

Iran in the Post-Nuclear Deal Era: Iranian Dissidents' Perspective

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1. Executive Summary

Following the conclusion in July 2015 of the Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear program, experts at the Jerusalem Center for Public Affairs (JCPA) held meetings with prominent Iranian dissidents outside Iran in order to analyze the implications of the agreement for Iran, Israel and the world. The participants included former Iranian ministers and diplomats, former founding members of Iran's revolutionary bodies and foundations, former student leaders, current leading pro-democracy and civil society activists, intellectuals, authors, writers, media personalities, and journalists. By studying the original insights of the Iranian personalities, this paper hopes to highlight their unique observations as well as recommendations and thus to contribute to a better understanding of Iran in the post-JCPOA era.

The JCPOA is perceived by most participants as a "game-changer." The deal "removed the threat of a war for the Iranian people" and "gave the most to the regime at no cost to it." All agree that the deal grants legitimacy to the regime and its nuclear program foreshadowing a change in the West's attitude towards the Islamic Republic. However, it is widely agreed among the participants that the Iranian regime will violate the JCPOA down the road, mainly after improving the economy and strengthening its international stand. Saying so, a long period is needed for improving the Iranian economy, on both macro and micro levels.



Iran Agreement in Vienna, July 14, 2015

From left to right: Foreign ministers/secretaries of state Wang Yi (China), Laurent Fabius (France), Frank-Walter Steinmeier (Germany), Federica Mogherini (EU), Mohammad Javad Zarif (Iran), Philip Hammond (UK), John Kerry (USA)

Any economic solution needs massive foreign investment which does not come automatically with sanctions relief. Any solution must include a massive reform of domestic banking and transparency, a faster-than-expected access to the international financial institutions, and restoration of normal foreign trade. But the reform of domestic banking will entail a huge loss for the revolutionary institutions which owe banks much more than the banks were allowed to lend. Cleaning up domestic banking will cause a political explosion. Furthermore, if commercial relations inside Iran and between Iranian and foreign entities are to become attractive for investors, a modern standardized commercial code and a professional, independent judiciary must be firmly in place. For Iran to become 'investible,' it needs free and fair competition in its internal and external economic relations.

The appointment of the next Supreme Leader is probably the most salient, crucial and challenging matter that surfaces in Iran as the country enters a new era. It was pointed out that although the Council of Experts elects the next leader, whoever has the control over the House of the Leader determines who will be the next leader, and it seems, at this stage, that the hardline Iranian Revolutionary Guards Corps (IRGC), which dominates this office, is the deciding body. However, there is also a perception which claims that the current power structure in Iran will not survive Khamenei's death and thus, no successor will be announced at this stage.



Iran's President Hassan Rouhani visited Ayatollah Khamenei in hospital after his 2014 surgery
(Office of the Iranian Supreme Leader photograph)

The examination of Iran's post-JCPOA internal dynamics should be done through the eyes of three players – President Rouhani and the realist faction, the House of the Leader, and the IRGC. Such examination reveals, more than anything else, the actual dependency of each of them on the others despite the power struggle among them. Although the Rouhani-Zarif team is apparently the most popular one, domestically and internationally, it is the House of the Leader and the IRGC who have the control over the security-military forces and the country's financial entities. Therefore, the realist president who supports reforms in order to guarantee the survival of the regime will not be able, most probably, to implement any considerable social reform, as he has not initiated any major one so far, without the conservative-hardline bodies' consent, and this constraint is probably his significant weakness.

In this respect, some argued that the deterioration in human rights conditions in Iran during Rouhani's era is meant to stifle any aspirations for openings that go beyond the economic ones. Others claimed that Rouhani's government and the JCPOA constitute to a certain degree democratic developments, and it was argued that Rouhani in power is an opportunity for a change that should not be missed.

This crucial power struggle constitutes Khamenei's major domestic challenge of assuring a balance-of-power between the two camps. He has to convince the hardliners that the JCPOA is not a compromise of the revolutionary principles but an act of "heroic flexibility," and that the realist camp does not have the upper-hand in the country. This explains Khamenei's harsh anti-Israel rhetoric and his call for actions against Israel immediately following the JCPOA in order to emphasize that the revolutionary ideology is still guiding this regime.

It is important to mention that although Khamenei did not cross any of his own redlines for the deal, he allowed the negotiating team to show “heroic flexibility” on some of the other matters which were discussed. This was considered by some in the Iranian public and by many of the hardliners as crossing of the redlines and as dangerous concessions by the Rouhani-Zarif team.

Iran considers the JCPOA’s international outcome as one of its major achievements. The agreement removed Iran’s international isolation diplomatically and economically almost immediately, and, consequently, strengthened its position in the region. In this respect, three international actors are pointed out as important for Iran in the new era: Russia, the U.S.-EU bloc, and Saudi Arabia.

Iranian-Russian relations have entered a new phase following the JCPOA, including several new agreements which are claimed to increase the trade between the two countries from \$1.6 billion per year to \$21 billion, and are characterized by some as increasing Russian influence over Iran. The JCPOA also opened the door for the Russian military intervention in Syria together with Iran and impacted Russian-Turkish relations.

The JCPOA also foreshadows a change in the U.S.-EU bloc’s attitude towards the Islamic Republic and its “acceptance” by the West as a legitimate power in the region. This explains why only now, after reaching a nuclear deal, Iran was invited to take a part in the talks on the ongoing civil war in Syria.

Saudi Arabia, from Iran’s point of view, has “replaced” Israel in the last two years as one of the most important countries for the regime. The Iranian animosity towards the Saudis is not motivated only by anti-Sunni-Wahabi sentiments but by the clashing interests in the oil market. The two countries are conducting their “proxy wars” in Syria, Yemen, and Bahrain, and to some extent, confronting each other directly in Iraq. Furthermore, in regards to the Iranian subversion in the region, it is argued that one of the reasons why the Iranian regime singles out the chaos in the region, especially in Syria and Iraq (where Iran is actually intensifying the tensions and the confrontations), is to “prove” to the Iranian people that “Iran is the most stable country in the region.”

Concerning Israel, the JCPOA has also been a game-changer, especially for Israel’s regional relations. Today, Israel is closer to some regional powers which share the same views, concerns and level of frustration due to the new international approach. It positions Israel’s relations with the West in general, and with the U.S. in particular, in “a different perspective.” Israel, some argue, was under the impression that the West – and not Israel – had to stop Iran from turning into a nuclear power. Therefore, the Israelis doubt now the extent that they can actually rely on the West. Consequently, the consensus now is that Israel “should be much more capable of relying on itself,” and some even argue that Israel may have to rely more on the relationships with those in the region who share the same views and concerns.



Missile from a recent Iranian test launch. "Israel must be wiped off the face of the earth" reads the inscription in Hebrew. (Iran's *Fars News Agency*)

It was argued that the deal is a game-changer even from the point of view of the Israeli-Palestinian conflict. According to this approach, the current wave of Palestinian terrorist activities targeting Israeli civilians, which started by late 2015, is motivated by the understanding among Palestinians that with the new chapter of improvement in U.S.-Iran relations, the U.S. (and Iran) would focus on ISIS and ignore the Palestinian issue. Therefore, it is argued, the Palestinians should get out to the streets, carrying out violent and even terrorist activities, in order to be heard and not to let the international community ignore their plight.

Some believe that a new Middle East is emerging where the future will eventually be shaped around natural alliances such as the Tehran-Jerusalem axis. This axis, backed by the U.S., will aim "to form a strategic trident of like-minded political orders rooted in convergent historic experiences." Sharing this optimism cautiously, it is stated "the Iranian people are in favor of Israel because the regime is against Israel. Therefore, Israel should focus on cultural initiatives and bring the Israeli and the Iranian people closer to each other." However, some argue, the realist camp is not different from the conservative-hardline camp when it comes to anti-Israeli sentiments, although the American strategy has always been one of support for this camp which is considered by the U.S. Administration as a moderate force. With regards to Israel's concerns following the JCPOA, Israel is viewed as a strong country which can stand alone as it did when bombing the Iraqi nuclear facility in the early 1980s.

In respect to the prospects for change in Iran, there is a consensus that the ultimate goal of any Iran-related activism should be a change of the theocracy in Iran to a democracy. A considerable change will come about by the synergetic combination of modern and traditional factors: civil society-based activities accompanied by a charismatic figure who could instill a spirit of patriotism and mobilization. However, most agree that any uprising will fail to bring substantial change under the current circumstances. It is argued that the democratic movement inside Iran is terrified by the possibility of a breakout of civil war, as is going on in the region, and, therefore, is in a “wait-and-see” position now, avoiding another “failing state.”

It was suggested that “soft power is power” and “a massive political warfare” should be waged against the regime. It should rely first and foremost on like-minded regional allies with the political will to help bring about a change in Iran. To get the minds, “we must target the hearts,” and, therefore, the warfare must also draw on the cultural and artistic energies to maximize the impact on the main forces behind any considerable change in Iran — the metropolitan, western-looking and “connected” Iranian youth and women. It is stressed that the students, being considered as “the engine for change” throughout the last six decades in Iran, should not stand today in Rouhani’s shadow but stand firm and condition their support for him. Therefore, it is recommended that actions should be taken in order to mobilize the students to step up.

All asserted that democratic ideas dominate Iranian society and this is the only non-democratic country in the region where democratic values will have an upper hand if free elections are held. Only through a transition period, which would facilitate free elections based on international standards, is there a chance for meaningful change in the country. The international community can play a crucial role in the future of Iran by inspiring hope among the Iranian people and supporting them to bring change in their country.

2. Introduction

Following the Joint Comprehensive Plan of Action (JCPOA), an agreement reached between the P5+1 and Iran on the nuclear program of Iran in July 2015, experts at the Jerusalem Center for Public Affairs (JCPA) held meetings with prominent Iranian dissidents outside Iran in order to analyze the implications of the agreement for Iran, Israel and the world. The participants included former Iranian ministers and diplomats prior and after the 1979 revolution, former founding members of Iran’s revolutionary bodies and foundations, former student leaders, current leading pro-democracy and civil society activists, intellectuals, authors, writers, media personalities, and journalists. All of them, regardless their political orientation or affiliation, aspire today for real democracy in Iran.

The holding of these meetings, concluded by the end of 2015, was by itself a rare, successful opportunity of a fruitful exchange of ideas between Iranians and Israelis. Due to the obvious sensitivity attached to meeting Israelis for any Iranian, most of the Iranian participants, who agree in principle to meet with Israelis, did so on condition of partial or full anonymity. Saying so, this cautious and discreet behavior should not be

perceived as a matter of disinterest or absence of attention and passion of the participants for the exchange of ideas with Israelis. Therefore, overcoming the barrier of sensitivity by itself and holding the meetings grants a considerable advantage to this study over similar ones conducted in Israel.

The personalities were selected meticulously in order to assure a study of a broad and diverse opinions, views and strategies. Half of them escaped Iran about a decade ago while the rest left throughout the years following the revolution. Possessing different background, experience, personal agenda and connections, each personality holds independent views, sometimes even in opposition to those of their colleagues. Although some share the goals, such as a regime change in Iran, they differ significantly in their thinking of the ways and or the means for pursuing the goals, which, ultimately, resulted in personal tensions among them.

The Center's experts who initiated and led the meetings and the study, Brig.-Gen. (res.) Yossi Kuperwasser and Dr. Avi Davidi, offered three-decade experience of direct interactions with Iranians within and outside Iran and have been in touch with some of the participants over a decade and been following their activities. Some of the JCPA's experts and researchers, as well as research fellows from other Israeli think-tanks, also participated in some of the meetings and discussions. This study has been conducted as the first study of the newly launched "The Iran Project" at the Jerusalem Center, headed by Dr. Davidi, which focuses on the implications of the JCPOA.

The focus of the discussions was Iran's socio-economic and political challenges, the post-sanctions opportunities, the Supreme Leader's succession question, President Rouhani's social reform promises, the February 2016 elections in Iran, the prospect of democracy and the role of the exiled activists, the regime's intervention in the region, its relations with the international powers, and the implications of these topics for Israel.

By studying firsthand the insights of the Iranian personalities, this paper hopes to highlight their unique observations as well as recommendations that might be missed by many in order to contribute to a better understanding of Iran in the post-JCPOA era. As this study was concluded by the end of 2015, it does neither refer to nor take into consideration the outcome of the February 2016 elections and the potential implications.

3. The JCPOA's Domestic Implications

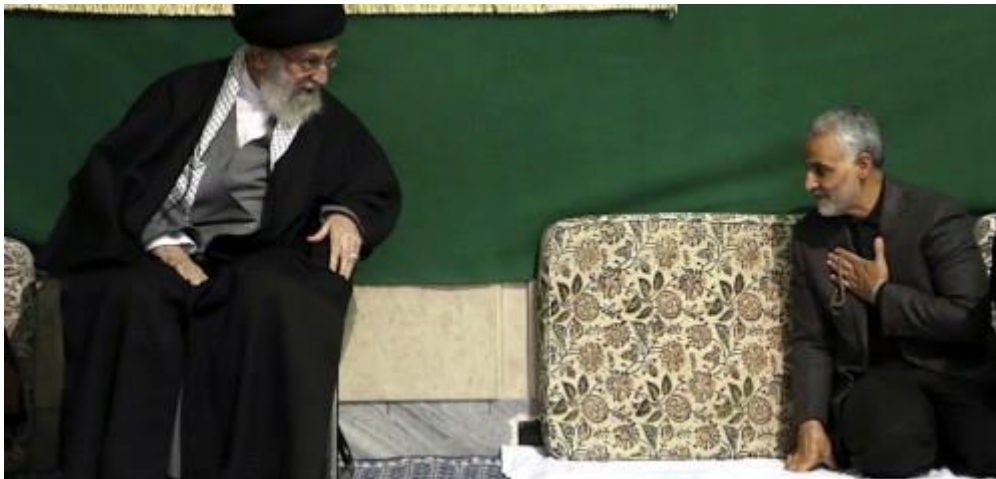
A prominent dissident examined the JCPOA's implications for Iran from three different angles: the regime, the Iranian people and the opposition, and Iran's foreign relations. Concerning the regime, there are three competing players: President Hassan Rouhani and his realist team, the House of the Leader, and the Iranian Revolutionary Guards Corps (IRGC). Although the rivalry among these three has been going on also prior to the JCPOA, the agreement is being used now as a tool for these players against each other.

According to this participant, Rouhani and the faction behind him, which includes former presidents Ali Akbar Hashemi Rafsanjani and Mohammad Khatami, are actually the main players of the regime today. Although this faction, this dissident emphasizes, is referred in the West as the faction of “the Moderates,” it is not completely a moderate one since it includes some hardliners, who are even more radical than the rightists.

This faction succeeded to create behind the scene a coalition of 310 candidates for the February 2016 elections for the Iranian Parliament (the Majles) and the Council of Experts (*majles-e khobregan-e rahbari*). The significance of this election of the Council of Experts, which consists of 88 members who are elected for eight years, is that it will appoint the next Supreme Leader. It is estimated, according to this dissident’s sources that Khamenei will die in one to three years due to his sickness and this explains the sense of urgency associated with the appointment of the next leader.

The realist faction faces two challenges: the dire economic situation due to the high rate of inflation and the recession in the country and the rapprochement with the West. The inner circles, which have a moderate approach according to this source, do not have any problem even with relations with Israel and have indeed raised this interest.

Most claim that Iran’s Foreign Minister Mohammad Javad Zarif, who was in charge of the nuclear negotiations with the P5+1, is one of the most popular personalities in the post-JCPOA Iran, even more than Rouhani himself. Saying so, there are also hardline figures who win people’s popularity such as the IRGC’s Quds chief commander Qassem Soleimani, who is praised as the hero of the war against the Sunni Arabs and the fundamentalist Sunni “Islamic State of Iraq and Syria (ISIS).”



Iranian Leader Khamenei addresses Qassem Soleimani, commander of the Revolutionary Guards’ Quds army at a 2015 mosque appearance. (*Office of the Iranian Supreme Leader photograph*)

The second element of the regime, the House of the Leader (*beyt-e rahbari*), is much more powerful today than the House of the Leader at the time of Khomeini. Today, according to this source, this office owns about \$250 billion in investments in Iran. It runs three banks which are the biggest private banks in the country, owns about \$95 billion capital, and is connected to the IRGC’s organizations and companies.

In addition to its financial resources, the House of the Leader controls the national radio and television broadcasting authority, is in charge of the “plain-clothes” forces (secret security forces in civilian clothes), controls, through the Council of Guardians (*shoray-e negahban*), any election and any bill passed in the Majles. Therefore, whoever controls the House of the Leader actually controls almost 80 percent of Iran.

The third player of the regime, the IRGC, has expanded enormously since its establishment in the early 1980s and has turned into a “monster organization,” as referred to by this prominent dissident. This organization has its own military force and intelligence organization (which is apparently more powerful than Iran’s Ministry of Intelligence), is involved directly in politics and its former chief commanders serve as Majles deputies, owns several news agencies and media outlets as well as thousands of companies, both formally and informally.

The IRGC’s main concern in the post-JCPOA is the Supreme Leader’s succession. Other concerns include the adherence to the revolutionary ideology fighting “infiltration” by anti-revolutionary and American and Israeli “secret” agents, the outcome of the February 2016 elections to the Majles and the Council of Experts, and the militarization of the atmosphere in Iran, especially against Saudi Arabia. The IRGC has been interfering in every election held in the Islamic Republic so far, including the 2009 presidential elections. It was actually the IRGC, according to this source, who “made a coup” in 2009 against people’s votes and kept President Mahmoud Ahmadinejad in power for his second term. The IRGC tried to influence the February 2016 elections by preventing the reformists and the realists from participating in the elections. It banned speeches by the reformists, arrested key civil society figures, and suppressed the people as it finds it necessary.

The IRGC believes that the animosity toward Saudi Arabia based on the Shiite-Sunni traditional enmity and the Iranian nationalism would increase the IRGC’s popularity among the ordinary Iranians. According to his sources, the IRGC has been holding secret gatherings on how to turn Rouhani into another Morsi of the Muslim Brotherhood in Egypt (*Morsi-saazi*) so to prevent his success. For instance, this source argues, the IRGC arrested during his visit to Iran in October 2015, an Iranian-American businessman Siamak Namazi, who used to support Rouhani in Washington, in order to send a message to the White House that “you can’t do anything in Tehran without us.”

A prominent dissident elaborated that the former Secretary of State Condoleezza Rice once informed him that she had received a message from Manouchehr Mottaki, while serving as Iran’s foreign minister, saying that Iran was ready for a “grand bargain” with the United States on the nuclear and several other issues. However, this message was followed by another one from inside Iran in less than 24 hours, and this time from the IRGC’s commander of Quds forces General Qassem Soleimani, stating that “the U.S. must talk to the IRGC when it comes to the regional issues.” The Iranian dissident confirmed to the former Secretary that that was indeed the situation and she agreed and added that both messages remained unanswered by the U.S. authorities.

With regard to the regional involvement, the IRGC aims to “multiply” the Lebanese Hizballah in every country in the region, including Iraq, Yemen, and Bahrain. The IRGC

claims that it has already succeeded to do so in Syria with 60,000 militia forces trained and controlled by them, so the IRGC would be a key player in that country in case Assad leaves.

These three regime's main players use the JCPOA for their own agenda and benefit. Although Rouhani's government announces every day a visit of another European leader in Iran, hinting on normalization and foreign investments, "there's nothing tangible for the people so far." Rouhani had not benefitted from the JCPOA yet and had still to cope with the challenges of the economy and corruption. This is the IRGC, according to this Iranian activist, who has benefitted the most so far from the post-JCPOA era and has utilized any opportunity to attack the moderate government.



The Revolution's leader: "The post-JCPOA issue" is more important than "the JCPOA issue," the complete film of the leader's important statements at a meeting with the members of the Council of Experts.

However, when it comes to the Iranian people, the regime refers to the JCPOA as a considerable success which has granted Iran major achievements such as the international recognition of Iran's nuclear program and its right to enrich uranium, the lifting of sanctions, the international recognition of Iran's role in the region, especially in Syria, and the end to Iran's international isolation. The authorities emphasize that the price that Iran paid for this agreement is a low one, such as certain limitations for a limited period and without giving up any nuclear rights or any nuclear facility or capability permanently. Although acknowledging the Islamic Republic's right to enrichment is the biggest achievement, it should be kept in mind that the ordinary people, including some of the Majles deputies, neither understand this complex and complicated agreement nor care that much about it, "so the regime can present it to its people as it wishes."

Looking at the JCPOA's impact on the Iranian people's point of view, this source estimates that the majority of the Iranian people dislikes this regime and "they want to overthrow it." However, the Iranian people have learned how to support one faction against the other and they currently consider the Rouhani-Zarif team as the one which might potentially open the door to the West. It is explained that the Iranian people traditionally supports the opposite side to their ruling body: the Shah was a nationalist, and, therefore, the revolution chose the religious ideology, and now that the regime is a

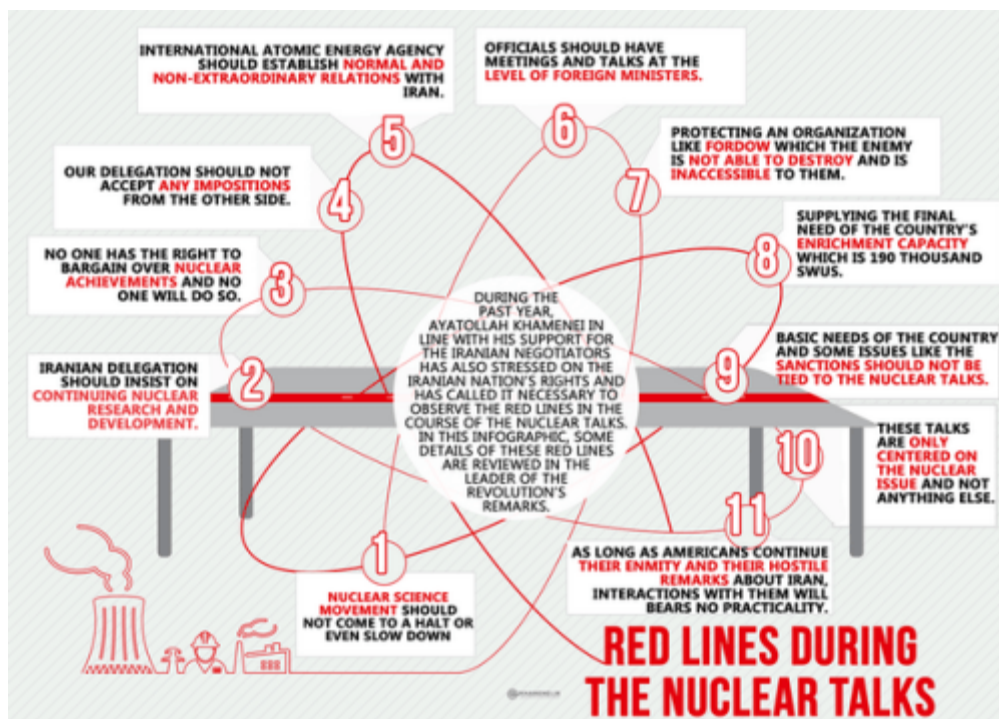
theocracy, the people support the nationalists, such as the Rouhani-Zarif team, currently portrayed without any real basis as the “nationalist” one.

4. Perceptions of the JCPOA

The JCPOA granted Iran three major encompassing achievements: (1) the international recognition of Iran as a nuclear power with the rights to uranium enrichment and nuclear research and industry; (2) the lifting of nuclear-related international sanctions in exchange for some limitations on Iran’s nuclear program that may extend its required time for developing a nuclear bomb from two months to one year only from the moment that it decides to do so; (3) the end to its international isolation followed by a rapprochement with the U.S.-EU block, and to some extent, regional empowerment.

To sum up the JCPOA’s achievements from Iran’s point of view, as presented to the Iranian people, Ali Akbar Salehi, the head of the Atomic Energy Organization of Iran (AEOI), stated, probably rightfully, that “we have not given up any nuclear rights permanently. We only agreed to certain limitations for a limited period.”

It is important to mention that although Khamenei did not cross any of his own redlines for the deal, he allowed the negotiating team to show “heroic flexibility” on some of the other matters which were discussed. This was considered by some in the Iranian public and by many of the hardliners as crossing of the redlines and as dangerous concessions by the Rouhani-Zarif team.



Issued on Khamenei’s Twitter account

Domestically, Khamenei has been confronted by deteriorating economic conditions affected significantly by the crippling international sanctions as well as the crash of the

oil prices; a pressure by Rouhani-Zarif team to compromise his conditions for a nuclear deal; an ongoing public debate and tension concerning his successor, initiated especially by his main challenger Ali Akbar Hashemi Rafsanjani; intensifying factional tension between the realists backed by the reformists and the conservative-hardline camps; the increasing people's demands for some social "reliefs" as promised by Rouhani during his 2013 presidential campaign, and the critical February 2016 elections for the Majles and the Council of Experts.

The deterioration in Iran's regional relations up to the level of confrontation, especially with Saudi Arabia, Turkey, the Gulf States, and potentially with ISIS, constitutes Khamenei's regional challenge. This is in addition to the ongoing threats that he has been facing on the international level such as the threat of the military attack by Israel and/or the U.S. against its nuclear facilities and infrastructure and its outcomes and implications, as well as the exacerbation of Iran's international isolation in case that no nuclear agreement was reached.

Although Khamenei should have rationally agreed to the West's demands in order to reach an international agreement as early as possible, he continuously drew redlines for the negotiations, even while the talks were being held. Either these redlines were Khamenei's actual requirements for the nuclear agreement and he ended up practicing his "heroic flexibility," or he had to show his hardline supporters that he was the one who "sets the tone" and not the Rouhani-Zarif team.

The JCPOA is viewed differently by each participant with some considering it a "game-changer" and others do not. Those who consider it a game-changer believe that the agreement grants legitimacy to the regime and its nuclear program and thus foreshadows a change in the West's attitude towards the Islamic Republic. Iran is invited now to participate in the international talks on the ongoing civil war in Syria. It is argued that the JCPOA also opened the door to the Russian intervention in Syria, affected the Russian-Turkish relations, elevated the significance of the regional interests that Israel shares with the Arab world, specifically the Persian Gulf states, and prompted a new chapter in the U.S.-Iran relations which urged the Palestinians to broadcast their plight and not let it be ignored. Some argue that the agreement even increased the flux of the Sunni refugees from the region to Europe, who might have considered the rapprochement between the West and Shiite Iran as an alarming change for the Sunni world in the region.

However, a former senior member of the revolutionary bodies and foundations does not consider the agreement as a game-changer. Although the regime presents the agreement as a success, and, in fact, it has empowered Rouhani and Zarif, the deal, in his view, will not result easily in a cash flow for the regime, and, therefore, it will not address the regime's main challenge which is an economy with a 36 percent deficit.



“Some insist on prettifying this Great Satan, which is worse than the Satan, and presenting it as an angel. Why? Putting aside the religion and the revolutionary [spirit], what happens to the loyalty to the country’s interests? What happens to the wisdom? Which wisdom and conscience allow choosing a power like the U.S. power as a friend, as a confidant, as the saving angel?”

(Khamenei, September 9, 2015)

On the other hand, a prominent dissident and Iran analyst estimates that despite the very low oil prices, the JCPOA still enables Iran to increase, although not very significantly, its oil revenue. It is argued that although the foreign investments can be considered as Iran’s major source of income, the foreign companies aim to sell their own goods to Iran and not to support its domestic production and market. A former student leader agrees that Iran has benefited from the agreement, especially financially. That is the reason, in his view, why the Supreme Leader himself mobilized everyone in Iran for supporting the deal.

Far more important than its financial impact, from the Iranian people’s point of view, the JCPOA has removed the threat of a war. A former minister and well-connected to the reformist camp inside Iran estimates that the nuclear issue will be “obsolete” and no one in the international arena will talk about it in 10 to 15 years down the road.

With regard to the perceptions on the JCPOA inside Iran, the recent statements by the head of the IRGC, Mohammad Ali Jafari, on the danger “hidden” in the post-JCPOA era represent Khamenei’s warning of “infiltration” in this new era and reflect the position of

Iran's hardliners not only towards the agreement and its aftermath but towards the Rouhani-Rafsanjani camp. Jafari considers this new era as one of the most dangerous periods of "sedition" that the Islamic Republic has faced since its establishment.

At one of the first anti-U.S. gathering since the JCPOA in early November 2015, Jafari stressed that the Islamic Republic faced four major "seditions" (*fetne*), one in each decade, which aimed "to put an end to the Islamic Revolution." The first "sedition" is the eight-year-long war with Iraq which was "imposed" on the newly established Islamic regime "in order to deviate the Islamic revolution or to create a fundamental problem, however, the regime succeeded in defeating it and even "exporting" the revolution. The resistance in Lebanon, Gaza, and other places was the result of this 'export of the revolution'."

The hardliners consider the 1999 students protests as the second "sedition" and define it as a "cultural or political-security one." Referring to the mid-1990s reform movement in Iran that brought the election of the reformist candidate, Mohammad Khatami as president, the head of the IRGC claims that "we faced a thought, which infiltrated later on into the leadership level as well, that asked 'Up to what point should the Islamic revolution continue?!' and this [thought] believed that there was no need to continue the revolution." He blames the Americans for being "behind this sedition."

The massive protests in summer 2009 following the announcement of the "results" of the presidential elections, known as "The Green Movement," are considered as the third "sedition." Jafari refers to this "sedition" as the "follow-up" to the second one, and it is claimed that "this sedition was way more dangerous than the imposed war with Iraq."

The fourth "sedition" is the "sedition of infiltration" (*nofouz*) in the post-JCPOA era. The IRGC chief explains that the first three "seditions" were based on military-security, cultural and political threats, however, the fourth one began with the nuclear issue as an excuse and was based on sanctions and economic pressure on the people. Jafari warned that the fourth "sedition" will last more than others, probably for several years.

The IRGC chief explained that the U.S. used the nuclear issue in order to bring Iran to the negotiation table. "The Americans are more interested than us in the JCPOA's implementation because they are interested in the aftermath of the JCPOA. If the people think that since an agreement was reached on the nuclear issue, and, therefore, an agreement should be reached on other issues as well, then this is a danger and sedition."

Jafari, speaking at the university, addressed the students and stressed that under these circumstances there is "a special expectation" from the college students; they should look carefully for "infiltration," follow Khamenei's guidance, and expose any "infiltration" or similar actions. However, he warned that the new methods applied to the "soft-war" against the enemies and the "internal opposition" should be pursued carefully while keeping in mind that "a physical action may backfire."

Concerning the question whether the Islamic Republic will honor the JCPOA, there is a consensus among the Iranian dissidents that the regime will violate the agreement

down the road, mainly after improving the economy and strengthening its international stand. A former regime official, for instance, assures that he has no doubt that the regime will violate the deal later on. He asserts that Iran has the knowledge and the technology and will easily violate the JCPOA as soon as it achieves its financial, regional and international goals. In his view, “the problem with Iran will not be solved by the JCPOA since this regime is an ideological one.”

Some participants are even more suspicious of the regime. A leading opposition figure, for instance, estimates that “Iran keeps now a low profile so one small section (of the nuclear facilities) can build the bomb.” According to him, this regime is dangerous for the Iranian people and for the region, and, therefore, the international community should help to change the regime by inspiring hope among the Iranian people that they are capable of bringing down the regime by themselves. This former minister suggests that if the opposition elements to the regime outside of Iran unite, it can inspire hope among the Iranian people and push for a transition period.

5. Political Challenges: Khamenei’s Succession Question

The appointment of the Supreme Leader’s successor is probably the most salient, crucial, urgent and challenging matter that surfaces in the post-JCPOA Iran. Khamenei’s health conditions and the February 2016 elections for the Council of Experts grants this complex issue, as some even refer to it as “the succession crisis,” a real sense of urgency.

The question of whether Khamenei should be replaced by a “Leadership Council” (*shoray-e rahbari*) instead of one person has been raised towards the end of 2015 mainly by the former president and one of Khamenei’s main rivals Ali Akbar Hashemi Rafsanjani. However, some participants who are familiar closely with this issue believe that the creation of a council does not have a chance “because it does not fit the mentality of the Iranian people.”

So far, several prominent figures have been pointed out as potential successors, however, none has been acknowledged or recognized widely as a qualified one. The list includes Khamenei’s own son, Khomeini’s grandson, former and current high-ranking clerics such as the former and current heads of the judiciary Mahmoud Hashemi Shahroudi and Sadegh Larijani, and President Rouhani himself. None of the participants could point at any figure as the next leader.

A leading opposition figure, who knows Khamenei personally from their shared childhood back in Iran, estimates that Khamenei lost his strength and power throughout the year 2015, especially due to his illness and the fact that the nuclear negotiations and the final agreement compromised some of his redlines. He rules out the possibility that Mojtaba, Khamenei’s son, will inherit his father, despite Mojtaba’s desire to do so, and that is due to his young age and a great animosity towards him. He asserts that based on his personal familiarity with Khamenei, Khamenei hates blood and killings as a political

tool and he chose Rouhani for the presidency since he considers Rouhani as one of the most suitable ones to inherit him in the future.

This prominent dissident points out that the IRGC “has to have a say in who will be the next leader in Iran” thus Khamenei urges Rouhani to “get along” with the IRGC. It is argued that Rouhani will have the chance to be appointed as the next leader only if he gains the people’s support. Meanwhile, it seems that Rouhani will not run for the second term without the IRGC’s backing. Some claim that the IRGC could have actually gotten along better with the former president Mohammad Khatami than with Rouhani, and in the case of a total failure of the Rouhani-IRGC relations, Khatami might be Khamenei’s successor.

According to a well-informed person, whoever has the control over the House of the Leader will determine who will be the next leader, and it seems now, the IRGC, as it currently dominates this office, is the deciding entity. The House of the Leader was not as powerful during Khomeini’s era as it is now under Khamenei. To exemplify this difference, it is said that Khomeini’s son, Ahmad Khomeini, tried to nominate himself with no success as his father’s successor for almost two years, however, the House of the Leader was not powerful enough back then and he did not have enough time. Khamenei, on the other hand, has turned his office into one of the regime’s most powerful bodies, and he himself is deeply involved in its management to the extent that he “gets into details and even asks directly the lower ranking personnel.”

One of Khamenei’s major domestic challenges in the post-JCPOA is to assure a balance-of-power between the realist-reformist and conservative-hardline camps, and to some extent, due to the success of Rouhani-Zarif team with the JCPOA, he might even have to empower the conservative-hardline one. He has to assure the hardliners that the JCPOA is not a compromise of the revolutionary principles but an act of “heroic flexibility,” and that the moderate-reformist camp does not have the upper-hand in the country. This explains Khamenei’s harsh anti-Israel rhetoric and his call for actions against Israel immediately following the JCPOA in order to emphasize that the revolutionary ideology is still guiding this regime.

The head of IRGC is vocal in his criticism of the reformist-moderate camp. He stressed that “what the enemies have been pursuing since the beginning of the revolution up to this date is that we stop our revolution. We expect this [thought] from the enemies but not from those who claim to be part of us and part of the Imam’s line. There are some who do not accept the path of revolution, resistance, and persistence.”

Jafari went further in his criticism by referring to the realists’ attitude towards the U.S. and the West and stressed that “in the new atmosphere, some of the authorities have views and tendencies of trust in the West and the Liberalism. This view has been there since the beginning of the revolution and believes that we should negotiate with the Americans on other issues as well, and his Holiness [the Supreme Leader] considers this issue the biggest threat.”

However, two veteran Iranian activists believe that the current power structure in Iran will not remain after Khamenei’s death, and, therefore, no successor will be selected at

this stage. On the other hand, another prominent dissident does not believe in the collapse of the regime under current circumstances and explains that the JCPOA has inspired some hope among the people, and, therefore, they will not revolt against the regime at this stage.

6. Post-Sanctions Economy: Curing Iran's Sick Economy

Iran's economic recovery, according to an economic expert and prominent political activist, "needs massive foreign investment which does not come automatically with sanctions relief." However, he points out, there are two groups who criticize the notion of foreign investments and undermine its significance in recovering the Iranian economy. A leftist ideologist approach criticizes this notion while ignoring the example of China, the largest communist economy, which has based its planning on attracting foreign investors, without whom modern management and productive technology transfer would have been impossible. Although unrealistic, this approach enjoys some political support in Iran, as introduced by Khamenei himself as "the Resistance Economy."

The second group asserts that all that is needed is lifting the sanctions and getting more oil income. However, in this expert's view, this is a wrong approach. "If Iran had a third of its population and five times her oil export capacity, like Saudi Arabia, perhaps she could afford an unproductive economy," but with Iran's diminishing oil income prospects, "trade income without massive foreign investment cannot put the Iranian economy back on its feet."

This group, referred to by this expert as "Putinists,"¹ to borrow from Anne Applebaum, wants strong state control of a weak private sector, with all of the latter's uncertainties and correlation with independent civil society. Oil income has been the most effective economic instrument of 'Putinism,' not just for control of the potentially independent domestic centers of the economic power, but to purchase the international influence.

According to this expert-in-exile, the framework for Iran's economic recovery has four sides and ignoring either will undermine the effect of improvement in others. This includes the macroeconomic management, the international economic relations, the judiciary, and the ownership.

With a new round of sanctions during President Mahmoud Ahmadinejad's presidency (2005-2013), Iran's oil export fell from above two to under one million barrels a day, and there was no longer a cushion against the stagflation vise of falling domestic production and monetary overhang [the excess of money supply over demand]. Although the senior economic appointments by President Rouhani shows awareness of the problem, the president has now a much greater problem, which cannot be resolved by increased oil production after the lifting of the sanctions. The problem is that "Iran's net income from a barrel of oil export, given the costs and the discounts to recapture lost markets, is one-tenth of net income at peak prices under Ahmadinejad." Rouhani's last submitted budget shows a deficit of about half of the projected government

revenue. It is impossible to close this huge gap today when oil income has fallen so drastically and unemployment runs rampant. Therefore, this analyst asserts, massive foreign investment is required for any recovery.

Iran's infrastructure and industries depend mostly on imported intermediate goods and production factors, and, therefore, its economy cannot survive in an international isolation. It is estimated that a long period is needed for the Iranian economy to become independent of the energy export. "A precipitous fall in the import of intermediate goods has decimated Iranian industrial production, from oil and gas to auto manufacturing."

Some of this shortfall was directly due to the international sanctions. For instance, a license to export a pump for injecting gas into tired oil wells would have been issued for a year in Germany. Fear of retaliatory U.S. sanctions has shortened that period to three months. By the time the increasingly difficult letter of credit is in place, often the license has expired. Some of the Chinese substitutes have proven so inadequate that even the IRGC companies maintaining the oil wells refuse to accept them. If there were eight pumps at a wellhead during the Khatami administration (1997-2005), five working and three in reserve, there might be only five left today, ready to break down anytime.

Iran's oil production capacity, at its peak before 1979, reached 6.7 million barrels a day, with a domestic consumption of seven hundred thousand b/d and an export potential of six million b/d. This expert states that Iran's production capacity has dipped today to three million barrels per day, with an export potential of only one and a half million barrels. So Iran has a quarter of the oil export capacity and well over twice the population of a year before the 1979 revolution. It will take months to increase export capacity to two million barrels.

Many other Iran's industries "were already ill with [an economic phenomenon called] the 'Dutch Disease,' contracted in a period of ultra-high oil income that was injected indiscriminately into the domestic economy, causing inflation and a free fall of competitiveness of domestic production." This prominent dissident explained that scarcity of the raw materials and the intermediate goods that must be imported has compounded the problems of industrial production. The exit of important foreign partners has added the problem of choking technology transfer, making it more difficult to keep up with the world. Renault, for instance, left Iran and took a huge loss by writing off the entire value of its business there, and their return will be cautious and slower than the pace required to avert an economic crisis unless there is a drastic shift of power from ideologues to economic realists.

However, it is stressed, that none of the factors above, impoverishing as they are, have had the devastating impact of severing Iran's banking transactions and finance abroad. Clearing Dollar-denominated Iran-related trade has virtually stopped at the Federal Reserve, and the European Union has placed severe restrictions on Euro transaction after the normal universal method of bank transfers, SWIFT, cut Iran off. Since February 2013, new unilateral U.S. sanctions force major importers of Iran's oil to block its income in a special account, to be expended only in that importing country. Since the European Union has banned oil imports from the Islamic Republic altogether, that

meant Iran could not sell oil to India, for instance, and use the proceeds to buy in Germany. But even Iran's previously earned Euro-denominated foreign exchange holdings are not left untouched.

The U.S. Senate approved in 2013 funding to constrict Iran's use of Target2, the Euro clearing counterpart of the U.S. Fedwire. This way, the Islamic Republic was thrown into the stone age of banking and was forced to use barter or move physical gold as payment for much of its foreign trade. The JCPOA and the lifting of the banking restrictions will not immediately alleviate the international banks' caution about Iran or dismissal of the large compliance staffs they have slowly put in place.

These are all indications that any solution must include a massive reform of the domestic banking and the transparency and a faster than expected access to the international financial institutions in addition to the restoration of the normal foreign trade. However, the reform of the domestic banking entails a huge loss for the revolutionary institutions which owe banks much more than the banks were allowed to lend; "cleaning up domestic banking will cause a political explosion."

Two additional obstacles in doing business in Iran involve the Agency Laws and the Islamic Shiite *Shari'a* Courts. The prejudicial exercise of the Agency Laws could change jurisdiction and introduce uncertainty in legal opinions that might have seemed to sound at the contract time. Lack of standard in the *Shari'a* Courts stems from the principle of independence of *Ijtihad*. *Ijtihad* is recognized as the decision-making process in the *Shari'a* (Islamic law) through personal effort that is completely independent of any school of jurisprudence, "where no hierarchical authority could question the judgment of a *Mojtahid* judge, no matter how contradictory with another similar judgment."

Therefore, this expert suggests, if the commercial relations inside Iran, and between the Iranian and the foreign entities are to become attractive for the potential investors, a modern standardized commercial code and a professional, independent judiciary must be firmly in place.

It is estimated that more than 70 percent of Iran's economy is controlled today by governmental or semi-governmental institutions, such as the IRGC and idiosyncratic para-state foundations, controlled directly or indirectly by Khamenei himself. Therefore, it is argued that no sizable successful business is safe from their take-over hunger and no government contract, national resource or public asset is put to commercial use "without them standing first in line," explained one person. "The astronomically high-value disputes in the labyrinth of entities controlled by these institutions are resolved by a shadowy hierarchy in the House of the Leader. Disputes that spill out of this behind-the-scenes resolution mechanism are stifled at times by Khamenei's injunction to the Judiciary or Parliamentary Committees not to 'stretch' the case."

This "ownership" pattern has damaged Iran's economy through an unfair distribution of resources and profits, and a reduction in a fair competition and starving deserving projects from internal investment. This has brought monumental managerial incompetence, with the oil industry as the most salient example. While the lavishly

funded oil and gas development megaprojects have gone to the IRGC, Iran, with the world's second largest gas reserves and a population 50 times of Qatar's population, is producing one-twentieth of the gas produced by Qatar from their common gas fields. Thus, this expert asked rhetorically, "Why would an entrepreneur waste his life building businesses that would be taken over as soon as it achieves great success, or persevere in reinvesting and building up a significant capital that paints a target on one's head?!" Therefore, to turn into an investible entity, a free and fair competition in Iran's internal and external economic relations is required.

After highlighting the requirements for improving the post-sanctions economy, this dissident points out that some analysts would say that it is impossible for the regime to implement all these requirements and remain an Islamic Republic. His response to this argument is that totalitarian regimes come to power on a wave of popularity, but eventually lose majority support since most people do not want all aspects of their lives governed by an all-encompassing ideology. As popular support dissipates, the regime must increasingly rely on force to remain in power, and that force turns ultimately into a class with its own interests. Resisting this force is sawing off the branch on which the regime is perched. Here was the "blind spot" of those communists who thought Glasnost and Perestroika could save them from slow economic demise. Khamenei, however, has stressed that he would not repeat that mistake. His first line of defense was Ahmadinejad's "Cultural Revolution" atmosphere that roused the rabble against "the thinking men" of the Islamic Republic. "But then the economic suffering got too much to be anesthetized by the fog of radicalism."

Considering the circumstances, the regime decided to bypass the fall of totalitarianism and go straight to "Putinism." However, the required reforms are far more fundamental than Khamenei bargained for, "not the least of which is a wholesale transformation of foreign relations and shift of domestic power away from ideological zealots."

According to this veteran activist, that is where the fault line lies between "Putinists" and radicals in Iran and that is the fight ahead. If the "Putinists" win, a loyal ally of Russia to the south which will manage economic underperformance in an authoritarian, but less militaristic state, should be expected. However, if the radicals win, the "Islamic Putinism" will have proved more short-lived than the real one, and chaos and economic free fall are to follow. In conclusion, Iran's road to economic recovery opens if both sides lose.

This activist considered the launch of the first major international Iran investment fund a sign that the Iranian economy is on the road to recovery. He explained that the set-up of a major "country fund" is predicated on answering a list of questions which best describe the risks and rewards of having a productive enterprise in that country. If the risk-reward calculus does not add up, it is groundless to expect increased production.

7. Unfulfilled Social Reform Promises

Most of the participants do not believe that President Rouhani has pursued so far any significant, if at all, social reform as he had promised during his presidential campaign in 2013. One of the former leaders of the student movement in Iran, who was active in Iran during the 1997 presidential campaign and supported the election of the reformist president Mohammad Khatami, believes that nothing has changed since Rouhani came to power and it is “wishful thinking” to believe that he would actually make any changes. Furthermore, he will be even weaker if he is elected to the second term presidency. Along the same line, another participant considers all Rouhani’s campaign promises for reform as “lies and scam.” He believes that Rouhani-Zarif team is much more dangerous to the West and the Iranian people than the former hardliner President Ahmadinejad.

However, in response to the criticism of Rouhani, one prominent activist referred to some of the Iranian opposition activists outside Iran as “detached from the reality.” Referring to his own opposition activities since the establishment of the Islamic Republic, he emphasizes that “those are the opportunities which are important and not the people,” and, therefore, “the people uprising is not the only way” that might bring change in Iran. In his view, “Rouhani constitutes an opportunity” for change.

A well-known media personality pointed out that “more than 90 percent of Rouhani’s promises are yet to be fulfilled.” Rouhani, in his view, has made a strategic mistake. The strategy that he adopted was a three-step strategy: first, lift the sanctions, afterward improve the economy, and at the end, implement social reforms. However, he should have pursued all these three goals simultaneously. Rouhani is indeed under pressure, and, according to this participant’s sources, “some people around him, like his nephew, might be arrested soon.” This source cautioned that Rouhani and his friends all belong to the security and the intelligence circles and thus should not be trusted.

8. International Arena: “Comeback” Iranian-Style

Iran considers the JCPOA’s international outcome as one of its major achievements. The agreement removed Iran’s international isolation, diplomatically and economically, almost immediately, and, consequently, strengthened its position in the region, as demonstrated by its recent participation in the international talks on Syria. A prominent Iranian dissident singles out three international actors which are important for the Islamic Republic in the post-agreement era: Russia, the U.S.-EU block, and Saudi Arabia.

The Iranian-Russian relations have entered a new phase following the JCPOA. During his last visit in Iran, the Russian President Vladimir Putin signed seven agreements with Iran which are claimed to increase the trade between the two countries from \$1.6 billion to \$21 billion per year. One of the most important agreements is for the export of the Iranian gas to Russia and from there to Europe and the Mediterranean Sea. No one has criticized this agreement, but the reformist newspaper *Shargh* argued that the agreement did not solve the economic problem but increased the political influence of

the Russians over Iran. In support of this assertion, one of the participants argued that Russia's strategy has always been avoiding a rapprochement between Iran and the West that might result in gas related agreements which ultimately hurt Russian interests.

An Iranian dissident familiar with the IRGC stated that Russia is highly influential in the IRGC's intelligence community, which is actually controlled by the House of the Leader. Furthermore, the Russians have a good grassroots network due to the influence of the former members of the dissolved Iranian communist "Tudeh Party" (*Hezbe Toudeh*) in the intellectual circles inside Iran, which explains the support for Russia within the Iranian society. The real "infiltration," in this dissident's view, is by Russia. These former Iranian communists are still holding anti-West, anti-U.S., and, especially, anti-Israel attitudes.

The U.S.-EU block has been supportive of the realistic-reformist team which they consider moderate. According to this dissident, "Washington supports the moderates in Iran," and although President Barack Obama's administration is pursuing a passive policy so far, not only towards Iran but towards the entire region, this was not the U.S. policy towards the 1997 Khatami's era of reform movement or the 2009 "Green Movement." The best cards that the U.S.-EU block has against the regime are the cards of human rights and terrorism. However, according to this Iranian dissident, the American administration has ignored these two cards in order to "strike a deal," and this way, "actually fulfilled Khamenei's conditions for holding the nuclear talks."

From Iran's point of view, Saudi Arabia has "replaced" Israel in the last two years as one of the most important countries for the regime. The animosity towards the Saudis is not motivated only by anti-Sunni-Wahabi sentiments but by the clashing interests in the oil market. The Saudi's low oil prices have attracted both the Chinese and the European companies and, therefore, have hurt the Iranian oil income significantly, a damage that might not be recovered easily even after the removal of the sanctions.

Iran and Saudi Arabia are conducting their "proxy wars" in Syria and Yemen, and to some extent, confronting each other directly in Iraq. The Saudis, according to this Iranian activist, blame the U.S. for its actions in Iraq in the 1990s which ultimately resulted in the expansion of the Iranian influence, especially the IRGC, over that country.

Another example of the "proxy war" between the two powers is seen in Bahrain. It has been reported recently that 36 activists were accused of terrorism and connection to the IRGC. This well-connected Iranian activist confirmed Bahrain's assertion and claims that Bahrain's freedom seekers who had begun the uprising against the rulers of Bahrain are not those who are claimed to be arrested by the local authorities. The Bahraini freedom seekers disapprove the Iranian regime and most of them have been arrested and/or exiled. Iran, in addition to its standard anti-Saudi propaganda, claims that the Saudis are training about 5,000 Sunni-Balouchis for terrorist activities.

Concerning the Iranian subversion in the region, an Iranian journalist who fled Iran a decade ago argued that one of the reasons why the Iranian regime emphasizes the chaos in the region, especially in Syria and Iraq, (where Iran is actually intensifying the

tensions and the confrontations), is to “prove” to the Iranian people that “Iran is the most stable country in the region.”

From the international point of view, the JCPOA foreshadows a change in the West’s attitude towards the Islamic Republic and its “acceptance” by the West as a legitimate power in the region. This explains why after the JCPOA Iran was invited to take a part in the international talks on the ongoing civil war in Syria. The agreement also opened the door for the Russian military intervention in Syria and impacted the Russian-Turkish relations.

Concerning Israel, the JCPOA has also been a game-changer, especially for Israel’s regional relations. Today, Israel is closer to some regional powers which share the same views, concerns and frustration due to the new international deal. It positions Israel’s relations with the West in general, and with the U.S. in particular, in “a different perspective,” since Israel considered Iran’s nuclear program an international issue, and, therefore, it was the West, in the Israeli view, which had to stop it, and not Israel.

After the West reached an international deal with Iran, the Israelis began to doubt the extent to which they can actually rely on the West. There is a consensus that Israel “should rely more on itself,” and, some even argue, that Israel may have to rely more on the relationships with those in the region who share the same views and concerns.

It is argued that the deal is a game-changer from the point of view of the Israeli-Palestinian conflict. According to this approach, the current wave of the Palestinian terrorist activities targeting the Israeli civilians, which started during the second half of 2015, is motivated by the understanding among the Palestinians that with the new chapter in the U.S.-Iran relations, the U.S. (and Iran) would focus on the ISIS and ignore the Palestinian issue. Therefore, it is argued, the Palestinians should get out to the streets, carrying out violent and even terrorist activities, in order to be heard so that the international community will not ignore their plight.

An Iranian activist who has published on the Israeli-Iranian relations believes that the Sykes-Picot architecture for the region is over and a new Middle East is emerging. The future, in his opinion, will be shaped around the natural alliances, and, therefore, the Tehran-Jerusalem axis is one for the future. This axis, backed by the U.S., will aim “to form a strategic trident of like-minded political orders rooted in convergent historic experiences, public opinions, and societal orientations.”

This optimism is cautiously shared by other dissidents. One veteran activist explained that “the Iranian *people* are in favor of Israel because the *regime* is against Israel. Therefore, Israel should focus on cultural initiatives and bring the Israeli and the Iranian people closer to each other.” However, some argue, the realist-reformist camp is not different from the conservative-hardline camp when it comes to anti-Israeli sentiments, although the American strategy has always supported an outreach for the reform-moderate camp. With regard to Israel’s concerns following the JCPOA, he stressed that Israel is a strong country and can stand alone, as it did when it bombed the Iraqi nuclear facility in the early 1980s.

Another senior activist agreed with this assertion that the Israeli-Iranian relations will ultimately be restored, however, he pointed out, “Rouhani was an opportunity but Israel focused only on the nuclear issue and ignored him.” He argued that the speeches by the Israeli Prime Minister Benjamin Netanyahu actually backfired and the Iranian people dislike Israel due to his statements. However, another dissident, who praised Prime Minister Netanyahu for his speeches, responded to this claim in the same conversation that the U.S. president Barack Obama is responsible for creating the current tension, and, therefore, should be blamed for the anti-Israeli sentiments among the Iranian people. Saying so, both the U.S. and Israel are criticized by a prominent activist that “they have forgotten the reason why the nuclear issue was so significant and that is the ideological nature of the regime.”

9. Prospects for Change

All participants believe that the ultimate goal of any Iran-related activism should be a change of the theocracy in Iran to a democracy. However, most of them believe that any uprising will fail to bring to a major change under the current circumstances. The democratic movement inside Iran, it is argued, is scared of the situation in Syria and Iraq and is terrified of a breakout of a civil war in their own country. Therefore, the activists, both inside and outside Iran, are in a “wait-and-see” position now, avoiding another “failing state.” In this context, the role of the Civil Society and the Student Movement was widely discussed by the participants.

Concerning the survival of the regime, a dissident leader estimated that nothing is functioning these days in Iran and the regime might just collapse in one day. “Iran’s problem is the Iranian people and not the foreigners or the U.S. President Barak Obama,” and what should be done, this participant prescribed, is to help the people to fight the regime, and the international community can play a great role in Iran’s future.

The regime in Iran, according to a former leading revolutionary figure, is probably one of the most sophisticated in the region. One of the reasons that the people do not succeed to defeat the regime is that the regime knows how to repress the people and how to conduct propaganda. Studies show, according to this participant, that if five percent of any society rises, then the rest of the people would join the protests and uprising.

Most assert that democratic ideas dominate the Iranian society and Iran is the only non-democratic country in the region where the democracy supporters will win if free elections are held. Only through a transition period, which would facilitate free elections based on the international standards, there is a chance for a significant change in the country. However, to prepare for this transition period, it is necessary that the elected president of Iran believes in democracy and gradually builds the foundations and facilitates some degree of freedom.

It is widely believed among the participants that various human rights violations, including the increase in the number of the executions in 2015, the arrests and harsh prison sentences of ordinary nameless Iranians for posting to social media accounts and

actions such as the missile tests, rigorous anti-Israeli rhetoric, and the Holocaust cartoon contest, are “all meant to stifle any aspirations for openings among the Iranian people as well as the international community that go beyond the economic ones.” Civil society activists elaborate that they do not see the civil society, the dissidents, and or the media as “pushing back on this in a significant way.”

Furthermore, these activists argue that the regime is winning a propaganda offensive on the nuclear deal, both at home and abroad, via all manner of fronts including the social media, the activities and initiatives of the regime’s sympathizers around the world on the college campuses or in the international media, and by “effectively playing a good cop/bad cop game with Rouhani’s foreign minister Javad Zarif becoming popular, including with civil society types, even as he justified censorship of the Internet and denies the existence of journalists in prison.”

The negative trends in Iran, particularly the dreadful economy despite the lifting of the international sanctions (given mismanagement, the plummeting price of oil, Saudi sabotage, etc.), “cannot be a reason for being hopeful about an imminent democratic breakthrough,” said one Iranian. Some Iranian activists argued that “many of the negative trends are in fact resulting in a disempowered citizenry rather than one that is pressing for a democratic change.” However, this perception is in conflict with the understanding held by some other activists that the reformist government of Rouhani and the JCPOA contribute to a certain degree of democratic developments.

When it comes to the significance of the civil society in bringing change in Iran, an activist and author of several books on Iran believes that although the civil society is necessary as a platform for ideas and political actions aimed at change in the country, it is not sufficient. “One should not overlook or underestimate the fact that the Iranian political literature has been shaped over decades by a functional coalition of leftist, religious intellectuals and Islamist forces,” he explains. This writer and political activist stresses that the key vocabulary and concepts are the work of these political forces which were the pillars of the revolution.

Furthermore, the Islamic regime has been “actively pursuing a sophisticated program of building its own civil society, with a meaningful degree of success,” according to this author. This regime-made civil society is a reality which spans all walks of the civil life, from the artistic scenes to the academia, from the media to the professional lobbying groups, from Tehran to Los Angeles.

Therefore, to bring change in Iran, a purely civil society-based strategy, no matter how necessary it is, will be insufficient. According to this participant, “successful change will come about by the synergetic combination of modern and traditional factors: civil society-based actions should, therefore, be accompanied by a charismatic figure who could instill a spirit of patriotism and mobilization.” In this two-pillar synergetic strategy, the civil society targets the most sophisticated elites while the charismatic figure essentially addresses the mass. “While the discourse of the former will be political, that of the latter will be apolitical. While the former will target the minds of the Iranian plural elites, the latter will talk to the hearts of the people. While the former will have a political discourse, the latter will have a patriotic historic message.”

It is argued that “soft power is power” and “a massive political warfare” should be waged against the regime. It should rely first and foremost on like-minded regional allies with the political will to help to bring about a change in Iran. To secure the minds, “we must target the hearts”, and, therefore, “the political warfare must also draw on artistic and cultural energies for the impact of these soft ammunitions could be significant on the massively metropolitan, Western-looking and ‘connected’ Iranian youth and women — the two main forces behind any meaningful change in Iran.”

Referring to some of the attempts by the Iranian people to bring change, a prominent political activist who took part in the 1979 revolution and was a high-ranking regime official during the first decade of the Islamic Republic, considers the Green Movement as one of the faces of the democratic movement in Iran. The Green Movement, which refers to the non-violent spontaneous post-2009 presidential elections protests in Iran, did not succeed to cross and reach different classes within the Iranian society and remained mainly in Tehran and Shiraz. During these protests, the people came out for the first time without the call of the clergymen.

A former student leader in Iran points out that many more students were active during the Khatami’s presidency compared to Rouhani’s term. It seems that the students are generally under more pressure by the reformists than the hardliners. Therefore, the former student leader recommends that “the students should not stand today in the shadow of Rouhani but stand firm and condition their support for him.”

One of the participants, who was among the student leaders who took part in the revolution, highlights the significant role that the students have been playing in Iran throughout the last 60 years in bringing changes and refers to them as “the engine for change.” He agrees with the former 1997 student leader by stating that Rouhani’s era has so far been the worst time for the student movement. Students were arrested even on Student Day in Iran in the early December 2015. Pointing out that the labor and the teacher movements in Iran are currently in a better position and shape than the student movement, it is suggested that actions should be taken in order to motivate the students to step up.

It is argued that throughout the Iranian history whenever the Iranian people were interested in a change, they first approached the clergies and the religious establishment for their guidance, support, and leadership. However, the situation today is different and “people will not come into the streets following a clergy’s call.” Therefore, it is suggested that there should be a strategy for mobilizing each section of the society, such as students, teachers, and labor unions, individually and independently, while trying to unite them through the causes, such as free elections, corruption, water shortage, air pollution, etc. Another experienced civil society activist supported this recommendation and emphasized that the strategy should be to target ordinary people in Iran for mobilization and not the intellectuals. Saying so, he stressed that “this can take place only if the regime permits a little bit of openness.”

There is a consensus among the participants that the differences between the two camps should be exploited. There is no need to support Rouhani, it is emphasized, but to utilize the opportunity and to deepen the rifts within the regime.

10. Conclusion

It is widely agreed among the participants that the Iranian regime will violate the JCPOA down the road, mainly after improving the economy and strengthening its international stand. Saying so, a long period is needed for improving the Iranian economy, on both macro and micro levels.

The appointment of the next Supreme Leader is probably the most salient, crucial and challenging matter that surfaces in Iran as the country enters a new era following the international agreement and the lifting of the sanctions. Khamenei's health grants this issue a real sense of urgency with a far-reaching impact on the internal dynamics. Furthermore, the outcome of the Majles elections provides an important opportunity for understanding the balance-of-power between the three main participants in the power struggle in the Iranian politics. It seems that the House of the Leader and the hardliners will continue to dominate the scene while limiting the reformist-realist camp's ability to affect the domestic scene by promoting socio-economic and political reforms, opening Iran to foreign influence and challenging the radical dominance. That said, the Leader will try to make the best out of the reformist-realist camp's achievements in lifting the international economic sanctions in exchange for temporary concessions on behalf of Iran in the nuclear realm.

It is important to mention that although Khamenei did not cross any of his own redlines for the deal, he allowed the negotiating team to show "heroic flexibility" on some of the other matters which were discussed. This was considered by some in the Iranian public and by many of the hardliners as crossing of the redlines and as dangerous concessions by the Rouhani-Zarif team.

It is pointed out that although the Council of Experts elects the next leader, whoever has the control over the House of the Leader will determine who will be the next leader. It appears at this stage, that the hardline IRGC, which dominates this office, is the deciding body. On the other hand, there is also a perception which claims that the current power structure in Iran will not survive Khamenei's death and that no successor will be announced at this stage.

One of Khamenei's major domestic challenges in the post-JCPOA is to assure a balance-of-power between the two camps. He has to convince the hardliners that the JCPOA is not a compromise of the revolutionary principles but an act of "heroic flexibility," and that the realist-reformist camp does not have the upper-hand in the country. This also explains Khamenei's harsh anti-Israel rhetoric and his call for actions against Israel immediately following the JCPOA to emphasize that the revolutionary ideology is still guiding this regime.

Any economic solution needs massive foreign investment which does not come automatically with sanctions relief. Any solution must include a massive reform of domestic banking and transparency and a faster-than-expected access to the international financial institutions in addition to the restoration of normal foreign trade. But the reform of domestic banking will entail a huge loss for the revolutionary institutions who owe banks much more than the banks were allowed to lend. Cleaning up domestic banking will cause a political explosion.

Furthermore, if commercial relations inside Iran and between Iranian and foreign entities are to become attractive for investors, a modern standardized commercial code and a professional, independent judiciary must be firmly in place. For Iran to become “investible,” it needs free and fair competition in its internal and external economic relations.

The JCPOA is perceived by most participants as a “game-changer.” The deal “removed the threat of a war for the Iranian people” and “gave the most to the regime at no cost to it.” All agree that it grants legitimacy to the regime and its nuclear program thereby foreshadowing a change in the West’s attitude towards the Islamic Republic. With regards to Israel, the deal has been a game-changer for its regional relations. Israel is closer today to some regional powers which share similar views, concerns and level of frustration due to the new international approach.

Social reforms are also seen as far from reality. Rouhani has not yet pursued any significant social reform, as had promised in his 2013 campaign, although he came out of the JCPOA empowered despite the power struggle between him, the hardline IRGC and their respective camps, which has substantial implications for the socio-economic and the political arenas. In this respect, some argue that the deterioration in human rights conditions in Iran during Rouhani’s era is meant to stifle any aspirations for openings that go beyond the economic ones. Others claim that Rouhani’s government and the JCPOA contribute to a certain degree of democratic developments, and it is argued that Rouhani in power is an opportunity for a change that should not be missed.

In respect to the prospects for change in Iran, there is a consensus that the ultimate goal of any Iran-related activism should be a change of the theocracy in Iran to a democracy. A considerable change will come about by the synergetic combination of modern and traditional factors: civil society-based action accompanied by a charismatic figure who could instill a spirit of patriotism and mobilization. However, most agree that any uprising will fail to bring substantial change under the current circumstances. It is argued that the democratic movement inside Iran is terrified by the possibility of a civil war breakout as going on in the region, and, therefore, is in a “wait-and-see” position now, avoiding another “failing state.”

All assert that democratic ideas dominate the Iranian society and this is the only non-democratic country in the region where the democratic values will have an upper hand if free elections are held. Only through a transition period, which would facilitate free elections based on the international standards, there is a chance for a meaningful change in the country. The international community can play a crucial role in the future

of Iran by inspiring hope among the Iranian people and supporting them to bring change in their country.

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Note

¹ Russian sociologist Lev Gudkov, Levada Center director, defines “Putinism”:

The Putin regime “recognizes the need for modernization but fears it because any transformation will be accompanied by a real risk to lose” all of the various powers and property “which it has at the present time.”

Putinism has “a quasi-paternalistic character,” reduces or degrades the public political sphere, and seeks to transform the government into “a technical apparatus for fulfilling ‘the will of the autocrat.’”

“Second, like other authoritarians, Putinism seeks to “strengthen ‘traditionalism,’ conservative interests and anti-modern orientations.” Third, because loyalty is more important than competence for both, Putinism has lowered the quality of administrative officials at all levels.

And fourth, Putinism promotes “the rapid growth of corruption, which has seized all spheres of the government structure,” a reflection of “the primitive (‘by hand’ character) of administration and the ineffectiveness of the state” and a feature that leads to even more “arbitrariness” by officials and alienation of the population.

<https://putinania.wordpress.com/2009/12/17/putinism-defined/>