

Khamenei Will See Sanctions on Him as a Direct Challenge to the Revolution

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The Supreme Leader regards his rule as the central feature of the Islamic Revolution, so the latest White House order will seem like a shot at the entire system.

The natural temptation when analyzing new U.S. sanctions against Iran is to ask what economic impact they will have. By that metric, President Trump's June 24 executive order may seem modest—it closes the U.S. financial system to those who deal with individuals directly appointed by Supreme Leader Ali Khamenei, or with institutions controlled by these appointees.

Economic impact is the wrong metric, however. The main U.S. objective is to press Iran's leaders, not reduce the country to poverty. Therefore, a better question to ask is: how will the new sanctions affect Iran's leaders? The answer is clear: no steps could be better designed to infuriate the regime's top official than the June 24 executive order.

IN KHAMENEI'S EYES, HE IS THE REVOLUTION

The essence of Iran's 1979 Islamic Revolution was the concept of "guardianship of the jurist," or *velayat-e faqih*. This was the rock on which the revolution was founded, embedded in a constitution that gives absolute power to the nation's top jurist, the Supreme Leader. Khamenei's predecessor, Ayatollah Ruhollah Khomeini, once ruled that the Supreme Leader has the authority to set aside not only any Iranian civic law, but also any aspect of Islamic law if he deems it expedient.

Since assuming power in 1989, Khamenei has taken *velayat-e faqih* several steps further. Under Khomeini, many leading clerics were lukewarm toward the principle or even critical of it. Yet Khamenei has repeatedly made statements like the following: "All Muslims including the grand ayatollahs should obey the orders of the ruling jurist...Commitment to the ruling jurist is indistinguishable from commitment to Islam...The ruling jurist's decisions and authorities...precede and trump the will and authority of the people in case of conflict between them."

Furthermore, Khamenei has built an imposing cult of personality. Iranian media are required to refer to him not with the constitutional title of "Leader," but as "Exalted Supreme Leader." Speech after speech by senior officials demands loyalty not just to *velayat-e faqih* but to Khamenei himself. Those seen as criticizing him are treated harshly even if they espouse loyalty to the principle that gives him full power, as happened with former presidential candidates Mehdi Karrubi and Mir Hossein Mousavi.

Khamenei has long argued that opposition to the Supreme Leader is the central element in America's supposed plans for regime change. In 1997, for instance, he argued, "Global arrogance [his catchphrase for the United States and its allies] thought that it could try a more effective way to fight the Islamic Revolution. After much study, it came to the conclusion that it should target the leader of the revolution, because it knows that with a powerful leader in Islamic Iran, all their conspiracies would fail."

WHAT DOES THE JUNE 24 ORDER DO?

Among other provisions, [Executive Order 13876](#) specifically freezes the U.S. assets of any person who has "materially assisted, sponsored, or provided financial, material, or technological support for, or goods and services to" individuals appointed by the Supreme Leader. These individuals include both "state officials" and the heads of "any entity located in Iran, or any entity located outside of Iran that is owned or controlled by one or more entities in Iran." In addition, the order authorizes the Treasury secretary, in consultation with the secretary of state, to impose tough sanctions on foreign financial institutions that have "knowingly conducted or facilitated any significant financial transaction for or on behalf of any person" that meets the above criteria.

For example, strong action can now be taken against Iraqi or Lebanese banks that open accounts for institutions whose leaders are appointed by Khamenei, such as the Headquarters for the Restoration of Holy Shrines or a host of ostensibly charitable foundations. Many of these institutions are technically separate from the Iranian government and therefore not necessarily subject to previous U.S. sanctions (specifically, the Obama administration's February 2012 sanctions against state agencies). Consider that Washington has never directly

sanctioned the Foundation for the Oppressed and Disabled (Bonyad-e Mostazafan va Janbazan), a huge organization that has fought hard to keep itself legally distinct from the government even though it is directly controlled by the Supreme Leader. Such institutions are often active in Iraq, Lebanon, Afghanistan, and other countries where the threat of U.S. sanctions could scare local banks into cutting them off.

KHAMENEI'S NEXT STEPS

By targeting the Supreme Leader in such a personal way, the June 24 order will have a broader effect: convincing him that the U.S. objective is to overthrow his regime. Although this will reinforce a belief he has held for years, the more important issue is whether the order will change his actions, not his beliefs.

In a May 29 speech, Khamenei assessed the U.S. strategy as follows: "They exert pressure to exhaust the other side. When they feel that the other side is exhausted and might accept their terms, they say, 'Very well, let us negotiate.' Negotiations complement their pressures." He then argued that Iran's only possible response is to gain leverage against the United States so that it can be in a position of strength. In his view, Iran has ample "instruments of exerting pressure" at its disposal and should use them. He did not spell out which instruments he meant, but he was presumably referring to the projects Iran has been so busy with lately: reactivating its nuclear program and threatening Gulf oil supplies. Whatever the case, Tehran has indeed gained leverage. Whereas two months ago the narrative centered on Washington's unexpected success at imposing real pain on Iran's economy, today's focus is on how dangerous and volatile the region has become, with many world leaders now pushing for compromise.

Khamenei's interest in gaining leverage could actually be good news if it means he is willing to consider new talks. The problem is that he has long been suspicious of negotiations and compromises, often describing them as a slippery slope (e.g., see his bitter resistance to compromise after Iran's mass protests of 2009, or his exhortations to Hezbollah and the Palestinians about sticking with "resistance" against Israel instead of negotiating). Certainly his recent rhetoric shows no sign of interest in talking with the United States. During his televised remarks after meeting with Japanese prime minister Shinzo Abe on June 13, Khamenei insultingly declared, "We have no doubt in your goodwill and seriousness, but regarding what you said the U.S. president told you, I don't consider Trump as a person worthy of exchanging messages with...I have no response for him and will not answer him." And in a June 26 speech, he stated, "Negotiations are their way of deceiving you so as to get what they want. You hold the gun and the other side doesn't dare approach you; so they say drop your gun so that I can harm you. This is what they mean by negotiations...If you surrender to them, you're done for! And if you don't accept [surrender], they will keep fussing about human rights excuses."

The new executive order will likely heighten such rhetoric, but the reality is that if Khamenei accepts negotiations, he will do so not because he wants them, but because he believes they are necessary to preserve his rule—even if he rails against them the whole time. On May 14 he declared that "negotiation is poison," reminiscent of Ayatollah Khomeini's 1988 statement that ending the war with Iraq was "more deadly than drinking hemlock." The June 24 order takes Washington another step down the path of pressing Khamenei to drink the "poison" and allow new talks. And drink it he may—as his grudging tolerance of the 2015 nuclear deal showed, he can be pushed into doing things he deeply opposes if he believes they are essential to preserving the system.

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