

Iran's Political Culture, Internal Development, and International Environment after the End of Sanctions

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Abstract

This article concentrates on the development of the political culture in Iran after the end of international sanctions due to the agreement with the international community in the summer of 2015. The lifting of sanctions began in mid-January 2016. The development of Iranian political culture depends on its internal socio-economic development and domestic political life as well as on the international relations of the country.

The election of the Parliament and the Assembly of Experts in February and April 2016 were very important for the years to come. In the parliamentary election, the reformists and the moderates close to President Hassan Rouhani won 140 out of 290 seats. This means that the Parliament is balanced in the sense that negotiations between different political forces are needed in order to realise any of the reforms planned by the reformists. This results in progression in the political culture because a new kind of dialogue becomes necessary.

Iran's international relations also have an important impact on the country's political culture. They determine how much Iran can open itself up to the world. Two dimensions are essential here. These are the development of difficult crises in the region: firstly, the civil war in Syria and relations with Saudi Arabia, and secondly, the outcome of the nuclear deal and the ending of the sanctions.

As a player in the Syrian civil war, Iran supports the regime of Bashar al-Assad, believing that if it is toppled, it will be replaced by extremist groups such as Islamic State and/or Jabhat al Nusra. This might cause the dismantling of the country and the destabilisation of the whole security architecture in the region.

Similar issues concern relations with Saudi Arabia, which, in reality, does not so much indicate Shi'a-Sunni antagonism, but rather competition between the two dominant regional powers.

The realisation of the Joint Comprehensive Plan of Action (JCPOA) is very important for Iran and for the country's political culture. As Iranians fulfil their part of the deal, they require the international community to do the same. Failing to do so would have a very negative impact on Iranian domestic policy; it would re-enforce the ultraconservatives and hinder the opening up of the country.

Introduction

This article studies the general tendencies of the political development in Iran and asks to what degree the removal of sanctions leads to a significant development in Iranian political culture and a new phase in Iran's international environment.

The development of Iran's political culture is difficult to predict. As such, we need to understand the country's historical realities and to analyse its internal political processes. However, understanding Iran's socio-economic development is even more important. The emergence of a new political culture can be seen in the interconnection of the domestic and international spheres.

The Joint Comprehensive Plan of Action (JCPOA) on the Iranian nuclear programme was reached in mid-July 2015 in Vienna. In mid-January 2016, the International Atomic Energy Agency (IAEA) published its report stating that Iran had respected all the requirements of the agreement. This opened the

door for the lifting of the sanctions.¹

During the six months from the nuclear agreement until mid-January 2016 many things changed rather dramatically, including things that will have an impact on Iranian –and regional– opportunities to truly benefit from the end of sanctions. This period ended with the Iranian elections at the end of February 2016. President Hassan Rouhani's reformist camp was successful in the parliamentary elections in the whole country, but in the election of the Assembly of Experts,² the reformist camp won only in Teheran. Nationally, most of the seats in the Assembly of Experts still belong to the conservatives close to the Supreme Leader Ayatollah Khamenei.

While this six month period saw many important, rapid, and dramatic changes, the whole preceding decade witnessed important, often structural changes in Iran and Iranian society, including increasing urbanisation, demographic development with a new kind of age pyramid, economic hardship due to international sanctions, and high inflation.

All in all, the perspectives in March 2016 were very different from what they were supposed and expected to be in the middle of the summer 2015 when the nuclear agreement was reached.

Ordinary Iranians, especially the youth, have been waiting for relatively rapid progressive changes in society and particularly for fast economic growth and increasing national prosperity. These expectations should be observed in the light of the country's internal development, which takes place in its regional and international environment. Specific attention should be paid to the economic conditions where these developments occur.

Diminishing oil prices and thus much lower oil revenues than were expected even in the summer of 2015 are having a huge impact on the entire Iranian economy. Furthermore, the US, and especially its Republican Party, are trying to hinder and create obstacles to the lifting of the sanctions, which is perceived very negatively by the Iranians and regarded as a very unfair act. If this kind of behaviour continues, not only will it negatively influence Iranian economic development; it will also have a regrettable impact on Iran's attitudes towards the outside world.

Reduced revenues mean fewer investments and thus slower economic growth and development. This domestic economic development is very important and sensitive for the political regime and for the political power struggle between the three major political factions: the reformists, the moderates, and the conservatives.

The elections for the Majlis (the Iranian Parliament) at the end of February and the complementary round at the end of April 2016³ were won by the reformists of the Rouhani camp. However, due to the results of the elections for the Assembly of Experts, they cannot govern without compromising, for instance, with the different elements of the moderate conservative camp. This means negotiations and political struggle for most of the reforms President Rouhani and his supporters want to pass in the Parliament. They concern domestic policies and civil society, but also Iran's opening up to the world and the international community. As a matter of fact, we can presume that the issue is about how much the policy making is based on the population's expectations and how much is based on the ideological values of the Islamic Republic of Iran.

1. Information Note on EU sanctions to be lifted under the Joint Comprehensive Plan of Action (JCPOA), Brussels, 23 January 2016. http://eeas.europa.eu/top_stories/pdf/iran_implementation/information_note_eu_sanctions_jcpoa_en.pdf. La fin des sanctions va permettre à l'Iran de récupérer ses avoirs gelés, « Le Monde.fr avec AFP et AP », Paris, 19 January 2016, www.lemonde.fr/international/article/2016/01/19/l-iran-va-recuperer-ses-avoirs-geles_4849564_3210.html.

2. This Assembly of Experts will select the next Supreme Leader

after the death of Ayatollah Ali Khamenei.

3. Iran elections: Hardliners lose parliament to Rouhani allies, BBC News, 30 April 2016, www.bbc.com/news/world-middle-east-36178276.

In the vicinity of Iran, the international context is also changing very rapidly, and often in an unpredictable way. Two issues dominate this environment. The civil war in Syria is having a very negative impact on all kinds of relations in the entire region. It is an obstacle to any kind of normal and sane development in any of the fields. With varying intensity, Iran is backing Assad's regime in Damascus. Without having to take a position on this issue, it is obvious that Iran would definitely be better off without the civil war in Syria. From an external point of view and in the long run, this is a burden for Iran's foreign relations, as it is for the whole region.

The civil war in Syria is also, at least partly, connected to the worsening relations Iran has with Saudi Arabia, which supports the anti-Assad opposition and its different armed groups. At the same time, Saudi Arabia has been trying to build up and lead a kind of Arab coalition of Sunni nations at odds with the Shi'a world that is supposed to serve Iran's interests. Besides the Persian Gulf, this is said to be happening in the Yemeni civil war, where Iran and Saudi Arabia back opposite sides. The sad thing here is that, besides its negative impact on Iran, this rivalry might somehow result in the whole region losing the opportunity to benefit from the positive impact of the end of the nuclear controversy and the lifting of the Iranian sanctions. Instead of useless competition, one might consider how this new evolution could help to resolve the Syrian catastrophe, as well as the conflict in Yemen.⁴

The entire international community is, of course, affected by the nuclear agreement and the lifting of the sanctions against Iran. The opening up of the Iranian markets after almost ten years of sanctions is of interest to political spheres and the business world globally. The number of official high level delegations and commercial expeditions visiting Iran is astonishingly important. Almost everybody is interested in getting a share of the market and offering services. In certain fields of the Iranian economy and social life, this is

particularly important. These interests are also bound to more general features in international relations. The US and Europe have, at least partly, different understandings of their relations with Iran, and Russia is playing its own cards rather originally with its long standing support of Iran. Russia's massive involvement in Syria since September 2015 and its sudden partial withdrawal in March 2016 make things unclear. This means that it is also difficult for Iran to predict Russian policy in the region. It has been argued that the main result of the Russian campaign was to show that there is no military solution to the Syrian crisis and to bring the stakeholders back to the negotiation table in Geneva.⁵

All this forms the context in which Iran has been evolving since the spring of 2016 onwards. Many things are very difficult to foresee, and we currently lack serious scientific research and analysis of several different critical fields. The development of a new Iranian political culture can be seen in the interconnection of four dimensions: the internal development in Iran and the three concentric circles constituting the country's international relations.

Internal dimensions in Iranian development

Since the revolution in 1979, and especially during the last ten years, Iran's political life has been very dynamic. All recent election campaigns indicate that the bases for popular participation in the political process exist, and there is also possibly the option for partial political change. The end of the sanctions and the implementation of JCPOA are having a significant impact on the political atmosphere in Iran, and these have started a new cycle in the country's political life. How the local actors will react to these changes is one of our main research questions.

The whole six-month period between the nuclear agreement in July 2015 and the elections in February and their complementary round at the end of April

4. The US Secretary of State John Kerry invited Iran on 7 April 2016 to help end the wars in Yemen and Syria. It is worth noting that the US recognised the importance of Iran in these peace processes just before meeting his counterparts from the Gulf Cooperation Council in Bahrain, "Al-Arabiya -AFP", London, Paris, 7 April 2016.

5. At the panel Joining Hands for Syria's Future: Prospects for Cooperation between the EU and Russia?, University of Tampere, 4 April 2016, by Dr. Ekaterina Stepanova, Institute of World Economy and International Relations, IMEMO, Moscow.

2016 witnessed the preparations for those elections. Besides the political debate on the main issues that were at stake in the elections, such as economic reforms and the opening up to the outside world, the particular character of Iranian electoral system became the subject of debate, particularly the so-called Guardian Council of 12 members, which vets all candidates for President, Parliament (Majlis), and the Assembly of Experts, and states if the candidates are qualified to run or not.

Apparently, there seems to be increasing pressure to reform or even to get rid of this system of disqualifying electoral candidates. In August 2015, President Hassan Rouhani stated that there is no place in Iran for disqualifying qualified persons who want to serve their country based on their political faction.⁶ The Supreme Leader Ali Khamenei did not favour this approach. Nevertheless, during the electoral campaign, President Rouhani tried to make it more difficult for the Guardian Council to reject reformist and moderate candidates. Concerning the Assembly of Experts, this issue has been continued by the discussion of the criteria that the next Supreme Leader should fulfil, the conservatives trying to add new criteria to those mentioned in the country's constitution.⁷

In the 26 February 2016 Majlis elections, the Guardian Council approved only 4,700 candidates of an original 12,000. In the case of the Assembly of Experts, only 161 were accepted out of 800 candidates. There were very few reformists among those selected.⁸ It is obvious that this question of vetting candidates and disqualifying an important number of them will be an issue for political debate in the future of Iran for years to come and a challenge for all the political

stakeholders. The country certainly needs a lot of creativity and imagination in order to overcome this dilemma while respecting the values of the Republic. This is already a sign of a new political culture in the making.

The 26 February 2016 Majlis and Assembly of Experts elections were a success as such for the Islamic Republic of Iran. They were peaceful and without serious incident. The turnout was about 62%, which is more or less the same –even a little higher– than previously.⁹ This shows that, in fact, most people have understood that their votes will be counted and will have an effect. For the Assembly of Experts, which has 88 members, Ali Akbar Hashemi Rafsanjani and Mohammed Khatami's list, both former presidents and close to Hassan Rouhani, won about 50% of the members, all of whom belong to the moderate camp. Concerning the Majlis, the moderates won almost half of the seats, altogether 140 out of 290 seats, which is a remarkable result. However, their number is not enough to govern alone, especially if they want to realise political, economic, and social reforms or to have an open foreign policy.¹⁰

For this reason, the time is ripe for a profound and accurate assessment of the performance of all three camps –the reformists, moderates, and conservatives– and it would be better for the reformists not to become euphoric about their victory. Instead, they should understand the current conditions in Iran and realise the need for cooperation in the new parliament in order to solve the people's problems.

This is especially true because the new Parliament will need cooperation between all factions in order to start parliamentary interaction in the post-

6. Shahir Shahidsaless, The road to choosing Iran's new leader, "Middle East Eye", 26 December 2015, www.middleeasteye.net/columns/road-choosing-iran-s-new-leader-688361433.

7. Ibidem.

8. Ghazal Golshiri & Louis Imbert, Le succès diplomatique ne renforce pas M. Rohani, « Le Monde », Paris, 19 January 2016, www.lemonde.fr/proche-orient/article/2016/01/19/le-succes-diplomatique-ne-renforce-pas-m-rohani_4849617_3218.html. Louis Imbert (propos recueillis par), Ayatollah Youssef Saanei 'Où sont les actes de Hassan Rohani?', « Le Monde », Paris, 27–28 February 2016.

9. Elections en Iran : premiers résultats encourageants pour les réformistes, « Le Monde.fr avec AFP, AP et Reuters », 27 February 2016 at 14:34, updated 28 February 2016 at 07:46, http://abonnes.lemonde.fr/international/article/2016/02/27/elections-en-iran-le-depouillement-a-commence-participation-d-environ-60_4872943_3210.html, www.moi.ir/portal/File/ShowFile.aspx?ID=1ceb57f0-1b7c-4f3a-8331-4fdc300e8fe5.

10. Hassan Beheshtipour, Lessons and Opportunities Resulting from Iran's Elections, in "Iran Review", Teheran, Friday, March 4, 2016, www.iranreview.org/content/Documents/Lessons-and-Opportunities-Resulting-from-Iran-s-Elections.htm.

JCPOA era. If all the factions manage to engage in constructive interaction, they will be able to provide strong support for the presidential administration in its bid to promote constructive interaction with the world, without having any concern of being accused of dependence on foreign powers.

At present, unlike in the past, reformists and moderates know that the conservatives are an undeniable reality in Iranian society, and this might facilitate the political power game and also result into more balanced relations between different political camps and more realistic expectations for the future.

The second political issue in the 2016 elections dealt with the challenges of the economic reforms and the opening up of the country to the world. It also concerned the content of the nuclear agreement and the meaning of economic relations after the end of the sanctions. One of the big questions asked was what kind of cultural impact this opening up to the world would have. In practice, this question refers to how much control and limitation there should be concerning the Internet, for instance. This is an important issue in Iran, where the population is very young.

From a demographic perspective, Iran is a youthful country: about half of Iran's 80 million inhabitants are under 35 years old, and the median age in Iran is 30.1 years.¹¹ In Iran, the youth is the largest part of the population compared to any other country in the world, with 35% of the population aged between 15 and 29 years. This fact is at least partly due to the baby boom in the early 1980s after the Islamic Revolution. This high percentage of youth will start to reduce from 2020 onwards.¹²

This large, youthful population means several particularities in social, economic, and political life. From 2008, due to global crises and sanctions, the difficult economic situation and its negative impacts on ordinary people started to increase. In the same year, demographic pressures also became more important. This especially concerned the Iranian youth, particularly those from lower income families. This group is still suffering the most from inflation and international isolation.

In Iran, the youth forms 60% of the electorate and young people played a crucial role in the election of President Mohammed Khatami already in 1997 and again in 2001. In 2009, the youth questioned the results of the elections. Today, it is said that the Iranian youth is more interested in social and cultural fields than in politics.¹³ In this, Iranian youth is following a global tendency where there is a kind of disinterest and disappointment in politics, but this might be only temporary and we should expect that the youth in Iran will play a major role in the country's new political culture in the future.

The Iranian youth is well educated: universities and other higher education establishments enrol an increasing number of students. Today, students number some 4.5–5 million young people.¹⁴ It is also worthy of note that about 60% of higher education students are female.¹⁵ Nevertheless, even good quality education is not solving most of the difficulties young people face in Iran.

Perhaps the two most important challenges the Iranian youth faces today are employment and marriage –that is, being able to start a family. These two items somehow determine many other issues in young people's social and individual lives within

11. Worldometers, 2016, www.worldometers.info/world-population/iran-population/.

12. Djavad Salehi-Isfahani, Iranian Youth in Times of Economic Crisis, in "Iranian Studies", International Society for Iranian Studies, Routledge, 2011, Vol. 44, No. 6.

13. www7.irna.ir/fa/News/81980211/, and www.ilamtoday.com/article/article.asp?n=166.

14. Ayse, Valentine; Nash, Jason John; Leland, Rice (January 2013). "The Business Year 2013: Iran". London, UK: The Busi-

ness Year: 162. ISBN 978-1-908180-11-7, and Over 350,000 Iranians studying abroad: Education Minister, "Teheran Times", 9 January 2014, www.payvand.com/news/14/sep/1002.html, and www7.irna.ir/fa/News/81935217/.

Today the number of Iranians studying abroad is about half a million.

15. Florence Beaugé, Les Iraniennes ne désarment pas, « Le Monde Diplomatique », No. 743, 63^e année, Paris, February 2016.

Iranian society. These phenomena also result in something known as “waithood”,¹⁶ which means that young people must wait increasing periods of time – sometimes several years – before filling a job vacancy after completing their studies and before forming a relationship.

The general unemployment rate in Iran is high: it is about 11% officially, but in reality it is estimated to be at least 30%.¹⁷ Among the youth, even official figures are much higher: about 25% of young males and 46% of young females are unemployed. For those young people who have a university degree or diploma, unemployment is an even more serious problem. Although varying very much across different fields, it can be about 30% for men and more than 50% for women in some cases.¹⁸

One of the reactions to unemployment has been young higher educated Iranians leaving the country for the Persian Gulf countries, Europe, North America, and Australia. In all, after the 1979 Revolution, the Iranian diaspora consists of about 5 million people, and those with an academic education form an important part of it.¹⁹ Today, after the end of sanctions, they seem to have started returning to Iran, hoping, of course, that they can restart their life in their own country.²⁰

The question of forming a couple and starting a family is an important issue in all North African and

Middle Eastern societies, and this is the case in Iran also. The debate on the marriage market is certainly very serious, but at the same time a little amusing. All the savant calculations on different age tranches and suitable spouses seem a little too “statistical” in their rigid categorisation. For our understanding, besides “true love for ever”, the question of employment – that is the possibility to sustain a family – and housing – that is where to live with the family – are essential. If young people cannot form a couple, or need to wait excessively long to do so, this is a real and unfair problem for the whole society. In Iran, there is relatively a lot of discussion on the unbalance between the sexes and the lack of males – there is about a 25% deficit at marrying age.²¹ However, there still seems to be surprisingly little discussion on housing concerning this issue compared to other countries in the Middle East and North Africa, where it is an important obstacle to forming a family.²²

As stated earlier, the Iranian youth is more interested in their socio-economic living conditions and in cultural affairs than in politics. Often the main issue concerns civil liberties in the domain of culture and creation, and how much, for instance, the foreign websites and TV and radio channels are controlled. This might be a false issue in the sense that in reality it is so easy to bypass all of these restrictions, and young Iranians are well educated enough to know how to do it.²³ Perhaps it would just be wiser to trust this educated generation

16. Navtej Dhillon & Tarek Yousef (eds.), *Generation in Waiting: The Unfulfilled Promise of Young People in the Middle East*, Brookings Institution Press, Washington, DC, 2009.

17. Florence Beaugé, *Un pays grippe*, « *Le Monde Diplomatique* », No. 743, 63e année, Paris, February 2016. According to some sources, the official rate of unemployment is about 19%.

18. Nader Habibi, *Iran's Overeducation Crisis: Causes and Ramifications*, “Middle East Brief”, Crown Center for Middle East Studies, Brandeis University, No. 89, February 2015, Waltham, Massachusetts, www.brandeis.edu/crown/publications/meb/MEB89.pdf, and Tara Vishwanath, *Ouvrir les portes: égalité des sexes et développement dans la région de MENA*, « *Afrikar / idées*. Revue trimestrielle pour le dialogue entre le Maghreb, l'Espagne et l'Europe », No. 48, Winter 2015/2016, Estudios de Política Exterior S.A, Madrid & IEMed, Instituto Europeo del Mediterráneo, Barcelona.

19. www.iranicaonline.org/articles/diaspora#pt5.

20. Nader Habibi, *Iran's Overeducation Crisis: Causes and Ramifications*, “Middle East Brief”, Crown Center for Middle East

Studies, Brandeis University, No. 89, February 2015, Waltham, Massachusetts, www.brandeis.edu/crown/publications/meb/MEB89.pdf, and *World Population Review* 2016.

21. www.sabteahval.ir/en/Page.aspx?search=Statistics%20marriage&mID=13468&Page=search/advancedsearch&mDefId=

22. Djavad Salehi-Isfahani, *Iranian Youth in Times of Economic Crisis*, “Iranian Studies”, Vol. 44, No. 6, Routledge, London, 2011, www.tandfonline.com/doi/abs/10.1080/00210862.2011.570510. As a matter of fact, Djavad Salehi-Isfahani is one of the few scholars to thoroughly describe the patterns of the Iranian marriage market and the difficulties the youth has in forming a relationship.

23. www.parsine.com/fa/news/236827/%D8%A2%D9%85%D8%A7%D8%B1-%D8%B6%D8%B1%D8%BA%D8%A7%D9%85%DB%8C-%D8%A7%D8%B2-%D8%AA%D8%B9%D8%AF%D8%A7%D8%AF-%D8%A7%D8%B3%D8%AA%D9%81%D8%A7%D8%AF%D9%87-%DA%A9%D9%86%D9%86%D8%AF%DA%AF%D8%A7%D9%86-%D9%85%D8%A7%D9%87%D9%88%D8%A7%D8%B1%D9%87-%D8%AF%D8%B1-%D8%AA%D9%87%D8%B1%D8%A7%D9%86.

of Iranians and believe that due of their high level of education and attachment to their own civilisation they can “read” the foreign media critically enough and analyse its weaknesses and positive contributions. Regardless, in the new period after the end of sanctions and the international isolation of Iran, the youth of Iran will be fully integrated into the global society, at least in the medium term.

The attachment of the Iranian youth to their own civilisation has been seen, for instance, in the way how they have appropriated the traditional cultural events such as Norooz (Nowruz) or even different religious holidays by creating their own manners of celebration. Also of note is the richness of Iranian cinema and film production, the large number of daily newspapers (400) as well as the country’s remarkable efforts in translating foreign literature, one of the greatest in the world.²⁴

It is more than obvious that this kind of cultural landscape means that the Iranian youth and young people should be taken very seriously into account by the political regime and political leaders. Economic reforms might require the reduction of the Revolutionary Guards’ role in the country’s economy. Still, it seems that the conservatives have no intention of giving up their power in the economic field. Conservatives are afraid that economic openness brings with it Western cultural penetration, especially for the younger generations. Khamenei at least partly shares this view, and this remains a real dilemma for the regime.

During the 2016 election campaign, President Hassan Rouhani promised “a better future” for young Iranians and this is something he and the country should take very seriously and try to accomplish. The new Iranian political culture will most probably be a combination of the expectations of the young people and the ongoing result of the political factions’ power struggle in the context of the new international environment.

Iran’s immediate vicinity

There are three principal circles in the international relations of Iran. The immediate neighbours in the Persian Gulf constitute the first set of partners. Relations here are extremely important but very difficult. The six Arab countries of the Persian Gulf each have an individual approach towards Iran, which differs from their common opinion within the Gulf Cooperation Council.

Of course, the relations of Iran with the Arab countries in the Persian Gulf are today very dependent of the attitude of Saudi Arabia, which is trying to dominate the whole Sunni Islam part of the Arab world, if not wider. In practice, this situation might be more complex, especially when we take into consideration that many Persian Gulf partners have a long peaceful history with Iran and that they have no interest in any kind of animosity in the near future.

The neighbours to the north and east of Iran – Azerbaijan, Armenia, Turkmenistan, Afghanistan and Pakistan– are important, but perhaps less problematic than those of the Persian Gulf. Two of them –Afghanistan and Pakistan– may be the most crucial. Afghanistan is, of course, problematic because of the security situation in the country. As for Pakistan, it is notable that there are millions of Pakistani workers in Saudi Arabia and the Persian Gulf countries. Still, Pakistan did not accept a request from Saudi Arabia to send troops to Yemen. After the end of sanctions in 2016, the construction works for the Iran-Pakistan gas pipeline, which were started in 2010 and later interrupted, have resumed. There is competition between different regional actors, with India and China participating in the construction of harbours in Iran and Pakistan. Pakistan has also tried to mediate between Iran and Saudi Arabia.²⁵

In more general terms, we can presume that the nearby vicinity of Iran is certainly not without problems,

24. Erik Nyström & Kambiz Ghafouri, *Kansan valitsema presidentti, “UP – Ulkopoliittikka”*, No. 1, Helsinki, 2016, and Esmaeil Haddadian-Moghaddam, *Literary Translation in Modern Iran: A sociological study*, “Benjamins Translation Library”, No. 114, KU Leuven, John Benjamins Publishing Co., 2014, [https://](https://benjamins.com/#catalog/books/btl.114/main)

benjamins.com/#catalog/books/btl.114/main, as well as www.radiofarda.com/content/f12_noruz_under_pressure_from_government/25313815.html.

25. Jean-Luc Racine, *Le Pakistan cherche sa place dans une région tourmentée*, « *Le Monde Diplomatique* », No. 744, 63e année, Paris, March 2016.

but at the same time, being realistic, these countries are looking, at least partly, for positive relations with Iran. Some of the Persian Gulf countries have a kind of Iran phobia that is accentuated by the attitude of Saudi Arabia. The development of the crises in Syria and Iraq will, most probably, have an impact on their attitudes. This takes place, of course, in the more general context of the international relations in the Middle East.

It is not often noticed, but Iran has one of the largest refugee populations in the world. The country officially hosts more than three million refugees, mostly from Iraq and Afghanistan; the number from Syria is not known.²⁶

Middle East

The second circle of Iran's foreign relations consists of the Arab countries in general plus Turkey. This is the most difficult element for Iran. Here, the development of a positive approach is crucial, and it does not depend solely on the Iranians; for instance, Saudi Arabia and Bahrain play also an important role. Of course, this second circle overlaps with the first one concerning the Persian Gulf, but this second circle includes the whole of the Middle East.

This domain is marked by two sets of problems. The first set consists of the civil war in Syria and the internal situation in Iraq as well as the crisis in Yemen. Iran is involved in all of these conflicts. We need to analyse how the end of the sanctions will affect these contexts and impact both the internal development and the external relations of Iran.

It is clear that the civil war in Syria is the most difficult issue for Iran. After the Iran Iraq War (1980–1988), in which Europe and the USA supported Saddam Hussein's Iraq, it is not at all surprising that Iran remains extremely hesitant and suspicious concerning all the security challenges that are taking place in the country's vicinity.

The war in Syria is damaging all kind of different relations and developments across the Middle East. It has become clear for all parties, especially after Russia joined the war in September 2015, that there is no military solution; military action can only support the political process.²⁷

In the war in Syria, there seems to be different attitudes and a whole variety of opinions concerning Iran's participation and strategic goals. Some studies estimate that Iran is, since March 2016, following the Russian example and reducing its engagement in Syria. Ayatollah Youssef Saanei has even publicly criticised the country's military presence in Syria. Those who are close to the conservatives and especially Iran's Revolutionary Guards Corps strongly support the Iranian presence in Syria, saying that if they do not fight the violent jihadists –Islamic State and Jabhat al-Nusra– today in Syria, they will have to face them at home in about five years.²⁸ Iran is also afraid that if the Assad regime is toppled, Syria will share the destiny of Libya and the battle between different radical entities will dominate the Syrian scene. Iran is also afraid that the Assad regime could be replaced by a government with closer ties to Israel and thus drastically change its security environment.

The fragile cease-fire in February 2016, the partial withdrawal of Russia, and the participation of Iran in the Syrian peace talks might contribute to a situation where the Syrian stakeholders are more eager to start a political process that might lead to a more sustainable solution. For Iran, participation in the peace talks might consolidate a political culture that values dialogue and mediation in solving social issues.

In the vicinity of Iran, a second set of problems concerns relations with Saudi Arabia and the whole Shi'a-Sunni confrontation, which is, in some degree, artificial –or at least ideological, overemphasised,

26. World Population Review 2016.

27. Cécile Hennion & Madjid Zerrouky (interviewers), Jean-Marie Guéhenno 'L'Etat islamique et Al-Qaida ne seront pas vaincu de l'extérieur', « Le Monde », Paris, 10–11 April 2016.

28. Louis Imbert (interviewer), Ayatollah Youssef Saanei 'Où sont les actes de Hassan Rohani?', « Le Monde », Paris, 27–28 February 2016, and Louis Imbert, Les Iraniens unis face à la guerre en Syrie, « Le Monde », Paris, 13–14 March 2016.

and exaggerated—because as it is so old, it cannot serve anything other than contemporary political passions. As a matter of fact, this Shi'a-Sunni confrontation is a fig leaf, camouflage for the regional power struggle taking place between Iran and Saudi Arabia.²⁹

Historically, Saudi Arabia and Iran were competing partners, and their “cooperation” mainly served both countries’ domestic and foreign policy goals. In the 1970s, during the hot years of the Cold War, the Western alliance (NATO) referred to Saudi Arabia and Iran as the “twin pillars” in the region.

The 1979 Islamic Revolution in Iran changed all this, however, and Iran grew ever more isolated in both the Middle Eastern and international spheres. In this context, Iran increasingly emphasised relations with different Shi'a minorities, especially in Iraq and in Lebanon, where she supported Hezbollah. This support was justified as the desire to help the Palestinians and all those who fought the Israeli occupation of southern Lebanon. In Iraq, the support aimed to bolster the Shi'a majority neglected by Saddam Hussein's regime.

It is difficult to estimate how serious the claims are of Iran's wish to form a kind of “Shi'a empire” and expand its zone of influence. These kind of pretensions have been present since the Islamic Revolution. Still, as many specialists have stated, the evidence of history show us that there has not been an attempt to form an Iranian empire since the pre Islamic Sassanid Empire. Today, it seems that Iran has neither the will nor the capacities for an empire. Furthermore, the country's military expenditures are far behind those of the other Persian Gulf states.³⁰

The so-called Arab spring, the civil war in Syria and the new attitude of the US towards Iran has resulted in a situation where Saudi Arabia has been seeking a leadership role in the Sunni world and has created an Arab coalition to intervene in the Syrian civil war, one which is fighting Islamic State but also backing some anti-Assad forces. The relations between Iran and Saudi Arabia deteriorated drastically in early 2016 after the execution of a Shi'a religious scholar by Saudi Arabia and the retaliatory sacking of the Saudi embassy in Teheran. Diplomatic relations between the two countries were frozen, and the situation remains extremely worrying as there are very few signs of detente.

Without delving too deeply into the details we can, of course, ask: Is the Iranian regime really trying to solve this problem? If Saudi Arabia and other Arab countries are reluctant, can Europe or the international community help them to accept a resolution to this impasse? This is a very important question because so many stakeholders in the international community are putting much too much emphasis on this Iran-Saudi Arabia dichotomy today. Once again, outside actors can play a role, but only by taking into the consideration the local forces and accompanying political processes. It is certainly a domestic issue for Iran and for the country's new political culture in the making. In the case of Saudi Arabia and the difficulties it faces—for instance with the war in Yemen—there is a possibility to clearly demark where the limits of military adventure and attempts to dominate lie by reducing arms delivery.³¹

The role of Turkey also remains a question mark for Iran. Besides the Syrian civil war, the issue of the differing ambitions of the Kurds might be a

29. Ari Kerkkänen, *Syyria ja Lähi-itä. Havaintoja nykypäivästä ja heijastuksia historiasta*, ”Pystykorvakirja”, Suomen Rauhanpuolustajat & Like, Riika, Helsinki, 2015.

Besides theological and religious differences, it is obvious that there is also a clear historical issue between the Sunni and Shi'a that explains today's controversy.

30. Riccardo Alcaro, *The West and the Middle East After the Iran Nuclear Deal*, “IAI Working Papers 15/25”, IAI, Istituto Affari Internazionali, Rome, July 2015.

When the Muslim Arabs invaded Iran during the Sassanid Empire, they had

not yet expanded to the Roman and later to Muslim empire in Andalusia and North Africa.

According to the definition of Empire in political science, the concept and the principle of the Shi'a empire in the current state of global and regional issues in the Middle East is virtually impossible.

31. Rouzbeh Parsi, *The Middle East and the Deal: In Search of a New Balance*, in Paolo Magri & Annalisa Perteghella (ed.), “Iran After the Deal: The Road Ahead”, ISPI (Italian Institute for International Political Studies), Edizioni Epoké, Milano, 2015.

problem. This is something which seems to change every six months. The foreign policy of Recep Tayyip Erdogan has become increasingly difficult to foresee as the regime has become more authoritarian. On the one hand, Syria remains an issue between Turkey and Iran, and the Kurds' interests might lead to the issue becoming even more serious. On the other hand, Turkey is challenging Saudi Arabia as the leading Sunni power. This might align it closer to Iran's position.

In some way, we could hope that in the medium term, the whole region will enter a new era where the positive elements of the Arab Spring and the end of sanctions against Iran prevail.

The International Community

As for the third circle of Iran's foreign relations, the development of the whole international community will have a multiform impact on the country after the end of the sanctions. If the implementation of JCPOA is done correctly, it will impact the overall relations in the international context and contribute positively to the solution of the ongoing difficulties. It is obvious that this will influence Iranian internal development and, in the long run, Iranian political culture. The interaction of these three foreign relation circles with the internal development of Iran will determine the country's future in the coming decades.

After the end of the sanctions, two issues are becoming crucial for Iran's development. The first is – as already stated – the implementation of JCPOA and its economic options. The second concerns world politics more generally, in particular the impact of relations between Russia and the US, and the role of China and the BRICS.³²

In the first issue, the progressive lifting of the sanctions started 16 January 2016. This meant the release of the Iranian financial assets in international banks. There

are different estimations of their worth starting from 32 billion US dollars,³³ but the figure could be very much higher in a rather short period of time, up to 100 milliard US dollars. The SWIFT code was re-established on 3 February 2016 at nine international banks, making financial transactions possible. The process of lifting the sanctions has different effects in Europe and the US: some political circles (right wing Republicans) in the US are trying to hinder the lifting of the international sanctions. Furthermore, in the US many unilateral sanctions still remain in place and new ones are being created because of Iranian human rights policy and the issue of ballistic missiles. Many European and international banks are hesitant to start business with Iran as the US Treasury has the possibility of pursuing them legally.³⁴

In this new situation, Iran is looking for foreign investments and hoping her own oil and gas incomes will increase. The fluctuating and the eventual low level of the price of oil on the world market has cut Iranian incomes by half compared to the calculations made in July 2015. This has, of course, a negative impact on the expectations of rapid growth and prosperity by the population. Today Iran produces about 2.8 million barrels a day, and the goal is to increase daily production by half a million barrels.

Since the second half of 2015, but especially after the end of sanctions, an important number of foreign official and commercial delegations have visited Iran. President Hassan Rouhani himself visited Italy and France at the end of January 2016. The German Vice Chancellor Sigmar Gabriel was the first European minister and Chinese president Xi Jinping the first foreign head of state to visit Iran following the nuclear agreement. A number of important treaties were signed during these visits. Chinese commerce is expected to grow tenfold in the coming decade. France has signed contracts worth about 15 milliard euros, while those signed by Italy are worth 17

32. BRICS: the "emerging countries" of Brazil, Russia, India, China, and South Africa.

33. La fin des sanctions va permettre à l'Iran de récupérer ses avoirs gelés, « Le Monde.fr avec AFP et AP », Paris, 19 January 2016, www.lemonde.fr/interna-

[tional/article/2016/01/19/l-iran-va-recuperer-ses-avoirs-gelés_4849564_3210.html](http://www.lemonde.fr/international/article/2016/01/19/l-iran-va-recuperer-ses-avoirs-gelés_4849564_3210.html).

34. Louis Imbert, L'"eldorado" iranien peine à voir le jour, « Le Monde », Paris, 26 April 2016.

milliard euros. The French energy giant Total, Airbus, PSA Peugeot Citroën, and Paris Airport are among those who signed large, long term contracts.³⁵ Similar agreements will be signed with Austria, Switzerland, and Spain in the coming months. Iran's Supreme Leader Ali Khamenei has stated this spring that US companies can also participate in Iranian tenders, but added that several political issues will be considered beforehand. Obviously, this can be seen as an offer to negotiate.

The implementation and careful respect of JCPOA is of great importance to Iranians. If Iranians do what is required by the agreement, they naturally presume that the international community will do the same. This is important for the prestige of the regime and also for common Iranians in terms of national pride, and perhaps even more for the economic dimensions of everyday life.

After 37 years of difficulties, the nuclear deal is a golden opportunity, and this is a kind of test case for the model of an organised agreement. If executed well, it will very positively affect substantial international agreements regarding other political matters.

As a matter of fact, this dilemma largely surpasses the case of Iran. It concerns the whole credibility of the international community and the prestige of the UN Security Council: the world needs to trust the agreements that are concluded by the "major players". Here, the visit of Barak Obama to Cuba has some importance, as it shows the world that the unhappy politics of sanctions can be overcome.

From an Iranian point of view, international relations at large consist of the roles played by USA and Russia, primarily in the Middle East. Russia's intervention in Syria at the end of September 2015 and its surprise

withdrawal in March 2016 made Russia perhaps the most important foreign player in the Syrian and Middle Eastern context. Russia backing for the Assad regime and the USA arming and training the opposition is a kind of proxy war between the two, but this is a very dangerous and cynical game in which US prestige in the Middle East and the Russian profile on the international stage are at the stake. Russia is clearly hoping to find a fresh start after the failures of Ukraine and the Crimea, and the country seems to have succeeded only very partially. The US hopes to maintain its influence without investing too heavily. The nuclear agreement with Iran is very important for the US and it must somehow succeed to balance this agreement with the dissatisfaction of the unhappy Arab states.

A different kind of military cooperation and arms delivery becomes very problematic in this scenario, and Europe has more or less the same kind of dilemma. Some of the European countries are very keen to restart relations with Iran, both politically and economically. At the same time, they must try to satisfy their partners such as Saudi Arabia, some of the Persian Gulf emirates, and Egypt with important arms deliveries and direct military cooperation without compromising relations with Iran, which are, in the long run, very important. This arms trade is very problematic: despite the cease-fire, the US is arming Syrian rebels and Russia is delivering a modern anti-aircraft defence system to Iran.³⁶

The nuclear agreement between Iran and the international community is irreversible, since it involves the interests of both parties. Even if the future US president is a Republican, he/she will most likely implement JCPOA. Failure to do so would alienate the US's allies in Europe and Asia. It would also provoke irritation in Iran and most importantly,

35. James M. Dorsay, *China & the Middle East: Tilting Towards Iran?*, "RSIS Commentary", No. 20/2016, 28 January 2016, RSIS, S. Rajaratman School of International Studies, Nanyang Technological University, Singapore, 2016, and *Visit d'Hassan Rohani à Paris: des contrats à profusion*, « Economie », RFI, Radio France Internationale, 29 January 2016, as well as *Italy and Iran Cooperation Agreement*, "Bridgewest", LawyersItaly.eu, 3 February 2016, www.lawyersitaly.eu/blog/2016/02/italy-and-iran-cooperation-agreement.

36. Louis Imbert, *La Russie livrerait des missiles S-300 à l'Iran*, « Le Monde », Paris, 13 April 2016.

it would isolate the supporters of opening up the country to the world.

Ultimately, the question is about the nuances concerning the attitudes Europe, the US, and Russia have towards Iran on the one hand, and towards Middle Eastern crises more generally –Syria, Yemen, Saudi Arabia as well as Libya and Egypt– on the other. There are also new actors, such as the BRICS and especially China. Both Iran and China are eager to develop bilateral cooperation, not only in economic fields but also in the military and political domains, as shown during the visit of President Xi Jinping.

If all the stakeholders –Iran, local actors, and international partners– are really interested in benefitting from the nuclear agreement and the end of sanctions, they should seriously and collectively try to address the main problems of the regions mentioned above. This requires cooperation, moderation, and flexibility. It will take time and will have to be established step by step. However, it also means that the new political culture in Iran –which will be based on the interests of the majority of the Iranians– is just the beginning. It should be extended to the whole region from Cairo to Teheran. In a way, this political process could be compared with the European reconstruction era after the Second World War. Let us hope that it does not lead to a new Cold War, but to a new political culture, one more positive for Iran and for the whole region.

Title: Iran's Political Culture, Internal Development, and International Environment after the End of Sanctions

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