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Nuclear Deal 101: Domestic and Regional Changes

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The successful negotiations of the Nuclear Deal are strengthening the Iranian government domestically and are repairing the country's reputation internationally. The forthcoming removal of sanctions is aspiring to bring economic prosperity in the country, even if this benefits Iranian elites rather than the wider population. The overcoming of distrust between Iran and the West might lead to wider negotiations on other issues in the future, especially the resolution of the Syrian Crisis and the countering of ISIS, although it is unlikely that Iran will abandon its traditional allies in the Middle East, such as Bashar al-Assad.

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After more than a decade of negotiations, a Final Nuclear Deal with Iran seems possible. Iran has agreed to cap its sensitive nuclear program and roll back parts of it, while its negotiators (U.S., China, Russia, France, U.K and Germany, namely P5+1) have agreed to remove the sanctions on Iran. The preliminary agreement outlined on April 2015 in Lausanne was followed by the final agreement on July 2015 in Vienna, and now this agreement has been approved by the US and Iranian parliaments. However, with the signing of the nuclear agreement, Iran is not abandoning a decade of efforts to advance its nuclear program, as it will retain a low level of latency and the technical knowledge, making it able to expand once again should it desire to do so. Moreover, the nuclear agreement is very important in the respect that it recognized the Islamic Republic of Iran as a sovereign nation and restored its international reputation.

The reason that Iran decided to reduce its nuclear potential is basically economic; Iran is longing for an economic revival. After all, the sanctions imposed after the Revolution of 1979 were the primary factor that prompted Iran to seek mastery in the full nuclear fuel cycle in order to be self-sufficient in energy production, and, as a result, to turn to the private market to acquire this technology.¹ The priority of Iran's current administration has been the removal of sanctions and the reintegration of Iran in the global economy. Thus, the nuclear deal and its implementation is a great victory for President Rouhani, who promised to revive the Iranian economy. New conditions are expected once economically damaging sanctions are lifted; and a sign of economic change in Iran is the foreign delegations eyeing for potential future businesses.

The imposition of sanctions has caused major suffering to the vulnerable parts of the Iranian society, and deepened class divisions. However, it is hard to say who is to benefit from the lifting of sanctions; Rouhani's economic policy so far is based on liberalization and privatization that has little benefit for the Iranian people. This situation is unlikely to change after the sanctions' removal and with the inclusion of Iran into the global capitalist system; even if the state revenue increases, the amount that will trickle down to the middle and lower parts of the population will be low.² On the other hand, elites and those closer to the centers of power are expected to retain a prominent role in Iranian economy. One such group is the Revolutionary Guards Corps (IRGC), which has been transformed to a semi-state force within the Iranian economy. As the sanctions directly targeted companies linked to IRGC-members,³ their removal will benefit them greatly. In addition, the IRGC's link to the regime and its dominance in economy - especially the construction sector- may assist them in taking the "lion's share" of the projects that the Iranian government will implement with the increased revenue from the sanctions relief. While some believe that their economic gains from the removal of sanctions will be invested in strengthening the IRGC's influence in politics, others expect them to keep much of this money and turn it into "mansions and Ferraris."⁴

As for the bazaar merchants, a group that sits between the lower and the upper classes, they have their fortunes tied to the economic well-being of the wider Iranian public. Even though their importance socially and politically has been diminished, and their centrality in the Iranian economic life has been reduced in the last 30 years, the bazaaris are likely to profit from the sanctions relief, with their ability to export Iranian goods internationally and to engage in a long-term planning of the domestic market not as restricted as before.⁵

In the Iranian political scene, the conservatives are losing ground to the moderates and the pragmatists; despite the considerable opposition for the Nuclear Deal, raised by the more conservative politicians, Rouhani's administration continued its firm conciliatory stance, which reflects the popular desire for the removal of the sanctions.⁶ The Supreme Leader, Ayatollah Ali Khamenei, offered his continued support to Iran's negotiators, managing to rein in hostile opposition.⁷ It is also noteworthy that most Iranian newspapers and websites were supportive of the deal, and many people took to the streets to celebrate the agreement on July 2015, once it was reached. While Rouhani's supporters believe that a nuclear deal will pave the way for greater domestic freedoms and human rights by strengthening the government, it is important not to read too much on the above demonstrations; Iranians desire changes

in certain aspects, such as economic improvement, but there is no particular sign of aspirations for a greater change, as people are not ready for a second “revolution”.⁸ This is made clear by Khamenei’s attitude; his support for the Iranian deal cannot be translated as a desire for any political shifts towards a more moderate Iran.

The position of the IRGC towards the Nuclear Deal is noteworthy. Within the Iranian regime, there is a wide but by no means universal consensus over the Nuclear Deal, including Guards of all ranks.⁹ While some of the latter feel threatened by the deal, as their interests in the ballistic missile and nuclear programs are being threatened, most of them support it. The reason for this is twofold: firstly because, as the rest of the country, the Guards have felt the impact of the sanctions, and secondly because some of them are likely to profit from a less economically isolated Iran.¹⁰ Nevertheless, the IRGC does not lend its full support to president Rouhani due to political calculations, as they do not wish for any domestic reforms.

How much will the Nuclear Deal affect the diplomatic scene of Iran? It will probably not result in a broader rapprochement with the West. However, President Rouhani claimed that the implementation of the deal could improve the “atmosphere of trust” between Iran and the US.¹¹ Iran is reaching a diplomatic momentum, as the negotiators have spent a lot of quality time together, and there is the possibility to inspire confidence for dealing with other issues as well. Khamenei himself had claimed earlier this year that the experience of the nuclear negotiations might open up to the possibility of negotiations on other issues.¹² Therefore, the nuclear deal has reduced tension, and the possibility of other negotiations being held is not completely off the table. The most important of these issues is the Syrian Crisis.

As regards Iran’s regional policy, it is not likely to change drastically in the aftermath of the nuclear deal. Predictions have been made that Iran will spend some of the money acquired from the sanctions relief to support their traditional Shi’a allies, such as Hezbollah in Lebanon, the Houthis in Yemen and, of course, Bashar al-Assad in Syria.¹³ What is more, it is clear that Iran is keen to assess its position as a key player in the Middle East. President Rouhani has argued that Iran is “a powerful and effective country in the region”, and that any resolution to the Syrian crisis must include Iran as well.¹⁴ It is clear that Iran has the motivation to participate in a transition that would preserve their interests in Syria, and this is the reason the Iranian Minister of Foreign Affairs, Javad Zarif, is attending the talks over Syria held in Vienna. Statements by Rouhani and Zarif show that a diplomatic solution is plausible, as they claim that the diplomatic developments offer an opportunity for peace that should be exploited. Notwithstanding, as Iran has the greater influence on the Assad regime, it is much more qualified to negotiate directly with the Syrian government.

Furthermore, there is a possibility of increased cooperation between Iran and other countries in order to contain the IS threat. Apart from being an existential threat to their Syrian ally, ISIS challenges vital Iranian interests in Iraq. Tehran is determined not to have a hostile regime in Baghdad,¹⁵ in order to prevent a renewed conflict between Iran and Iraq in the future. The diplomatic channels that opened with the Nuclear Deal and the overcoming of distrust between the West and Iran may enable a greater degree of coordination in countering the Islamic State and other militant groups such as al-Shams.

In conclusion, the Nuclear Deal is very important in its own respect. It will enable Iran to reintegrate in the global economy and bring economic prosperity in the country, which is one of the prime objectives of the current government. Politically, it strengthens the position of moderate and pragmatist politicians such as Rouhani and Zarif. On the international level, it brings Iran out of the diplomatic isolation that had been imposed to it, while restoring its international reputation. This may lead to a better understanding between the West and Iran on issues such as the Syrian Crisis, but is unlikely to lead to the shifting of the traditional alliances in the region and the removal of Iran’s support of the Assad regime in Syria.

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