



Recent developments in Iran

Standard Note: SNIA/6752

Last updated: 4 November 2013

Author: Ben Smith

Section International Affairs and Defence Section

The election of Hassan Rouhani to the Iranian presidency has raised hopes that a resolution to the struggle over the Iranian nuclear programme may be possible. The tone emanating from Tehran has changed significantly since the election of Hassan Rouhani. However, hopes have been raised in the past, only to be dashed.

The UK government has given a cautious welcome to the election of Rouhani.

The Iranian government has shown tentative signs of not wanting to provoke hostility in its execution of the nuclear programme. The critical Iranian stockpile of 20% enriched uranium is not growing quickly at present.

Contents

1	Election of Rouhani	2
2	Indications of a change in direction?	2
3	Nuclear negotiations	3
4	Relations with the UK	4
5	The state of the Iranian nuclear programme	5

1 Election of Rouhani

In June 2013, reformist-backed cleric Hassan Rouhani won the presidential election, gaining just over 50% of the vote, easily beating his nearest rival, who received less than 17%. He was a compromise candidate, after other 'moderate' candidates, such as former president Akbar Hashemi Rafsanjani, were disqualified and agreed to throw their support behind Rouhani.

Hassan Rouhani is very much part of the Islamic Republic's establishment, having, for example, served as the Islamic Republic's chief negotiator on the nuclear programme from 1989 to 2005. Nevertheless, he pledged during the election campaign to improve the Iranian economy and mend relations with the West, implicitly (or explicitly) blaming the outgoing President Ahmadinejad for Iran's mounting problems. In one recent study the change was described as follows:

Supreme Leader Ayatollah Khamenei has had to bow to the demands of a 'baronial revolt', aggravated by the political and economic crisis engulfing the country.¹

Leading figures from the reformist and traditional pragmatic conservative factions joined forces to exploit the public disaffection and the hard-liners' vulnerability after the crushing of the Green Movement in 2009 and the Supreme Leader's publicly-stated desire to restore the legitimacy of the Iranian political system.

2 Indications of a change in direction?

During his election campaign, Rouhani pledged to tackle Iran's economic problems and to improve relations with Western countries. After the election he said that he wanted a deal on the nuclear programme in "three to six months".² However, he has insisted on Iran's right to enrich uranium.

On 27 September, Rouhani spoke directly to President Obama on the telephone, the first time that direct contact at presidential level had taken place for more than 30 years.

The appointment of Mohammad Javad Zarif as new foreign minister is particularly significant. He is one of the most competent operators in the foreign ministry and is familiar with Western thinking. It marks an attempt to make foreign policy-making much more professional and to move on from the grandstanding of the Ahmadinejad era.³

In a move that was seen as an attempt to boost both relations with the outside world and the Iranian economy, the Islamic Republic announced that visa rules would be dramatically eased,⁴ in the hope that the numbers of visitors to the country, particularly from China, would increase.

On 25 October it was reported that a senior Iranian member of parliament had said that Iran was no longer enriching uranium to 20%, since the Tehran research reactor, which can use 20% enriched uranium to produce medical isotopes, has all the 20% enriched fuel that it

¹ Ali Ansari, '[A Fragile Opportunity: The 2013 Iranian Election and its Consequences](#)', Royal United Services Institute, October 2013

² '[Iran's Rouhani wants nuclear deal in 3-6 months: newspaper interview](#)', *Reuters*, 25 September 2013

³ Ali Ansari, '[A Fragile Opportunity: The 2013 Iranian Election and its Consequences](#)', Royal United Services Institute, October 2013

⁴ '[Iran opens doors to tourists as Rouhani fosters thaw in relations with the west](#)', *Guardian*, 18 October 2013

needs.⁵ However, the head of the nuclear programme Ali Akbar Salehi later denied that any halt in enrichment to 20% had taken place.⁶

3 Nuclear negotiations

An initial meeting between the US Secretary of State John Kerry and Iranian foreign minister took place in New York at the United Nations on 26 September. Kerry talked of a 'very different tone' after the meeting.⁷

Substantive negotiations between the E3+3 negotiating team (composed of officials from France, Germany, the UK, China, Russia and the US) took place on 15 and 16 October in Geneva. A further round of talks was announced for 7 and 8 November.

The tone of the talks certainly seems to have been much more positive than previous sessions. In a joint statement, EU High Representative Baroness Ashton and Iranian foreign minister Zarif described the atmosphere as "positive" and said that more talks at specialist level would be held before the next ministerial meeting in November:

Building on the positive atmosphere of the first ministerial meeting held in New York on 26 September, the Foreign Minister of the Islamic Republic of Iran presented an outline of a plan as a proposed basis for negotiation, which is being carefully considered by the E3+3 as an important contribution.

Members of delegations followed with in-depth bilateral and joint consultations on various elements of the approach. It was decided to convene the next meeting in Geneva on November 7 and 8. The participants also agreed that E3+3 and Iranian nuclear, scientific and sanctions experts will convene before the next meeting to address differences and to develop practical steps.⁸

Iran had technical meetings with the IAEA in tandem with the E3+3 political meetings. Meetings were held in Vienna on 27 September 2013 and again in October. The IAEA wants to get access to be able to investigate further the (disputed) evidence of "possible military dimensions" of the Iranian programme (see below). The second meeting, particularly, was assessed to be positive. The Iranian representative said:

We think this is the time to take a new approach to resolving (questions) between Iran and the IAEA and look to the future for further cooperation.⁹

Mr Hague made clear to the House of Commons the position that Iran needs to make concrete concessions before any move such as the lifting of sanctions can be considered by the E3+3. A first-move goodwill gesture was ruled out:

Mr John Baron (Basildon and Billericay) (Con): Given that reciprocity has been a sticking point in previous nuclear talks with Iran, with, perhaps, opportunities missed by both sides, what thought has been given by the west to making a gesture of good will as a first move, perhaps with a relief of sanctions—time-limited if necessary—given that such a move might reinforce the hand of the moderates within the country?

⁵ 'Iran has halted enrichment of uranium to 20pc, says MP', *Daily Telegraph*, 25 October 2013

⁶ 'Iran never stopped 20 pc uranium enrichment: Salehi', *Agence France Presse*, 31 October 2013

⁷ 'Iran nuclear: 'Shift in Tehran tone' hailed at UN', *BBC News Online*, 27 September 2013

⁸ 'Joint statement by EU High Representative Catherine Ashton and Foreign Minister of the Islamic Republic of Iran Mohammad Javad Zarif', Geneva, 16 October 2013

⁹ 'Iran says offers ideas to end rift with U.N. nuclear watchdog', *Reuters*, 28 October 2013

Mr Hague: Substantive changes in our policy on sanctions will require substantive changes in Iran's nuclear programme, of course. Negotiations took place in Geneva on 15 and 16 October and a further round of such negotiations is now planned for 7 and 8 November, the end of next week. We welcome the improved tone and posture of Iran in those serious negotiations, but it will have to take serious and real steps for us to be able to reciprocate.¹⁰

So far, there has been no easing of sanctions. Indeed, the US Congress has been preparing for a new round of sanctions to increase pressure on Iranian oil exports. The US Senate banking committee is debating whether to proceed with legislation, passed by the House of Representatives in July. The Obama Administration has spoken out against the legislation.

In what was perhaps a concerted effort to dampen expectations, both Khamanei and Rouhani said at the beginning of November that they were not optimistic about the outcome of the forthcoming round of negotiations,¹¹ however, Khamanei also endorsed the work of the negotiators, saying:

No one should consider our negotiators as compromisers. They have a difficult mission and no one must weaken an official who is busy with work.¹²

As is the case with any country, there is a balance of power in Iran, indeed, Iranian government circles are notoriously factional. The Revolutionary Guards, an elite part of the armed forces whose economic power has grown dramatically, are widely thought to have grown in power since the beginning of the foregoing Ahmadinejad presidency and are perhaps the most important hard line, or 'principlist', force.¹³ However, since the election of Hassan Rouhani, the principlists seem to be in retreat. According to an Iranian analyst based in Washington, the push back against Rouhani's initiatives has been relatively weak:

Normally you would expect much stronger criticism, an onslaught against Rouhani, and it hasn't happened. Even these people [extremists] are under pressure; they know the tide is against them, both in terms of political momentum, post-election, and the broader sense that societal demands are much more serious than what they can offer. These reactions are expected, and they signify that the extremists know they are in trouble.¹⁴

Of course there are many obstacles along the path to a resolution of the crisis and it is likely that the principlist opposition expects to be vindicated in the end.

4 Relations with the UK

The UK government has generally reacted favourably to the change of tone in Iranian foreign policy statements since the election. Foreign Secretary William Hague set out the government's position in recent Foreign Office Questions:

Simon Hughes (Bermondsey and Old Southwark): What recent assessment he has made of the prospects for successful negotiations with Iran on its nuclear programme.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I welcome the more positive approach taken by the Iranian Government at the

¹⁰ [HC Deb 29 October 2013, c746-7](#)

¹¹ ['Iran's Rouhani not 'optimistic' about nuclear talks'](#), *Agence France Presse*, 4 November 2013

¹² ['Iran hardliners jab at Rouhani on embassy siege anniversary'](#), *Reuters*, 4 November 2013

¹³ For more information about the Iranian political scene, see the Library Standard Note [Obama and Iran's 2013 elections: The role of presidents in the nuclear crisis](#), 3 June 2013

¹⁴ ['Is Rouhani bringing an end to Iran's 'Death to America' chants?'](#), *Washington Post*, 4 November 2013

recent E3 plus 3 talks in Geneva. Foreign Minister Zarif presented a basis for negotiations and we have begun more substantive discussions on how to address the serious concerns about the nuclear programme. If Iran is willing to take the necessary first steps on its programme, we are ready to take proportionate steps in return.

[...]

Mr Bob Ainsworth (Coventry North East) (Lab): Notwithstanding the many problems that there have been between our two countries, there are people on both sides of the House who thought that the initial response from the Government to the change in tone from Iran was overly cautious. Surely this situation warrants a little risk. To what degree is the Foreign Secretary prepared to travel to try to solve, if at all possible, this ongoing situation?

Mr Hague: We are all prepared to go a long way to resolve this problem and have indicated that in the direct discussions with Iran. I have already had two meetings with the Iranian Foreign Minister and a telephone call with him earlier this month. As the right hon. Gentleman will know, we have agreed to appoint non-resident chargés as a step up in our bilateral relations. We are, as he can gather, busily engaged in these nuclear negotiations and our officials will meet bilaterally again in the margins of the negotiations. Of course we have to conduct ourselves cautiously on something of such immense importance as Iran's nuclear programme, but there is no lack of readiness to engage with Iran and to open up our diplomacy to them.¹⁵

The Foreign Office re-opened diplomatic channels with the Islamic Republic on 7 October, announcing that both countries would appoint a non-resident chargé d'affaires.

5 The state of the Iranian nuclear programme

William Hague summarised the government's view of the Iranian nuclear programme on 19 October:

Mr Philip Hollobone (Kettering): What recent assessment he has made of how close Iran is to producing (a) sufficient weapons-grade nuclear materials to make a nuclear warhead and (b) a ballistic missile capable of delivering such a warhead to Tel Aviv or Riyadh.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Iran continues to enrich uranium to 20% and to expand its capacity for enrichment. This brings Iran much closer to having sufficient material for a nuclear device, should it decide to enrich further. Most large middle eastern cities and some major cities in Europe are within range of Iran's several hundred medium-range ballistic missiles.¹⁶

Iran has increased its capacity to enrich uranium over 2013. Since February, it has increased by five times the number of advanced centrifuges at its Natanz nuclear facility.

The continued enrichment of uranium to 20% is an important worry for Western countries. It is thought that the Tehran research reactor has enough 20%-enriched fuel to last it for the next 10 years, so further stockpiling of 20%-enriched uranium looks as if it could be preparation for a dash to enrich the uranium to weapons grade, a much easier step than getting to 20%. According to the IAEA, Iran had in August a stockpile of 185.8 kilograms of

¹⁵ [HC Deb 29 October 2013, c748](#)

¹⁶ [HC Deb 29 October 2013, c746](#)

uranium enriched to 20%.¹⁷ However, the pace of growth of the 20% stockpile had slowed markedly compared with growth in 2012. Much of the uranium enriched to 20% has subsequently been reprocessed into fuel rods for the Tehran research reactor, making it less of a concern because converting fuel rods back into 20% enriched uranium is quite time-consuming.

Israel has made it known that it will take action if the Iranian stockpile of 20% enriched uranium goes above the level of 240 kilograms, supposedly enough to make a warhead. However, a stockpile of 240 kilograms would not, in itself, be enough to enable Iran to acquire a functioning nuclear strike capability. Work on a warhead and a delivery system would also be necessary and evidence of this might be more likely to trigger a reaction from the United States than merely the amount of 20%-enriched uranium that Iran has stockpiled.¹⁸

Also controversial is the International Atomic Energy Agency's assertion that Iran has not answered the Agency's questions about evidence that Iran may have been undertaking studies with a 'possible military dimension'.¹⁹ These include work that might be for the development of detonators that could be used for nuclear devices.

Creating a nuclear weapon depends not only on weapons-grade uranium (in this case) but also on making a functioning (and small enough) warhead and having an effective means of delivery. Iran has been working on a number of missile programmes, some of which could be used to deliver a nuclear weapon. The programme has received help from North Korea. In summer 2013 the Islamic Republic announced the opening of a test site for missile launches, ostensibly for the Iranian satellite programme; analysts said that the site looks more like a test facility for ballistic missiles.²⁰

¹⁷ IAEA, *Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council Resolutions in the Islamic Republic of Iran Report by the Director General*, August 2013, p4

¹⁸ 'Israel's red line on Iran: 240 kg', *Guardian*, 1 November 2012

¹⁹ Arms Control Association, *Iran's Outstanding Nuclear Issues at a Glance*

²⁰ 'Iran launch site 'likely for testing ballistic missiles', analysts say', *Daily telegraph*, 7 August 2013