of experts, as well. It has the theoretical power to call Khamenei to account for mistakes, but all one can say at present is that it will be very hard to get a majority to do so: they are inhibited by raw fear for the consequences should the system start to unravel. There is as yet no evident successor and no consensus on a collective leadership as an alternative.

A bigger influence may be the Majlis. Elected in 2008, it is divided, with the President able to command unflinching loyalty from only just over a third of its members. Yet he has to get his government accepted there next month. The Leader is entitled to throw his weight behind the President’s choices, and has not hesitated to do so in the past. But would he be heeded this time?

### **What now...including for the Gulf?**

The Iranian system will not come to pieces in the near future. In the short term there will be calm punctuated by occasional protest. Iran will settle uncomfortably with President Ahmadinejad as its Chief Executive.

One scenario is continuity - under this Iran and the world gets more of Ahmadinejad’s familiar policies. There is a variation – adjustment – under which behind-the-scenes understandings ensure that Ahmadinejad shifts towards the centre. This would be out of character for him, but there is a history in Iran of internal compromise to get through a crisis. Iran would then get sounder economic management and fewer abrasive pronouncements on external affairs. Some intrusive regulation of the lives of individuals might be eased.

It is likely that, under either scenario and come September if the dust settles, Iranian interest will re-assert itself in exploring both what the US can offer bilaterally and the collective new thinking of the six negotiating countries. The six invited Iran to negotiate once more in April, but have not yet received a reply. They will keep pressing for one. In due course the potential for a deal will be cautiously explored.

Engaging diplomatically with Iran would be harder under the “continuity” scenario than under “adjustment”- not just because the distrust on all sides has grown deeper in the last month, but also because there will be greater domestic opposition in the US and in Iran, to making the compromises necessary to reach an accommodation.

There will, however, be no better course available to outside powers, including in the GCC, than continuing to try to establish more fruitful diplomatic relations than there have been in the past; not stinting meanwhile in criticism of Iran when it falls short of international standards, whether in responding to dissent or continuing to try to pull the wool over the eyes of the IAEA investigators.

Some will argue that dealing with the Iranian government in this way, as though it were legitimate, would be to abandon reformers and protesters who want change for good reason. That would be to misread the situation: outsiders can do little to influence the outcome or the timing of change. An accommodation as envisaged by the six powers would not pre-empt change, and would secure long-term advantages for the region.

The chances of a successful negotiation on the nuclear question, however, have never been high and are not now. There are some ways to increase them: such as looking progressively for mutual benefit – to balance the demands being made of Iran, there must be sufficient benefit for Iran must be offered; continuing to avoid taking sides in Iranian factional disputes; maintaining the unity of the Six; wide consultation with Iran’s neighbours, especially in the GCC; appointing a US envoy of high standing and credibility to work alongside the multilateral talks on an open-ended bilateral agenda with Iran; no new sanctions unless Iran refuses to talk seriously; new initiatives led by Gulf countries to promote regional security cooperation; no deadlines for the talks yet; and staying the course – it will be long and difficult.

It is of huge importance for the GCC that the effort succeeds: extra sanctions would be inevitable if the talks collapse, leading to awkward choices for the GCC and some economic harm. Military means of addressing the problem posed by Iran would be disastrous, I believe, imposing not just a risk that war would spill over onto some GCC territory but continuing instability and an eventual nuclear arms race.

Even if the failure is total, there will not be a time when Iran will be dominant in the Gulf – the forces working for a balance of all interests will remain too strong for that.

The election is likely to lead to more continuity than change in Iranian policy towards its neighbours and the neighbour’s policy towards Iran. Iran still wants the best possible trade relations, security of their Gulf coastline and the oil and gas export routes, a reduction of tensions while retaining links to Shia communities and while maintaining their grip on the disputed Islands, acceptance as benign and highly influential power, minimisation of the US presence and influence. These may not always be reconcilable the one with the other, but that is another question.

Some say, in contrast, that the leadership of Iranian is utterly convinced that foreigners were behind all their troubles, and that this will have so exacerbated distrust of the outside world, that Iran will embark on a much more aggressive course in Lebanon, Palestine, the Gulf, and Afghanistan to distract attention from domestic woes, to re-unify their supporters with the cry that the revolution is in danger, and to take revenge on the West. This cannot be ruled out, but it appears unlikely since it would not be in Iran's long-term interest. They are not sufficiently strong to impose their will. They usually calculate quite carefully what will pay off for them. They will conclude that over-reaching themselves would weaken the defence of the revolution and the Iranian nation. I hope I am right.

I have summarised the five stages of the crisis, estimating the positions taken by the main actors, describing the next steps and the overall direction of the Iranian government this year, reflecting on the international negotiations, and setting out some tentative ideas on the implications of what is happening for countries on the Arabian side of the Gulf. I have not made definite predictions – a new chapter has begun and no-one knows for sure how the story will end.”

#### **Biography:**

**Sir Richard Dalton KCMG** is Associate Fellow on the Middle East and North Africa at the Royal Institute for International Affairs (Chatham House) and is a leading UK expert on Iran. From 2002-2006 he served as UK Ambassador to Iran, playing a central role in European negotiations with Tehran over its nuclear programme. Prior to this Sir Richard served as the first UK Ambassador to Libya in 17 years, working from 1999-2002 to revive Britain's links with Iran and help pave the way for the deal on the elimination of Libya's WMD capability. His earlier positions included Director of Personnel at the Foreign Office in 1998, where he saw through effective change and modernisation programmes, and British Consul General to Jerusalem from 1993-1997, when he fronted British diplomacy with the Palestinian Authority following the landmark 1993 Oslo Peace Accords. Sir Richard is an Arabic and French speaker.