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Powers and Principles:  
International Leadership in a Shrinking World

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## **Refashioning Iran's International Role**

**Suzanne Maloney and Ray Takeyh**

*With a reaction by Omid Memarian*

## About the Contributors

**Suzanne Maloney** is a Senior Fellow at the Saban Center for Middle East Policy at the Brookings Institution. Previously, she served on the State Department's Policy Planning Staff and as Middle East advisor for ExxonMobil Corporation. Dr. Maloney directed the 2004 Council on Foreign Relations Task Force on US Policy toward Iran and is the author of *Iran's Long Reach: Iran as a Pivotal State in the Muslim World* (USIP, 2008).

**Ray Takeyh** is a senior fellow for Middle Eastern studies at the Council on Foreign Relations. His areas of specialization are Iran, the Persian Gulf, and U.S. foreign policy. He is also a contributing editor of the *National Interest*. Dr. Takeyh has published several books on the Middle East and is currently working on the forthcoming *The Guardians of the Revolution: Iran's Approach to the World* (Oxford University Press).

**Omid Memarian** is a journalist and blogger known for his news analysis, regular columns and blog. He was chief researcher for Reese Erlich's book entitled *Iran Agenda: the Real Story of U.S. Policy and The Middle East Crisis*. Memarian is currently a World Peace Fellow at the UC Berkeley Graduate School of Journalism. In 2005, he received the Human Rights Defender Award, Human Rights Watch's highest honor.

## About the Project

The aim of the Stanley Foundation's project on "Powers and Principles: International Leadership in a Shrinking World" is to identify plausible actions and trends for the next ten years by which the international community could become more unified. The foundation asked contributing authors to describe the paths by which 9 powerful nations, a regional union of 27 states, and a multinational corporation could all emerge as constructive stakeholders in a strengthened rules-based international order. For each case, the writers discuss how their given country might deal with the internal and external challenges posed by international norms for the global economy, domestic governance and society, and global and regional security.

Each essay in the series is an assessment of what is politically possible (and impossible), supported by a description of the associated pressures and incentives. Unlike other future-oriented projects, there were no calculations of probability; we were interested in a particular global future—an international community with broad respect and support for norms—and how it might take shape. Authors were expected to address the particular challenges, pressures both for change and continuity, as well as natural leadership roles pertinent to their actor's geostrategic position, economy, society, history, political system, and culture.

The project did not apply a checklist or rating system to the question of stakeholdership. A responsible stakeholder can be an upholder, critic, and shaper of the rules-based order all at the same time. But while stakeholdership is not a matter of accepting the entire set of norms, if a powerful nation opts out of too many rules, it will undermine rather than uphold the order. To provide a perspective from the inside and counterweight to each essay, a commentator from the given country (or another actor) was enlisted to provide a critical response.

Since its explosive beginnings nearly three decades ago, the Islamic Republic of Iran has been the poster child for recalcitrance and misconduct in the international system—the archetype for a new category of rogue or outlaw state. Iran’s post-revolutionary leadership has done much to earn this international reprobation: from the —1979 seizure of the U.S. Embassy and ensuing fourteen-month hostage crisis to Iran’s embrace of terrorism as an instrument of statecraft, to its clandestine development of an extensive nuclear infrastructure. Dealing with Iran and its multiple challenges has become the quintessential policy ‘test case’ for aspiring regional powers seeking to assert their influence and establish their bonafides as ‘responsible stakeholders.’

For this reason, it may be tempting to consider any discussion of Iran’s prospective evolution into a responsible stakeholder as a purely imaginative exercise. In reality, however, the possibility that Iran could transform itself from one of the world’s foremost problem states to a respected problem-solver is not so far-fetched. With its long legacy of territorial integrity and relatively cohesive political heritage, Iranian influence has, over the millennia, dominated vast expanses of what is now the Middle East and Central Asia. During the Pahlavi period, Iran emerged as the dominant regional power broker, courting both superpowers and asserting itself extravagantly at home and abroad. Revolutionary Iran retained the messianic ambitions of its imperial predecessor, obviously with a distinctly religious flair. The vision of Iran as the heir to the ancient Persian empire, staking claims both to a history and a future as one of the Great Civilizations and regional powers, thus exerts a powerful hold on Iran’s worldview.

Moreover, while the Islamic Republic has sowed considerable regional chaos since its inception, its foreign policy has undergone significant evolution, even if its durable status as the premier rogue failed to reflect those changes. Today, Iran is no longer a revisionist state challenging prevailing international security system, nor a revolutionary regime seeking to forcibly impose its own model of governance on neighbors. While it would be imprudent to ignore the invective that emanates from Tehran, it is equally reckless to downplay the substantial gap between Iran’s wild rhetoric and its wary approach to the world. In essence, the Islamic Republic is a medium-sized power seeking regional preeminence and asserting itself opportunistically against historic rivals, including Washington. The past two decades have shown that Iran can indeed play a constructive role in the resolution of regional crises. During the reformist period, Tehran—with apparent cross-factional consensus—established constructive relations with the GCC states; served as a relatively honest broker for the Azeri/Armenian conflict and the Tajik civil war; and even signaled potential new flexibility in its opposition to the Middle East peace process. Although more dogmatic and destabilizing than its predecessor, Iran’s current leadership has indicated a continuing commitment to many of these policies, and even its regional troublemaking has been modulated by its interest in curbing regional insecurity.

Nonetheless, the general policies and specific actions of the Islamic Republic today represent the polar opposite of international responsibility — a posture that is both disturbing and destabilizing. Ultimately, a fundamental transformation of Iran’s regional role and relationship to the international order will be critical for the Middle East and the

broader Muslim world to become more stable, prosperous and fully integrated into global norms and institutions.

Despite the ethnic, religious and historical differences that distinguish Iran from its neighbors, its influence in the region is profound. Its strategic outlook and ideological posture are determining factors for the security environment in the Persian Gulf. Through its support for terrorism and pursuit of weapons of mass destruction, Tehran remains the foremost challenge to the regional status quo as well as to vital American security interests there. Economically, too, despite three decades of U.S. sanctions and its own leadership's disastrous economic management, Iran remains a latent powerhouse—thanks to its endowment of eleven percent of the world's petroleum and the second largest deposits of natural gas, and its location at the crossroads of Asia's historic trading routes. As the center of gravity for the worldwide community of Shi'a Muslims and the heir to the ancient Persian empire, Iran exerts unique sway over a diverse and dynamic cultural sphere. If a durable rules-based global order is to emerge, and have meaningful impact in the perpetual zone of conflict that is the Middle East, Iran's constructive participation will be vitally important. Absent a genuine transformation in Iran's relationship to the broader world order, we can expect a perpetuation or even heightening of the exceptionalism and instability that has characterized the region for too long.

## **Strategic Assumptions**

In considering how Iran might transform itself over time from a rogue to a responsible state, four key assumptions frame the analysis below.

First, Iran will not be able to fully rationalize its approach to the world unless the international community—and in particular, the U.S.—recognizes the permanent changes wrought by Iran's Islamic Revolution and the authority of its current regime. For Washington, this recognition must be expressed in the abandonment of both the rhetoric and the implicit policies of regime change. Like all revolutionaries, Iran's leaders are trapped by their own insecurities, and thus especially eager for the international community's consideration of their interests and validation of their rule and their rightful prerogatives. Such gestures are not unique to Iran's theocrats; consider, for example, decades of Soviet demands that the United States officially acknowledge postwar demarcations of Eastern Europe. Any successful effort to persuade and/or pressure Tehran to use its influence as a stabilizing force must begin addressing Tehran's acute, abiding sense of insecurity, stemming from Iran's historical experience both before and after the revolution. Memories of the 1953 coup, in which a democratically-elected prime minister was unseated with American assistance, remain powerful even in Islamic Iran. Those events helped to crystallize a "conspiratorial interpretation of politics" and an obsessive fear of internationally-orchestrated instability.<sup>1</sup>

The events of the revolution's first decade only fed this persistent sense of vulnerability and mistrust. The formative experiences for Iran's were characterized by years of violence and challenges to the state's very survival. Consider the threats facing the Islamic Republic in its early years: tribal revolts in its provinces, social unrest in its cities, labor stoppages, economic sanctions, a war that brought a long-standing enemy right into

its cities, and a vicious power struggle that devolved into an open terrorist campaign against its leadership. Just two 1981 bombings by the Mojahideen-e Khalq alone killed much of the Islamic Republic's senior leadership, including the president, the prime minister, the head of cleric's political party, and dozens of parliamentarians, cabinet members and deputies. As a result of these ordeals, regime survival represents the highest priority for the Iranian leadership, accompanied by a deeply-engrained conviction that Washington, in collaboration with other world powers, is bent on its eradication. It is no mystery, then, that Tehran takes such a defensive approach to the international system. Part and parcel of accepting the revolution and its leadership must be a clear respect for Iran's territorial integrity.

The Bush Administration's coy deployment of the rhetoric of regime change, together with persistent but unconfirmed reports of American and European efforts to exploit ethnic and sectarian tensions along Iran's borders, have only intensified Iranian leaders' paranoia. More disturbingly, the sense of siege has hardened Iran's determination to assert its influence across a region that is—thanks to U.S. policies toward Iraq and the Middle East peace process—coincidentally fortuitous. As Iranian leaders perceive the country's regional influence on the rise, they are correspondingly unwilling to settle for anything less than affirmation of and deference to the standing to which they see themselves as entitled.

A second overarching assumption regarding Iran's prospects as a responsible stakeholder also has roots in post-revolutionary history, the lessons from that period for Iran's attitude toward international law. This formative period instilled enduring doubts about the reliability and utility of international norms and institutions. In the official Iranian narrative, the 1980 Iraqi invasion represented a link in a larger plot, and Tehran's continued military campaign beyond its primary defensive aims was justified, by Ayatollah Ali Khamenei's account, as "not a war *between* two countries, two armies; it was a war between an unwritten, global coalition against one nation."<sup>2</sup> The international community's tepid response to such an egregious violation of Iran's sovereignty taught Tehran not to place faith in abstract principles or the world's willingness to defend them, and the world's failure to respond to Iraq's unprecedented use of chemical weapons effectively condoned Saddam's butchery.

This episode remains a prolonged and deeply problematic trauma, and a continuing rationale for Tehran's flouting of international law and norms. As a columnist in a hard-line newspaper declared last year, "our world is not a fair one and everyone gets as much power as he can, not for his power of reason or the adaptation of his request to the international laws, but by his bullying..."<sup>3</sup> Gripped by their perception of an intractably hostile world and a conviction that the exigencies of regime survival justify its actions, Iranian leaders exploit every opening, pursue multiple or contradictory agendas, play various capitals against one another, and use pressure tactics – including the limited use of force — to advance their interests.

Ahmadinejad and many other second-generation Iranian conservatives on the rise interpret the experiences of the Iraq war as a cautionary tale against trust in the

international community and are correspondingly averse to any kind of compromise, on the grounds that conciliation only begets added pressure rather than reciprocal concessions. No effort to draw Tehran into a more constructive role within the region or beyond will succeed without altering these perceptions by steadily showing Iran's leaders, including its young firebrands, they can have a more fruitful relationship with the broader world.

The third key predicate for any more responsible role for Iran in the international system is the reestablishment of a viable diplomatic relationship—though not necessarily harmonious or even amicable—between Tehran and Washington. So long as the Iranian leadership views the U.S. as a determinedly hostile strategic competitor, Tehran will be driven by perverse incentives to continue provoking, harassing, or constraining the U.S., even where those policies contradict Iran's own interests. The perpetual estrangement and lack of direct communication fosters a vicious cycle of mistrust, antagonism, confrontation, and conflict that ultimately overrides the value of Iran's selective cooperation and baseline pragmatism. Iran cannot fully play by the rules—much less help to enforce and interpret them—so long as it is locked in a perceived existential struggle with the world's most powerful rule maker.

Finally, meaningful internal change will be necessary to enable a more constructive posture toward the international order. This does not imply the necessity or the eventuality of regime change; indeed, as suggested above, Iran's foreign policy has already moderated in significant ways under its clerical leadership. Most notably, the reform movement of the late 1990s succeeded in reorienting Iran's approach to its neighborhood and even, to a lesser extent, with the world as a whole. It is not difficult to envision a future in which a different constellation of leaders of the Islamic Republic strikes a more accommodating stance toward the international system, whether spurred by generational shifts or the emergence of a new alignment of domestic political actors. Such a shift could build slowly but eventually manifest itself dramatically, particularly as game-changing external events intrude on Iran's political calculations—just as the Iraqi invasion of Kuwait and the tragic attacks of 9/11 appear to have sparked past Iranian initiatives to repair frayed relations with the world. Still, the ultimate failure of the reformist experiment, along with their continuing marginalization in the Iranian political system, drives the real fact of the matter: the prerequisite for any durable commitment to the international order, one not dependent on particular individuals or factions, is systemic change in Iran, buttressed by legal and institutional protections.

The alternative scenario, that of revolutionary change, appears less likely but hardly impossible. Iran displays all of the risk factors for a revolutionary break: a disproportionately young population; restive ethnic minorities; an inefficient, distorted economy; and a regime mired in an obsolescent ideology, riven by factional feuds, and reliant on repression. But these signs of weakness are deceptive, outweighed by the Iranian regime's grip over society and apparent firm hold on power for the foreseeable future. Dissatisfaction with government policies is indeed high and has intensified as a result of Ahmadinejad's disastrous economic agenda. However, the components of successful pre-revolutionary mobilization—such as a coherent organization, viable

strategy, and the leadership of a core of committed activists who can rally followers, marshal resources, and develop and implement a specific program of change—do not seem to be in place. Moreover, a dramatic break with the ideology and power structure of the Islamic Republic would not necessarily move Iran towards the norms and parameters of global governance, in particular with respect to nonproliferation. In fact, Iran's nuclear ambitions did not begin with the onset of the Islamic Revolution, but rather dates back to the early 1970s under the Shah. A set of strategic constants have sustained this program over the past four decades: status, prestige, and the appeal of the ultimate deterrent for a state in an unstable neighborhood. These considerations might well outweigh the nonproliferation norm, even under a different leadership.

## **Internal Challenges**

### **Strengthening the Framework for Pluralistic Politics**

Because of Iran's unique fusion of theocratic and democratic institutions and ideals, any process of internal transformation will likely begin with the ballot box. Elections have proven the only viable, if highly imperfect, pathway to political change within the Islamic Republic. They were central to the political strategy of the reformists during the late 1990s. And even though they failed to accomplish lasting change, the reformists' success in seizing elected institutions made the contests the focus of Iran's protracted power struggle.

Iranians have no illusions about the limited scope of their democracy, and yet organized boycotts have enjoyed little support, in part because voters understand the implications of choices even among lousy, limited options for their daily lives. Skeptics need only contemplate the contrast between Iran's current president, the wily demagogue Mahmoud Ahmadinejad, and his predecessor Mohammad Khatami, who ushered in a brief era of social and political liberalization and championed a dialogue among civilizations. While they are deeply problematic and ultimately frustrating for the true aspirations of its citizenry, Iranian elections do indeed matter.

Under the Iranian constitution, the country's elective institutions wield only modest authority, and are routinely constrained by legal and bureaucratic checks. Still, the presidency, the parliament, and more recently the local and city councils have been the focal point of more than 20 national elections in 29 years, which has helped to engender a considerable popular commitment to their perpetuation and empowerment. The presidency has relatively limited specific powers, a continuing legacy of the mistrust of a powerful executive harbored by both the leftists and the Islamists in Iran's revolutionary coalition. Ultimately "the real power he exercises depends on his unofficial relations with the other power holders around him."<sup>4</sup> Khatami tried, unsuccessfully, to expand the formal authority of the presidency; by inserting and asserting himself on all the vital affairs of state. His successor has *de facto* enhanced his own role in Iranian decision-making, although this recent aggrandizement of the position is purely a function of personality and circumstances and has not translated into permanent changes to the president's position within the power structure.

Beyond the presidency, the parliament is particularly prominent in the Iranian political imagination, thanks to its century-old roots, and wields some degree of authority through its oversight of the executive branch, approval of international agreements, and budgetary responsibilities. However, like the presidency, the parliament is routinely constrained by powerful checks on its authority and independence; the supreme leader has episodically intervened to block discussion of sensitive issues, such as liberalization of the press law, while in other cases the Judiciary has attempted to prosecute MPs for remarks they have made during legislative debates.

Still, even with these constraints, the intense intra-elite politicking that surrounds electoral contests can have profound influence on the political and social environment over the long term. The consequences of the 1992 parliamentary elections, for example, were not evident to outside observers until five years later, with the emergence of the reform movement and election of Khatami. Similarly, the repercussions of the current divisions among Iran's conservatives and the dynamics of the 2009 presidential election will, in time, play out in ways that we simply cannot predict. In this way, even imperfect elections can lay a foundation for a nascent democracy more reliably than the sexy stuff of revolutionary upheaval.

We can sketch some of the markers of Iran's political evolution: the splintering of the revolution's true believers, the slow transition from factions to parties, the regrouping of regime opponents, and most importantly the commitment of Iran's citizenry to the ideal of representative rule, and Iran's elections, both in their implementation and in the accompanying framework for elective institutions. Improvements in the electoral rules and expansion of the political space allotted to elective institutions would boost prospects for more responsible Iranian policy more broadly. Bolstering the robustness and autonomy of Iran's elective institutions—in tandem with greater protections for non-governmental checks on responsible governance, such as a vibrant civil society and independent media—would represent practical steps that could really enhance the power of the ballot box in shaping Iran's approach to the world.

Yet the link between democracy and a constructive international orientation is not a direct or simple one. The populist Ahmadinejad has, for instance, stirred enormous popular reaction, through regular tours around the country that elicited more than 9 million letters to the president, who claims in return to have adjudicated thousands of individual grievances and provided 2.4 million Iranians with at least a token financial response. Under a different leadership, this sort of public engagement might suggest progress, but unfortunately, precisely the opposite is the case here—the lesson being that demagoguery and populism cannot substitute for genuine political competition and meaningful elective oversight.

### **Enhancing Transparency and Accountability**

In addition to its representative institutions, the Islamic Republic is governed via a powerful constellation of unelected institutions that are subject to limited oversight or accountability. At the apex sits the supreme leader, or *faqih*, the office which constitutes Iran's ultimate authority and is empowered to declare war, approve or dismiss the

president, and supervise the general policies of the government. In the 1989 Constitutional revisions in preparation for Iran's first and only leadership transition, the formal powers of this office were considerably expanded, giving the supreme leader an absolute mandate over all the affairs of state. The supreme leader is nominally subject to democratic accountability, since the council empowered, formally at least, to select and remove the *faqih* is itself chosen by national ballot, albeit in highly restrictive fashion.

A powerful adjunct to the office of the leadership is the Council of Guardians (*Shura-ye Negahban*), comprised of six religious jurists, and six lay people. The Council is charged with reviewing all parliamentary legislation for conformity with both Islam and the Constitution, and with setting electoral procedures for the entire electoral process, which gives the body vast latitude to determine the relative freedom of that process. Protracted feuding between the Guardians' Council and the parliament during the 1980s gave rise to yet another oversight body, the Expediency Council (*Majma-ye Tashkhis-e Maslahat-e Nezam*), which is empowered to override both the Constitution and sharia law in whatever it deems to be the best interests of the Islamic state.

Each of these institutions, and indeed every official organ of the Islamic Republic remains effectively beyond any meaningful form of public oversight or accountability. Through these unchecked powers, Iranian hardliners have ensured that the prerogatives of the elected institutions and the demands of the public were effectively negated. They have used these state organs to: assassinate critics and dissidents at home and abroad, intimidate a host of elected officials through spurious prosecutions, eliminate powerful rivals through violence or smears, and siphon off a vast bounty of oil revenues into Dubai. Repeated efforts by reformists to either capture these institutions through the electoral process or exert greater oversight through the legislative and/or investigatory powers of the parliament have fizzled.<sup>5</sup>

The result has been the further debilitation of Iran's weak elective institutions, the erosion of the country's traditionally vibrant political participation and civil society, and the ascendance of a hard-line agenda for which international tensions only help stoke revolutionary fervor and distract from domestic failures.

### **Rebalancing the Civil-Military Relationship**

Recent years have also seen a growth in the political influence of military institutions and some of their key leaders. In particular, the Revolutionary Guards (IRGC) have assumed a more prominent role in Iran's economy, securing key stakes in major projects including in the energy sector, which until recent years was the sole province of the state oil company and its affiliates. Additionally, a number of current and former IRGC commanders have moved into the parliament and political posts widely through the Ahmadinejad government—most notably in the Interior Ministry, which not only commands Iran's internal security forces but also is charged with implementation of elections. The expanded role of the military leadership in Iran's politics and economy represents a significant shift from what had been distinctly separate civil and military spheres, although it is a somewhat predictable result of the eight-year war with Iraq, which was a formative experience for the post-revolutionary state and leadership.

The growing role of military commanders and organizations is accompanied by what one expert on Iranian politics has described as the “security outlook” of the current leadership; in other words, “a newly security-conscious state, bordering on paranoid, has indeed emerged.”<sup>6</sup> This heightened sense of suspicion and defensiveness reflects both the innate predilections of Iran’s new power brokers as well as intensifying American pressure. To see how the two factors reinforce one another, note Washington’s move to single out the Revolutionary Guards for targeted sanctions and financial restrictions. Conversely, any constructive international engagement by Iran will require a rebalancing of the scales to strengthen civilian authority over military institutions and leaders through legislation as well as through enhanced oversight by the executive branch.

### **Protecting Basic Rights**

Recent trends with respect to the rights and freedoms of the Iranian population have been particularly unfortunate. The era of Ahmadinejad has had a manifestly detrimental impact on Iran’s political and social environment. Censorship of books and other media has intensified dramatically; Islamic dress codes and other social prohibitions are being enforced with renewed vigor; and perhaps most significantly, the regime has targeted intellectuals, dissidents, student activists, lawyers, union leaders, and human rights advocates for repression and imprisonment.

Emblematic of Ahmadinejad’s approach to human rights was his appointment to high office of two individuals with infamous track records on these issues. Interior Minister Mustafa Purmohammadi and Intelligence Minister Gholamhussein Mohseni Ezhei have been cited by Human Rights Watch and other organizations for their roles in several notorious episodes of human rights abuses in Iran, including the execution of political prisoners in the 1980s, the murders of dissidents and writers by Intelligence Ministry agents in the 1990s, and the prosecution of Shi’a clerics for espousing alternative theological viewpoints. Their records were so deeply problematic that even some members of the conservative parliament hesitated to confirm these individuals’ appointments out of concern over how international sanctions might thwart their diplomatic travel and interactions.

Equally telling—and outrageous—was the decision to include the despicable Saeed Mortazavi, Tehran’s prosecutor general, in its 2006 delegation to the United Nations Human Rights Council in Geneva. Mortazavi is well-known as the “butcher of the press” for his role in shuttering reformist publications and imprisoning journalists during the Khatami era. He is also alleged, credibly, to have participated directly in the 2003 interrogations of Canadian-Iranian photojournalist Zahra Kazemi. Those interrogations included physical abuse and torture and resulted in Kazemi’s death while in custody. Her abusers have never been brought to justice, and the inclusion of Mortazavi in official Iranian human rights diplomacy has been cited by Human Rights Watch as proof of the leadership’s utter contempt for the very concept and process. Like the inclusion of Mohseni Ezhei and Purmohammadi, the empowerment of Mortazavi speaks to an appalling brutality harbored within certain elements of the Iranian leadership, and tolerated by a wider range of officials.

A review of Iran's post-revolutionary history suggests a direct correlation between the domestic political environment and Iran's international orientation. During periods of internal liberalization—most notably, of course, the eight-year tenure of President Khatami—Tehran also was more keen to engage responsibly with the rest of the world. The converse has also held true: as Iran has come under greater international pressure for its destabilizing policies, the very notion of domestic dissent becomes tainted as a 'fifth column' subverting national cohesion in a time of crisis. For this reason, Iran's willingness to institutionalize greater protections for its own population is an important milestone for gauging its approach to the world.

## External Challenges

### Iraq

Iran has emerged as the chief beneficiary of the U.S.-effected change of power in Baghdad. Iranian officials harbored deeply seated and long-standing grievances with Saddam Hussein. Prior to the invasion, they publicly opposed Washington's decision to unseat him and then played a modest but generally constructive supporting role during the initial conflict itself. While Hussein was in power, Iran's leaders cultivated enduring ties with all the significant Iraqi opposition groups. None of these groups could have been considered wholly-owned clients of the Islamic Republic, but their varying degrees of intimacy with and fealty toward Tehran was in all cases more significant than their tactical cooperation with Washington—even the Iraqi opposition's work with the US in the run-up to the war and its aftermath. Moreover, as the only organized political forces in the post-war period, the Shia and Kurdish oppositionists were uniquely positioned to take advantage of the power vacuum, facilitated in no small part by retention of their militias.

Iran's strategic and financial investments in Iraq reflect the regime's deeply-held conviction that Tehran has an existential interest in ensuring a friendly government in Baghdad, one no longer capable of threatening Iran directly or on behalf of the international community. The importance of the 1980-88 war as a formative experience for Iran's post-revolutionary leaders and society has fostered a persistent sense of strategic vulnerability and a willingness to do whatever necessary to ensure the survival of both the Iranian nation and the Islamic state. This worldview underlies Tehran's assiduous and wide-ranging extension of influence in post-war Iraq.

Indeed, Iran's leadership is still involved in what amounts to an ongoing reinterpretation of the history of the war, with significant ramifications for Iran's political culture and international orientation. One particularly high-profile thread of this debate was the unprecedented questioning of the role of former president Akbar Hashemi Rafsanjani and other decision-makers during the 2005 presidential campaign. From its actions in post-Saddam Iraq, Tehran appears to have drawn several crucial lessons from the earlier war with Iraq. The first is the crucial importance of the relationship with Iraq's Shi'a community. Rather than seeking to impose its doctrine of *velayat-e faqih* upon its neighbors, Iran prudently opted to support a democratic framework advantageous to its

coreligionists, while simultaneously arming its local allies to put them in a strong position for any future competition for power. Secondly, Iranian leaders have sought to block any permanent American presence in Iraq that would once again leave a historic adversary with an open-ended presence on its borders. Finally, the legacy of the Iraq war has impressed upon Tehran the importance of ensuring a coherent, functional state in Baghdad.

In addition to Iran's political engagement, it has cultivated stronger economic ties, earmarking financial support and export credits for Iraq and engaging with Baghdad on specific assistance to key sectors, such as energy infrastructure and electrical power generation. As a result, Iran's wide-ranging economic relationship with the new Iraq includes billions of dollars in agreements for future investments in the power sector, two oil pipelines from Basra to Abadan, and other infrastructure projects.

Despite its general cooperation and coexistence with the US presence in Iraq, as the occupation has dragged on, Tehran has also sought to increase the cost of a continued American presence in Iraq—giving support to insurgents in order to maximize its own position within the country and leverage vis-à-vis Washington. And while the Bush Administration's track record provides ample justification for skepticism of its allegations, the charges that Iran is providing arms and training to a range of Shi'a militias inside Iraq are supported by persuasive evidence.

Obviously, the perpetuation of an Iranian-American proxy war in Iraq would be entirely incompatible with a constructive Iranian role in the international order. And indeed, hopeful signs are discernable: Iran's copious assistance to Iraq's formal government, its efforts to moderate tensions among Iraqi groups as well as with Washington (most notably by brokering a truce that helped end recent fighting in Basra), as well as Tehran's apparent commitment to a durable central government. Iranian participation in regional and international initiatives to address the fallout from Iraq can build on its shared interest in a peaceful future for Iraq, and direct engagement with Washington could further wean Tehran from its tendency to view Iraq as a zero-sum competition with its primary adversary. Iran will wield enormous influence over the future of Iraq, and it is the international community's task to work with Tehran to channel that power in a constructive direction. Iraq may be the most appropriate starting place for cultivating a new Iranian approach to the world—particularly since Ayatollah Khamenei has publicly endorsed direct dialogue with Washington on issues related to Iraq, the first time since the revolution that the Supreme Leader has openly sanctioned such contact.

### **Persian Gulf**

How Iran's assertion of power in Iraq will play out on a broader Middle East stage is an issue of mounting attention and concern. Saudi Arabia and the smaller Gulf sheikhdoms view the close Iranian-Iraqi partnership with wariness and have spoken bluntly about the prospect of a "Shi'a arc" through the heart of the Middle East that will be inherently unstable and antagonistic toward its Sunni neighbors. They have played upon these fears to help win substantial new arms packages from Washington, which has prompted intensified debate on U.S. security commitments to its allies in the region.

Regional fears of a revived and coordinated Shi'a arc of influence are to some extent self-serving. By casting blame toward Iran for the chaos in Iraq, Iraq's Sunni neighbors deflect blame away from their own failure to do the utmost to stabilize the situation, and in one case, Saudi Arabia, the stream of citizens getting involved in the insurgency.<sup>7</sup> Moreover, the cultural and political revival of the Shi'a world need not represent an inherent threat to its Sunni neighbors.

And to the extent that these fears are connected to large Shi'a minorities in some states of the region—such as Bahrain, Saudi Arabia, Kuwait and Pakistan—the dynamic will be driven much more by the overall tenor of these states' domestic politics, particularly on minority rights issues, than by Iran itself. Since the early years of the Iranian revolution, one focus of the Gulf states' internal evolution has been responsiveness to the concerns of historically marginalized communities, or at least to co-opt local Shia populations. Whatever their limitations, the Saudi “national dialogue,” Bahrain's embrace of limited democracy, and Kuwait's dysfunctional parliament have had reasonable success in incorporating the Gulf Shi'a into their respective national polities. As a result, the prevailing relative quiescence of the region's minority Shi'a populations is not especially vulnerable to being shattered by either a demonstration effect or even direct intervention from Shi'a powerhouses such as Iran or Iraq.

In reality, it is the perception of—and the potential reaction to—a ‘Shi'a crescent’ that represents the true threat to regional peace and stability. A disruption of the current uneasy balance of power along sectarian lines might be triggered not by the political dominance of Iraqi Shi'a, but by misguided policies on the part of Sunni-dominated governments directed toward some mythical Shi'a threat. Echoing from the dynamics unleashed after the birth of the Islamic Republic, other critical actors, such as Pakistan and Saudi Arabia, may respond to the new power alignment in the broader Middle East with heightened religious fervor and rhetoric or simply by trying to undermine post-Saddam Iraq simply because of its Shi'a leadership. Given the already-fertile environment for Sunni radicalism, such state support and provocation would be positively incendiary.

Yet there are also hopeful signs pointing toward reduced, rather than heightened, confrontation with Iran. Despite their fervent efforts to spur Washington to contain Iran, the Gulf States have made clear their own limited appetite for directly confronting Tehran themselves. In fact, many have undertaken important outreach to the current Iranian power structure—including several unprecedented visits for Ahmadinejad to participate in the December 2007 hajj as well as the 2007 Gulf Cooperation Council summit. For their part, Iran's leaders have also demonstrated some awareness of the need to maintain a constructive relationship with Riyadh and the Gulf states. Even so, Tehran has repeatedly felt compelled to dispatch envoys to Riyadh to assuage concerns over Ahmadinejad's rhetoric and Iran's escalating tensions with the West. The larger project of a new regional security framework that incorporates rather than isolates Iran will be an absolutely essential step to preserving and enhancing the fragile stability of the Gulf.

## **Terrorism**

In the early years following the revolution, Iran explicitly embraced a universalist agenda of working to subvert its neighbors and promulgate its vision of an Islamic order. This enterprise included direct aid to terrorist organizations, subversion of Iran's neighbors through force as well as through propaganda, and threats (as well as active assassinations) of individuals abroad deemed enemies of the Islamic Republic. All this was sanctioned at the outset of the revolution by the messianic worldview that pervaded Iran's clerical leadership. In fact, the Islamic Republic's early provocative exploitation of indigenous Shi'a dissatisfaction in Kuwait, Bahrain, and Saudi Arabia ultimately solidified bureaucratically into a semi-official Iranian administration dedicated to toppling the status quo in the broader Islamic world.

Iran's involvement with terrorism is longstanding and widely diversified. During the 1980s, Iran helped to incite bombings, attempted coups and assassinations, and other subversive actions against its neighbors in the Gulf. During the same period, the Islamic Republic also provided substantial military and operational support to Shi'a resistance cells in Lebanon, helping establish and mold the paramilitary organization Hezbollah more than 20 years ago. In cooperation with Hezbollah, Iranian authorities helped coordinate an array of attacks in the region and beyond, including the 1994 bombing of a Jewish cultural center in Argentina that killed 85 people. With the assistance of Hezbollah, Iran has also forged intimate ties with the leading Palestinian militant groups such as Hamas and Islamic Jihad, despite sectarian differences; this support has been increased and magnified in response to the international community's attempt to isolate Hamas after the terrorist group's January 2006 electoral victory. Finally, in recent years there is evidence that Iran has cooperated opportunistically with both Al Qaeda, offering transit routes and safe harbor to operatives fleeing Afghanistan, as well as the reconstituted Taliban in Afghanistan.

Still, the historical record also strongly suggests that Iran's attachment to terrorism is not immutable. In the past 15 years, Iran has largely abandoned its subversion of the Gulf States and pernicious practice of assassinating its own dissidents in Europe, spurred both by external pressure and an interest rebuilding important relationships. For instance, the 1997 conviction of Iranian officials by a German court led not just to restrictions on trade but the departure of some European members of the Tehran diplomatic corps in protest. Given the costs, the Islamic Republic quickly abandoned the practice of targeting exiles. In a similar vein, the cessation of Iranian support for local radical elements was an essential *quid pro quo* in the normalization of Iran's relations with Saudi Arabia and the Gulf States in the 1990s. Once more, the strategic advantages of such a *détente* compelled Iran to pay the price.

A decisive break with terrorist groups and tactics and renunciation of the asymmetrical projection of power would constitute perhaps the most complex and significant component of an Iranian commitment to a rules-based global order. It will not prove simple or easy. In many cases, changes in Iranian behavior will require concomitant shifts in the regional order, international incentives and disincentives, and internal political rebalancing to achieve greater accountability over Iranian foreign policy. Still,

such a pathway can be glimpsed in the prior calibrations of Iran's terror tactics as well as the ways that particular proxies' agendas and actions have become distinct from Iran's. For example, a viable Arab-Israeli peace process—including the integration of Hamas into any discussions—will inherently limit Iran's capacity for troublemaking in that arena and diminish its access to Palestinian proxies. Similarly, Hezbollah's self-interested efforts in pursuit of a prominent political role in Lebanon can propel a transformation in both the organization and Iran's involvement with it.

### **Nonproliferation**

Iran's nuclear ambitions are already on the international agenda as a top item, and it is here that Iran is frequently held out as a 'test case' for responsible stakeholdership. Dealing with Iran's nuclear program is complicated by its leadership's longstanding commitment to such efforts—the earliest activities predate the Islamic Revolution—as well as the not-so-irrational strategic logic that underlies it. In fact the domestic politics of the nuclear temptation, in contrast with many other issues, appears to generate broad consensus across the Iranian political spectrum.

First and foremost, Iran's considerable investment in developing its nuclear options stems from the prodigious sense of insecurity wrought by the 1980 Iraqi invasion and subsequent eight years of war. Beyond the strategic rationale, the nuclear program stirs a distinct Iranian nationalism—one that has been astutely stoked by Ahmadinejad in recent years. In addition, for many in Tehran, maintaining some sort of viable nuclear program brings a benefit in the enhancement of the country's bargaining position with Washington. Notably, of course, there are greater divisions over the value of the associated confrontation with the international community. While moderates emphasize the benefits of Iran's regional détente and its commercial relations with Europe and Asia, hard-liners are not only undeterred by the prospect of international sanctions and isolation, but would in fact welcome a crisis in order to rekindle Iran's waning revolutionary fires and deflect attention from the domestic deficiencies of Islamic rule.

Since the May 2006 offer from the five permanent members of the UN Security Council plus Germany of discussions with Iran over the nature and scope of its nuclear program, the standoff between Tehran and the world community has focused on Iran's defiance of UNSC resolutions calling for suspension of its enrichment and reprocessing of uranium. There appears to be little prospect of a quick or easy resolution of this dispute. Even if the Obama administration showed new flexibility on the continuation of Iranian enrichment, which it did not during the campaign, the precondition precluding against enrichment in multiple UNSC resolutions poses a serious obstacle. Conversely, the Iranian government has repeatedly insisted that Tehran will never cede its right under the NPT to enrich uranium or otherwise eschew access to nuclear technology and activities.

Still, it is not difficult to envisage the contours of a durable bargain that meets both sides' basic requirements. The hard-liners associated with Ahmadinejad have long railed against both the process and the results of Iran's dealings with the IAEA and the EU-3. Yet a framework is conceivable—including 24-hour monitoring, continuous environmental sampling, continuous access without prior notification, and limits on the amount of fissile

material Iran can retain—that would effectively assure that Iran’s nuclear material is not being diverted for military purposes. The greater challenge is to develop sufficient trust and credibility among both sides in a new negotiating process in the limited time available. A willingness to come to the table and work cooperatively toward sufficient confidence-building will represent a major step forward for Iran; given the extent to which the current leadership has staked its public mandate on the nuclear issue, such a shift will require a considerable amount of heavy lifting within the contested internal environment. Meanwhile, it is worth noting that while this issue represents such a thorny challenge for the development and defense of a global rules-based order, it can also serve as a valuable model for how to handle other would-be proliferators and for addressing the persistent ambiguities and inadequacies of the current global nonproliferation framework.

### **Rhetoric**

In recent years, President Ahmadinejad has galvanized considerable international outrage with his repeated calls for the elimination of the Israeli state and references to the Holocaust as a ‘myth.’ In fact, this sort of demagoguery has a long and shameful history in the Islamic Republic. Reprehensible anti-Israeli invective has been a basic component of Iranian political culture since the revolution, occasionally flaring up into especially flagrant excesses, such as the celebratory reaction of Iranian political figures to the 1996 assassination of Israeli Prime Minister Yitzhak Rabin. And while Iranians reacted to the 9/11 attacks with an outpouring of popular sympathy and official pragmatism, neither has deterred various Iranian leaders, including Rafsajani, from perpetuating some of the most repugnant hoaxes about the September 11 attacks, hinting in Friday prayers that the attacks were committed to generate support for a war against Islam.<sup>8</sup> The same reports were repeated in at least one conservative newspaper, which compared the events of September 11 to seminal events in the American revolution.<sup>9</sup> These far-fetched theories continue to have some currency among Iranian leaders, with Ahmadinejad recently speculating that “(a)n event was created in the name of the attack against the twin towers. We were all sad. It was said that 3,000 people were killed...But the names of the 3,000 people were never published and nobody was able to respond to the main question, which is how is it possible that with the best radar systems and intelligence networks the planes could crash undetected into the towers.”<sup>10</sup>

Being a cagey politician, Ahmadinejad appreciates that his callous denunciations of the United States and his contemptible denials of Holocaust actually enhance his popularity in a region where many people rely on conspiracies to explain their collective predicament. Through his use of Islamic discourse, identification with the popular Hezbollah, and invocation of local grievances, Ahmadinejad has managed to span the sectarian divide so that a Shiite, Persian country captures the imagination of Sunni Arabs. Still, an Iran that officially indulges in such vulgar demagoguery will only continue to find itself ostracized from the international order.

### **The Legacy of Past Policies**

Finally, any evolution of Iran’s approach to the world will have to resolve the aftereffects of its prolonged antagonistic posture. Coming to terms with the legacy of the Islamic Republic’s destructive policies, both externally and internally, will be painful for a

country with a fulsome sense of pride and place in the world. Any thorough revision of Iran's interactions with the world, though, must bring the culpable to justice and acknowledge and redress past wrongdoings. In particular, just like Moammar Qaddafi's Libya, Iran will face a problematic legal legacy stemming from its involvement with terrorism. Meanwhile, a 1996 U.S. law permitting lawsuits against state sponsors of terrorism, for instance, has resulted in billions of dollars in damages against Iran awarded to families of Americans killed or wounded in terrorist bombings in Israel and kidnappings in Lebanon. At the same time, criminal investigations into some of Iran's other alleged attacks, such as the bombing of the Jewish community center in Argentina, have spurred legal actions against high-level Iranians, including former president Akbar Hashemi Rafsanjani, former foreign minister Ali Akbar Velayati, and former Revolutionary Guards commander Mohsen Rezai.

Accountability and expectations of restitution will remain a serious dilemma for Iran if it opts for full reintegration into the international community. This will be sensitive terrain for any future Iranian leadership to negotiate, particularly if change comes gradually and from within the current regime. An important part of any process to cultivate greater responsibility from Tehran will be viable mechanisms for to settle outstanding legal and financial obligations, while retaining some scope for face-saving.

### **Difficult Stumbling Blocks**

Unlike the other countries examined as part of this collection, Iran remains remote from even the most generous interpretation of responsible stakeholdership. Moreover, several of the traditional mechanisms of international integration—such as participation in international institutions and increasing penetration of the international economy—are less relevant to Iran's positive evolution than the internal domestic dynamics that determine the fundamental character of the country's governing regime and the trajectory of its political evolution. Since its Islamic revolution, Iran has been an active player in the international economy and especially since the end of the Iran-Iraq war, has engaged more vigorously in international organizations ranging from the World Bank to the Shanghai Cooperation Organization. There is little evidence that this web of multilateral ties has had a moderating impact on Iran's international agenda, in large part because the associated obligations and responsibilities that these interactions impose have been offset by the exigencies of regime survival, factional splits, and the steady influx of oil revenues.

The most difficult stumbling blocks for Iran and the world remain the repressive character of the regime and the tenor of its historical relationship with Washington and the wider international community. This reality is bound to complicate any potential transformation of Iran into merely a more responsible state, much less a contributing stakeholder in a new international order.

## OMID MEMARIAN'S REACTION

Mahmoud Ahmadinejad was the first leader among the “axis of evil” club countries to congratulate president-elect Barack Obama, on November 5, 2008. What’s more, Ahmadinejad’s letter was sent with the consent of Iran’s Supreme Leader Ayatollah Khamenei. Thirty years ago, the founder of the Islamic Republic called the United States “Great Satan,” and ever since then, rhetorical and political hostility between Tehran and Washington has been the centerpiece of both the Iranian revolutionary regime’s agenda and the United States’ Middle Eastern policy. So although Iranian leaders have tended to face more difficulties with Democrats in the White House than with Republicans, the current regime sees only a slim possibility of a US-led military attack against Iran—prompting them to put the past behind them, act with respect, and seek reconciliation.

Fear of an American overthrow has been a constant concern for leaders of the Islamic Republic. The animosity between the two countries began the moment the United States decided to welcome the Shah onto its soil in 1979. For Iranians, this meant having to ready themselves for another US-orchestrated coup like the one in 1953, “preparations” that left 53 American diplomats in hostage for 444 days. Since then, the United States has persistently tried to undermine Iran’s influence in the region by: supporting Iraq in the bloody eight-year war between the two countries, imposing unilateral and multilateral sanctions and thus marginalizing the country from the global economy, and supporting Iranian opposition groups politically, financially and morally.

### **The Perverse Effects of Efforts to Isolate Iran**

The urgency of a potentially imminent American threat has not only served as the centerpiece of the Islamic Republic’s foreign and domestic policy, it has to a significant extent formed Iran’s essential political characteristics. The demonstrable existence of external security threats has been the main factor in consolidating the power of political conservatives and radicals and allowing them to obliterate their opponents, suppress the civil society and preserve their position after upheavals like the 1979 Revolution, the Iran-Iraq war and Ahmadinejad’s assumption to office.

From the perspective of many in the Iranian elite, it is hard to imagine how the regime could survive without a potential US threat. Ironically, the United States’ sanctions and refusal to recognize Iran as a sovereign nation and regional power are seen as the most influential factors in the rise of the Islamic fundamentalists. Consequently, the fundamentalists have had an iron grip on the political system since the revolution, marginalizing moderate elements politically, and weakening Iran’s middle class—the very elements needed for the creation of democracy in Iran. The truth is that US policy has not spurred the Iranian regime responsible, friendly or accountable, but instead the opposite: causing the radical Islamists to consolidate power, sustaining Ayatollah Khomeini’s idea of exporting the Iranian Islamic revolution, and feeding region-wide ideological polarization based on anti-American rhetoric and policies in the region with the aim of enhancing the security of the regime.

Iran's influential propaganda machine, its opaque financial system, and sophisticated military structure, coupled with its connections to thousands of religious networks throughout the Middle East, have helped the government contain the risk of a confrontation between Washington and Iran. As some Iranian conservatives see it, Iran has deterred the United States by adopting a variety of aggressive policies. To put it another way, it's fair to say that the international community, the United States in particular, has fed the Iranian "regime survival" narrative for almost three decades.

### **Internal Pressures for Reform**

Yet contrary to the general perception in the West, the Islamic Republic of Iran encompasses a wide variety of political and social interests and views, making it confusing for foreign observers to understand the domestic political dynamics. It is neither a democracy nor a dictatorship, yet at the same time it shows characteristics of both. Iranian civil society is vibrant, journalists are relentless, women are well educated and students are politically active—despite extreme pressure by the authorities that has sent thousands of them to the prison. At multiple levels, the society is enthusiastically seeking changes, socially and politically. This dynamic has led to the emergence of moderate Islamists, even reforms to clergy systems, and pressures on the hardliners to be more responsible.

These were also the same conditions that laid the ground a decade ago for the election to the presidency of Mohammad Khatami, a moderate Ayatollah who promised to bring reform to the political and social sphere and advocate for "dialogue among civilizations." He was among the rare leaders in the world, or at least the Middle East, to take the courageous step of exposing the killings of dissidents and intellectuals carried out by his nation's intelligence service, apologizing to the Iranian people and dramatically overhauling the intelligence apparatus. As a result, Khatami was widely respected among Iran's middle class, intellectuals and even his opponents within the country and beyond. His government adopted numerous policies to develop civil society and empower social movements. In other words, the Khatami era gave a glimpse of how Iran's government could be more responsible and accountable, both domestically and globally.

Radical Islamists, however, knew that Khatami's path posed a threat to their power position as well as the financial and political operation of undemocratic institutions under the control of the Supreme Leader Ali Khamenei—the Guardian Councils, Islamic and economic foundations, the Revolutionary Guard, parallel intelligence service, and Bazzare, the traditional financial and moral backbone of the Islamists conservatives in Iran. It was during Khatami's period that his allies in the government, parliament and pro-reform media questioned all these institutions and demanded transparency and accountability, including for their past misdeeds. Khatami's agenda was based on the idea that democracy, even with a distinctly Iranian style, can enhance the regime's legitimacy and actually diminish foreign threats. It gave moderates, secular politicians and activists more voice as a counterweight to the hardliners.

But at the very moment when moderates and radicals were vying for the political upper hand, the United States adopted economic sanctions against Iran, showing that the

international community had utterly misread the mounting domestic pressure for change. It was Khatami's government that cooperated with the United States in the 2002 invasion of Afghanistan, played a very responsible role in 2003 invasion of Iraq and, most importantly, suspended enriching uranium in hopes that negotiation with the Western countries would lead to a mutually agreeable solution. Tragically, it was not to be. Indeed, the signals from Washington were quite the opposite. One of the playful slogans during the buildup to Operation Iraqi Freedom was that "Real men go to Tehran"<sup>11</sup>. Iranian leaders had never felt the US threat more palpably than during that time. In the streets of Tehran, many people, frustrated by the policies of the regime, believed that Iran would be the next target. The Iranian leaders took the logical lesson from the cases of North Korea, where defiance led the international community to back off, and Iraq, where Saddam Hussein's cooperation with the UN and military cleanup failed to ward off a US attack. They decided to follow North Korea's example. But the more the US became bogged down in Iraq and Afghanistan, the more Iranian leaders understood the unlikelihood of a United States attack against Iran.

### **Iran's Response to External Threats and Pressures**

Regarding the consequences of these two wars, there is no doubt among Iranians that progress and societal change cannot be achieved through war. The US threat, in this regard, has rallied a broad cross-section of people behind the flag and forged a strong consensus, even among the regime's opponents and dissidents, that a military attack will only bring misery and pain and endanger the prospects for democracy and freedom.

For that matter, it is hard to see how radical changes in Iran are even possible. Iranians have paid the price of a damaging revolution, which hurt hundreds of thousands of families. They have also experienced an eight-year war (1980-1988) that killed a million people. After that, they faced devastating economic pressure during the reconstruction era (1988-1997). The Iranian society, while hungry for change in a number of different areas, is tired and suspicious toward any radical upheaval—a revolution or the overthrow of the Ayatollahs by a foreign military invader like the United States.

Iranians believe that regime change<sup>12</sup>, or any radical changes, will lead to chaos and disintegration and a harsh reaction by the Islamic Republic's police state. In effect, such convulsion would establish a perverse geographic link between two tumultuous but separate centers of conflicts, Iraq and Afghanistan, and pave the way for region-wide anarchy.

Conversely, recognition of Iran, not only will lift the security threat but also will help empower Iran's middle class and give more space for a dynamic civil society. Given the longstanding threat and hostility, though, we should note that recognition must entail "relinquishing both rhetoric and the implicit policies associated with regime change", respecting Iran's regional influence and integrating the country into the global economy. Many among Iranian elites believe that the path towards a responsible Iran, regionally and globally, requires both systematic changes within the country as well as normalization of the relations with the United States. Iranian leaders have used foreign threats as an excuse for aggressive policies both inside and outside of the country. A lessened threat will also spur moderates within the Islamic Republic to push for reforms,

ask for more transparency, and transform the military dominated administration into a civil one.

Contrary to the dominant international perception, the underlying strategy for Iran's nuclear program less to threaten Israel than to deter: Iran's nuclear neighbor Pakistan, Arab countries around the Persian Gulf and, most importantly, the United States. No nuclear bomb can differentiate between Muslims and Jews, and the possibility of using such a destructive weapon against Israel is almost zero. There are powerful voices in Iran that believe participation in regional and international security arrangements, coupled with economic incentives, will make Tehran's current costly and Russian-Chinese based nuclear program obsolete. They want to replace it with a program that is a modern, economically efficient, and a more peaceful system under the supervision of the international community, designed to build trust.

A review of Islamic Republic's reactionary foreign policy indicates that most of the regime's problematic policies and actions have roots in its insecurity. These problems could be removed from their agenda via changes and compromises that allow Iran to play its natural role in the region and beyond. In this category are issues ranging from Iran's aggressive nuclear program, to its support of groups like Hezbollah and Hamas, and its ambiguous role in Afghanistan and Iraq. Iran's nuclear program, for instance, is neither economically efficient nor environmentally safe, yet Iranians see it as a national security priority in order to preserve leverage for negotiations with the United States, an inevitability, sooner or later.

There is a faction among the hardliners in Tehran, including Ahmadinejad and his allies, who believe Iran's persistence over its nuclear enrichment will deter the United States. Iran benefits from stability of Iraq and Afghanistan, as long as a US victory will not cause a shift of its focus to Iran. The Iranian government struggles with challenges on its Eastern and Western provinces from Sistan and Baluchistan to Kurdistan and Azerbaijan. These concerns are, at least in part, what has prompted Iranian leaders to agree to talk with Americans about the security conditions in Iraq four times in the past two years. The leaders' openness to discussions on a variety of issues, not just Iraq's situation, shows that they see the question of their role in the future of Iran and its key challenges as closely intertwined with the diplomatic agenda with the United States.

### **The Potential Benefits of Peace and Stability**

Iran's 2003 grand bargain proposal to the United States—asking for full-fledged talks about the main concerns of both countries, from the nuclear plan to Iran's support of groups like Hezbollah and Hamas—shows a significant break from the ideological agenda and an increasingly pragmatic path in foreign policy. There are many elements within the clergy establishment that support a two-state solution for Israel and Palestine and believe that the money that has been going to these groups should be spent for the Iranian people. However, as long as the threats against Tehran remain, these elements' voices will not be heard.

A close advisor to former president Khatami once told me that in terms of Iran's national security, Armenia and Israel are the country's natural allies in Central Asia and in the Middle East. That is why Tehran sided with Armenia during its conflict with Muslim Azerbaijan. They know that historically and geopolitically, there is no historic rivalry between Tel Aviv and Tehran, but it seems almost impossible to overcome hundreds of years of hostility and animosity between Arabs and Persians. If the two sides of the Israeli-Palestinian conflict come to an agreement, Iran then has no reason to ignore the realities on the ground and continue to support the over-mentioned groups.

The Iranian people have suffered as a result of actions supposedly taken on their behalf, or in the cause of freedom in the Middle East—US threats to overthrow Iran's government through a military attack, destabilizing its border provinces and encouraging a sort of velvet revolution. The Islamic Republic's regime has justified its harsh repression of human rights activists, journalists, labors, women, academicians and students as an effort to resist enemies, mainly the United States, which they accuse of using Iranian civil society, media and academia to influence the country and attempt to overthrow the regime. Iran's marginalization from the global order and economy has also given the regime's intelligence service a free hand to suppress the dissidents without the fear of any international consequences.

The experience of Khatami shows that Iranian leaders actually care about their international image, but on the other side of the scale, they will pay any price for the survival of the regime. If the pretext of external threats were removed, the Iranian government would feel enormous pressure from segments of the society that have been asking for change for the past two decades. Demographically, Iranian society is one of the youngest countries in the world, with 69 percent of its population younger than 29, and faces severe challenges associated with high unemployment and social inequalities between those with access to power and everyone else.

It might seem overly optimistic to think that any kind of economic and security incentives can guarantee a responsible Iran, given the Islamic Republic's ideological agenda. But the steep decline in the number of clerics holding elected office and the social pressures facing Iranian society from prostitution, to drug usage, lack of trust and social capital, all highlight the regime's failure to fulfill its initial ideals of justice, equality and freedom. In other words, men who promised their people to make life heavenly have made it hell instead—the usual narrative of bad governance in a highly corrupted country in which the state authorities have become alienated from the people.

The Iranian leaders cannot fulfill people's expectations without extensive changes domestically and internationally. The United State's bully policies, including calls for a "regime change" and \$75 million dollars to support democracy advocates in Iran, have only helped the government obscure its own failures and postpone reforms that could ultimately bring significant change to Iran's political system.

## Notes

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<sup>1</sup>Ervand Abrahamian, *Khomeinism: Essays on the Islamic Republic*. London: I.B. Tauris & Co. Ltd., 1993, 112.

<sup>2</sup>Supreme Leader Khamene'i emphasizes spiritual strength of Iranian army, Tehran Voice of the Islamic Republic of Iran Radio 1, April 16, 2003.

<sup>3</sup>Mehdi Mohammadi, "The Meaning of Wisdom," *Keyhan*, February 18, 2007. Text accessed at <http://www.kayhannews.ir/851118/14.HTM#other1409>

<sup>4</sup>Asghar Schirazi (1997), 299.

<sup>5</sup>The reformist Majlis did endeavor to restrain the Judiciary, and pursued a slate of legal reforms with less publicity but greater consistency than they had the vaunted press reforms. They did so largely through two mechanisms – deploying their investigatory power to expose and limit abuses in Iran's prison system, and crafting an omnibus bill to regulate "political crimes." A law to ban torture and physical pressure on prisoners received overwhelming approval in May 2002.

<sup>6</sup>Farideh Farhi, "Iran's 'Security Outlook,'" *Middle East Report Online*, July 9, 2007. Text accessed at <http://www.merip.org/mero/mero070907.html>

<sup>7</sup>Susan Glasser, "'Martyrs' in Iraq Mostly Saudis." *WP*, May 15, 2005, A1.

<sup>8</sup>"Rafsanjani condemns Israeli attacks against Palestinian refugee camps," Voice of the Islamic Republic of Iran, March 8, 2002, from BBC SWB.

<sup>9</sup>"Daily draws a parallel between Sept 11 events and 1773 Boston Tea Party," *IRNA* (Internet edition), March 12, 2003. Fars News Agency, April 10, 2008.

<sup>10</sup>"America Held Hostage," David Dionisi, December 30, 2007, <<http://www.teachpeace.com/americaheldhostage.htm>>.

<sup>11</sup>"What to do About Iran?," *TIME*, Tony Karon, Jul. 22, 2004, <<http://www.time.com/time/world/article/0,8599,671919,00.html>>.

<sup>12</sup>"Regime Change in Iran? Applying George W. Bush's "liberation theology" to the mullahs," Reuel Marc Gerech , August, 5 2002, Volume 007, Issue 45 <<http://www.weeklystandard.com/Content/Public/Articles/000/000/001/509udwne.asp>>.