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POST-NUCLEAR: THE FUTURE FOR IRAN IN ITS NEIGHBOURHOOD

ABOUT

By virtue of their confined political environments, the countries of the Arabian Peninsula and their most important neighbours often remain impenetrable to domestic and foreign observers. And yet, the evolving politics of Peninsula countries, their relationship to one another and to the wider region, pose some of the most significant and unanswered questions for the changing geopolitics of the Middle East. Gulf politics are entering the most unpredictable and volatile era since their establishment.

Understanding these new trends as they unfold will be critical if Europeans and other international actors intend to rely on the Gulf states as financial and political partners in the region. In the coming decade, the Gulf states will be irrevocably caught between aging, archaic governing models and new political and social forces beyond their control. In bringing together commentary and analysis from those observing these countries from inside and out, this series sheds light on key political debates and developments in the Gulf that have wider resonance for the region and the world.

Introduction by Fatima Ayub

Iran's president Hassan Rouhani came into office in August 2013 riding a wave of public excitement and high hopes. He has been described as a moderate palatable both to the conservative Iranian establishment and to a sceptical public – the latter still smarting from the 2009 presidential elections, which were marked by widespread violence and fraud. Rouhani's predecessor, Mahmoud Ahmadinejad, left office with a troubled economic legacy; his policies had badly undermined Iran's business dealings in the Middle East and beyond.

The centrepiece of the Rouhani presidency thus far has been the attempt to reach a deal on the nation's nuclear power programme between the P5+1 powers (the five United Nations Security Council permanent members plus Germany) and Iran. As the negotiations extend into 2015, this essay series looks at how Rouhani has fared in reshaping Iran's relations with its neighbours. This issue of *Gulf Analysis* assesses Iran's relationships with several key actors in the Middle East: Saudi Arabia, Israel, the smaller Gulf Cooperation Council (GCC) states, Turkey, and Hezbollah.

If the nuclear negotiations build on the progress made since 2013 and conclude successfully, the resolution of a decade-long standoff over the intent and scope of Iran's nuclear programme – and the eventual dismantling of stiff

American and European sanctions against Iran – will be an unqualified victory for Rouhani and his foreign policy team. Indeed, it will rehabilitate Iran's standing with the West. However, it is far less clear how the Islamic Republic can politically and economically integrate with its neighbours, where it has a mixed record – with some relationships more fraught than others. The emergence of a common threat to all of the Gulf states in the shape of the Islamic State in Iraq and Syria (ISIS) has not proved catalyst enough for regional rapprochement.

The renewed outreach and tentative bridge-building between Iran and Western powers has elicited mixed reactions in the Gulf and the wider Middle East. Certainly, the scope and nature of Iran's nuclear programme has been of most concern to the Israeli security establishment. But as we have argued before in *Gulf Analysis*, the most critical fault line in Middle Eastern geopolitics lies not between Israel and its neighbours but between Saudi Arabia and Iran, a rift that has persisted since the 1979 Islamic Revolution. This antagonism manifests itself in the destructive proxy conflicts throughout the region, most notably in Lebanon, Iraq, and Syria, but also in Yemen. In this respect, the old rivalries are alive and recent hints at new openings, such as the meeting between the Iranian and Saudi foreign ministers at the UN General Assembly in New York, have been quickly followed by a return to recriminations.

But not all Iran's relationships are so hostile. Indeed, before the more aggressive sanctions of the last decade, the European Union was Iran's first trading partner. That position now belongs to China, followed by India and Turkey. Though Saudi Arabia serves as a centre of gravity in the Gulf for the smaller Arab states in its orbit, the GCC has consistently failed to present a united front against the purported threat of Iranian political and economic dominance. Only Bahrain presents a unified front with Riyadh, deeply indebted as it is ever since Saudi Arabia intervened to preserve the al-Khalifa monarchs when it looked like the 2011 uprising might produce an Islamic Republic-style state on its border.

Saudi Arabia

Ever since the Islamic Revolution produced an alternative model of Islamist governance, the Saudi monarchy has sought to constrain any Iranian attempt to “export” revolution to Saudi Arabia and the wider Middle East. But when Rouhani was first elected, writes Saudi Arabia expert Kirk Sowell, Saudi Arabia made cautiously optimistic noises about his victory, even if they considered it carefully stage-managed. Rouhani was known to the Saudis from his tenure as intelligence director and was remembered as pragmatic; he was considered as a possible agent of transformation for his country and the region.

But summer 2013 was a less fraught time for the Gulf. Their rampant internal discord over Syria seemed to be waning, American support for Saudi interests seemed safe, and Iran

was more isolated than ever. The Kingdom's cautiously welcoming view of the new Iranian president would evaporate in short order, most dramatically with “the” phone call between the United States' President Barack Obama and President Rouhani in September 2013, just weeks after the latter's inauguration. All at once, the prospect of Western – and especially American – rapprochement with Iran was not a fantastic pipe dream but an imminent possibility.

Ultimately, the concern in Saudi eyes is that the US might trade its Gulf partners for an Iranian one as easily as it was perceived to have traded its former allies in Egypt for the Muslim Brotherhood. And therein lies an even deeper fear among the Saudi political and security establishment: that Iran, Turkey, and other states friendlier to the Brotherhood within the GCC such as Qatar could form a new alliance against it. Again, the fear is likely exaggerated: the US and Europe have invested billions in military bases, economic ties, and political influence in the Gulf states over the last three decades and that legacy is unlikely to unravel quickly.

Nonetheless, since last summer, Saudi Arabia has appointed Muqrin bin Abd al-Aziz as deputy crown prince, while King Abdullah and Crown Prince Salman are becoming increasingly infirm. Moreover, it effectively moved key security portfolios from veteran intelligence chief Bandar bin Sultan to Mohammad bin Nayef, who was formerly responsible for counterterrorism. Both are signs that the Kingdom is looking to shore up the sources of stability within its borders and in the region. Other gestures – invitations for state visits between Tehran and Riyadh, or the appointment of a new Iranian ambassador to Riyadh – are superficial; genuine rapprochement is a long way off, irrespective of Iran's political rehabilitation in the West. But while the Kingdom despairs of America's distracted engagement in the region, it has not actively undermined the negotiations, and its focus has been more on the Islamist threat closer to home, that posed by radical Sunni Islam.

Israel

Israelis are also sceptical to varying degrees about whether Rouhani's election heralds a new moment or simply a change of window dressing. The extension of the talks into mid-2015 is confirmation of the establishment view that Iran is successfully playing for time in its quest to develop nuclear weapons. Shlomo Brom, a researcher at Tel Aviv University, writes that in the eyes of Israeli observers the carefully managed vetting process of Iranian elections means that no candidate can stray too far from the confines set by the Supreme Leader, who controls the key security and foreign policy organs. Is allowing for a more moderate presidency itself a decision of Ali Khamenei to preserve the stability and future of the Islamic Republic?

Israeli analysis and opinion is divided into two camps. The first argues that the Iranian president and the Supreme Leader are performing a good cop/bad cop routine and do

not subscribe to the notion that Rouhani might constitute a departure from Ahmadinejad's legacy. Others in the policy community take a more expansive view, arguing that while Rouhani does not represent revolutionary change, he might pursue managed reform and new directions both at home and in the region. The latter view does not carry much weight in the government; if anything, Prime Minister Binyamin Netanyahu prefers a narrative that places Iran alongside ISIS on the extremist spectrum.

For Israelis, assessing whether the launch of serious and sustained diplomacy between the P5+1 and Iran will be effective depends on whether one believes Rouhani is a pawn or an agent in his own right. The dominant camp in government hold to the view that the Joint Plan of Action agreed on in November 2013 yielded too many concessions to Iran, and opposes almost any realistic nuclear deal and especially its presumed corollary: Iranian regional and global re-integration. So too has the international and regional response to ISIS strengthened concerns about US-Iranian cooperation to constrain the mutual threat.

But while political opinion is divided on the merit of the nuclear talks, there is near consensus in Israel on Iran's negative regional role, especially its support to non-state armed actors hostile to Israel such as Hezbollah and Hamas, as well as concern that Iran has outmanoeuvred the West militarily and strategically in Syria. Rouhani is widely viewed as not being in the driver's seat of Iranian security policy.

The leadership-majority camp in Israel, sceptical of progress in nuclear talks, is therefore aligned with Saudi views on this issue. Though quiet cooperation with the Saudis has increased, any prospect of public normalisation between Israel and the Gulf is off the table unless Israel makes genuine compromises for the creation of a Palestinian state (and normalisation is not quite incentive enough for this Israeli government to contemplate such a step).

If the nuclear talks collapse, expect the Israeli government to re-up its case for enhanced sanctions and US-led military threats against Iran. If an agreement is reached, Israel can be expected to complain but nevertheless will have to live with it. In the meantime, Israel was relieved that 24 November saw an extension of talks and not a deal, and busily got back to work preventing further progress in P5+1 relations with Iran, this time with a Republican US Congress in tow.

The smaller GCC states

In contrast to Saudi Arabia, the smaller GCC states have had, on the whole, a less antagonistic relationship with Iran. Even though the *raison d'être* since the establishment of the GCC has been collective defence against Iran, in reality that role has been outsourced to the US and most of the GCC states have had functional if somewhat distant relationships with the Islamic Republic. In his chapter on the GCC states,

Andrew Hammond points out that while Saudi Arabia may have failed to forge a united front against a rising Iranian threat, the Gulf littoral states will nonetheless look to the US for affirmation before pursuing closer ties.

Though the United Arab Emirates (UAE) aligns most closely to Saudi Arabia in regional policy – and especially in opposing the Muslim Brotherhood – Dubai in particular has a lucrative economic relationship with Iran. Within the Emirates, Dubai has lost sway to Abu Dhabi. Nonetheless, it is no surprise that Rouhani's administration has tried to prioritise the rejuvenation of economic ties with the UAE. And the UAE in turn has been more conciliatory towards Iran at a time when elsewhere in the region it is embarking on a more punitive and interventionist foreign policy.

In this respect, Qatar is even more intimately tied to Iran. The country's current wealth and the soft-power empire it has built with it derives from shared ownership with Iran over the world's largest gas field. Maintaining a healthy relationship with Iran to prevent any threat of seizure of the North Dome field is of paramount strategic importance to Qatar, which has long sought to chart a foreign policy independent of Saudi Arabia. For this, it has been the target of unprecedented public anger from its GCC partners.

In Oman, Iran has its strongest Gulf ally. Here geopolitics trumps everything – Oman shares sovereignty with Iran over the Straits of Hormuz, the main chokepoint for approximately one-fifth of all petroleum traded on global markets. Moreover, Oman constantly seeks to keep conservative Saudi influence in its religious and social fabric at bay and maintains a polite political distance as well. This was illustrated in Muscat's secretly hosting direct talks between Iran and the US last year that ultimately yielded a breakthrough in the nuclear negotiations; the capital was also the site of the penultimate meeting of the P5+1 negotiators with Iran in November 2014. Nonetheless, Oman is not wholly immune to the sensitivities of its neighbours, or indeed of the US, and like the UAE, it will wait for American approval before embracing the deeper economic and commercial ties that the Rouhani administration has been offering.

Kuwait, too, is engaged a balancing act when it comes to Iran. With a large Shia minority, the government is disinclined to engage in any of the sectarian baiting that has become more prevalent throughout the region in the last three years. At the same time, it has more closely adhered to Saudi Arabia's policies in Bahrain, Syria, and Egypt. Numerous Kuwaiti officials and clerics are tied to funding jihadist and sectarian positions. Nonetheless, Emir Sabah al-Sabah was the first Kuwaiti ruler to visit Tehran in May 2014, and a bilateral agreement over trade and movement between Iran and Kuwait was signed in September 2014.

Turkey

A regional power in its own right, Turkey does not suffer from the same regional paranoia as its Gulf counterparts. Since the secularist taboo of engaging with the Islamic Republic was broken in the late 1990s, Turkey has forged impressive political and economic links with Iran. Islamist Prime Minister Necmettin Erbakan raised eyebrows when he made Tehran his first foreign destination after election in 1996. But it was the subsequent secularist government led by Ahmet Sezer that developed security and economic ties with then-president Mohammad Khatami's government in 2002.

Since then, the two countries have seen a massive expansion of trade ties and security cooperation, most notably in countering Kurdish separatist movements on their borders. Even the grip of sanctions has not diminished the strength of the Ankara–Tehran economic ties, and between 2002 and 2013, total trade between the two rose from \$1 billion to above \$14 billion. In a June 2014 visit to Istanbul, Rouhani and former Prime Minister Recep Erdoğan agreed to boost these figures still further.

But Turkey expert Ziya Meral argues in his contribution that the trust built over the last decade and the mutual benefit from trade has not created aligned political priorities in the wider Middle East. The tensions preceded the Arab Awakening of 2011 but have grown in its wake. At the outset of the revolutions in the Arab world, Turkey and Iran were ostensibly on the same page and sought to capitalise on the rise of new Islamist political players. For Turkey in particular the outcomes have been extremely poor; the Muslim Brotherhood with whom Turkey's ruling Justice and Development party shares its roots saw only the briefest rise in its fortunes in Tunisia, Egypt, and Libya before being beaten back with varying degrees of suppression. In Syria, Turkish and Iranian aims have been at odds with Iran successfully supporting the regime of Bashar al-Assad whose government Turkey opposes. With the threat of instability on its own borders and the huge economic cost to Turkey in supporting the Syrian refugee community, more serious fallout with Tehran might have been expected.

Somewhat surprisingly, then, the two countries have not suffered a dramatic breakdown in their diplomatic relationship. Rouhani's presidency may not have heralded a departure from earlier policy on Syria, but Turkey's growing security fears over the expansion of ISIS may do more to shape its relationship with Iran going forward than a successful nuclear agreement.

Hezbollah

Another relationship unlikely to witness much change in the coming years is that between Hezbollah and Iran. As a non-state political and paramilitary organisation, Hezbollah relates to the Islamic Republic as a *demandeur*

rather than as an independent bilateral agent. French expert on Hezbollah Aurelie Daher writes that Rouhani's election raised questions about whether a more moderate presidency in Iran would create more distance between itself and the Hezbollah leadership as was witnessed during Khatami's time. Yet the critical difference between then and now is, of course, the Syrian war and both Hezbollah and Iran's commitment to the survival of the Assad government.

Despite the fall in support for Hezbollah during the administrations of Akbar Hashemi Rafsanjani and Mohammad Khatami and the suspension of state subsidies to the group, the religious and political loyalties between Hezbollah and the Supreme Leadership since its creation are the critical link in the relationship. The war with Israel in 2006 proved an opportunity to strengthen ties with then-president Ahmadinejad, who actively embraced the anti-Western, anti-Israel cause of Hezbollah. When the Lebanese government refused direct offers of rebuilding assistance after the war, Iran in turn channelled the funds directly through Hezbollah, which was a political boon to the organisation as it took credit for charity and reconstruction efforts in the war-torn south.

In Syria, Hezbollah fights as much to protect its own future as it does to support Iranian strategic aims. On one level, Hezbollah has been fighting Sunni jihadist factions that Iran deems to be a threat to Lebanese Shia communities near the border and to areas strategically important to the Assad regime. On another, its fighters have been most present in specific zones that it needs to control in order to ensure that Iran can continue transferring arms to Lebanon. Lebanon is an arena in which the ISIS threat has led to greater cooperation by rival local groups that in turn has been blessed by the external actors, including Iran and Saudi Arabia. Neither Hezbollah nor Iran wants to own the fight against ISIS, but their prominent role is designed to ensure their interests in any future power-sharing agreements in Syria.

What follows the nuclear talks?

Despite much speculation about a new trajectory of Western relations, the early phase of the Rouhani presidency has been characterised more by continuity than change. The prospect of an Iran less internationally isolated may not be welcome among hardliners in Riyadh, Jerusalem, or even Tehran, but not even those most vigorously opposed have managed to derail the P5+1 process. To date, both the P5+1 and Iran have managed to divorce the nuclear negotiations from the alarming downward spiral in Iraq and Syria, for better and for worse.

Whatever the outcome of the now extended nuclear talks, this post-Rouhani election moment of uncertainty and repositioning prevails in the region vis-a-vis Iran. The Western desire to make the struggle against ISIS the point of departure for greater regional cooperation will continue

to bump up against competing goals and interests in Syria. Despite Iran's attempts to reach out to the Gulf states and stabilise its relationship with Turkey, the headline tensions with Saudi Arabia and Israel remain despite some efforts to mend ties with the former. The ongoing conflagration in Syria will remain the major stumbling block to improved relations in the neighbourhood, as neither the backers of the regime nor the opposition display any sign of changing their objectives.

A future nuclear deal should strengthen Rouhani domestically, enable greater engagement with the West on regional files, and accelerate nascent Iranian regional outreach. But the presidents in both Washington and Tehran will continue to face serious domestic political challenges on this issue, ensuring that movement will be slow – as witnessed by the decision on 24 November to again postpone deadlines. Such challenges are likely to increase in the coming months of negotiations as hawks in both capitals will feel vindicated in their criticism of tentative diplomatic re-engagement. Israel shows more interest in derailing detente than in using it to address its own concerns with Iran, while for Saudi Arabia suspicion still dominates. But managing the regional response to the nuclear talks whatever the outcome, at a time when Western powers are again militarily deployed in the neighbourhood, will be a key challenge for the duration of Rouhani's presidency.

Saudi Arabia and Iran: Rouhani fades as Riyadh focuses on containment

Kirk H. Sowell

When Hassan Rouhani was elected president of Iran in June 2013, the initial reaction within the Kingdom of Saudi Arabia was cautious optimism. Developments at the time in the region showed some encouraging signs for the Saudis – the United States' position on opposing Iranian nuclear and regional ambitions appeared solid, President Bashar al-Assad's resilience looked shaky, and relations within the Gulf Cooperation Council (GCC) felt more united.

But each of these elements appeared to shift over the following year. The decision by Saudi Arabia, Bahrain, and the United Arab Emirates to withdraw their ambassadors from Qatar in March 2014 was the culmination of a growing conviction that the regional balance of power was shifting against them, and that Qatari support for political Islam was a serious threat. Rouhani's reformist outreach, the US-Iran provisional nuclear deal last November, and Turkey and Qatar's prioritisation of political Islam over the fight against Iran were all worrying developments. Above all, Saudis feared that the US was conspiring to reset its regional relations with Iran and to accept Iran's regional role in exchange for a compromise on the nuclear issue.

Saudi Arabia's view of Rouhani has evolved from one of guarded but nonetheless clear optimism, to fear and anger against the US in late 2013, to a more measured approach in 2014. The Saudis have begun to accept that the nuclear negotiations track is, for the time being, sufficiently tough on Tehran, but they despair of American indifference to the threat of Iranian regional expansion, which the Saudis, in contrast to the US, view as the key issue.

A brief moment of optimism

Saudi views on Rouhani's presidency, determined by senior royals and expressed most directly through official media, have evolved. Domestic newspapers are not royally owned in most cases, but they are tightly regulated. One of the key papers owned by a Saudi royal is the London-based *Asharq Al-Awsat*, the flagship publication of Saudi foreign policy. Its chairman is Faysal bin Salman bin Abd al-Aziz, the son of Crown Prince Salman.

In an environment in which official thinking is not often openly put forward, there is no better weathervane for the opinions of the Saudi elite than the writing of Abd al-Rahmad Rashid, a long-time editorialist (and former editor) for *Asharq Al-Awsat*. On 17 June 2013, Rashid penned the article, "Greetings to Our Old Friend Rouhani". Rashid wrote that Rouhani, when he was director of Iranian intelligence

in the 1990s, signed an accord with the late Saudi interior minister, Naef bin Abd al-Aziz, agreeing to drop support for the “Saudi Hezbollah” and to begin security cooperation.¹

On 20 June, Turki al-Dakhil, a writer who also has a TV programme on the Saudi-owned *Al-Arabiya*, gave the Rouhani presidency a positive preview in *Al Riyadh*. Dakhil recounted Rouhani’s campaign promise to work more closely with Saudi Arabia. While he warned against excessive optimism, he noted that “Rouhani’s promises remind us of the presidency of Mohammad Khatami, and that indeed was a period of greater calm in which Saudi-Iranian relations were developing.”² In an op-ed in Saudi Arabian daily *Okaz* on the same day, Fahim Hamid wrote of “Rouhani’s Keys”. He praised Rouhani’s choice of a key as the symbol of his campaign: “he would win in the first round and open the minds of the new generation, a strong measure of the people’s desire for change, moving from the extremism of the past period to the moderation of the new.”³

Caught off guard: Saudi Arabia sours on Rouhani

On 22 September 2013, Abd al-Rahmad Rashid asked the question: “Rouhani: Lamb or Wolf?”⁴ Rashid answered the question with a telling qualification: “Personally, I doubt Rouhani’s ability, and perhaps his intentions, to change this regime which is up to its ears in hostile acts toward the Gulf and the West. We see a regime trapped in a corner, and the trap will tighten ever more the closer it gets to its nuclear goal.”

Then, on 27 September, Obama and Rouhani spoke by phone. This changed Rashid’s reading: he described it as “The Phone Call That Shook the Middle East”. Now it was the Gulf that was cornered: “Without the support of the United States, and we have supported a firm line against Iran, the countries of the Middle East cannot defend themselves against Iran without weapons, whether nuclear or traditional, and so what Obama has done has set the stage for a new age of conflict in the region.”⁵

On 21 November, Rashid wrote, “Where Did Obama Go Wrong on Iran?” He suggested two possibilities. The first endorsed the popular theory that the US was trading Syria to Iran in exchange for Iran’s nuclear weapons: “Iran agrees to give up nuclear weapons in exchange for a free hand in the region”, while the US would back away from its alliance with the Arab gulf states. The second possibility was that the US

would “agree to allow Iran to complete its nuclear programme but with a guarantee not to use them”. This would lead to the same result: Iran would feel empowered and would become even more aggressive in the region. All of this expressed Saudi’s core concern: Iran’s regional expansion.⁶

US-Iran: Trading Arab countries for nukes?

On 24 November 2013, the P5+1 reached a landmark nuclear agreement with Iran. The agreement provided for a six-month package of further limitations and reversals in Iran’s nuclear programme in exchange for a mild easing of specific economic sanctions.

Saudi views of the agreement were as negative as their opinions of the Obama-Rouhani phone call. *Al Riyadh* highlighted a speech by Rouhani that reiterated Iran’s right to enrich uranium as well as its intention to continue doing so. According to London-based pan-Arab daily *Al-Quds Al-Arabi*, Riyadh attempted to obtain a role in the negotiations, a proposal put forward by former intelligence director Turki al-Faysal. Iran rebuffed the effort. When Iran’s Foreign Minister Mohammad Javad Zarif made a tour of the Gulf in November, Saudi Arabia was left out.⁷ According to *Al-Quds Al-Arabi*, the Saudis rejected Zarif’s visit. Saudi diplomats emphasised that they were concerned about Iran’s intervention in Arab countries, which, it was claimed, continued unabated.⁸

Obama visited Saudi Arabia to meet with Saudi Arabia’s King Abdullah bin Abd al-Aziz on 28 March 2014. In the run-up to the visit, Saudi commentators converged on a conclusion: Saudi Arabia had for a long time depended on the US to protect its interests in the region, but this era seemed to be coming to an end. Dakhil, the talk show host, framed the change in terms of American weakness. In a piece titled “Putin’s Games, Obama’s Speeches”, Dakhil wrote: “It is clear that Iran and Russia are moving slowly toward their goals.” He concluded, “Indeed the world is being formed anew, Iran harbours the will, Russia facilitates its agenda against our interests in the gulf, and what is needed now is political consciousness and steadfastness in the face of Iran and Russia’s hostility.”⁹

Fears converge: Iran, Qatar, and the Muslim Brotherhood

The dramatic announcement on 5 March that Saudi Arabia, Bahrain, and the UAE were withdrawing their ambassadors from Qatar was months in the making. The decision was

¹ Abd al-Rahmad Rashid, “Greetings to Our Old Friend Rouhani”, *Asharq Al-Awsat*, 17 June 2013, available at <http://classic.aawsat.com/leader.asp?section=3&article=732703&issueno=12620>.

² Turki al-Dakhil, “Rouhani’s Promises... Do You Believe Them?”, *Al Riyadh*, 20 June 2013, available at <http://www.alriyadh.com/845289>.

³ Fahim Hamid, “Rouhani’s Keys”, *Okaz*, 20 June 2013, available at <http://www.okaz.com.sa/new/Issues/20130620/Con20130620612738.htm>.

⁴ Abd al-Rahmad Rashid, “Rouhani: Lamb or Wolf?”, *Asharq Al-Awsat*, 22 September 2013, available at <http://classic.aawsat.com/leader.asp?section=3&article=744207&issueno=12717>.

⁵ “The Call that Shook the Middle East,” Abd al-Rahman Rashid, *Asharq Al-Awsat*, 30 September 2013, available at <http://classic.aawsat.com/leader.asp?section=3&issueno=12725&article=745063#.VHwovsn4Z2R>

⁶ Abd al-Rahmad Rashid, “Where Did Obama Go Wrong on Iran?” *Asharq Al-Awsat*, 21 November 2013, available at <http://classic.aawsat.com/leader.asp?section=3&article=750941&issueno=12777>.

⁷ “Iran Rejects Participation by Gulf States in Nuclear Negotiations”, *Al-Quds Al-Arabi*, 10 December 2013, available at <http://www.alquds.co.uk/?p=112584>.

⁸ “Saudi Sources: Riyadh Refuses to Accept Visit from Iranian Foreign Minister”, *Al-Quds Al-Arabi*, 28 November 2013, available at <http://www.alquds.co.uk/?p=108715>.

⁹ Turki al-Dakhil, “Putin’s Games, Obama’s Speeches”, *Okaz*, 3 March 2014, available at <http://www.okaz.com.sa/new/mobile/20140303/Con20140303681427.htm>.

taken based on concerns about Qatar's support for the Muslim Brotherhood and, especially from Saudi Arabia's point of view, Qatar's relationship to Iran.

Iran's relationship with the Muslim Brotherhood is complicated. The two are in conflict in Syria, but Iran has been close to the Egyptian and Jordanian branches of the Brotherhood, and even more so to the Palestinian Hamas. To many, the two forces of political Islam seem symbiotic. As the Saudi-aligned Lebanese writer Radwan al-Sayyid put it in *Asharq Al-Awsat* after Egypt banned the Brotherhood last autumn: "Iran is a nationalist state that uses Shiism to project its interests, to destroy Arab and Muslim societies. And the Egyptian Muslim Brotherhood uses jihadists to justify their legitimacy."¹⁰

With the united Gulf front disappearing, Saudis saw the formation of a new coalition: Iran with Qatar and Oman, plus a "significant rapprochement with Turkey", as *Asharq Al-Awsat* put it on 19 March. "Iran, with its 'Rouhani' face, seeks to use the current environment to create an Arab-Islamic front, centred on itself, with Turkey, Qatar, Oman, Iraq, and India, and seeking to include Kuwait. And against that is a front including Saudi Arabia, the Emirates [which in fact is much less hostile to Iran than the Saudis], Bahrain, Pakistan, and Jordan."¹¹

Rouhani had visited Oman one week earlier, and an *Okaz* op-ed showed how in Saudi eyes he had gone from "old friend" to Safavid expansionist. The writer suggested that Rouhani's efforts to split the GCC showed that he truly headed a "Safavid government" – a term that Saudis use to compare Iranian foreign policy to the pre-modern Safavid imperial state which imposed Shia Islam on Persia.¹²

After months of false starts and misleading leaks about Saudi-Qatari reconciliation, in November the two polar opposites of the GCC finally reached an agreement on the return of ambassadors to Doha in exchange for what the Saudis believed to be firm concessions in terms of Qatar's Islamist activism. The deal was sealed in an unofficial summit in Riyadh on 16 November hosted by King Abdullah bin Abd al-Aziz.¹³

A more balanced role in 2014

Two changes in the Saudi leadership structure in early 2014 related to broader changes to Saudi regional policy. One was the replacement of Bandar bin Sultan as intelligence chief in February, and in particular as the Saudi royal responsible

for the Syria file, by Mohammad bin Nayef (a functionary took over as intelligence director, but media commentary uniformly reports that bin Nayef was the true successor).¹⁴ Given his responsibility for counterterrorism at the interior ministry, this change implies increased concern on the part of the Saudi leadership about the threat of domestic blowback from Saudi jihadists returning to the kingdom from Syria.

Indeed, Saudi Arabia's Syria policy in 2014 seemed aimed at doing just enough to stay in the game, in contrast to the full-throttled push to overthrow Assad over the previous two years. In the south, the Saudis worked with the Jordanians and the US to shore up a "Southern Front" under a new Syrian commander.¹⁵ The aid has been sufficient to ensure that "accepted" rebels could hold quasi-parity with the al-Qaeda-affiliated Jabhat al-Nusra, but insufficient to shift the balance of power against Assad. And in the north, the Saudis backed "Harakat Hazm" with weapons, but the Saudi-based training programme for them had produced an underwhelming 150 fighters as of October (this in a conflict in which many individual rebel groups have thousands of fighters).¹⁶ The Saudis also appear to have backed off support of Zahran Alloush's "Army of Islam", which through early 2014 was the primary Saudi-backed Salafist group.¹⁷

The de-escalation in Syria, combined with a prioritisation of pressuring Qatar's pro-Islamist policies and full support of Egypt's anti-Islamist drive under Abdel Fatah al-Sisi suggests a theme – a prioritisation, at least in the short term, of defeating Sunni Islamists over the regional sectarian struggle with Iran.

Another key change was the elevation of Prince Muqrin bin Abd al-Aziz to the position of deputy to the crown prince, which is especially notable now because he was Bandar's predecessor as director of intelligence. Considering the fragile health of both King Abdullah and Crown Prince Salman, Muqrin's ascension answered a key question about internal stability – and about the efforts to put off the issue of succession to the "third generation" of Saudi princes who might be king, one of them being bin Nayef. But the move also appears to have foreign policy implications, as *Middle East Online* suggested Muqrin was behind the move toward

¹⁰ Radwan al-Sayyid, "The Banning of the Egyptian Muslim Brotherhood in Egypt and The Evidence for It", *Asharq Al-Awsat*, 27 September 2013, available at <http://classic.aawsat.com/leader.asp?section=3&article=744724&issueno=12722>.

¹¹ "Rouhani and His View of the Gulf", *Asharq Al-Awsat*, 19 March 2014, available at <http://www.aawsat.com/home/article/59471>.

¹² Abdullah al-Sultan, "Rouhani and the Hard Trial", *Okaz*, 17 March 2014, available at <http://www.okaz.com.sa/new/Issues/20140317/Con20140317684767.htm>.

¹³ "Riyadh Summit Ends Split with Qatar and Brings About Return of Ambassadors", *Okaz*, 17 November 2014, available at <http://www.okaz.com.sa/new/issues/20141117/Con20141117735273.htm>.

¹⁴ "From Bandar bin Sultan to Mohammad bin Nayef: Where is Saudi Arabia Going?", *Al-Akhbar*, 21 March 2014, available at <https://www.al-akhbar.com/node/203050>.

¹⁵ "The Opening of a New Southern Front with Saudi-Jordanian-American Coordination", *Al-Haqiqa*, 25 May 2014, available at <http://www.alhkeka.com/?p=7516>.

¹⁶ "Return of First Syrian Brigade from Saudi-American Training Programme", *Al-Khaleej Affairs*, 11 October 2014, available at <http://alkhaleejaffairs.com/main/Content/%D8%B9%D9%88%D8%AF%D8%A9-%D8%A3%D9%88%D9%84-%D9%81%D9%88%D8%AC-%D8%B3%D9%88%D8%B1%D9%8A-%D9%85%D9%82%D8%A7%D8%AA%D9%84-%D9%85%D9%86-%D8%A8%D8%B1%D9%86%D8%A7%D9%85%D8%AC-%D8%A7%D9%84%D8%AA%D8%AF%D8%B1%D9%8A%D8%A8-%D8%A7%D9%84%D8%A3%D9%85%D8%B1%D9%8A%D9%83%D9%8A-%D8%A7%D9%84%D8%B3%D8%B9%D9%88%D8%AF%D9%8A-%D8%A5%D9%84%D9%89-%D8%B3%D9%88%D8%B1%D9%8A%D8%A7>.

¹⁷ There does not appear to have been a clear break, but there has been a notable drop-off in Arabic sources referencing Alloush's group as "Saudi-backed" after about the middle of the year. Lacking adequate means of military support, Alloush was even forced to tacitly accept a partial ceasefire with the Assad government in October. See "Delegation from Duma Visits the Capital with Blessing from Jaysh al-Islam Leader Alloush", *Rai al-Youm*, 19 October 2014, available at <http://www.raialyoum.com/?p=167383>.

a more “moderate” approach.¹⁸ Although talk of a direct role by Muqrin has not surfaced recently, the pragmatic line has held.

Similarly, but along a different track, in late April Saudi Ambassador to Iran Abd al-Rahman al-Shihri met with the former Iranian president, Akbar Hashemi Rafsanjani, who has in the past spoken out for more friendly relations with Iran’s Arab neighbours. Pictures of the two meeting, including one of Shihri kissing Rafsanjani on the forehead, were widely circulated in Saudi sources online.¹⁹

On 23 July, Iran appointed a new ambassador in Riyadh, Hussein Sadiqi, who previously served as ambassador to Saudi Arabia during Mohammad Khatami’s presidency.²⁰ This came just three weeks after Rafsanjani publicly called for greater cooperation between Iran and Saudi Arabia to counter “extremism” in the region, mostly in Iraq, in light of recent advances by jihadists there.²¹ In addition to having served as ambassador to Kuwait and the UAE, Sadiqi has also headed the Gulf Region section in Iran’s foreign ministry, and one of his duties in that capacity involved interacting with Kurds and with Shia leaders in Iraq in 2004.²²

A thaw but no rapprochement

The 69th United Nations General Assembly meeting, which took place the week of September 23, seemed set to be the culmination of the Saudi-Iranian thaw. On 26 August, Saudi Foreign Minister Saud al-Faisal had held an unexpected meeting with Iranian Deputy Foreign Minister Hossein Amir Abdullahian in Jeddah, framed as a discussion around the two countries’ common interest in fighting the Salafi-Jihadist “Islamic State” organisation.²³ And then in New York, at the UN, Saud al-Faisal held an unprecedented meeting with his counterpart, Iranian Foreign Minister Zarif, a meeting that Iranian media heralded, but Saudi media did not.²⁴

Whatever the Saudis may have hoped to get out of the exchange, it does not appear to have turned out well from their point of view. After raising hopes of a real rapprochement, Saud al-Faisal followed up the meeting with a general assembly speech that focused on condemning the Syrian government.²⁵ Three weeks later, in a press conference with German Foreign Minister Frank-Walter

Steinmeier, Saud al-Faisal used even stronger language, demanding that Iran withdraw its “occupying forces” from Syria.²⁶

Yet a measured Saudi reaction to the failure of nuclear negotiations to achieve a breakthrough and their extension on 24 November suggests that Riyadh is not returning to the panicked response of late 2013 after Obama’s infamous phone call with Rouhani. In addition to the absence of a royal rebuke, op-eds in the official media suggest the Saudi establishment is convinced that, while Iran gains some room from the extension, the 5+1 group has the upper hand. Three separate columnists, writing on 27–28 November in *Asharq Al-Awsat*, gave a neutral-to-positive read to the state of the negotiations, concluding that the current deal took more from Iran than it offered.²⁷ And Gulf media emphasised that Saud al-Faisal had met with John Kerry (in Saud’s plane in Vienna where the talks were being held) and the US secretary of state had informed him of the contents of the negotiations.²⁸

An *Al Riyadh* op-ed that did criticise the extension, “Deals by the Onlookers!”, emphasised Iran’s regional agenda and noted the irony that, while the Arab gulf was threatened, the West was not really threatened by Iran – and nonetheless it was negotiating and making deals with Iran.²⁹

Riyadh seems increasingly sceptical that the American administration will hold fast to its favoured Iran policy, and is instead trying to speed up the GCC’s common defence capability. Bahraini Foreign Minister Khalid al-Khalifa announced a new effort on 30 October, saying that the joint command, based in Saudi Arabia, would coordinate between the naval command based in Bahrain, and the air command, which is already in Saudi Arabia.³⁰

The initial hesitant optimism with which Riyadh greeted Rouhani’s election has faded. Saudi policy in any case operates within a set framework that in its basic parameters changes only very gradually and cautiously. This may help explain the unsteady reaction to changes in Iran, which are themselves in a testing period.

18 “Saudi Arabia and Iran in Secret Negotiations in Musqat”, *Middle East Online*, 26 February 2014, available at <http://www.middle-east-online.com/?id=171923>.

19 For example, see “Saudi Ambassador to Iran Kisses Hashemi Rafsanjani”, *Al Mawsd*, 25 April 2014, available at <http://bit.ly/1pg8AVP>.

20 “Iran Nominates Old Ambassador New Ambassador to Riyadh”, *Al-Arabiya*, 23 July 2014, available at <http://bit.ly/1r9KaPe>; “Prince Al-Walid bin Talal Gives Best Wishes to Saudi Ambassador”, *Al Riyadh*, 5 February 2007, available at <http://www.alriyadh.com/222500>.

21 “Rafsanjani Calls for Cooperation Between Iran and Saudi Arabia to Counter ‘Extremism’ in the Region”, *Rasd* 24, 6 July 2014, available at <http://www.rasd24.net/newsdetails.aspx?id=1175817>.

22 “Sadiqi Denies Plan to Offer Exile to Sadr”, *Al Riyadh*, 16 April 2004, available at http://www.alriyadh.com/Contents/16-04-2004/Mainpage/POLITICS_22817.php.

23 “Prince Saud Al Faisal Meets with Abd al-Luhayan to Discuss the Extremist Threat in the Region”, *Elaph*, 26 August 2014, available at <http://www.elaph.com/Web/News/2014/8/935239.html>.

24 “Meeting of Crisis Managers in New York to Lead to a New Alliance Against the Islamic State? And Why did Iran Advise the Meeting and the Saudis Keep Silent?”, *Rai al-Youm*, 22 September 2014, available at <http://www.raialyoum.com/?p=156107>.

25 “Saudi Foreign Minister to UNGA: No Solution in Syria Without Withdrawal of IRGC and Hezbollah”, *Rai al-Youm*, 28 September 2014, available at <http://www.raialyoum.com/?p=158576>.

26 “Saud al-Faisal: Iran Must Withdraw Occupation Forces from Syria, Iran, and Yemen”, *Alama Online*, 14 October 2014, available at <http://www.alamatonline.net/l3.php?id=118954>.

27 See “Extension of Talks... Is There a Winner and Loser?” *Asharq Al-Awsat*, 27 November 2014, available at <https://www.aawsat.com/home/article/230941/%D8%AF-%D8%B3%D9%84%D8%B7%D8%A7%D9%86-%D9%85%D8%AD%D9%85%D8%AF-%D8%A7%D9%84%D9%86%D8%B9%D9%8A%D9%85%D9%8A/%D8%AA%D9%85%D8%AF%D9%8A%D8%AF-%D8%A7%D9%84%D9%85%D8%A8%D8%A7%D8%AD%D8%AB%D8%A7%D8%AA-%D9%87%D9%84-%D9%85%D9%86-%D8%B1%D8%A7%D8%A8%D8%AD-%D9%88%D8%AE%D8%A7%D8%B3%D8%B1%D8%9F> and “Vienna, Tehran, Continuing the Attrition”, *Asharq Al-Awsat*, 28 November 2014, available at <https://www.aawsat.com/home/article/231631/%D9%85%D8%B5%D8%B7%D9%81%D9%89-%D9%81%D8%AD%D8%B5/%D9%81%D9%8A%D9%8A%D9%86%D8%A7-%D9%80-%D8%B7%D9%87%D8%B1%D8%A7%D9%86-%D8%AA%D9%85%D8%AF%D9%8A%D8%AF-%D8%A7%D9%84%D8%A7%D8%B3%D8%AA%D9%86%D8%B2%D8%A7%D9%81>.

28 “Secretary Kerry Informs Saudi Foreign Minister of Content of Talks with Iran”, *Kuwait News Agency*, 23 November 2014, available at <http://www.kuna.net.kw/ArticleDetails.aspx?id=2410224&Language=ar>.

29 Yusuf al-Kuwilit, “Deals by the Onlookers!”, *Al Riyadh*, 24 November 2014, available at <http://www.alriyadh.com/997044>.

30 Simeon Kerr, “Gulf States Launch Joint Command to Counter ISIS and Iran”, *Financial Times*, 30 November 2014, available at <http://www.ft.com/intl/cms/s/0/ea160466-7890-11e4-a33c-00144feabdc0.html>.

Israel's response to Rouhani's Iran

Shlomo Brom

Observers in Israel, both inside and outside government, were as surprised as observers elsewhere when Hassan Rouhani won a landslide victory in the first round of Iran's presidential elections on 14 June 2013. Their surprise was rooted in a firmly held belief that the real decision-maker in Iran was the Supreme Leader Ali Khamenei, who, they thought, determined all domestic as well as foreign policy issues. After Khamenei's troubled experience with the presidency of Mohammad Khatami and the crisis that followed the 2009 elections, it was generally assumed that Khamenei and the organs of power that he controls, particularly the Revolutionary Guards (IRGC), would deliver a victory for a conservative candidate more to their liking. Though this time, it was thought, they would do so more subtly than in 2009, so as to limit the chances of a repeat of 2009's widespread protests against the result of the elections.

In Israel, there were two lines of thought on the result of Iran's elections. The first was that Khamenei and the conservatives were surprised by the size of Rouhani's victory in the first round and that the magnitude of the win ruled out their plan to manipulate the results in a second round. When the votes were counted, they had no choice but to accept the result so as to avoid another public outcry against perceived fraud, as happened in 2009.

The second line of thinking was that the result was actually masterminded by Khamenei himself. In this scenario, Khamenei decided to change course after the unsuccessful presidency of Mahmoud Ahmadinejad, which was characterised by poor economic management and biting economic sanctions against the Iranian nuclear programme. Khamenei understood that these dead-end policies had caused a serious rift within the Iranian public, creating a threat to the long-term survival of the regime. So, Khamenei wanted a more moderate president to implement this change of course.

Rouhani: President or pawn?

These two scenarios reflect the two competing responses in Israel to Rouhani's election: the first that nothing has really changed in Iran, and the second that Rouhani's election represents an opportunity for real change. Israeli officialdom consistently puts forward the first view; the idea is most prominently promoted by Prime Minister Benjamin Netanyahu and by his minister of defence, Moshe Ya'alon. They argue that the only thing that is new in Iran is the serious impact that sanctions are having on the Iranian economy. The regime is being forced to make cosmetic changes to its policies towards the West in an effort to have the sanctions lifted. After the P5+1 and Iran agreed on 24

November 2014 that that substantial progress achieved in the nuclear talks justifies their further extension, the Israeli government's perception of Rouhani did not change. It still believes that it reflects Iranian delaying tactics aiming to achieve further sanctions relief and more concessions from the P5+1 on the nuclear deal.

The proponents of this perspective believe that the Iranian regime is not prepared to make real changes in its policies on four key fronts: its nuclear programme; its negative attitude towards the West; its regional policy aimed at expanding Iran's influence or so-called hegemony, in part through the use of armed proxies and terrorism; and its oppressive domestic policies. Rouhani is a loyal servant of the regime that selected him for the presidency. The only difference between him and Khamenei is a smiling face. Netanyahu is the chief exponent of this line. In his speech at the UN General Assembly on 1 October 2013, he called Rouhani "a wolf in sheep's clothing, a wolf who thinks he can pull the wool over the eyes of the international community".¹

The other response, which is more common among government experts and think tanks, is more nuanced and even a bit more hopeful.² In this reading, Rouhani's election reflects the Iranian people's opposition to the policies of the regime and may present a real opportunity for domestic change and for a resolution to the crisis over Iran's nuclear programme. However, it does not constitute revolutionary regime change. The proponents of this view agree that Rouhani is an organic and effective member of the regime – but they believe that, precisely because of his status as an insider, he stands a better chance of changing some of the regime's policies than did his predecessors. Khamenei has faith in his loyalty and his intentions and does not perceive him as a threat to the regime. The decision to extend the nuclear talks did not give new impetus to this school of thought because it was not clear whether the talks had achieved real progress.

On the other hand, according to this view, Rouhani is sincere in his desire to change the relationship between the regime and the West, because he believes that a change is essential for the survival of the Islamic Republic. The republic cannot survive without public support, and that support cannot endure unless the regime delivers more economic prosperity and more personal liberties. As a confidant and an old hand of the regime, he knows he cannot deliver on all fronts in parallel because the system may suffer an overload. Therefore, he will first focus on the more pressing problem: the economy and the sanctions. For that reason, it can be assumed that Rouhani will not change the Iranian government's attitude towards Israel.

¹ Tom Watkins, "Netanyahu: Iranian president is 'wolf in sheep's clothing'", CNN, 2 October 2013, available at <http://edition.cnn.com/2013/10/01/world/meast/israel-netanyahu-iran/>.

² For example, an article published by INSS, a think tank that has a continuous dialogue with the government, reflects a more positive and hopeful position on Rouhani's election: Ephraim Kam, "Hassan Rowhani's Election as President of Iran: Initial Assessments", INSS, 16 June 2013, available at <http://www.inss.org.il/index.aspx?id=4538&articleid=5140>. The same institute has published a number of articles defending the Joint Plan of Action and arguing for giving a chance to the P5+1 nuclear negotiations with Iran.

Responses to nuclear diplomacy

Israel's policies towards Rouhani's Iran since the elections have mostly been dominated by the paradigm of "Rouhani as a wolf in sheep's clothing". However, they have also been occasionally influenced and moderated by the other paradigm of "let's give Rouhani a chance".

A typical example of these two paradigms at work is the reaction to the interim nuclear agreement between the P5+1 and Iran in November 2013, the so-called Joint Plan of Action. The Israeli government's initial reaction to this agreement was extremely negative: the agreement was described as a total sell-out. It was argued that lifting even some of the sanctions against Iran would create a momentum that would lead to the eventual collapse of the sanctions regime even if a final agreement were not concluded. Under the agreement, Iran also received confirmation of its right to enrich uranium. The Israeli government said that Iran would cash in on this in the next stage of the nuclear negotiations. Iran would not have to make any real concessions since it was allowed to retain its existing centrifuges as well as a relatively large inventory of low-enriched uranium. With these, Iran could break out to a military nuclear capability whenever it decided to do so.

Israel also interpreted the agreement as an indication that the P5+1 was willing to agree to a final deal that would leave Iran with breakout capability, and that, eventually, Rouhani would succeed in getting from the West with his smiles what the tough policies of Ahmadinejad could not achieve – and without making any real concessions.³ That was coupled with a feeling that the West, led by the United States, is weak and helpless against the shrewd Iranians, especially the ones who smile. The West is desperate to reach an agreement with Iran at any cost so as to avoid the ramifications of military action against Iran's nuclear programme.

In time, this highly charged rhetoric was partially replaced with less extreme and more nuanced assertions. One reason for the shift was a growing awareness that Israel's extreme and panicky reactions were only hurting its prospects of influencing the policies of the US and the other P5+1 members. It was also a result of domestic Israeli criticism, which urged the Israeli government to recognise the positive achievements of the interim agreement and the improved chances of reaching an acceptable final nuclear deal.⁴ The official Israeli position is that any such deal should not allow Iran to produce any enriched fissile material. However, in practice, the Israeli political and security community, and possibly Netanyahu himself, understands that an agreement that does not allow some enrichment in Iran would be impossible. So Israel's real purpose is to curb enrichment

and limit inventories of enriched material in Iran to a level that would prevent Iran from initiating a rapid breakout to nuclear weaponry. That means extending the estimated breakout time to two to three years, from its present estimate of several months.⁵

Netanyahu seems emotional when he talks about the Iranian nuclear programme negotiations. It might be that he is reacting out of frustration and fear that the P5+1 will sign off on an agreement that is perceived as bad in Israel, and that Israel can only encourage the US Congress to derail the agreement. The military option is likely off the table. It would be unimaginable for Israel to attack Iran's nuclear programme if Iran has signed an agreement with the US and the other powers and is continuing to abide by the agreement.

During the last rounds of the negotiations in Vienna, Netanyahu's main concern was that a "bad" deal leaving Iran with a breakout capacity would be concluded. For that reason, he campaigned mainly in the US against such a deal indicating that he prefers extension to a bad deal. When the parties decided on extension, one could almost hear the sigh of relief from Jerusalem.⁶ Whereas the response to the Joint Plan of Action agreement in 2013 had been very negative, the extension was almost welcomed. It reflected the view that, during the ten months of the interim agreement, Iran has complied well and that the sanctions regime has held better than most in Israel expected a year ago.

Iran's role in regional armed conflicts

Israel's attitude and actions have also been influenced by Iran's activities elsewhere. Iran under Rouhani has continued its traditionally hostile relationship with Israel and with other parties in the Middle East. The first area causing tension is Syria, where Iran has continued its intervention in the ongoing civil war. Although there is no consensus in Israel on the outcomes in Syria that would be desirable for Israel, there is a tendency to consider the Syrian civil war in the context of the conflict between Israel and Iran and its proxies. From this perspective, many in the Israeli security community believe that Iran is winning.⁷ Under Rouhani, Iran continues its determined support for the Assad regime no matter what the cost in terms of innocent human lives and suffering. Here again, the West seems weak and helpless. The scope of Rouhani's influence over Iran's Syria policy is not much discussed in Israel, because according to the dominant paradigm, Khamenei rather than Rouhani is setting Iran's foreign policy. Iran's intervention

⁵ Ben Caspit, "Israel makes its case on Iranian enrichment", *Al-Monitor*, 9 May 2014, available at <http://www.al-monitor.com/pulse/originals/2014/05/susan-rice-chuck-hagel-visit-israel-iran-nuclear-talks.html>.

⁶ William Booth, "Israel greets extension of Iran nuclear talks with relief", the *Washington Post*, 24 November 2014, available at http://www.washingtonpost.com/world/middle_east/israel-greets-extension-of-iran-nuclear-talks-with-relief/2014/11/24/8a4ba206-73e6-11e4-a5b2-e1217af6b33d_story.html?wpisrc=nl-headlines&wpm=1.

⁷ Ben Caspit, "Israel recognizes Assad's staying power", *Al-Monitor*, 21 January 2014, available at <http://www.al-monitor.com/pulse/originals/2014/01/israel-strategy-syrian-border-bashar-assad-king-of-jordan.html>.

³ See, for example, Barak Ravid, "Netanyahu: Iran nuclear deal endangers Israel, we will defend ourselves", *Haaretz*, 24 November 2013, available at <http://www.haaretz.com/news/diplomacy-defense/.premium-1.559781>.

⁴ For example, Amos Yadlin, "The Geneva Agreement: Neither a 'Historic Agreement' nor a 'Historic Failure'", INSS, 27 November 2013, available at <http://www.inss.org.il/index.aspx?id=4538&articleid=6047>.

in Syria is considered as validation of this paradigm and Rouhani is unlikely to affect Iran's policy towards Syria. The rise of ISIS (the Islamic State in Iraq and Syria, later also called IS) and the US military intervention against it has not affected Israel's basic approach. Though some may now view a disintegrated Syria ruled in part by jihadist groups as a greater threat than an extension of the Assad regime's rule, it does not make most Israelis more sympathetic towards Iran. On the contrary, there is concern that the growing co-operation between the US and Iran will lead the US to make more concessions to Iran on the issues important to Israel – Iran's nuclear programme, Iran's expanding influence in the Middle East, and Iran's assistance and operation of its anti-Israeli proxy groups, Hezbollah and Palestinian groups.

Another cause of tension is Iran's continued efforts to supply weapons to non-state actors engaged in or threatening terrorism against Israel. That includes its attempts in collusion with Syria to supply weapons to Hezbollah that could serve as game changers in Lebanon. As a result, Israel initiated air attacks against these weapons shipments. The last of these attacks took place in Lebanon as recently as February 2014, and it was preceded by an attack in Syria one month earlier.

Even worse from Israel's point of view was Iran's resumption of its attempts to smuggle weapons to the Palestinian organisations in the Gaza Strip, which also necessitated the violation of Egyptian sovereignty in Sinai. In fact, Iranian weapons-smuggling to the Gaza Strip almost stopped at one point because of the worsening relationship between Iran and Hamas after Hamas refused to support the Assad regime and its leadership had to leave Damascus. But soon enough, Iran strengthened its relationship with other armed groups in the Gaza Strip, especially the Palestinian Islamic Jihad (PIJ), and resumed supplying arms. On 5 March 2014, the Israeli navy captured a ship in the Red Sea coming from Iran bearing a load of long-range rockets. The intention was to offload the rockets in Sudan and smuggle them through Egypt to the Gaza Strip.⁸ After violence erupted in the Gaza Strip between 8 July and 26 August, Iran continued to pledge support to the groups fighting Israel in Gaza and even threatened to smuggle weapons to these groups in the West Bank.⁹

New realities and choices

The sense that Iran is duping the US and the West with regard to its nuclear programme and its Syria policies has generated the impression that Israel shares with the Gulf states, and especially with Saudi Arabia, a common concern and a sense of betrayal and disappointment with the Obama administration. The Israeli system is not as susceptible to

conspiracy theories as is Saudi Arabia, where such theories are spreading widely. Nobody in Israel believes that the US is going to replace its traditional allies with the Islamic Republic of Iran. However, the rise of ISIS raises the concern of Israel that the US will be willing to make concessions on the nuclear file of Iran and its support for anti-Israeli terror organisations to facilitate better co-operation with Iran in the fight against IS. Anyway, the shared concern in both places is reflected in reports of a dialogue between Israel and Saudi Arabia regarding possible co-operation against the common threat of Iran.

On co-operation with Saudi Arabia, Israel's foreign minister, Avigdor Lieberman, said in April 2014: "For the first time there is an understanding there that the real threat is not Israel, the Jews, or Zionism. It is Iran, global jihad, Hezbollah [the Shiite Lebanese militant group], and al-Qaeda. There are contacts, there are talks, but we are very close to the stage in which within a year or 18 months it will no longer be secret, it will be conducted openly."¹⁰ It seems that Lieberman wanted to exploit for political gain the new "spirit" in the Saudi approach by exaggerating the implications of this new atmosphere. Secret Israeli contacts with Gulf states are not new, and the probability of formal open talks between the sides is still very low. The developments since this statement was given only fortified the feelings in Israel of a broad scope of shared interests with Saudi Arabia, which, with the ascent of IS, is playing the role of an important regional player also in the fight against Islamic extremism. Israel is also pleased by Saudi Arabia's strong stance against the Muslim Brotherhood and is exploiting these shared antipathies to claim that IS and Hamas, the Palestinian branch of the Muslim Brotherhood, are of the same brand.

Unless progress is made in the Israeli-Palestinian negotiations, concerns over the public backlash in Arab public opinion will constrain any substantive co-operation between Arab states and Israel. This is one key reason that the Arab League, and Saudi Arabia in particular, was willing to push the Palestinian leadership to restart the now defunct negotiations: these states would like to see this obstacle to co-operation with Israel removed. At the same time, interest in future co-operation or normalisation with Arab states does not seem to be enough to make the Israeli government willing to change its position on negotiations, although there were resumed calls by important public Israeli figures to accept the Arab Peace Initiative, originally called the Saudi Peace Initiative, as a basis for dialogue with the Arab world on settling the conflict with the Palestinians.¹¹ Normalisation is not valued so highly in Israel. As yet, there has been no debate in Israel about the implications for the relationship between Saudi Arabia and Israel of recent Saudi

⁸ "Israel halts 'weapons shipment from Iran'", *BBC News*, 5 March 2014, available at <http://www.bbc.com/news/world-middle-east-26451421>.

⁹ Ariel Ben Solomon, "Iran vows to send arms to West Bank in response to drone", *Jerusalem Post*, 24 August 2014, available at <http://www.jpost.com/Arab-Israeli-Conflict/WATCH-Iran-displays-Israeli-drone-allegedly-shot-down-near-nuclear-facility-372206>.

¹⁰ Gianluca Mezzofiore, "Israel 'holding secret talks with Saudi Arabia and Kuwait' says Lieberman", *International Business Times*, 14 April 2014, available at <http://www.ibtimes.co.uk/israel-holding-secret-talks-saudi-arabia-kuwait-says-lieberman-1444735>.

¹¹ The last case was a call by Shabtai Shavit, a former director of the Mossad, in an article he published in the Israeli daily *Haaretz* on 22 November 2014, available at <http://www.haaretz.co.il/opinions/.premium-1.2491235>.

gestures towards opening a dialogue with Iran. Having said that, Saudi public figures have lately become bolder in meeting Israeli personalities and in risking publication of these discussions, something that was once entirely taboo.

From Israel's point of view, the real test of Rouhani's presidency will be the negotiations on the full nuclear agreement of the P5+1. If an agreement is not concluded even after the new extension of the negotiations and if the reason is deemed to be Iranian intransigence, then Israel's opinion that nothing has really changed in Iran will be vindicated. Under those circumstances, Israel will resume its threats of attacking the Iranian nuclear programme and will push the US and the other Western powers to resume and expand the sanctions regime. If an agreement is concluded but is perceived by Israel to be a bad agreement and a capitulation to Iran, Israel may feel vindicated but will find it difficult to do anything about it. But if an agreement is made that the Israeli policy community can agree is reasonable, even if they are unenthusiastic about it, then Israel will have to reconsider its perception of and attitude to the Rouhani presidency.

The United Arab Emirates, Qatar, Oman, and Kuwait: The Gulf front weakens

Andrew Hammond

Hassan Rouhani's ascendancy and the resulting breakthrough in nuclear talks were unexpected developments. The extension of the negotiations into 2015 gives some Gulf states more time to adjust to Iran's return to the fold, yet only Saudi Arabia has actively engaged in efforts to delay or otherwise influence the talks. The shift has allowed the smaller Gulf states to break a pattern of tense relations that ran against the grain of the historical social and economic ties between Iran and its Gulf neighbours. Relations between the Gulf littoral states and Iran are complicated by proximity, the Gulf states' small size, and a history of migration. During the past decade of international tension over Iran's nuclear programme, as the United Nations, the United States, and the European Union sanctioned the Islamic Republic, the Gulf states' policies have also hardened. In more recent years, even when relations between the states of the Gulf Cooperation Council (GCC) were otherwise strained, on policy towards Iran the Gulf states drew closer to Saudi Arabia – the torchbearer of Gulf hawkishness on Iran.

After all, the GCC was formed in 1981 in direct response to the threat that Gulf rulers felt in the wake of the Iranian revolution and the Iran–Iraq war, which had repercussions in Saudi Arabia and Bahrain as Shiite communities pressed for more rights. In the ensuing years, the US developed an elaborate military presence in the region in defence of its geostrategic allies. A growing fear of US disengagement with the region is at the core of the Gulf states' current position towards Iran. Washington will protect its Gulf allies from a direct military threat, but as the US tries to pivot towards China, it wants to encourage the Gulf countries to resolve their own differences, both among themselves and with Iran.

UAE: Reigning in Dubai, aligning with Saudi Arabia

Despite a territorial dispute with Iran over the Trucial States since the United Arab Emirates' independence in 1971, the diversity of interests within the UAE's seven ruling families has militated against a hostile relationship with the Islamic Republic. Dubai, in particular, has developed strong commercial ties with Iran, and a sizeable portion of its Emirati citizenry are Iranians, Arab-Iranians, or Arabs with Iranian citizenship. Ethnic Persians account for approximately 10 percent of Dubai's population of two million, and 8,200 Iranian businesses as well as 1,200 trading companies operate in the state. Trade between Dubai and Iran tripled between 2005 and 2009 to \$12

billion.¹ The Emirate of Sharjah was most concerned with the islands dispute, but Abu Dhabi has more recently assumed responsibility for the issue in its role as the seat of the federation.

This move in part reflected a new activism in UAE foreign policy, borne of its burgeoning economic power after the death of Sheikh Zayed bin Sultan al Nahyan in 2004 and the succession of his son, Khalifa bin Zayed al Nahyan. In 2010, the UAE ambassador to Washington, Yousef al-Otaiba, when asked about a potential military strike against Iran, suggested the UAE would be supportive: “If you are asking me, ‘Am I willing to live with that versus living with a nuclear Iran?’, my answer is still the same: ‘We cannot live with a nuclear Iran.’”² Dubai came under pressure from Abu Dhabi and the US to fall into line over Iran, amid reports that Dubai was offering a continued lifeline to Tehran as a sanctions buster. Abu Dhabi’s \$20 billion bailout of Dubai after its spectacular fall during the financial crisis in 2009 provided Abu Dhabi with new leverage to demand that Dubai rigorously enforce sanctions on commercial transactions and smuggling.³

In April 2014, Iran appointed Alireza Bahrani as the new consul general in Dubai covering Dubai and the Northern Emirates of the UAE. Bahrani has visited the rulers of the different emirates in an attempt to rejuvenate economic and commercial ties.⁴ And Iran’s Foreign Minister Javad Zarif went to Abu Dhabi in April to activate previously signed deals. “Trade could go through the roof if Iran opens up. There are already hundreds of companies registering in Turkey with Iranian partners,” a government adviser in Abu Dhabi says.⁵ There have also been discussions between Iran and the UAE on resolving the islands dispute. Despite Iran’s efforts, there is little likelihood of substantial changes until the nuclear talks reach a breakthrough and the sanctions regime is slowly dismantled – which could clearly take time, given the US Congress’s hawkishness. Yet it was instructive that when the UAE published a “terror list” of proscribed groups in November 2014, Lebanese Hezbollah did not feature, though it was on a similar list published by Saudi Arabia earlier in the year – a sign of the lower status that conflict with Iran and its proxies has now acquired for Abu Dhabi. The focus was almost entirely on groups believed to be linked to the Muslim Brotherhood, including research centres and advocacy groups based in the West, and Salafi jihadists fighting in Syria. The UAE’s enthusiastic embrace of the US campaign against the Islamic State group has also helped push the Iranian issue further down the agenda.

Qatar: A balancing act

Ever since Sheikh Hamad bin Khalifa replaced his father in a bloodless 1995 coup, Qatar’s guiding philosophy has been to establish its independence from Saudi Arabia. This means that Doha is not interested in Saudi instructions on how to deal with Iran. Its disinclination to fall in line with Saudi policy has been starkly evident in the foreign policy arena over the past decade, as Qatar supported Hezbollah in its war with Israel in 2006 and Hamas in its conflict with Israel in Gaza in 2008. In 2007, the Qataris even invited Iran’s President Mahmoud Ahmadinejad to attend a GCC summit in Doha, without telling the other rulers in advance.⁶ Qatar made Doha and its pan-Arab channel Al Jazeera an open house for Islamists, Arab nationalists, and other opposition figures. Meanwhile, Qatar bought itself superpower support by hosting US CENTCOM and other US forces after they quit Saudi Arabia in 2003 and, for a time, allowing an Israeli trade office to operate in Doha.

A policy of non-aggravation with Iran fitted with Doha’s desire, then, to set itself apart from Riyadh and to reflect what it considered the populist sentiment on the Arab street. Arab Islamist movements, such as the Muslim Brotherhood in Egypt, Hamas in Palestinian territories, and Ennahda in Tunisia, do not in general share Saudi Arabia’s or Wahhabism’s distaste for Iran, though Brotherhood cliques in the Gulf itself have taken a more hawkish position because of the prevailing political and ideological environment. Qatar’s own soft approach to its neighbour is largely explained by its shared ownership with Iran of a vast natural gas field. Qatar’s wealth and the polity it has created since 1995 is entirely dependent upon the shared North Dome Field, which, as Western diplomats in Doha point out, could be seized by Iran with ease. In US diplomatic cables released by WikiLeaks, Qatar’s foreign minister of the day, Hamad bin Jassim, bluntly tells his American interlocutors that Qatar has no particular love for the Iranians but has to be pragmatic in dealing with them.⁷

Qatar’s leadership has sought to present itself as a mediator between the US and Iran. Doha has even welcomed Oman’s mediating role between the US and Iran because it believes that any rapprochement will be a drawn-out process, which would in future offer more opportunities for Qatar to present itself as a country that can facilitate dialogue. Doha’s actions in receiving Taliban members released from Guantanamo in return for a US hostage being freed in Afghanistan also illustrates how Doha has sought to position itself as a constructive regional partner. It is a sign of this independence from Iran that Doha’s anti-Assad policy in Syria has not led to any notable increase in tension with Tehran.

1 “UAE Foreign Policy: Nuclear power for Peaceful Purposes”, UAE Ministry of Foreign Affairs, available at http://mofa.gov.ae/mofa_english/portal/bo74766a-5507-43c7-9beb-3155a52e25b5.aspx.

2 Ian Black, “UAE ambassador backs strike on Iran’s nuclear sites”, the *Guardian*, 7 July 2010, available at <http://www.guardian.co.uk/world/2010/jul/07/uae-envoy-iran-nuclear-sites>.

3 Kambiz Foroohar, “Dubai Helps Iran Evade Sanctions as Smugglers Ignore U.S. Laws”, *Bloomberg*, 25 January 2010, available at http://www.bloomberg.com/apps/news?pid=newsarchive&sid=av5smiYe_DDA.

4 “Iranian, UAE Officials Confer on Ways to Develop Ties”, *Fars News Agency*, 23 April 2014, available at <http://english.farsnews.com/newstext.aspx?nn=13930203001337>.

5 Comment to author, April 2014; name withheld.

6 See, for example, Simon Henderson, “Unwanted Guest: The Gulf Summit and Iran”, The Washington Institute, 7 December 2007, available at <http://www.washingtoninstitute.org/policy-analysis/view/unwanted-guest-the-gulf-summit-and-iran>.

7 “Qatar: Balancing Geographic Interests with Iran, Strategic Interests with U.S.”, WikiLeaks, 9 July 2009, available at https://wikileaks.org/plusd/cables/09DOHA442_a.html.

Of his country's dealings with Iran, one Qatari observer said: "The majority doesn't care, there is a minority that is worried, and a third group who are interested in an opening with Iran. But everyone knows that Iran will not give up on the nuclear weapon option as a religious and nationalist tenet of faith for Iran. As for the majority who live in Qatar, most of whom are over two million non-Qataris, they do not care about the issue either."⁸ Among the ruling elite, however, as a senior Western diplomat based in Doha says, "the move to bring Iran into the mainstream has been welcomed in Qatar".⁹ In recent years, Saudi Arabia, and to some extent the smaller Gulf states, have sought to bring a resistant Qatar in line with the Western trend of isolating Iran. But were Iran to become an accepted regional and global player, it's reasonable to assume that Qatar would be able to return to its preferred position of maintaining comfortable equidistance between Saudi Arabia on the one hand and Iran on the other.

Oman: Disinclined to distance itself

Oman's leader, Sultan Qaboos bin Said, assumed power in a UK-backed coup in 1970 against a father whose determination to cut Oman off from the world had turned both citizens and the colonial power against him. However, Qaboos has continued a similar policy of "isolation-lite". In contrast to Saudi Arabia's majority Wahhabism, a large segment of Oman's population are of the Ibadi denomination, including the Sultan himself. Oman has striven to keep Saudi-driven Wahhabism at bay, especially in view of the inroads that Wahhabi Salafism has made in neighbouring Yemen – which was one reason for the rise of the insurgent Houthi movement and the conflict between Salafis and Houthis in Yemen today.

Saudi Arabia has made more sectarian noises about Oman in recent years, irritated at its close ties to Iran. For example, the prominent cleric Sheikh Mohamed al-Arefe, who has over nine million followers on Twitter, told Dubai TV in 2013 that Muslims should not pray with Ibadis. A UAE spy ring was discovered in Oman in 2011, in what was clearly a UAE attempt to find out what the "weakest link" in the Gulf chain was doing with Iran.¹⁰ Admittedly, Qaboos is still grateful to Iran for its decisive help during the time of Mohammad Reza Shah Pahlavi in ending the Dhofar Rebellion in 1975. And even after Iran's Islamic Revolution in 1979, Oman saw itself as a bridge between the Gulf Arabs and Iran, which was essential for Muscat because it shares sovereignty over the Strait of Hormuz with Iran. Iran is not the bogeyman for Oman that it is for the other Gulf states, and Iran's courting of the country has consequently been much more pronounced.

Muscat sponsored the ceasefire talks between Tehran and Baghdad during the Iran–Iraq War, so it was no surprise that it also sponsored the backchannel talks between Washington and Tehran – behind Riyadh's back – that led to last November's nuclear breakthrough. Muscat was again the host for talks in November 2014 as the teams approached their second deadline for a deal. In the WikiLeaks documents, Oman's Foreign Minister Yusuf bin Alawi said that a nuclear-armed Iran would not constitute a destabilising force for the region, in stark opposition to the positions of Saudi Arabia and the UAE.¹¹ Oman and Qatar have developed quiet but significant business ties over the past decade (for example, Qatar's Ooredoo mobile operator owns the majority of shares in Oman's Nawras telecommunications company) and, like Qatar, Oman also made sure to offer its services to the US so as to protect itself against both Saudi Arabia and Iran. Since 1980, Oman has granted the US military access to its air bases and ports. And, in 2012, US Secretary of State John Kerry went to Muscat to further discussions on the sale of the \$2.1 billion Terminal High Altitude Area Defense missile system (THAAD), which is intended to link the GCC states' defence systems in an effort to contain Iran. Since 2007, talks have slowed on Iran supplying natural gas to an Omani liquefaction plant during the years of the nuclear crisis, and Oman has also benefitted from the sanctions as the authorities turned a blind eye to extensive smuggling.

Since Rouhani came to power, Iran has announced \$4 billion worth of projects in Oman, including a gas pipeline deal that was sealed during a Rouhani visit in March and a massive hospital project.¹² The Iranian ambassador in Muscat began holding weekly press briefings with Omani journalists – unprecedented in a country where the media is tightly controlled – and regularly used the platform to announce Iranian investment projects, until he announced a bridge project across the Strait of Hormuz as a sign of "peace and friendship between Iran and Oman, other GCC countries and Yemen".¹³ For Saudi Arabia, bridge projects are always a bridge too far; similar talk of projects between Bahrain and Qatar and Qatar and the UAE has been shut down over Saudi anger. Oman immediately denied that there was any agreement to build a bridge to Iran, and the weekly briefings came to an end. Former President Mahmoud Ahmadinejad first raised the possibility of a bridge project in 2005, but Omani fear of blowback continues to stall the proposal. Still, Oman and Iran held joint naval measures in April, a bold move in the current environment.¹⁴

⁸ Comment to author, June 2014; name withheld.

⁹ Seminar, June 2014; name withheld.

¹⁰ "Oman uncovers 'spy network' but UAE denies any links", *BBC News*, 31 January 2011, available at <http://www.bbc.co.uk/news/world-middle-east-12320859>.

¹¹ "Oman – FM's Views on Iran Issues", WikiLeaks, 7 December 2009, available at https://wikileaks.org/plusd/cables/09MUSCAT1067_a.html.

¹² Joao Peixe, "Iran–Oman Natural Gas Pipeline to Begin Operation in 18 Months", *OilPrice.com*, 12 September 2013, available at <http://oilprice.com/Latest-Energy-News/World-News/Iran-Oman-Natural-Gas-Pipeline-to-Begin-Operation-in-18-Months.html>; Simeon Kerr and Najmeh Bozorgmehr, "Iran's Hassan Rouhani seals gas deal during visit to Oman", *Financial Times*, 13 March 2014, available at <http://www.ft.com/intl/cms/s/0/8bdfdaa-aaba-11e3-be01-00144feab7de.html>.

¹³ Jaber Ali, "Oman and Iran to build bridge over Hormuz", *Middle East Confidential*, 7 March 2014, available at <http://me-confidential.com/7930-oman-and-iran-to-build-bridge-over-hormuz.html>.

¹⁴ "Iranian Commander Calls Joint Naval Drill with Oman 'Successful'", *Tasnim News*, 9 April 2014, available at <http://www.tasnimnews.com/English/Home/Single/333533>.

The gas pipeline arrangement, or any bridge project, will still need the US's blessing to go ahead. US objections were, alongside pricing, also a factor in preventing the conclusion of the gas deal in 2007. Oman has long been ahead of the other Gulf states in developing ties with Iran, and less minded to heed Saudi threats and admonitions, yet it must still heed the position of the US. It's clear, though, that Oman will have much to gain if and when sanctions are eased.

Kuwait: Gas-powered diplomacy and new outreach

Like Oman and Qatar, Kuwait sees no point in making an enemy of Iran. But it is more responsive to Saudi fears and concerns than is Oman or Qatar. This has placed a constant brake on the ruling al-Sabah family's willingness to further democratic reforms. Kuwait also has a sizeable Shiite population, estimated at 35 percent of its citizenry, but they are for the most part merchant families close to al-Sabah. They have not been politicised in the manner of the Bahraini Shia. However, Salafi and Muslim Brotherhood Islamists are a strong force in Kuwait, particularly among the segment of the population that is of Saudi Arabian Bedouin origin.

In the decade following the end of the Ba'ath regime in Iraq and the empowerment of Shiites there, a more sectarian discourse has emerged between the two sides in Kuwait. Kuwaitis have been identified as key funders of jihadist fighters in Syria, a Kuwaiti businessman is behind the Egyptian anti-Shiite channel Safa, and a Kuwaiti cleric in London runs the anti-Sunni channel Fadak. So, it was not in Kuwait's interest to allow ties with Iran to deteriorate, for fear of exacerbating sectarianism. However, tensions rose in 2011 when the ruling family feared that the uprising in Bahrain would force democratic concessions in Kuwait. Kuwait and the UAE played a minor role in the Saudi intervention in Bahrain and Kuwait, signing up to the narrative that Iran was behind the protests. In March 2011, Kuwait ordered the expulsion of three Iranian diplomats over an alleged spy network, and Iran responded by expelling Kuwaiti diplomats.

Despite this disharmony, Kuwait comes second to Oman in seeing great potential for improved commercial ties with Iran since Rouhani's inauguration. Sheikh Sabah visited Tehran in May 2014 in an apparent effort to mediate between Saudi Arabia and Iran. Arab media reported that the emir had a message from Saudi Arabia for Iran's leaders, though Iranian officials denied that any such discussion came up.¹⁵ Kuwait's foreign minister also made comments suggesting that Gulf countries' links with Iran should be on a bilateral level, not as a bloc, suggesting that the visit was a chance for Kuwait to pursue its own interests as much as Saudi Arabia's.

The May visit was the first official trip made to Iran by a sitting Kuwaiti ruler since the Islamic Revolution, and the emir took a senior delegation with him for two days of meetings. A joint statement by the emir and Ayatollah Ali Khamenei said the visit was a "turning point", and a series of memoranda were signed regarding security, transportation, customs co-operation, sports, tourism, and the environment. A writer in one Kuwaiti paper hailed "amazing results" and cited comments that the emir was reported to have made in Tehran describing the Supreme Leader Khamenei as "the guide of the whole region".¹⁶ The Iranian Chamber of Commerce and Industry chief, Gholam Hussein Shafei, said Kuwait was set to become a complement to Dubai in Iranian trade policy.

Again, the key interest here is gas. Like Oman, Kuwait has a growing interest in Iranian supplies. Kuwait's alternative supplier is Qatar, which might seem the natural candidate – but, in fact, using Qatar as a supplier would be almost as politically sensitive as using Iran because of the Saudi and Emirati conflict with Doha over its support for political Islam and the Muslim Brotherhood. Kuwait has formally aligned itself with Riyadh and Abu Dhabi and is a major financial backer of the Sisi regime in Egypt. However, Kuwait recently signed a supply deal with Qatargas, and a gas-supply arrangement with Iran has become a distinct prospect in the medium term. Kuwait also has fitful ongoing negotiations with Iran on the development of the Dorra/Arash gas field which straddles their common marine boundary.

Finally, the emir's trip raised concerns in Bahrain that Saudi Arabia was trying to negotiate with Iran at its expense. During the week of the Kuwait emir's trip, Bahrain's prime minister and crown prince issued a joint statement rejecting any external involvement in Bahraini affairs. Bahrain's Al Khalifa family government knows that the opposition led by the Wefaq party is waiting for rapprochement between Iran and the P5+1 group, and then between Iran and Saudi Arabia, to find an exit from the crisis on the island.

Post-Rouhani: Waiting on Washington

Given the fragile nature of the small Gulf states' *problematique* with Iran, it is not surprising that the united front collapsed rapidly after Rouhani's election and the subsequent progress in nuclear talks, in spite of Saudi efforts to the contrary. Behind the issue of Rouhani's election is the wider issue of the US's reappraisal of its priorities in the region: the administration's view is that the problems that Gulf states have with Iran, beyond their US-guaranteed national security, are their own concern and Washington will not intervene to solve them. After years of baiting the US and/or Israel to handle Iran for it in the way that it saw

¹⁵ "The issue of mediation was not raised", *IRNA*, 13 June 2014, available at <http://www.irna.ir/fa/News/81188440> دوب. زوم. د. ز. م. آ. ت. ق. ف. م. ن. ا. ر. ا. ه. ب. ت. ی. و. ک. ر. ی. م. ا. ر. ف. س. م. خ. ف. ا. ت. ل. و. د.

¹⁶ "Nata'ij bahira li-ziyarat sumuwv al-amir li-Tehran" (Amazing results in the Emir's visit to Tehran), *al-Nahar*, 8 June 2014, available at <http://www.annaharkw.com/annahar/Article.aspx?id=463446&date=08062014>.

off Saddam Hussein in Iraq, Saudi Arabia finds it hard to adjust to this reality, and all indications are that Riyadh will resist. The convergence of interests between Washington and Tehran over the Islamic State group only heightens these concerns, while US military actions are something that neither Riyadh nor other Gulf states could refuse to take part in, given the sense of post-9/11 “war-on-terror” redux in the air.

The smaller Gulf states have responded with remarkable speed. “Something is happening in Iran with the surprise coming of Rouhani and it is positive,” says Abdulkhaleq Abdullah, a UAE-based political scientist. “There is a change in style, it is very different to Ahmadinejad. A change in style could lead to a change of substance or be indicative of change.”¹⁷ Without fear of Iran to hold the huddle together, what is the point of the GCC? It was in light of the nuclear breakthrough that Omani Foreign Minister Yusuf bin Alawi was prepared to publicly ridicule Saudi schemes for a GCC union last December.¹⁸ For the same reason, Saudi regime writers are continuing to promote an image of Saudi Arabia as Big Brother. At the same time, Saudi Arabia and the UAE perceive the Muslim Brotherhood and the transnational Islamist movement as a more immediate threat. The question of Iran suggests, however, that perhaps the most salient feature of relations among Gulf states, more than two decades after they formed the GCC, is how fickle and suspicious they are.

With the exception of Oman, the Gulf states remain wary of Iran. The key issue here is not so much concerns over regional hegemony, as in the pre-Islamic Revolution days, but more about Iran’s natural gas wealth. As an energy analyst and former big oil negotiator says: “A situation where they are dependent on Iran for a strategic energy source will make them very nervous. But a situation without US support and military backing is even worse.”¹⁹ The smaller Gulf states as a whole want a cautious and gradual improvement in relations, and have much to gain from an easing of sanctions, but they will be looking as much to Washington as Riyadh for a green light.

Turkey and Iran: Preserving a lucrative partnership

Ziya Meral

Turkey and Iran have once again found themselves facing parallel challenges in the form of the group that calls itself Islamic State (here ISIS) and its implications for both countries’ security policies as well as interests in Syria and Iraq. These developments have led to some suggestions that Turkey and Iran could explore and co-operate on areas of mutual interest closely. In fact, there has been a renewed push from both countries after President Hassan Rouhani’s electoral victory to repair the damage caused in the later years of Mahmoud Ahmadinejad’s presidency, amid the acute reminders about the urgency of instating a working relationship.

Rouhani visited Turkey in June 2014 with a large delegation that included ministers and businessmen, pursuing high-level engagement on issues from the economy to tourism, culture, transportation, and security. During his visit, the Iranian president affirmed the desire of both countries to increase their trade volume to \$30 billion in 2015 and to work closely on areas of mutual concern.¹

His visit was the outcome of a series of meetings. Cemil Çiçek, the speaker of the Turkish parliament, visited Iran in September 2013. He met with representatives from all levels of Iranian leadership, from Rouhani to Supreme Leader Ali Khamenei, parliamentary chairman Ali Larijani, and former president Hashemi Rafsanjani. In November 2013, Turkey’s former foreign minister, Ahmet Davutoğlu, met with Rouhani in Iran, and Iran’s foreign minister, Mohammad Javad Zarif, visited Turkey. In January 2014, a much larger Turkish delegation travelled to Iran, including the prime minister at the time, Recep Tayyip Erdoğan, five cabinet ministers, and some 200 businesspeople. The visit yielded a series of trade agreements and facilitated negotiations on the price of Iranian gas. Decisions were taken to aim at increasing Turkish-Iranian trade volume and at opening a free trade zone.²

While such efforts and regional developments do bring the two countries closer, this essay argues that a brief look at the history of relations between the two countries, particularly during the last ten years, reveals a pattern of similar moments when both countries faced shared challenges and sought to work closely, which only revealed deeper differences and conflicts of interests and produced primarily mutual economic benefit. It argues that Iran and Turkey continue to walk a tightrope between the prospects of major

¹⁷ Comments to author, April 2014.

¹⁸ “Oman says it opposes union of Gulf states”, *AFP*, 7 December 2013, available at <https://uk.news.yahoo.com/oman-says-opposes-union-gulf-states-120124278.html>.

¹⁹ Interview with author, June 2014.

¹ “Turkey, Iran on different page in Syria but ties ‘strategic’”, *Hurriyet Daily News*, 9 June 2014, available at <http://www.hurriyetdailynews.com/turkey-iran-on-different-page-in-syria-but-ties-strategic.aspx?PageID=238&NID=67565&NewsCatID=510>.

² “Iran and Turkey set to establish a free trade zone”, *Daily Sabah*, 22 April 2014, available at <http://www.dailysabah.com/economy/2014/04/22/iran-and-turkey-set-to-establish-a-free-trade-zone>.

diplomatic fallout caused by opposing policies and interests in the Middle East and the benefits of maintaining good bilateral relations.

The road to the AKP's rediscovery of Iran

After coming to power in 2002, the Justice and Development Party (AKP) launched an ambitious foreign policy and sought to maximise its engagement with its neighbours. But a stark gap remained between the vision and the reality, and Turkey's policy on Iran was no exception.

The 1979 Islamic Revolution in Iran and the 1980 coup in Turkey had put the two countries into an ideological deadlock. When Iran found itself occupied with the war in Iraq, Turkey chose to stay out of the conflict. Even so, Iran's relations with Syria and its support for the Kurdish militant organisation, the Kurdistan Workers' Party (PKK), created in Turkey deep resentment and a sense that its security was under threat. Iran's support for various Islamist groups in Turkey caused deep suspicion within the Turkish state's staunchly secular elite. Equally, Iran has seen as hostile Turkey's hosting of Iranian opposition groups, its support for the policies of the United States, and its NATO presence.

When the government of Necmettin Erbakan took office in Turkey in 1996, the Iranian regime for the first time saw a Turkish government that reflected an Islamist vision. The feeling was mutual: the first official foreign trip that Erbakan undertook as prime minister was to Iran in 1996. The Kemalist establishment, which would go on to impeach Erbakan's government in 1997, reacted with shock and criticism.

However, even after Erbakan's departure, the need for engagement with Iran on energy and security matters endured. The staunchly secularist president, Ahmet Necdet Sezer, made a reluctant visit to Iran in 2002. The president travelled with a business delegation at the invitation of Iran's President Mohammad Khatami to urge co-operation on security concerns over Kurdish militancy and to try to build further economic engagement aside from the gas imports from Iran that had created a trade imbalance.³ Sezer's trip was the initiative of Turkey's visionary foreign minister, Ismail Cem, who was seeking to expand Turkey's engagement in previously neglected areas, including Iran.⁴

The AKP was founded in 2001, and had Islamist roots in the party of the former president Erbakan. It won a surprising victory in Turkey's elections in 2002, and Iran once again saw a possible opening for engagement with Turkey. Tehran was heartened by the fact that merely a year after elections, the Turkish parliament voted "no" to the US request that

Turkish borders be used in the invasion of Iraq. Similarly, Tehran had not only limited its engagement with the PKK but was also facing its own Kurdish insurgency in the form of the Party for a Free Life in Kurdistan (PJAK), which had close relations with the PKK.⁵ The two countries' shared concern over Kurdish militancy would become much more important after the US invasion of Iraq. Both countries saw the possibility that an independent Kurdistan could emerge in Northern Iraq as a potential threat, though Turkish policy on this eventually changed dramatically.

In addition, both countries were facing troubling economic conditions. The AKP was desperately aware that it would only be able to survive its domestic challenges from the Kemalist establishment by saving the Turkish economy from its crisis. The quickest option to do this was to attract a surge of foreign direct investment and to push for smoother, closer trade relations with its neighbours, including Iran. Prime Minister Erdoğan's visit in 2004 and Turkey's positive response to Ahmadinejad's election set the scene for a Turkish-Iranian rapprochement.

Outcomes of rapprochement in 2002–2011

Turkey–Iran co-operation efforts between 2002 and 2011 produced tangible outcomes in three areas: security, economy, and diplomacy. The security agreements between Iran and Turkey were a major trust-building accomplishment. As a result, the two countries have actively shared intelligence on Kurdish militant groups and also co-ordinated military operations on both countries' borders with Iraq, which have enabled them to seriously weaken Kurdish militant groups.⁶

Economically, Turkey and Iran have seen historic levels of activity. In 2002, Turkish-Iranian trade volume was a mere \$1 billion, made up overwhelmingly of Iranian oil/gas exports to Turkey. Today, it stands above \$14 billion.⁷ Iranian energy resource exports to Turkey rose sharply from 2005, even as sanctions tightened on Iran. Turkish exports to Iran reached a peak in gold sales from 2011 onwards as part of a "gold for gas" deal that allowed Iran to bypass sanctions on transactions in foreign currencies.⁸ Turkey also opened up its banking structures to accommodate payments made to Iran by other countries. In addition to recorded trade, economic relations also included off-the-record

³ "Sezer delays visit to Iran", *Radikal*, 17 June 2002, available at <http://www.radikal.com.tr/haber.php?haberno=40721>.

⁴ "Information Note on Foreign Minister Ismail Cem's Visit to Iran 12–13 February 2001", Republic of Turkey Ministry of Foreign Affairs, available at http://www.mfa.gov.tr/information-note-on-foreign-minister-ismail-cem_s-visit-to-iran_br_12-13-february-2001-.en.mfa.

⁵ James Brandon, "Iran's Kurdish Threat: PJAK", *Terrorism Monitor*, 15 June 2006, available at <http://intersci.ss.uci.edu/wiki/eBooks/Articles/Jamaats%20%20Terrorism%20Monitor.pdf>.

⁶ See Bayram Sinkaya, "Rationalization of Turkish-Iranian Relations: Prospects and Limits", *Insight Turkey*, April 2012, pp. 143, 152–153; James Brandon, "PJAK Faces Turkish-Iranian Storm", the Jamestown Foundation, 8 November 2007, available at http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4531.

⁷ "Info notes: Turkey-Iran bilateral relations", Turkish Embassy, Tehran, 2 February 2014, available at <http://tehran.emb.mfa.gov.tr/ShowInfoNotes.aspx?ID=200934>.

⁸ For a briefing on how US sanctions came to stop the loophole that enabled such high gold sales to Iran, and thus caused their decline, see Seda Kirdar, "US Gold Sanctions on Iran and its Possible Consequences", TEPAV, April 2013, available at http://www.tepav.org.tr/upload/files/1366125253-3_US_Gold_Sanctions_on_Iran_and_Its_Possible_Consequences.pdf.

engagement. Hundreds of Iranian companies were set up in Turkey, which enabled Iran to carry out international business activities.⁹

Turkey–Iran relations were booming and, after decades of mutual mistrust, a sense was sinking in that the two could work together, which led to new diplomatic opportunities. The desire not to disrupt this new amity was the reason that Turkey always stayed away from condemning Iran’s human rights issues and its clampdown on political opposition, even though Turkey was generally vocal about human rights issues in the region. As Turkey pursued a range of peace-brokering activities in the region, Turkey’s foreign policymakers genuinely thought that their newfound friendship with Iran could provide a chance to move forward nuclear talks with Iran and the P5+1 countries and thus prevent a new wave of sanctions, which would obviously also affect Turkey. Therefore, Turkey joined Brazil in offering an alternative process for handling the nuclear issue in 2010.¹⁰

Turkey and Iran’s newfound trust have allowed them to manage effectively and calmly their increasing influence and competition in post-Saddam Iraq. However, the relationship between the two countries has had a high cost for Erdoğan’s government. At the domestic level, Iran–Turkey relations have elicited strong reactions from secular circles, who remain deeply worried that an Iranian-style theocracy will emerge in Turkey, as well as from a substantial portion of religious Turks of Sunni orientation who are sceptical of Shiites.

At the international level, Turkey’s policies of maximising its geo-economic interests and asserting its diplomatic presence in the region was already causing tension with its (Western) partners. This was enhanced when Turkey (with Brazil) pursued a negotiating track with Iran to resolve the nuclear dispute. Nonetheless, Turkey and Iran seemed, against all the odds, to be set on a path to a much closer future.

2011–2014: A rockier path

It did not, though, take long for cracks to appear in the blossoming Turkey–Iran relationship. This was visible from the start in the ill-fated but well-intentioned Brazil–Turkey nuclear deal. In the end, only Iran benefitted from the process. Turkey was gradually pushed aside, even in the hosting of further P5+1 negotiations in Istanbul.

Iran’s positive perceptions of Turkey were again giving way to suspicion. Iran was unsettled by Turkey’s decision to allow NATO to build a radar system as part of its early-

warning missile shield in 2011 as well as by Turkey’s own pursuit of missile defence systems, as Iranian officials made clear.¹¹

As a NATO member state, Turkey did not have the option to oppose the organisation. Given the realities of the region and the pressure it faced, Turkey’s pursuit to strengthen its defence was understandable, including the deployment of Patriot missiles on its borders.¹² Foreign Minister Davutoğlu continually assured Iran that Turkey would never let its airspace or land be used for aggression against Iran. In turn, Iran too quelled the harsh statements emerging from its hardline cadres.¹³ Turkey also strove to demonstrate that its diplomacy in the Middle East was not based on a Sunni sectarian agenda; both Davutoğlu and Erdoğan visited Shiite shrines and met with Shiite clerics in Iraq, which was a first for Turkish state officials.¹⁴

However, the Arab Awakening and the geopolitical rivalries that emerged from it would again trouble the relationship. Both countries sought to frame the public euphoria that gripped the region during the unrest’s initial days within their own self-declared models of Islam and governance.¹⁵ This was particularly the case with the situation in Syria. Turkey had pursued closer relations with Syria and was preoccupied with preserving newly normalising relations. They believed that they could influence Bashar al-Assad towards reform and democratisation. But, as time went on, Turkey gradually went from publicly challenging Assad to actively supporting the opposition groups seeking to topple him.

For Iran, Assad’s Syria formed an important aspect of Iran’s reach from Tehran to the shores of the Mediterranean, meaning the survival of Assad’s regime was paramount. For Turkey, its Syria policy was more than a simple geopolitical calculation; with a border with Syria of some 900 km, it was also a question of national security and of managing the burden of the humanitarian costs of the conflict. However, just as Turkey was cautious to not burn bridges with Assad’s other backer, Russia, it was also cautious to not alienate Iran in the process of raising concerns over the Syrian regime’s brutality.

By 2013, the diplomatic charm between the two countries had worn off. What remained was mutually shaken trust, and only economic relationships proved to be long lasting. However, there were troubles there too; new US sanctions

11 Mohammad Davari, “Iran Ups Criticism of Turkey’s NATO Missile Shield”, *Agence France-Presse*, 8 September 2011, available at <http://www.defensenews.com/article/20110908/DEFSECT01/109080310/Iran-Ups-Criticism-Turkey-s-NATO-Missile-Shield>.

12 “Iran’s Nuclear Diplomacy: A Response from Turkey”, RUSI Analysis, 27 January 2014, available at <https://www.rusi.org/analysis/commentary/ref:C52E64FEA90AB8>.

13 “Turkey gives assurances to Iran on NATO missile shield”, *Today’s Zaman*, 5 January 2012, available at <http://www.todayszaman.com/news-267694-turkey-gives-assurances-to-iran-on-nato-missile-shield.html>.

14 “Turkish PM becomes first Sunni leader to visit shrine of Imam Ali”, *World Bulletin*, 29 March 2011, available at <http://www.worldbulletin.net/?aType=haber&ArticleID=71829>.

15 For a comparison of how Iran and Turkey approached the Arab Spring, see Reza Solat and Hooshang Azizi, “Rivalry and Cooperation in the Iran-Turkey Relations in the Light of the Arab Spring”, *Discourse: An Iranian Quarterly*, Summer–Fall 2012.

9 “Number of Iranian-funded firms tops list for ninth month”, *Today’s Zaman*, 21 October 2012, available at <http://www.todayszaman.com/news-295988-number-of-iranian-funded-firms-tops-list-for-ninth-month.html>.

10 “Iran signs nuclear fuel-swap deal with Turkey”, *BBC News*, 17 May 2010, available at <http://news.bbc.co.uk/1/hi/8685846.stm>.

had an impact on trade figures, and Iranian energy sales proved to be sometimes unreliable and more costly for Turkey than gas from Russia and Azerbaijan.

Turkey's security apparatus once again gave signals about the possible risk of Iranian agents seeking to create chaos and tensions in Turkey, along with Assad's agents. In fact, in 2012, the Turkish intelligence agency clamped down on an alleged Iranian spy ring in Turkey.¹⁶ In May 2013, a terror attack at the Turkish town of Reyhanli near the border with Syria killed 53 people, the largest single terror attack in Turkey's recent history. The attack is assumed to have been undertaken by networks controlled by the Assad regime. Iranian support for the Assad regime, and active fighting forces in Syria and Turkey's direct involvement from 2012 onwards in programmes arming Syrian opposition groups, put both countries in a proxy conflict with each other.

The expansion of IS in Syria and Iraq brought all of these issues to surface once again: while Iran publicly and directly engaged in fighting against IS, Turkey refrained from an overt and direct clash while facing serious security risks caused by IS, which was visible in the case of Turkish diplomats held captive by IS in Mosul. Turkey refused to do so even when fiercely pressured by the US to join the campaign against IS and risked facing a serious backlash to its domestic Kurdish issues as Kurdish-governed towns were attacked by IS.

Meanwhile, Iran and Turkey gradually agreed on the need for a change in Iraq's central government and preventing a break-up of the country. Yet, Turkey's close relations with the Kurdistan Regional Government and support for direct oil exports from the region continued to cause tensions with the central Iraqi government and thus with Iran's interests in Iraq.

Limits of the Rouhani Era

Despite the positive impressions from the first year of the Rouhani presidency and the willingness of the AKP government to bury the negative legacy of the Ahmadinejad years, the last ten years have revealed the range and limits of future co-operation. All the core issues that soured Turkish-Iranian relations are still alive today.

It is clear that Iran and Turkey will remain at odds with one another over Syria and Iraq within their larger geopolitical conflict of interests, even though the threat of IS to interests in Syria and Iraq and to national security have once again brought the two countries somewhat closer to face a shared threat.

Turkey has already scaled down a lot of its grander Middle East plans and shifted its regional policy to a much more self-protecting framework. For Turkey, two key realpolitik concerns now drive its Iran policy: maximising trade and becoming a neutral energy route between producers and consumers while meeting its own energy needs.

Maintaining this lucrative friendship, however, continues to be risky for the AKP government. Turkey continually faces pressure from the US over its economic dealings with Iran. While a possible deal on Iran's nuclear weapons would mean more economic opportunities for Turkey, the long process of untangling sanctions and residual pressure from Israel and sceptical political views in the US and Europe on Iran's long-term intentions would always complicate the economic relations.

The Turkish public remains deeply mistrustful of Iran, thanks to a mixture of Kemalist and Sunni misreadings. Numbers of Turks visiting Iran, academic and policy experts on Iran, and Turks who speak Farsi remain too minuscule to record. In June 2014, the Pew Research Center found that 75 percent of Turks held unfavourable views of Iran, and only 11 percent of Turks held positive views of Rouhani.¹⁷ This limits the degree to which the Turkish government can push closer relations.

From Iran's perspective, too, the Turkish government has proven to be more independent in asserting its interests in the region and more reluctant to sever its relations with the US, the EU, and NATO than the harsh public statements by Turkish politicians about the West would suggest. The Iranian public has generally positive views on Turkey. The rate of Iranian tourists to Turkey is in the millions and, due to the Azeri population in Iran, many Iranians can understand and speak Turkish easily. But the Iranian security and political establishment maintains a deep scepticism of Turkey. Iran, just like Turkey, wants to maintain good economic relations with Turkey for its own survival, at the same time as trying to ensure that the implications of both countries' desire to shape the future of Syria and Iraq do not critically harm the bilateral relationship.

These mean that the two countries will continue their risky, complicated, yet essential engagement. The driving engine for closer co-operation and avoiding fallouts over regional concerns will not be a mythical ideological affinity between the governments of both countries, but realities of their interdependence in a volatile region.

¹⁶ "Iranian agents captured", *Hurriyet*, 2 September 2012, available at <http://www.hurriyet.com.tr/gundem/21362929.asp>.

¹⁷ "Iran's Global Image Largely Negative", Pew Research, 18 June 2014, available at <http://www.pewglobal.org/2014/06/18/irans-global-image-largely-negative/>.

The future of the Iran-Hezbollah relationship

Aurélie Daher

For two years, the involvement of Lebanese Hezbollah fighters on the side of Bashar al-Assad's troops in Syria has been disputed. Belatedly, the party's leadership acknowledged this reality: *al-Muqâwama al-Islâmiyya fi Lubnân*, the Islamic Resistance in Lebanon (IRL) and the military mother-organisation of Hezbollah, has been backing the Syrian army in the region of Qusayr, to the south of Homs. Many observers believed this intervention was the result of a directive from Tehran issued because of the Assad regime's increasing losses on the battlefield, but Hezbollah's actions should be understood as being motivated by its own interests as much as those of Iran.

At first glance, the June 2013 election of President Hassan Rouhani, widely seen as a moderate and a reformist, could suggest that ties between Tehran and Hezbollah will weaken in the near future, especially since President Barack Obama's administration seems determined to reach a meaningful agreement with the new Iranian government on the nuclear issue. If talks between the United States and Iran do make progress before the new deadline of June 2015, Hezbollah could find itself under pressure, some say, since the West could use it as a potential stepping-stone for negotiation within a broader agreement. The effects of such a move would be felt in Syria as well as in Lebanon. Such a scenario, however, is extremely unlikely. If anything, the alliance between Iran and Hezbollah is being strengthened by the war in Syria. The rise of ISIS has only consolidated this trend – while also opening opportunities for both to become more useful players in the eyes of the West.

Anatomy of Iranian-Hezbollah relations

The relationship between Hezbollah and the Iranian regime has now lasted for 30 years, and in that time, its scope and strength has fluctuated. In part, this is because Hezbollah deals with more than one interlocutor and has links with different centres of power in Iran, which are institutionalised to different degrees. The first act by which Hezbollah officially announced its existence to the world was an Open Letter promulgated on 16 February 1985. In the letter, Hezbollah publicly acknowledged the authority of the *Wilayat al-Faqih*, at that time embodied by the Supreme Leader of the Iranian Revolution, Ayatollah Ruhollah Khomeini. Ever since, the core leadership of Hezbollah, which is mainly made up of Shiite clerics, has upheld this authority. After Khomeini's death in 1989, they transferred their allegiance to Iran's current Supreme Leader, Ayatollah Ali Khamenei.

After Khomeini's death in 1989, three different trends emerged on the Iranian political scene: a radical revolutionary one represented by former interior minister Ali Akbar Mohtashemi; a radical conservative one led by Ayatollah Khamenei; and a pragmatic one embodied by President Akbar Hashemi Rafsanjani.¹ Between 1989 and 1996, Ayatollah Khamenei and President Rafsanjani became allies and succeeded in marginalising Mohtashemi. Rafsanjani's accession to the Iranian presidency in 1989 directly affected Hezbollah's evolution in Lebanon. Rafsanjani believed Iran's national interest should take precedence over exporting the revolution. His desire to normalise relationships with the West caused him to make drastic cuts to Iran's financial support to Hezbollah. The party was explicitly urged to become "a political party, just like others" in Lebanon.² Within Hezbollah, this new phase in Iran's political life brought about the eclipse of the radical tendencies represented by the organisation's first secretary-general, Sheikh Subhi al-Tufayli, and encouraged the rise of a more pragmatic conservative group led by Abbas al-Musawi and Hassan Nasrallah.

Mohammad Khatami became president of Iran in 1997, and under his leadership, Iran was more inclined to open up to other political actors in Lebanon and to respect the country's sovereignty. This weakened the once-privileged position of Hezbollah. Lebanon's Prime Minister Rafik Hariri was officially invited to Iran as early as October 1997, and his five-day visit to the country was the first by the head of a Lebanese cabinet since the Iranian Revolution. And during his visit to Beirut in 2003, the Iranian president held discussions with the main political factions without appearing to grant Hezbollah preferential treatment.

Hezbollah appeared to have lost some support within the Iranian presidency under Rafsanjani and Khatami. But, in reality, the relative loosening of its bond with the head of the Iranian State has not been traumatic for Hezbollah. Firstly, Hezbollah continued to enjoy large room for manoeuvre, mainly in its management and execution of decisions. Neither Supreme Leader Ayatollah Khomeini nor his successor, Ali Khamenei, intruded much in the party's affairs. Khomeini was preoccupied by the war with Iraq and so had little interest in the Lebanese question. And Khamenei had faith in the ability of the Hezbollah leadership to maintain the organisation.³ Secondly, Hezbollah's leadership could compensate for the suspension of state subsidies under Rafsanjani and Khatami by developing its own parapolitical institutions – including social, educational, and media networks – and becoming more self-sustaining.

¹ I use here the presentation of Iranian trends given in Houchang Chehabi (ed.), *Distant Relations: Iran and Lebanon in the Last 500 Years* (London: I.B. Tauris, 2006), chapters "Iran and Lebanon in the Revolutionary Decade" and "Iran and Lebanon after Khomeini".

² Aurélie Daher, *Le Hezbollah: Mobilisation et Pouvoir* (Paris: Presses Universitaires de France, 2014), chapter 3 (hereafter: Daher, *Hezbollah*).

³ Daher, *Hezbollah*.

Strengthening relations post-2006

In 2005, the relationship between Iran and Hezbollah changed again, but, this time, to the party's advantage. Mahmoud Ahmadinejad's election as president in August opened the door to an ideological convergence between the Supreme Leader, the leadership of Hezbollah, and the new president, who was formerly a soldier in the Iranian Revolutionary Guard Corps (IRGC). Unlike his two predecessors, Ahmadinejad sought to portray Iran as a symbol of the struggle against the US and Israel. Providing Hezbollah with strong backing represented a perfect embodiment of this struggle. In the history of Hezbollah's relationship with the Iranian regime, therefore, the year 2005 marks the return of the Iranian president to the "sacred trio" of the Iran-Hezbollah alliance, with all three – Hezbollah's leadership, the Supreme Leader, and the Iranian President – once again sharing the same ideological affinities. This position has been sharpened by increased international focus on Iran's nuclear activities and the threat of Israeli military strikes, which increased Hezbollah's use for Iran as a deterrent against Israeli action.

The war of July 2006 in Lebanon soon provided the Iranian regime and Hezbollah with the opportunity to showcase this ideological convergence and to push forward both their interests. The Israeli army performed poorly against Hezbollah during the 33-day conflict, significantly boosting Hezbollah's regional standing, as well as that of its backers, Iran and Syria, in contrast to Egypt and Arab Gulf States, which appeared to tacitly back Israel. So, the international community decided to bet on a reinforced United Nations Interim Force in Lebanon (UNIFIL) in South Lebanon, with France, Italy, and Germany agreeing to participate in the newly reorganised force. But in doing so, they also presented Hezbollah and Tehran with new means of putting pressure on the West. With European troops in a region where the IRL had influence, Hezbollah and the Iranian government could directly threaten the peacekeepers. Moreover, UNIFIL was unable to prevent the movement of arms in South Lebanon, much less to disarm the IRL.

In the wake of Israeli military offensives against Lebanon, Hezbollah consistently made significant financial resources available to rebuild whatever the Israeli army had destroyed. At the end of the war, an Iranian delegation met the Lebanese prime minister in late August and asked to take part in the reconstruction process. Iran's proposal would have provided much-needed financing worth several hundred millions of dollars.⁴ But the Lebanese government's official authorisation was withheld, even though expert teams from other countries (Saudi Arabia, Qatar, UAE, Canada, and Belgium) were already at work.⁵ Dissatisfied by the Lebanese

⁴ *Al-Safir*, 26 August 2006.

⁵ The Iranians complained about this deliberate marginalisation, but refused to give up. In late September, several Iranian institutions – the Reconstruction Committee, the Iranian Red Crescent, and the Imam Khomeini Resupplying Committee – drew up a detailed programme to rebuild Lebanon. Under political pressure from the Shiite population, the Lebanese prime minister ultimately agreed to a limited Iranian participation through the restoration of one bridge and a small part of the road network.

government's actions, the Iranian regime decided to bypass the government by channelling significant aid through Hezbollah's social and charity institutions. This served to bolster Hezbollah's popularity within its community and beyond.⁶

Stepping into the Syrian turmoil

As Syria's uprising evolved, it was reconfirmed that Hezbollah and Iran shared the same interests in the Levant. As soon as protests began, rumours started to spread about the participation of IRL and even IRGC fighters in battles on the side of the Syrian regular army. In September 2012, Mohammad Ali Jafari, the chief commander of the IRGC, admitted that a "certain number of the Quds Force members and IRGC were present in Syria and Lebanon".⁷ He insisted that the IRGC were there only as "advisers" and were providing no more than "intellectual assistance, advice, and experience" and he responded to allegations that Hezbollah was participating in Syrian "repression" by saying: "The Resistance and Hezbollah are independent forces [from Iran]".⁸

Only in May 2013 did the party explicitly acknowledge the participation of IRL fighters in Syria. For three weeks, in the town of Qusayr (located in the north-west of Syria near the Shiite Lebanese region of Baalbek al-Hermel), members of the IRL fought alongside the Syrian army to drive the rebels from one of their main strongholds. Many observers thought this intervention in the Syrian conflict must be the answer to an Iranian directive. But this is not the whole story: there is as much evidence that the IRL actively sought involvement to protect its own interests as there is that it was obeying an Iranian order. The IRL is not fighting across the country but in a specific, defined zone, mainly to secure a territory in Syria close to the Lebanese border through which Iranian armaments could be transported to Lebanon. Given the decision-making methods within the Hezbollah leadership and the way the *Wilayat al-Faqih* principle operates, the idea may very well have come from within Hezbollah's Decision Council, who would subsequently have sought a "good for agreement" approval from the Iranian Supreme Leader. This hypothesis could be corroborated by Hassan Nasrallah's unusual visit to Iran in April 2013, where he met Khamenei almost a month before the IRL joined the Qusayr battle.

⁶ Although the party did not declare the origins of the funds that it distributed directly to damaged people, it is difficult to imagine that the source was anyone other than Iran. In an interview published in the daily *Al-Akhbar* at the end of August, Riad Salameh, director of the Lebanese central bank, declared that "the cash distributed by Hezbollah to the families who have lost their homes during the war against Israel probably comes from foreign funds"; he estimated that the indemnification program planned by Hezbollah would certainly cost "at least \$150 million". He also noted that "it seems that money was shipped, because it doesn't come neither from the Central Bank [...] nor from the banking sector, since there was a bill shortage at that time [...] and the bank sector is forced to declare each amount it withdraws" (*Al-Akhbar*, 31 August 2006). Besides, the party has never denied that the Iranian authorities – and religious associations linked to the Supreme Leader's office in particular – have always financed some of its social institutions, especially those affiliated with existing institutions in Iran, such as *Jihād al-Binā'*, a replica of the Iranian *Hay'at I'adat al-Imār*, or *Hay'at Imdād al-Imām al-Khomeiny*, which carries the same name in Lebanon.

⁷ *L'Orient-Le Jour* (online version), 16 September 2012.

⁸ *Ibid.*

Since this initial action in Qusayr, the IRL's activities have increased, with widened involvement along this same border area to prevent the infiltration of suicide bombers ready to strike Hezbollah targets in Lebanon, following a number of attacks in southern Beirut. At the same time, Hezbollah has expanded its support of the Syrian regime across the country, including in the battle for Aleppo, reflected the deepening proxy nature of the conflict, pitting the Syrian regime and its regional backers against the opposition's Gulf and Western supporters.

Hassan Rouhani and the rise of ISIS: What next for Hezbollah?

When the news of Hassan Rouhani's victory was made official in Iran in June 2013, Hassan Nasrallah saluted the new Iranian president: "Congratulations for the great trust that this extraordinary people has placed in you."⁹ Describing the election as "a popular and political epic", he said that Rouhani was "the carrier of great hopes for his people and for the friends of this people". A month later, Rouhani sent messages to both Bashar al-Assad and Hassan Nasrallah reaffirming his support. He said that close ties between Syria and Iran would "be able to confront enemies in the region, especially the Zionist regime", he "lauded the Syrian nation for its resistance against Western plots", and he predicted that "Syria will overcome its current crisis".¹⁰ To Hezbollah's leadership, his message was that Iran would continue to provide support to "back the steadfast nation of Lebanon".

Even so, Rouhani's election made those opposed to the IRL's mission in Syria hopeful that the IRL's activity would be scaled down or even terminated. Some Lebanese newspapers, for example, predicted that IRL fighters would soon be withdrawn.¹¹ In October 2013, an Israeli newspaper alleged that 1,200 IRL fighters had been replaced by Revolutionary Guard Corps soldiers.¹²

But these predictions proved to be inaccurate. Indeed, although the radical Ahmadinejad has been replaced by the moderate, open-to-the-West Rouhani, there is in reality little chance that the Iranian-Hezbollah relationship will weaken in the near future. In public, Western governments in general and the US and French administrations in particular continue to say that they want to see the IRL leave Syrian territory. But the IRL's recent successes against

radical Sunni jihadist groups do not really displease these governments, particularly given that Western governments are already indirectly working with Hezbollah in Lebanon in the fight against extremists. Beyond public support for "a real Syrian democracy", the West's primary focus is now preventing the consolidation and growth of ISIS. In September 2013 Washington was reluctant to engage in Syria, neither wanting to fully own the Syria crisis nor fully back the rebels in their fight against Assad. But the military intervention against ISIS waged since September 2014 indicates that the US is less constrained in the fight against jihadi extremists. And, just as in Iraq where the US military is indirectly working alongside Iranian backed militias, Hezbollah may prove a useful force in the fight in Syria. All the more since the "secret letter" sent in November 2014 by President Obama to Ali Khamenei is said to have implied to the Iranian leader that in exchange for Iranian help fighting ISIS – help that Hezbollah would inevitably provide – the US would accept Bashar al-Assad remaining in power. In light of the balancing role that the IRL is playing in Syria, it is unlikely that Hezbollah will form part of any bargain by Iran in its reconciliation with the West.

Moreover, Tehran has more than one good reason to maintain a strong relationship with its Lebanese protégé. As mentioned above, the IRL presence in Syria is mainly confined to a well-defined area. One of its aims is to keep Sunni jihadist groups away from the Lebanese Shiite regions across the border and to prevent them from carrying out retaliation operations in Lebanon. But even more importantly, it wants to recreate on the Syrian side of the frontier an accessible and secure zone in which the IRL and Hezbollah will be able to reorganise their presence if Bashar al-Assad's regime falls. Thus, the IRL does not need to have established itself across the entire territory of Syria; a limited safe haven will suffice, as long as it is equipped with logistical amenities that can enable its weapons to be transferred from Iran.¹³ If the IRL in this way is defending its own interests in Syria before those of Assad, it is still *de facto* helping to maintain Iran's interests in Syria, while also making it unnecessary, for now, for Tehran to commit its own soldiers to the cause (Iran has sent only military advisers to aid the Syrian army).

The IRL's successful campaign in Syria provides Iran with another advantage. Rather than handicapping Tehran in its discussions with the West, it allows it – just like in 2006 – to expand its diplomatic room for manoeuvre and its capacity for negotiation. In January 2014, Washington acknowledged that it would welcome the "constructive cooperation of Iran" at the Geneva II conference.¹⁴ And were it not for UN Secretary-General Ban Ki-Moon's last-minute cancellation of Iran's invitation to participate in the conference, Tehran would have officially been one of the actors solicited to help find a solution to the Syrian question.

⁹ "Hezbollah welcomes 'Iran's beacon of hope' Rouhani", *Jerusalem Post*, 16 June 2013, available at <http://www.jpost.com/Middle-East/Hezbollah-welcomes-Iranian-beacon-of-hope-Rowhani-316708>; "Rouhani speaks out against foreign interference in Syria", *L'Orient-Le Jour*, 17 June 2013, available at <http://www.lorientlejour.com/article/819594/rouhani-se-dit-contre-les-ingerences-etrangeres-en-syrie-.html>.

¹⁰ "Iran's Rouhani affirms support for Syria, Hezbollah", *The Times of Israel*, 16 July 2013, available at <http://www.timesofisrael.com/irans-rouhani-affirms-support-for-syria-hezbollah/>.

¹¹ See, for instance, *L'Orient-Le Jour*, 30 August 2013.

¹² Dalit Halevi and Ari Soffer, "Syria: Rebels Down Drone as Regime Casualties Mount", *Arutz Sheva*, 3 October 2013, available at <http://www.israelnationalnews.com/News/News.aspx/172475>.

¹³ Interviews with IRL fighters coming back from battle in Syria, October 2013 and January 2014.

¹⁴ *L'Orient-Le Jour*, 6 January 2014.

Though not exactly official, the fact that Iranian war aircrafts are bombarding ISIS positions in Syria and Iraq alongside the US-led Coalition is a telling illustration of how the West and Iran are de facto allies in fighting a jihadist radical Islam in the Middle East.¹⁵ Indeed, US Secretary of State John Kerry made it explicit in September, reportedly telling the US Security Council that “there is room for everybody, including Iran, in an anti-IS coalition”.¹⁶

Given the growing weakness of the Assad regime, including its significantly diminished role in Lebanon, the tight bond between Iran and Hezbollah that existed under Ahmadinejad is likely to be stronger still. After the end of the civil war in Lebanon (1975-1990) and the instalment of Syrian tutelage over the country, Damascus was closely involved in the daily management of Lebanese affairs, and even intruded directly or indirectly in the relationships of political parties with foreign governments. Iran-Hezbollah ties were no exception.¹⁷ The 2008 assassination of senior Hezbollah member Imad Mughniyeh in the Syrian capital – allegedly by the Israeli Mossad, with help from high-ranking Syrian security officers – was interpreted by some observers as a warning from the Syrian regime both to Hezbollah and to Iran in response to Syria’s perceived marginalisation within the “axis of resistance” alliance. Today, however, the situation is drastically different. Iranian “advisors” lead and train Assad’s loyalist forces and the IRL is playing a critical role in the regime’s position on the ground. With Damascus now in the position of the indebted party, its room for manoeuvre and its capacity of being a nuisance to the Tehran-Hezbollah relationship will be seriously diminished. While the strength of the Iranian relationship with Hezbollah is therefore currently undoubtable, questions exist over the extent to which these two powers might eventually be willing to engage in dealmaking in Syria. This is particularly brought into focus by the growing threat posed by ISIS – a fight that neither Tehran nor Hezbollah want to own on behalf of the Assad regime. In Lebanon, Hezbollah and Iran appear to now believe that a degree of power sharing with regional backing is necessary to combat extremists. In Syria, US-led military action targeting ISIS but not the regime appears on the one hand to officially vindicate the position that ISIS, not Assad, is the priority. Down the road, however, and with growing international recognition of the role played by Iran and its regional allies like Hezbollah, this equation could perhaps also shift towards a compromise that combines the push against ISIS with meaningful political transition and change in Syria that has Iranian and Hezbollah endorsement.

¹⁵ Akbar Shahid Ahmed, “Iran Bombing Islamic State In Iraq, U.S. Official Confirms”, *Huffington Post*, 1 December 2014, available at: http://www.huffingtonpost.com/2014/12/01/us-iran-iraq_n_6251894.html.

¹⁶ Patrick Cockburn, “Nothing will stop ISIS but a Syrian truce”, *The Independent*, 3 December 2014, available at: <http://www.independent.co.uk/voices/comment/nothing-will-stop-isis-except-a-syrian-truce-9746373.html>.

¹⁷ For more details, see Daher, *Hezbollah*, chapter 3.

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