

ARI 83/2017

30 October 2017



## The challenges of Rohani's second term

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### Theme

What are the domestic constraints (from the Revolutionary Guard to economic restrictions) and the external challenges (from the new tightening of US-Saudi relations to the crisis in the Gulf Cooperation Council) that re-elected President Hassan Rohani will face over the next four years?

### Summary

The renewed mandate of Hassan Rohani, begun on 3 August, represents continuity on the road to moderation both at home and abroad. However, despite a more reformist government than the last, no significant change is expected in foreign policy beyond the maintenance of previously acquired commitments to the Joint Comprehensive Plan of Action (JCPOA) and more engagement with Europe. On the contrary, the new anti-Iranian rhetoric of Saudi Arabia and the US, and the deep diplomatic crisis at the heart of the Gulf Cooperation Council (GCC) could produce a hardening of Rohani's discourse about traditional adversaries and new challenges. The President will need to face not just foreign but also domestic policy challenges, including the Revolutionary Guard and its growing political and economic power, as well as the terrorism that broke out in June in the Iranian capital.

### Analysis

#### The beginning of a second term and a new government

Once the scattered doubts of the followers of Ibrahim Raisi, the defeated candidate in the 19 May elections, had been put to rest, Hassan Rohani was proclaimed the 12<sup>th</sup> President in the republican political history of Iran.<sup>1</sup> The seventh person to occupy the position since its creation in 1979, Rohani is the fifth President after Ali Khamenei, Hashemi Rafsanjani, Mohammad Jatamí and Mahmud Ahmadineyad to enjoy the maximum two consecutive terms permitted by the constitution.

The inauguration on 3 August was a demonstration of both domestic and international institutional support. Nine Heads of State and Government, 26 Presidents of legislative

<sup>1</sup> The director of the Raisi campaign, Ali Nikzad, claimed that there had been irregularities affecting close to three million votes, and the Secretary of the Guardian Council demanded that the Ministry of the Interior recount the votes. In any case, the Council confirmed the results on 30 May. See: <http://theiranproject.com/blog/2017/05/23/guardian-council-checking-complaints-defeated-raeisi/> y <https://www.tasnimnews.com/en/news/2017/05/31/1424256/iran-s-vetting-body-approves-presidential-elections-results>.

bodies, 38 high-level state and governmental officials and seven representatives of international organisations attended the ceremonies. Among the most notable present were: Pío García Escudero, President of the Spanish Senate; Federica Mogherini, High Representative of the EU for Foreign Affairs and Security Policy; Abdullah bin Nasser bin Khalifa al-Thani, Prime Minister of Qatar; Haitham bin Tariq al-Said, Minister of Culture of Oman; along with a special envoy of the Emir of Kuwait. The last three draw some attention given the existing tensions between Iran and the members of the Gulf Cooperation Council (GCC) in the wake of the attack on the Saudi embassy in Teheran, which forced the recall for consultations of the ambassadors of six countries. Their presence reveals the discrepancy at the heart of the GCC over the best way to deal with the Iranian neighbour, especially after the conflict that emerged in June 2017 between Saudi Arabia, Bahrein, the United Arab Emirates, Egypt and Qatar. After 20 months with its ambassador to Teheran recalled because of the attack on the Saudi embassy in January 2016, the Qatari government recently announced its ambassador's return to Iran.<sup>2</sup>

In his inaugural address, Rohani once again emphasised the need to deepen the nuclear negotiation process but he warned against the policies of the US that could endanger the agreement. For his part, in his address Supreme Leader Ali Khamenei focused on the need to prioritise the living conditions of the Iranian population, a clear warning to Rohani about the lack of visible results since the signing of the Joint Comprehensive Plan of Action (JCPOA) in 2015.<sup>3</sup>

After the inauguration, Rohani presented for parliamentary approval the names of the ministers who are to serve in his second cabinet, and these included a few notable differences with respect to his first government. With a larger popular vote margin than he obtained in 2013,<sup>4</sup> a more reformist-inclined legislative assembly after the elections of 2016<sup>5</sup> and facing the disappointment of only timid defence from certain ministers of his record during the election campaign, Rohani let go certain more conservative ministers, putting in their place others that can be considered more reformist.

As a result, 17 of the 18 ministerial candidates were approved by the 290-strong legislative body (only the candidate for Minister of Energy was rejected). With an average vote of 220 in favour and an average of only 47 against, these numbers are notably better for Rohani than during the parliamentary approval process of his ministerial candidates in 2013, when the average vote was 203 to 65, with three of his candidates rejected in the first round of voting. This time around, however, the assembly seems to have given a clear approval to Rohani's previous term and overwhelming support to his current government plans. The eight ministers who are continuing on the job include the long-serving Bijan Namdar Zanganeh (with 20 years of experience at the head of the Ministry of Petroleum and Energy) and Mohammad Javad Zarif (who, while leading the Ministry

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<sup>2</sup> See <https://www.thepeninsulaqatar.com/article/24/08/2017/Qatar-to-reinstate-ambassador-to-Iran>.

<sup>3</sup> See the complete inauguration ceremony at <https://www.youtube.com/watch?v=Du15abEv0V4>.

<sup>4</sup> Rohani obtained 57.1% of the vote (or some 23.6 million) compared with only 50.7% (or 18.6 million) in 2013.

<sup>5</sup> See L. Zaccara (2016), "¿Quién ha ganado las elecciones iraníes?", OPEMAM, <http://opemam.org/node/8107>, 3/III/2016.

of Foreign Affairs, made possible the nuclear agreement, the major achievement of Rohani's last administration). Among the nine new faces, the appointment of General Amir Hatami as Minister of Defence stands out. Traditionally this post had been assigned to a member of the Revolutionary Guard (*Sepah-e Pasdaran*). Despite the controversy surrounding this nomination, however, it received the strongest backing of any within the Assembly, with 261 votes in favour, only 10 against and 13 abstentions. This implies that even the very conservative deputies and those ideologically close to the Revolutionary Guard have also given their support to the appointment.<sup>6</sup> Once again the lack of women has been one of the central criticisms of Rohani's cabinet line-up, something that has only ever occurred previously in Iran under President Ahmadinejad in 2009. Nevertheless, Rohani compensated for this by appointing three women vice-presidents, positions for which he requires no parliamentary approval. The three are: (1) Masumeh Ebtekar (the veteran reformist who was also Vice-President for Women and Family Affairs under Mohammad Khatami, the same post occupied in the last administration by Molaverdi); (2) Shahindokht Molaverdi (who will now head the Presidential Office for Citizens' Rights); and (3) Laya Joneidi (appointed Vice-President for Legal Affairs).<sup>7</sup>

Other important posts were also filled as a result of the presidential and municipal election last May. These include the Mayor of Teheran and the head of the Municipal Council. Because Teheran is a megalopolis with enormous political power—expressed in the number of votes it wields—the absolute-majority victory of the reformist list allowed for the replacement of the conservative Mayor, Baqer Qalibaf, with the reformist Ali Najafi, and for the appointment of Mohsen Hashemi, the youngest son of the late Rafsanjani, as the head of the Municipal Council—no doubt in support of the figure that he represents for the revolutionary political establishment, to the detriment of the ultra-conservative sectors, which have attempted to seduce him ever since his support for the protest of 2009—.<sup>8</sup>

As something of a counterweight to Rohani, the Supreme Leader, Ali Khamenei, also announced the new membership of the Discernment Council, along with the identity of its new chief, a post that Rafsanjani had occupied from 1997 until his death. The new appointment to lead this powerful executive (and, at times, legislative) institution is Mahmud Hashemi Shahrudi, a conservative cleric who served as the head of the judicial branch for 10 years and as President of the Assembly of Experts. Some see him as a serious candidate to eventually replace Ali Khamenei as leader of the republic.<sup>9</sup> This is a clear sign that despite the election results and the reformist pivot of Rohani's new government, the same is not occurring in the other institutions of power.

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<sup>6</sup> See <http://en.mehrnews.com/news/127161/Rouhani-s-16-picks-win-vote-of-confidence>.

<sup>7</sup> See <http://en.mehrnews.com/news/126994/Rouhani-appoints-3-women-to-2nd-term-cabinet>.

<sup>8</sup> See <http://en.tehran.ir/default.aspx?tabid=77&ArticleId=7776> and <http://irdiplomacy.ir/en/page/1971020/Can+Tehran+City+Council+Catapult+the+Younger+Hashemi+Rafsanjani+onto+the+Political+Stage+.html>.

<sup>9</sup> See <http://leader.ir/en/content/18992/Ayatollah-Khamenei-appoints-members-of-the-Expediency-Council>.

### Domestic constraints facing President Rohani

In his campaign, Rohani proposed to continue along the path of reducing tensions with the international community that he initiated four years ago. He also vigorously re-committed himself to the nuclear negotiations and the JCPOA; but he warned that Iran's patience had limits in the face of US provocations. He also promised that the economic situation would improve because the agreement would lead to more foreign investment, technology transfer and job creation. He also pledged to expand the civil rights and freedoms of Iranians, including ethnic minorities.

But what can Rohani really change over the next four years? It is clear that the presidency is not the most powerful institution in the Iranian political system, but whoever is elected president does have influence both domestically and internationally. Rohani's first term will be remembered for the successful negotiations which produced the JCPOA, the diplomacy that led to the lifting of sanctions without the need to resort to a new military conflict and the breaking of the traditional taboo of negotiating directly with the US. Despite the harsh criticism Rohani received after the signing of the agreement, none of the conservative candidates proposed withdrawing from the nuclear pact, demonstrating that there is a general consensus on the benefits of the agreement. As a result, Rohani wielded his iron commitment to the accord as the symbol of his campaign. This will not change with four more years of Rohani as President, given that the parliament, led by Ali Lariyani (the moderate conservative who strongly supported Rohani during the campaign), and the Supreme Leader Ali Khamenei both support the nuclear deal; and none of this is expected to change over the short-to-medium term. On 31 May Lariyani was re-elected for his 10<sup>th</sup> consecutive term as the President of the legislative assembly (with 204 of 268 possible votes), while Ali Motahari (a conservative critic) and Masud Pezeshkian (a reformist) were ratified as his Vice-Presidents, despite rumours that an alliance among conservatives would push the reformists aside.<sup>10</sup>

With this institutional support, confirmed by his 24 million votes in the popular election tally and then again by the ratification of his cabinet nominees, Rohani should have sufficient strength to push forward reforms to invigorate the economy and reform the banking and tax systems, and to move legislation that will improve investor confidence, especially in the petroleum sector, which is in need of advanced technology. Such a mandate should also allow Rohani to implement the proposed 'Bill of Civil Rights', to relax restrictions on the press and Internet, and to free the leaders of the Green Movement, Mir-Hussein Musavi and Mehdi Karrubi, both of whom have remained under house arrest since February 2011 without being formally charged or sentenced for any crime. Karrubi began a hunger strike on 17 August, demanding the removal of security agents from his dwelling and a trial to clarify his situation. Although the agents did withdraw, with Karrubi returning home after a stint in the hospital, no other changes to this scenario are foreseen even despite the pressures of the reformist sector on Rohani to intervene directly in the situation of these and other political prisoners.

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<sup>10</sup> See <https://www.tasnimnews.com/en/news/2017/05/31/1424444/iran-s-lariyani-re-elected-as-parliament-speaker-for-10th-consecutive-year>.

During his first term, Rohani had a tense relationship with the *Pasdaran* and any attempt to revitalise the Iranian economy will run straight against its interests. Necessary reforms to the banking system would affect certain financial institutions controlled by the *Pasdaran*, which were established to channel money that could not be transferred abroad as a result of the sanctions blocking Iran from the international SWIFT system. The imposition of a generalised tax system, to include the large religious foundations (*bonyads*) and other semi-public and private companies controlled by the *Pasdaran*, which to date have been exempt from taxes, will also become a point of friction with the President. Conscious of this challenge, in his first press conference after re-election, Rohani said that 'our people love the armed forces from the bottom of their hearts. Our people also love the other branches of power and the media, but they cannot accept that a single national organisation becomes, in effect, a political party'.<sup>11</sup> With this, he made clear his intention of limiting the powers of the *Pasdaran* in the future. The appointment of a regular-army General instead of the traditional choice of a Revolutionary Guard as Minister of Defence has been seen in this light.

In addition to those mentioned above, a new domestic challenge that might complicate Rohani's second term has emerged for the first time in Iran: terrorist attacks claimed by Daesh/ISIS in the Iranian capital itself, in symbolic places such as the parliament and Khomeini's tomb. The domestic critics of the conservative factions have not hesitated to launch attacks, mainly in media such as Kayhan, Raja News and Tasnim News, blaming the terrorist attacks on the President for his weakening of the Revolutionary Guard and the defence of national territory with his signing of the JCPOA.<sup>12</sup> The recent launching of surface-to-surface missiles in the province of Kermanshah against territories controlled by Daesh/ISIS in Deir Exxor could be seen as a demonstration of the strength of the *Pasdaran* in response to the attacks that, according to Iranian sources, have been coordinated with the governments of Iraq, Syria and Russia.<sup>13</sup>

### Rohani's external challenges

How much influence does the Iranian President have over foreign policy? Even more relevant to the search for solutions to regional conflicts, can Rohani convince the countries of the GCC, along with other regional powers, that Iran truly desires to reduce existing bilateral tensions and not to re-establish the Persian Empire, as many on the southern shores of the Gulf believe?

First, during the election campaign last May, foreign policy –with the exception of the JCPOA– barely appeared on the debate agenda. There seems to be a tacit agreement to avoid discussing issues, such as the role of Iran in Iraq and Syria, which could provoke more discontent within the military establishment. Although there is a general consensus, both in the political elite and among common Iranians, that it is necessary to defend the

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<sup>11</sup> See <http://www.iranreview.org/content/Documents/Rouhani-Engagement-path-to-global-peace-stability.htm>.

<sup>12</sup> See <http://www.irdiplomacy.ir/en/page/1969514/Principlists+Blame+Tehran+Terrorist+Attacks+on+Hassan+Rohani.html>.

<sup>13</sup> See <http://en.farsnews.com/newstext.aspx?nn=13960328001862> and <http://en.farsnews.com/newstext.aspx?nn=13960329001336>.

government of Assad in Syria in order to protect Iran's own borders –given that a Daesh victory could clearly challenge Iran's territorial integrity– there are now also voices arguing the need to end a war which has lasted too long. Without many visible gains in the Iranian economy as of yet stemming from the nuclear deal –aside from a fall in the inflation rate to only single digits– some feel that the high financial burdens and the cost in human life that the Syrian conflict implies is too high for Iran to bear. Still, this domestic debate is still too weak to cause a change in government direction, to say nothing of questioning the role of the *Pasdaran* in the wars of Syria and Iraq.

Rohani for his part does not appear to be very interested in changing any particular aspect of current Iranian foreign policy. This is especially the case with respect to Syria and Iraq, given that Rohani's priority has not been regional, but rather international, politics in an attempt to improve political and economic relations with Europe, Asia and the international organisations so as to achieve an effective lifting of sanctions and attract foreign investment. In this respect, the very different reactions in the US and Europe to Rohani's victory have been clear. While Federica Mogherini, the High Representative of the EU for Foreign Affairs and Security Policy, along with other European heads of state, sent messages of congratulations to the re-elected President, Donald Trump began a tour of Saudi Arabia during which he signed arms deals worth US\$110 billion, sending a message that the real threat to the stability and security of the region is Iran, and that such arms were meant to curb Iranian threats.

In addition to these differences between the US and the EU, another striking feature has been the divisions within the Trump Administration itself over the terrorist attacks in Teheran. While the Secretary of State issued a skeletal but diplomatically correct communication of condemnation of the perpetrators and condolence to the victims, the White House declared that 'we underline that the States which sponsor terrorism run the risk of the evil they provoke'. For Iran, therefore, to reinforce ties with Europe is key for compensating the negative effect of four years of a Trump presidency in the US. A closer engagement with Europe, particularly along economic and commercial lines, and with a deepening political dialogue, would help avoid the kind of international isolation that Iran endured during the 1980s and again during the Ahmadineyad period.

On the other hand, current security and defence policies seem to be more than ever aligned with the basic policy lines defined by the Supreme Leader Khamenei (which are not very different than those established by the founder of the republic, Ayatollah Khomeini) and implemented by the Revolutionary Guard, irrespective of the decrees of the President and the Ministry of Foreign Affairs. This idea, which is perceived at the heart of the GCC as a major impediment to establishing direct conversations with a government that will not wield total control over its foreign policy, is also subscribed to within certain sectors of Iranian society, verified by a series of interviews undertaken in Teheran between January and May. Many Iranians also feared that the *Pasdaran* would try to take over control of political institutions by way of the elections, although this did not finally happen on 19 May. Nevertheless, this does not mean that Rohani will shirk from challenging the influence of the Guard over foreign policy; however, he will do so only in areas in which there is no disagreement within the political class, and on the key issue that has been his principal accomplishment –the nuclear deal– and on which he can count on broad public support.

There is another worrying concern for the re-elected President: the challenge stemming from recent events and declarations on the southern shores of the Persian Gulf. In an interview at the beginning of May, the Saudi Minister of Defence, Mohamed bin Salman, said that it would be impossible to establish a dialogue with Iran because of the Shiite belief in the return of the Mahdi<sup>14</sup> –an unprecedented escalation in the sectarian war of discourses–. Nevertheless, mention of 'mahdism' has been used before to criticise Ahmadineyad by claiming that due to this belief the idea of 'nuclear holocaust' clearly justified Iran's interest in possessing and using nuclear weapons to accelerate the arrival of the hidden Mahdi.

On the other hand, the Arab-Islamic-American Summit in Riyadh the day after the Iranian elections, together with the statements of President Trump and King Salman, made it clear that the 'anti-terrorism alliance' is focused primarily on Iran as the sponsor of terrorism in the region.<sup>15</sup> At this meeting, to which the only member-state of the Islamic Conference that was not invited was Iran, the only issues discussed were terrorism, arms deals and Iran. In his speech, Trump mentioned Iran or Iranians 11 times, and only once with a positive connotation. 'Democracy', 'elections' and 'human rights' were not mentioned at all. The messages coming forth from the summit and from the US Senate (which on the same day initiated debate on the imposition of new sanctions against Iran for its missile programme) rapidly reached Iran. Following the same logic, the recent appointment of Michael D'Andrea, a 'hawk' once charged with drone warfare and the hunt for Bin Laden, to head Iranian operations at the CIA, has been interpreted as a new escalation in Trump's Iran policy, and it was quickly criticised in the more conservative Iranian news media like Fars News.

After the Summit –during which Trump remarked that 'lots of beautiful military equipment' had recently been sold to Qatar–, the Iranian Minister for Foreign Affairs, Javan Zarif, responded that 'beautiful military equipment can't buy Middle East peace' in an article published in the *New York Times* on 26 May. Zarif reaffirmed the Iranian efforts and commitment to de-escalate the conflict in Syria (by providing the foundation of Resolution 2254 of the United Nations Security Council), and to secure a long-term agreement with Turkey and Russia. Even more, he confirmed Iran's interest in bringing to an end the war in Yemen from the very beginning by offering a four-point plan that presumably would have been rejected by Saudi Arabia.<sup>16</sup> In a similar tone, Rohani emphasised in his post-election press conference that 'the terrorism question cannot be resolved by giving money to the superpowers', in an allusion to the arms purchases of Iran's GCC neighbours. He labelled the summit a 'ceremonial event' that was void of political value and incapable of producing tangible results. Rohani concluded his comments by saying that 'the Iranian nation has decided to be powerful; our missiles are for peace and

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<sup>14</sup> See [https://www.nytimes.com/2017/05/02/world/middleeast/saudi-arabia-iran-defense-minister.html?\\_r=0](https://www.nytimes.com/2017/05/02/world/middleeast/saudi-arabia-iran-defense-minister.html?_r=0).

<sup>15</sup> See Trump's complete speech from the Summit at <https://www.whitehouse.gov/the-press-office/2017/05/21/president-trumps-speech-arab-islamic-american-summit>.

<sup>16</sup> See [https://mobile.nytimes.com/2017/05/26/opinion/us-saudi-arabia-arms-deal-iran.html?\\_r=0&referrer=https://www.google.com/](https://mobile.nytimes.com/2017/05/26/opinion/us-saudi-arabia-arms-deal-iran.html?_r=0&referrer=https://www.google.com/).

(cont.)

defence... the US should know that when we need to test a missile for technical reasons, we will do so, and we will not wait for its permission'.<sup>17</sup> Weeks later, on 15 August, Rohani warned that Iran would denounce the nuclear deal in a matter of 'hours' if sanctions were re-imposed. The Director of the Iranian Atomic Energy Agency, Ali Akbar Salehi, insisted that Iran could 'reinitiate uranium enrichment within five days'.<sup>18</sup>

Such statements should be understood as signs of strength which the Iranian authorities wish to underline not only in response to the declarations and military decisions of Riyadh and Washington, but also with respect to Rohani's domestic adversaries who believe his administration has weakened Iran's position in the region by buckling to US impositions with the signing of the JCPOA.

Another indication of just how sensitive the Iranian issue is within the GCC has been the outbreak of the crisis provoked by the supposed hacking of the Qatar News Agency website with declarations attributed to the Emir Tamim al-Thani and directed at Iran, Israel and the US.<sup>19</sup> Nor is it an accident that the crisis broke out after the Riyadh Summit on 24 May and after Trump's explicit support, via Twitter, was followed by a demand from the Emirates and Saudi Arabia that Qatar break off its diplomatic relations with Iran. It has not done so, despite the fact that both countries, together with Bahrein and Egypt, decided to unilaterally impose a blockade and tough sanctions against Qatar for supposedly supporting terrorism and other states that destabilise the region. Iran remains Qatar's sole maritime and air corridor for getting around the blockade and securing exit from the Gulf. Accordingly, Qatar recently announced that it was sending its ambassador back to Teheran, from where he had earlier been recalled for consultations in January 2016. For its part, Iran, which also accuses Qatar of sponsoring terrorist groups in Syria and Iraq, has chosen the pragmatic policy, offering all types of aid to its southern neighbour, if it undermines the success and credibility of the Saudi cause.<sup>20</sup> In this respect, a tightening of relations between Iran and Qatar is not expected to be anything more than a tactical convenience, beyond which neither state has any interest in moving. Despite the conflict situation generated with Saudi Arabia, Qatar continues to view Iran as a long-term regional threat. The recent signing of a contract with the US to purchase F-15 fighter jets for US\$12 billion<sup>21</sup> should not be interpreted only from the perspective of the current crisis, but also with respect to Qatar's northern neighbour.

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<sup>17</sup> See <http://www.iranreview.org/content/Documents/Rouhani-Engagement-path-to-global-peace-stability.htm>.

<sup>18</sup> See <http://www.tehrantimes.com/news/416158/Iran-can-resume-nuclear-enrichment-to-20-purity-in-5-days-Salehi>.

<sup>19</sup> See <https://medium.com/dohanews/hackers-take-aim-at-qatar-by-publishing-fake-news-on-qna-2a8adb684cf9>.

<sup>20</sup> See <http://www.irdiplomacy.ir/en/page/1969391/The+Qatar+Crisis+How+do+Iranians+view+the+story.html> y <http://en.mehrnews.com/news/125971/IRICA-offers-special-facilities-for-goods-export-to-Qatar>.

<sup>21</sup> See <https://www.theguardian.com/world/2017/jun/15/us-signs-deal-to-supply-f-15-jets-to-qatar-after-trump-terror-claims>.

## Conclusions

Within the framework of the domestic constraints and external challenges described above, it appears unlikely that President Rohani will be able to exercise a more moderate foreign policy than that which characterised his first term. If Rohani has made clear his intention of continuing on the path of moderation and dialogue, certain domestic and foreign challenges will continue to place constraints on his administration over the next four years. On the domestic front, the economic weight and political influence of the Revolutionary Guard will limit the President's capacity to implement the reforms needed to reactivate the economy, to make the banking system more transparent and to implement a tax system which could lessen the state's dependence on the fluctuating price of oil. The consensus politics which Rohani continually sought during his previous administration will also likely be shed for a more assertive policy and a more reformist cabinet.

The influence of the *Pasdaran* over the implementation of foreign policy will also constrain Rohani's chances of achieving any change in the Iranian stance in Syria and Iraq. Nor is there any pressure domestically for such a stance to shift, given that the rhetoric from Saudi Arabia and the US raises the tone of sectarian and strategic confrontation in the Persian Gulf, particularly in the wake of the Teheran terrorist attacks and the ongoing crisis in the GCC, which reveals increasing tensions between all the states in the region.