THE RIGHT US STRATEGY FOR IRAN

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## The Right US Strategy for Iran

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Preface

Since 1979, and now perhaps more so than ever, US relations with and concerns about Iran dominate American media and policy making discussions. Myriad pundits and articles propose that America must do “something” about Iran. Almost every thoughtful piece on Iran describes this as a “tough problem” and some even call it “unsolvable.” This study’s underlying premise is that Iran is “solvable.”

Solving Iran will require some innovative thinking and flexibility on some very significant and emotional national-level points. Yet, solving Iran is a problem whose time has come. The pressure created by the current crisis can be used by the US, if it is done carefully. It is analogous to steam. Steam results from pressure. If one can channel it correctly, it can produce positive results. So it is with the current crisis for Iran. Of course, just like steam, if the situation is handled incorrectly the US can get seriously burned.

This is not a study of military strategy, nor is it focused solely on either the nuclear problem or terrorism. If the reader is looking for military discussion on how to attack Iran; read no further. This is a strategic study in every sense of the word and focuses on the broader considerations tied to security planning for Iran. The aim is to change the fundamental calculus of the Iranian problem, and to find a way forward that is the most beneficial for both the US and Iran.

In creating this study, the authors found several trends in the policy world regarding how to solve Iran. At their core, the strategies are: unconditional engagement (or incentives);
unconditional pressure (or coercion); or, assuming the US has already failed at its goals, a Cold-War type containment plan. The one option with the least support is a military attack on Iran. The authors did not want to simply add to the volume of existing strategies, and as the reader will see, this study recommends a hybrid of sorts that will work.

The authors would like to thank Kenneth Pollack and Judith Yaphe for agreeing to an interview on this subject, which was a great starting point. Also, thanks are in order for the “anonymous” people in the Pentagon who were interviewed and who were very helpful in understanding the issues for Iran and the greater Middle East.
Abstract

This study uses the lens of history to elucidate barriers that have confounded a successful US strategy for Iran. This strategy blends pressure and engagement to overcome these barriers.

Iran’s perceptions and patterns have historical roots in a sense of Persian greatness, resentment of foreign influence, strategic Persian-Shiite loneliness, and the emergence of pragmatic national interest replacing revolutionary ideology. Analysis will further demonstrate how Iran’s unique characteristics such as the populace and nature of the government portend strategic vulnerabilities which can be used by US strategic planners.

Recent US policies for Iran are evaluated to understand US perceptions and how these have contributed to an inability to deter Iran from developing nuclear weapons, proliferating terrorism, and destabilizing the region.

A proposed strategy framework expounds upon key assumptions and identification of Iranian centers of gravity. A novel planning construct is created to develop the short and long-term strategy for US relations with Iran.

This study outlines a strategy based on potential vulnerabilities of Iran created by Iran’s history and the nature of the country itself. The short-term recommended strategy consists of a prioritized list of six components for creating pressure on Iran. The result of this pressure portends changes in Iran’s behavior. Public diplomacy and a strategic communications effort is a cross-cutting element tying together the components of the short-term strategy. Despite the proposed use of pressure, there are engagement aspects allowing exploitation of positive
opportunities created by changes in Iran’s behavior. The long-term strategy is comprised of a blend of changed assumptions and tailored goals implemented at a rate tied to improvements in US and Iranian relations.

The strategy proposal outlined in this study should be implemented immediately to take advantage of current opportunities.
Chapter 1

Solving Iran

Crafting an effective response to the Iranian threat is as important as any challenge America faces in the world today. It is critical that we succeed.

- R. Nicholas Burns

Clearly the world changed on 9-11, as did the US perception of the world. One thing, however, did not change, and that is the size of the challenge the US has faced historically and today with regard to its relations with Iran. What then does 9-11 have to do with Iran? The answer: everything. To be clear, Iran had no direct connection with 9-11, but for America and the West to be successful in the war on terror, then we must “solve” Iran.

This study prescribe grand expenditures of US intellectual, economic and political capital to resolve enduring policy stand-offs between Iran and the West. Why is solving these issues so important? As Under Secretary Burns points out above, it is critical that America succeed where it has not in the past. However, the need is not just to deal with the “current” crisis with Iran, but rather to solve some long-standing problems that if satisfactorily addressed will transform Iranian relations from adversarial to amicable.

This study proposes a hybrid strategy based on research into the historical trends and perceptions that have soured relations between Iran and America in the past. It provides action proposals as a good starting place for further development.
The good news is that the population of Iran, by in large, wants to embrace the US. There are pragmatic actors in Iran, and despite the rhetoric we hear, even the most hardened revolutionaries have strong records of pragmatism in their actions. More good news is that there are many US policy experts who share a common perspective that a successful policy can be crafted; albeit with a little patience.

Make no mistake; this is a dangerous time for the US, Iran, and the world. Iraq, Iran, Afghanistan and the entire Middle East could evolve into a “nightmare scenario” as continued regional strife could depress economic markets for a generation and spur a conflict that could spill to every corner of the globe.¹

This study begins by looking at what makes the Iranians feel and act the way they do. It then explores the US perspective and how well Washington has met its regional goals in recent years. The historic backdrop identifies key barriers and opportunities to create a successful US strategy for Iran.

Notes


Chapter 2

Iran’s Perceptions and Patterns: Historical Roots

I am Darius the Great King, King of Kings, King of countries containing all kinds of men, King in this great earth far and wide, son of Hystaspes, an Achaemenian, a Persian, son of a Persian, an Aryan, having Aryan lineage.

Darius the Great

Iranians have a visceral connection to their national history. An understanding of how that history shapes Iran’s view of its place in the world must underpin any effective US policy. A full historical account of Iran’s 4,000 years plainly exceeds this study’s scope; however, by drawing on existing literature and commentary, policy-relevant answers can be posited for two very important questions. First, what are the dominant historical and cultural sources of Iran’s geopolitical perceptions and orientation? Second, what patterns are evident in Iran’s post-revolutionary strategic behavior?

To answer the first, an evaluation of formative historical events and crises will reveal the origins of Iran’s unique perception of its place in the world. This perception is best understood through the framework of three central themes: a sense of greatness and cultural pride, resentment of foreign interference, and Persian-shiite strategic loneliness. To answer the second question, evidence is provided to support the argument that pragmatic national interest has replaced revolutionary ideology as the driving force behind Iran’s post-Khomeini strategic behavior.
Ancient Persian Greatness and Cultural Pride

A consciousness of ancient Persian greatness and refinement imbue Iranians with a deep sense of cultural pride, and a corresponding belief that Iran should naturally be the region’s dominant actor. This conception of itself as geopolitical epicenter derives in part from the fact that at its peak 2,500 years ago, Persia’s Achaemenid Empire ruled with an advanced administrative infrastructure all the way from Greece and Libya to India.

![Figure 1 (Persia’s Achaemenid Empire as of 500 B.C.)](image)

While Iran today appears to harbor no irredentist claims, a certain awareness of past glory and sophistication shapes its worldview and diplomatic posture. Significantly, even at its present size, Iran’s landmass exceeds that of Iraq, Kuwait, Afghanistan, Azerbaijan, Syria, and Jordan combined. This fact, coupled with its strategic position and resources, confers natural geopolitical clout and contributes to Iran’s lofty self-esteem. Quoting current supreme leader Ayatollah Khamenei, “no policy can be implemented in the region without taking account of Iran’s views.”
Also distinguishing Iran from many of its Middle Eastern neighbors, whose more arbitrary borders and status as nation-states originate in the twentieth century, is its sense of enduring national identity.\(^9\) The Shah frequently drew on Iranian greatness and continuity themes, referring to “the glorious pages of her history for the last twenty five centuries.”\(^10\) This characteristic Persian pride does not always sit well with other regional ethnic groups. Many early Iranian texts portray Turks, for example, as unrefined, and Arabs as uncivilized “eaters of lizards.”\(^11\) A tenth century Persian epic poem describes Persia’s seventh-century Muslim conquerors as “barbarian, savage, coarse Bedouin Arabs.”\(^12\) In perhaps a more modern version of the Iranian self-perception, one of Iran’s leading political scientists called it “a pride that we allocate to ourselves in terms of what the proper status of Iran is and ought to be…a sense of preeminence.”\(^13\)

This national belief manifested its durability despite centuries of foreign occupations—Greek, Arab, Mongol, and Turk, to name a few. While these peoples altered and added to the Iranian cultural mosaic, Iran’s basic integrity remained intact. In fact, occupying forces often found that their own imported traditions had become “Persianized,” giving truth to the saying that “Iran is easier to swallow than digest.”\(^14\) In his insightful analysis of Iran’s political culture, Graham E. Fuller describes Iranian skill in “living by one’s wits” in the face of absolute power, and how “artifice, dissembling, flattery, pandering, deceit, and treachery become preeminent arts of survival in the Persian court.”\(^15\) Many saw elements of these traits in the last Shah’s “cultivating an ambiguity in political life,” and “refusing to crystallize issues to the point where definite choices are made.”\(^16\) Confounding to many Western negotiators, hidden agendas and an assumption of conspiratorial behavior also inform Iran’s political culture.
Current US policy makers would do well to take Iran’s national pride into account. Two other core issues underpin Iran’s geopolitical perceptions and orientation.

**Resentment of Foreign Interference**

Persian survival skills notwithstanding, the foreign subjugations mentioned above left a heavy residue of suspicion. In the modern era, Iran’s consciousness of past material and cultural greatness made the humiliation of its vulnerability and achievement-deficit particularly acute. Though never formally colonized, Iran essentially became a pawn during the 19th century “Great Game” between Britain and Russia. In the 20th century, oil exploitation by foreign powers became an emotionally charged issue. A few salient examples from this modern period reveal how Iran’s resentment of foreign interference came to be such a dominant theme in its geopolitical perceptions.

Viewing Russia as the “Great Game’s” bigger threat in 1891, Iran’s weak, cash-starved Qajar Dynasty sold Iran’s entire tobacco industry to Britain. This lopsided deal required all Iranian tobacco farmers to sell their crop to the British Imperial Tobacco Company, which would also control all sales and exports. The deal sparked a popular backlash known as the “Tobacco Revolt,” with Iran’s leading cleric issuing a religious decree that forbade all tobacco smoking until the foreign monopoly was abolished. Iran’s large population of smokers, already harboring anti-imperialist sentiments, obeyed *en masse*. The resulting economic and political pressure quickly forced the corrupt Nasir al-Din Shah to cancel the deal, though Iran still paid Britain a large punitive indemnity. A similar but more momentous crisis involving oil would play itself out sixty years later, indirectly ushering in the turbulent era of U.S-Iranian relations.

That crisis had its roots in a 1901 concessions agreement, by which Iran’s Muzzaffar al-Din Shah, in return for a 16 percent share of any future proceeds, granted a private British interest
exclusive rights to prospect for oil in Iran.\textsuperscript{21} With a major find seven years later, the British
government formed a new corporation, the Anglo-Persian Oil Company (APOC), which took full
control of oil operations in Iran. Production and profits grew rapidly as the firm built wells,
pipelines, and the world’s largest refinery on the Persian Gulf island of Abadan. APOC oil
fueled the British Navy for decades, met domestic consumption needs, and still generated
enormous global export revenues, 16 percent of which went to Iran.\textsuperscript{22}

This arrangement came under increasingly hostile scrutiny in the 1930s and 40s as Iranians
questioned APOC’s (later named AIOC) bookkeeping, contested the legitimacy of the original
contract, and resented the workers’ squalid living conditions at Abadan. Britain argued for its
rights under the contract, but reluctantly agreed to make minor adjustments. The issue
smoldered and then re-ignited in 1946 when the Abadan workers went on strike. While AIOC
dug in its heels, the oil controversy garnered international attention and galvanized the Iranian
public under the charismatic leadership of Mohammad Mossadeq, a towering democratic figure
in 20\textsuperscript{th} century Iranian history.\textsuperscript{23}

As a popularly elected leader in Iran’s parliament and later Prime Minister, Mossadeq led a
campaign that shocked the world in 1951 by nationalizing Iran’s entire oil industry, renaming it
National Iranian Oil (NIOC).\textsuperscript{24} During the takeover, Iranian officials found AIOC documents
that showed a widespread network of British influence in Iran’s political affairs. Arguing his
nation’s case in two speeches to the UN, Mossadeq made effective rhetorical use of these
documents.\textsuperscript{25} His popularity soared at home and abroad. Britain, refusing to concede such a
strategic loss, embargoed Iranian oil exports. When threats and economic coercion failed,
however, Britain looked to install a more cooperative Iranian Prime Minister by covert means.\textsuperscript{26}
Enter the US. The Truman administration had actually discouraged British military action and tried to mediate the crisis, even hosting Mossadeq in America in 1952. But in 1953, urging from Churchill and concern about Iran falling into the Soviet orbit led the CIA under Eisenhower to execute a covert plan to topple Mossadeq. With British assistance and a nod from the Shah, CIA operatives used an extensive payoff network to foment Iranian political turmoil and capitalize on the growing public discontent created by reduced oil exports.27 The coup succeeded on August 19, 1953. Mossadeq landed in prison, the US and Britain installed their puppet Prime Minister, the Shah returned from exile, and the West regained control of Iran’s oil industry. British Anglo-Iranian conceded to a 40 percent share of NIOC, five US companies split another 40 percent, and the remainder went to Dutch and French firms.28 The Western companies kept the books, but agreed to split profits with Iran 50-50.

Iranians harbor deep resentments over the 1953 coup. Many view it as a particularly cynical betrayal by the US—one that destroyed a democratic awakening in Iran and ushered in the Shah’s repressive era.29 The role played by Iranians themselves in the coup seems to get less attention. In the Iranian consciousness, the event came to symbolize all of the previous century’s foreign interference, exploitation and paternalism.30 The 1979 Constitution would leave no room for debate on the issue of foreign meddling: “Any form of agreement resulting in foreign control over the natural resources, economy, army, or culture of the country, as well as other aspects of the national life, is forbidden.”31

In the years following the coup, as the Shah rapidly Westernized Iran, America’s growing economic presence and military ties to the country bred further resentments. A 1964 Majles (parliament) bill granting diplomatic immunity to US military personnel and their families angered many Iranians. Though the bill resembled status-of-forces agreements covering US
officials in other countries, firebrand Ayatollah Khomeini made a famously enraged protest speech in Qom, which struck several familiar chords.

“I cannot express the sorrow I feel in my heart…our dignity has been trampled underfoot …all American military advisors, together with their families, technical and administrative officials, and servants—in short, anyone in any way connected to them—are to enjoy legal immunity with respect to any crime they may commit in Iran. If some American’s servant, some American’s cook, assassinates your marja in the middle of the bazaar, or runs over him, the Iranian police do not have the right to apprehend him! Iranian courts do not have the right to judge him! The dossier must be sent to America, so that our masters there can decide what is to be done!...They have reduced the Iranian people to a level lower than an American dog.”

The Shah forced Khomeini out of the country not long after this speech. But the Ayatollah’s diatribes continued from exile—his themes of resistance and martyrdom resonated with the Shiite audience in Iran.

**Persian-Shiite Strategic Loneliness**

Iran’s unique self-perception and ethnic-religious mix leave it with few natural friends. Unlike “Pan-Arabism,” which denotes an ethnic solidarity that transcends state borders, “pan-Persian” has no similar reach. While the sunni-shi’a rift is often overstated, the fact remains that Iran is 90 percent shiite in a Muslim world made up of roughly 90 percent sunnis. Khomeini’s “pan-Islamic” rhetoric could ultimately not overcome these basic divides, leaving no real export market for his revolution. The ethnic-religious sources of Iran’s geopolitical “loneliness” go back at least five centuries to the Safavid dynasty, when shiism was made Iran’s state religion. But today in Iran, one historical event overrides all others in shaping the current generation’s perception of being alone in a Hobbesian world.

The Iran-Iraq War—in Iran’s lexicon, the “Imposed War”—left a deep imprint on the current Iranian psyche. The war’s financial cost exceeded the total of Iran’s 20th century oil revenues, and low estimates put Iran’s war dead at 262,000. Khomeini, proclaiming that
victory could “only be achieved by blood,” cast the war in religious terms as “fighting to protect Islam” against the secular Ba’athist barbarian. The regime also sent “human waves” of Iranian youth volunteers (Basij) through Iraqi minefields, many wearing headbands honoring the famous 7th century Shiite martyr, Husayn. As he did with the US embassy hostage crisis, Khomeini used the war to solidify the Islamic revolution, brutally crushing internal dissent. But bleak prospects after eight years of war caused an isolated, exhausted Iran to agree to an internationally brokered armistice. Khomeini called his acceptance of UN resolution 598—essentially a return to the status quo ante, which left a threatening Saddam in place—“more deadly than drinking hemlock.”

Despite the war’s catastrophic scale, it was soon historically eclipsed—outside Iran at least—by the Cold War’s end and Iraq’s 1990 invasion of Kuwait. Inside Iran, however, memories and grievances remain very much alive. Iraq enjoyed money and material throughout the war from a long list of rich, powerful backers, while Iran could count only Syria and Libya as friends. Saddam’s broad international support, despite his atrocities, solidified Iran’s view of the external world as fundamentally cynical and hostile. Many in Iran believe, for example, that the 1987 downing of an Iranian commercial jetliner by the USS Vincennes, killing all 290 passengers, was a deliberate act. The regime generally directs its resentment at the West and the UN, charging them with injustice, hypocrisy and “double standards.”

One Iranian grievance has to do with the international community’s response to Iraq’s blatant aggression in starting the war. Unilaterally abrogating the 1975 Algiers Accords, which had governed both countries’ joint use of the Shatt al Arab waterway, Saddam invaded Iran on September 22, 1980. Yet UN resolutions during the war referred only to the “the situation between Iran and Iraq,” making no mention of responsibility for the war or the violation of Iran’s
territorial integrity. Furthermore, UN calls for an “immediate cease fire” did not address the fact that this would have left Iraqi forces on Iranian territory. Iranians bitterly contrast this with the response to Iraq’s 1990 invasion of Kuwait. In that case, the UN produced a unanimous resolution within hours, condemning “the Iraqi invasion of Kuwait,” and demanding “that Iraq withdraw immediately.”

Also not forgotten in Iran is the international community’s tepid response to Iraq’s use of chemical weapons, which caused an estimated 50,000 Iranian casualties during the war. First used in 1983, one Iraqi general infamously stated that, “if you gave me a pesticide to throw at these swarms of insects…then I’d use it.” Iraq claimed their use of choking and nerve agents was retaliatory, but eight UN investigations found no evidence of Iran having used chemical weapons during the war.

Iranian leaders frequently point to their own restraint as evidence of moral superiority: “the Iraqis violated every accepted principle of warfare including using chemical weapons, but Iran staved off the aggression without compromising Islamic principles.” The current ruling generation in Iran points to the international community’s hypocrisy as evidence that Iran can rely only on itself to safeguard its sovereignty.

Even most of Saddam’s marginalized Arab-shiite population in the south, through some mix of national loyalty and fear of their sunni-Ba’athist officers, fought against their Iranian co-religionists. The tension between ethnic-nationalist and sectarian loyalties persists in the current Iraq conflict. Only with the earlier war as a backdrop can one fully appreciate the significance of the choreographed apology rendered by Iraq’s post-Saddam defense minister in Tehran—asking “forgiveness for what Saddam Hussein has done.”
Today in Iraq, the earlier war’s toxic legacy and the high-stakes uncertainty surrounding Iraq’s post-Saddam future dominate threat perceptions in Tehran—where veterans of the Iran-Iraq War wield significant policy-making influence. Saddam’s overthrow provided Iran an opportunity to finally “finish the war” by turning what was the perennial threat to its west into a weaker, Shiite-led state where Tehran will have significant influence.

Clouding this picture for Tehran, however, are the US forces in Iraq and elsewhere in the region that present the regime with a looming threat to its survival. Tehran’s aggressive rhetoric and efforts to solidify political and economic influence in Iraq, and impose greater costs on the US occupation indicate how important Iraq is in Iran’s strategic calculus. The religious ties are deep, and two post-Saddam political parties, Supreme Council for the Islamic Revolution in Iraq (SCIRI) and al-Dawa have roots in Iran. SCIRI’s Badr Brigade is a product of the Islamic Revolutionary Guard Corps (IRGC). Patterns in Iran’s strategic behavior suggest that it will seek to avoid open hostilities with the US in Iraq, but continue to actively support proxies opposed to the US presence.

Overall, the Iran-Iraq War solidified the Islamic revolution, which had largely spent its ideological fervor. Yet for many of Iran’s current leaders who fought in the war, such as Ahmadinejad and IRGC commander Safavi, the war remains their primary formative geopolitical experience. It shaped their “self-help” approach to Iran’s national security and solidified their sense of being strategically alone in a dangerous world. The war will continue to dominate the strategic perceptions of the Iranian leaders who experienced it directly.

**Pragmatic National Interest Replaces Revolutionary Ideology**

In the wake of the war and Khomeini’s death, Iran’s isolation and economic predicament necessitated a more realistic foreign policy. Its actions, if not always its rhetoric, indicate a clear
shift from Khomeini-style revolutionary dogma to pragmatic national interest.\textsuperscript{51} Far from catalyzing a pan-Islamic revolution of the masses, Khomeini’s religious radicalism turned Iran into a pariah state. It also unsettled the Arab Sheikdoms, many sitting atop their own restive populations. The Gulf Arab leaders formed the Gulf Cooperation Council largely to thwart Iranian influence.\textsuperscript{52} Khomeini’s successors saw the need to adopt a more pragmatic approach in order to secure Iran’s national interests.

Of course, Iran’s national interests are not uniformly defined amongst Iran’s various political factions. But these generally include ensuring regime survival, strengthening the economy, stabilizing the Persian Gulf, eroding US/Israeli influence, and establishing Iran’s rightful place as the region’s preeminent power.\textsuperscript{53} Iran’s pragmatic pursuit of these interests is not necessarily inconsistent with its simultaneous demonizing of Israel and the US, support to various non-state proxies, and use of the “shite card” when deemed advantageous to do so.\textsuperscript{54} Geographic proximity also plays into Iran’s post-war pragmatism—greater distance, as with Egypt and Israel for example, permits a more ideological antagonism. Iran seeks to use its extreme anti-Zionism and support to Hizbollah and Hamas to bolster its standing in the Islamic world and expand its regional influence.\textsuperscript{55}

Closer to home, however, the regime soberly reestablished bilateral ties with its Gulf neighbors, despite these Arab regimes’ recognition of Israel, close ties to the US, and support for Iraq during the Iran-Iraq War. In that war’s aftermath, Iran’s top leaders realistically stated that their “neighborhood is unchangeable,” and “if Iran had demonstrated a little more tactfulness,” Saudi Arabia and Kuwait “would not have supported Iraq.”\textsuperscript{56} As a result, high-level diplomatic engagement between Tehran and the Gulf Shiekdoms increased during the Rafsanjani (1989-1997) and Khatami (1997-2005) presidencies.
More recently, despite events in Iraq, the nuclear standoff, and rise of an ideologue president in Tehran, the regime has tried to keep relations with its immediate neighbors on an even keel. Ahmadinejad himself and other top officials have hosted emissaries and traveled to various Gulf capitols, suggesting that enduring national interests, more than ideological or religious agendas, will continue to drive Iran’s behavior in the region.57

Iran’s policies vis-à-vis the new Central Asian Republics also reveal a clear pattern of interest trumping ideology.58 Tehran’s desire to avoid refugee crises, stabilize its own minorities, build beneficial economic ties, contain Wahabbi radicalism, and maintain good relations with Russia have all contributed to Iran’s moderate policies in the Caucasus and Central Asia.59 For example, Iran has deep historical, ethnic, and religious affinities with Azerbaijan. But in Shiite Azerbaijan’s war with Christian Armenia over Nagorno-Karabakh, Iran did not side with its co-religionists. Instead, the regime tried to balance multiple interests—preventing indigenous ethnic unrest and refugee problems and managing relations with Russia and tensions with Turkey, for example—to mediate a peace agreement.60

Similarly, during Tajikistan’s civil war in the mid-1990s, Iran maintained a strictly hands-off policy, despite domestic pressure to side with the Islamists and Persian-speaking Tajik groups opposing the Soviet-era leadership.61 This neutrality contributed to Iran’s playing a central role in ending the civil war (Tajik President Rahmanov and the Islamist leader, Abdullah Nouri, signed a peace agreement in Tehran in 1995).62 With respect to events in Chechnya, Iran remained conspicuously quiet during Russia’s crackdown on Islamic insurgents, calling it an “internal issue.”63 The regime played realpolitik, giving priority to its nuclear and military deals with Russia over any kind of ideological support to its Islamic brethren.
As militant Wahhabi movements grew in Central Asia, emanating predominantly from Saudi-funded extremist *madrasahs* in Pakistan, Iran’s rational behavior began to look more appealing to states like Uzbekistan. Throughout the 1990s, the large Shiite communities in Pakistan and Afghanistan increasingly became targets of violent sunni extremists. The Taliban, for example, views shiites as deviants and massacred over 2,000 of them in 1997 and 1998 at Mazar-i Sharif and Bamiyan.\(^{64}\) Containing violent sunni movements on its eastern borders became and remains a national security priority in Tehran.

The regime, of course, supported and benefited from the 2001 US toppling of the Taliban. Tehran now seeks a stable, de-radicalized Afghanistan with US and Western forces entirely out of the country. Drug smuggling, refugees, and a loosely controlled frontier will continue to be concerns to the regime along its eastern border with Afghanistan.

With regard to Pakistan, Iran has maintained generally stable relations with the Musharraf government. But the regime looks warily at Pakistan’s combination of nuclear weapons, violent sunni extremism, and a population growth rate more than double its own. Also unsettling to Tehran are the documented links between the Taliban and Pakistan’s Inter-Services Intelligence (ISI) and security forces.\(^{65}\)

In the changed geopolitical landscape of the broader Middle East, Iran’s more pragmatic policies have not allayed Arab fears of growing Iranian power. Some, like Jordan’s King Abdullah, talk of a “shiite Crescent” stretching from Iran and Bahrain on the Gulf across Iraq and Syria to Lebanon.\(^{66}\) The king added that this new bloc would “alter the balance of power between the two main Islamic sects and pose new challenges to US interests and allies.”\(^{67}\) Egypt’s President Mubarak claimed that most “shiites are loyal to Iran, and not the countries they are living in.”\(^{68}\) This construct conjures a purposefully unified agenda being centrally controlled
by the sinister theocracy in Iran. The facts, however, don’t support such a construct—they instead paint a more complex picture.69

Lebanon’s shiite community, for example, has deep indigenous roots and unique social issues that exist with or without Tehran. That community’s champion in the 1960s and 70s, Imam Musa al-Sadr, led a political and social movement that united Lebanon’s historically-downtrodden shi’a. While traditional clerical ties then existed between Iran and Lebanon, Iran in no way directed al-Sadr’s movement. The Shah was allied with Israel at the time and Israel was not then a galvanizing issue among Lebanese shi’a. Today, the Islamic Republic provides significant support to Hizballah through money, training, and weapons. But if Tehran turned off the spigot tomorrow, Hizballah would continue fighting its own political and social battles in Lebanon. As one noted scholar put it, Iran will be more “an influential big brother, but not a ‘heavy father,’ much less a master.”70

Syria, by anyone’s measure, doesn’t fit neatly into a shiite construct. Intensely secular and Alawite—a sect not even recognized by most shiite clerics—the Syrian government rules over a 70 percent sunni population. Perceived common interests have kept Damascus and Tehran allied. Should those interests diverge, through future Syria-Israel peace talks, for example, Syria would likely chart its own course.

Even in the new Iraq, where Iran’s ties and influence are and will continue to be strongest, there seems little interest in replicating Iran’s theocratic governing model or taking direct orders from Tehran. While Iraq’s leading Shiite cleric in Najaf, Grand Ayatollah Ali al-Sistani, is Iranian by birth, his traditional quietism is philosophically incompatible with Khomeini’s revolutionary doctrine of *velayat-e-faqih* (guardianship or rule of the jurist).71
Iran’s regional position has no doubt strengthened in recent years. It will continue to support popular shiite movements—in Bahrain, for example—when its national interests are served by doing so. But Tehran rarely emphasizes its “shiiite-ness,” preferring pan-Islamic, anti-imperialist rhetoric that appeals to a broader audience. Ahmadinejad and Nasrallah became popular figures on the sunni-Arab street, certainly not for their sectarian affiliation, but for confronting the US and Israel. Conservative Arab regimes, some with no significant shi’a constituencies, are concerned about growing Iranian power and possible spillover effects on their own sunni populations from these popular shiite movements. Creating an image of Iran as theocratic puppet master might serve some interests in the region, but the facts suggest a more nuanced picture. While religion and ideology still factor into Iran’s geopolitical calculations, pragmatic national interest remains the dominant variable.

This chapter began by explaining the historical and cultural sources of Iran’s geopolitical perceptions and behavior. Historical examples painted a clear picture of Iran through three broad themes: Persian greatness, resentment of foreign exploitation, and a sense of strategic loneliness. Our final question of the chapter was answered by demonstrating the historical underpinnings of Iran’s predilection for pragmatic behavior rather than revolutionary overreaction. This key component will play an important role in the policies yet to come. The next chapter will expand on these concepts and delve more specifically into the nuances of Iranian political, governmental, economic, nuclear and cultural characteristics and what they portend for developing a successful US policy toward Iran.

Notes

1 Iran Chamber Society, “History of Iran - Darius The Great's Inscription at Naqshe Rostam,” http://www.iranchamber.com/history/darius/darius_inscription_naqshe_rostam.php. Darius I, or Darius the Great was King of Persia at its height.
Notes

3 The authors developed these themes during our research based on their recurrence in one form or another across a wide range of sources and interviews. We did not coin the term “strategic loneliness,” we saw it specifically used in Ray Takeyh’s *Hidden Iran* (referenced below).


11 Fuller, *Center of the Universe*, 17.


15 Fuller, *Center of the Universe*, 23.

16 George B. Baldwin, “The Foreign-educated Iranian,” *Middle East Journal* (17/3), as found in Fuller, 27.


Notes

27 For an analysis of why and how the coup succeeded, see Mark J. Gasiorowski, Why Did Mossadeq Fall?, in Mohammad Mossadeq, Mark J. Gasiorowski and Malcolm Byrne, eds., Syracuse University Press, 2004, 261-277.
28 Ibid., 195-196.
29 Keddie, Modern Iran, 123-131; Kinzer, 212-215; Robin Wright, The Last Great Revolution, 246.
30 Ansari, Confronting Iran, 36-38.
32 Excerpts from Khomeini’s “The Granting of Capitulatory Rights to the US” speech, Qom, 27 October 1964; as found in Ansari, Confronting Iran, 53.
36 Shahram Chubin and Charles Tripp, Iran and Iraq at War, Westview Press, 1991, 53-68; and IRNA, 10 November 1987, as found in Takeyh, Hidden Iran, 170-171.
39 Saideh Lotfian, Taking Sides: Regional Powers and the War, in Iranian Perspectives on the Iran-Iraq War, Farhang Rajaee, ed., University Press of Florida, 1997, 22; Countries supporting Iraq included the US, USSR, Bahrain, Egypt, Jordan, Kuwait, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, UAE, and Yemen.
40 Chubin, Iran’s Nuclear Ambitions, 18.
46 From Newsweek article, 19 March 1984, as found in Dilip Hiro, The Longest War, 109.
Notes

48 Quote following the ceasefire by soon to be president Rafsanjani, Tehran Radio, 12 August 1988; cited in Hiro, *The Longest War*, 249.

49 Fuller, *Center of the Universe*, 39-42.

50 Al-Jazeera, 7 July 2005; cited by Council on Foreign Relations Senior Fellow, Ray Takeyh during testimony before the House Committee on Foreign Affairs, 31 January 2007.


53 Fuller, *Center of the Universe*, 270.

54 20 February 2007 office interview by author at Harvard University with Professor Moshe Ma’oz, Prof. Emeritus of Islamic and Middle Eastern Studies, Hebrew University of Jerusalem; see also, Graham E. Fuller, “The Hizbollah-Iran Connection: Model for Sunni Resistance,” in *The Washington Quarterly*, Winter 2006-2007, 30:1, 139-150.


60 Tarock, *Iran’s Foreign Policy Since 1990*, 135-139.


62 Tarock, 130.

63 Menashri, 236; see also RAND Report, *Iran’s Security Policy in the Post Revolutionary Era*, 179.

64 Nasr, *The Shi’a Revival*, 156-162.

65 Byman, et al., Rand Report, 72-75.

66 Ibid., 109, 184.


Notes


71 Ibid., 125.

Chapter 3

Analysis of Iran

This chapter examines socio-political trends and internal power dynamics in Iran in order to reduce uncertainty about future Iranian behavior and inform an effective US strategy. More specifically, three broad policy-relevant areas will be explored: current demographic, political, and economic trends in Iran; the regime’s internal decision-making dynamics, power centers, and the personal characteristics of influential leaders; and, finally, Iran’s attitude toward the nuclear program.

As this chapter will show, political decision-making in Iran is often an opaque process that proceeds along both formal and informal lines. For clarity, this chapter begins by identifying and defining the constitutional functions of three key bodies in Iran’s multi-polar government: the Assembly of Experts, the Council of Guardians, and the Expediency Council. The diagram on the following page provides an additional reference that shows how members of various power centers are constitutionally elected or appointed.

**Assembly of Experts**: 86 clerical members elected by popular vote for eight year terms. Responsible for electing and supervising Iran’s supreme leader.

**Council of Guardians**: 12 member body made up of six clerics (appointed by the supreme leader) and six jurists (nominated by head of the judiciary, approved by Iran’s parliament). Reviews and holds veto power over all laws passed by parliament to insure compliance with Islam and the constitution; also supervises all elections and vets candidates for public office.
Expediency Council: 38 member body appointed by supreme leader for five year terms. Resolves disputes between Iran’s parliament and the Council of Guardians; also serves as supreme leader’s consultative council to determine general regime policies.¹

Figure 2 (Iran’s Formal Power Centers and Constitutional Structure)²

Demographics, Politics and Economics

Iran’s diverse population of 70 million—51% Persian, 24% Azeri, 8% Gilaki and Mazandarani, 7% Kurd, and smaller percentages of Arabs, Lurs, Baluchis, and Turkmen—has doubled since 1979.³ These ethnic percentages have not changed appreciably over the last two decades. Iran’s youth comprise a majority, with two-thirds under 30 years old—with an overall median age of 24.8.⁴ A government-promoted baby boom in the 1980s created a demographic bubble that will continue to have political, economic, and social effects. Iran has since reduced
its birth rate to one of Asia’s lowest, but with “boomers” entering child-bearing years, population is still projected to reach 90 million by 2025.\(^5\)

Ethnic minorities, who make up nearly half of this population, have not historically fared well under the governing regime in Tehran.\(^6\) Complaints of Persian chauvinism and economic neglect are common. As potential sources of instability, most of these minority groups live on Iran’s periphery and share cultural and linguistic bonds with co-ethnics in adjacent countries. sunnis in Baluchistan, for example, mix freely with their kin across the border in Pakistan and Afghanistan. Iranian Baluch rebels have sustained a periodically-violent resistance against Tehran—blaming the regime for political and religious oppression and a near-50% unemployment rate in their region.\(^7\) Kurds are another group in Iran with a strong ethnic identity that transcends state borders.

Discontent among many of these groups, however, does not necessarily equate to an organized separatist movement.\(^8\) The regime is concerned about ethnic unrest and works to defuse tensions, generally blaming outside meddling for problems that do flare up. Improving the plight of minorities has also become a more common theme in national political campaigns.\(^9\) Notably, current supreme leader Khamenei and many other officials in Tehran are ethnic Azeris.\(^10\) Wise US policy makers would not treat Iranian nationalism as a strictly Persian phenomenon, and respect the difficulty in gauging—much less manipulating—ethnic versus national allegiances. In other words, minority discontent in Iran should be monitored closely, but not made a linchpin of US policy.

Political and economic frustration extends beyond Iran’s minorities. Outside of a hard core of “true believers” and conservative supporters, Iranians are generally disgusted with their government.\(^11\) Significantly, the highly literate, web-savvy boomer generation has no
recollec
tion of the Shah, and no experien
tial connection to the revolution or Iran-Iraq War.\textsuperscript{12} Fully one half of eligible voters in Iran today—voting eligibility for men and women begins at age 15—are under 30 years of age.\textsuperscript{13} This young, educated demographic bloc desires greater political freedom, government accountability, and economic opportunity.

Still proudly Iranian, they are also, at least by middle-eastern standards, pro-Western. Many speak English well and seem able to simultaneously like American people and things, yet dislike and resent US government policies.\textsuperscript{14} Following the 9-11 attacks, in a stark contrast with popular reactions elsewhere in the region, thousands of Iranians spontaneously held candlelight vigils in Tehran to honor the victims.\textsuperscript{15}

Iran’s young population in general, and women in particular, voted in droves for Khatami in the 1997 and 2001 presidential elections.\textsuperscript{16} In a cruel irony, however, Khatami’s popular but ultimately failed reform movement left in its wake a more disillusioned populace and an Iran that increasingly resembles a traditional authoritarian state.\textsuperscript{17} Current hardliners lack political legitimacy, but their near to mid-term hold on power seems quite secure.\textsuperscript{18}

Iran’s unique government—a theocracy-democracy hybrid with multiple formal and informal power centers—defies historical analogy. Regular elections occur with wide voter turnout, but real power rests with the unelected supreme leader and the various networks and institutions he controls. The regime has many constitutional mechanisms at its disposal to limit the parameters of democratic expression, such as vetting candidates through the unelected Council of Guardians.\textsuperscript{19} The brutal crackdown of country-wide 1999 student demonstrations—in which students called for greater freedoms and government accountability—demonstrated that it also won’t hesitate to use extra-legal intimidation tactics when deemed necessary.\textsuperscript{20}
Khatami had no control over the club-wielding paramilitary group—*Ansar-e Hizballah* (distinct from Hizballah in Lebanon)—that led the violent crackdown on the students. Their murky chain of command bypasses the president or any other elected body. The regime also uses these shock troops to terrorize intellectuals who too publicly threaten core revolutionary principles such as Khomeini’s doctrine of *velayat-e faqih*. Khatami’s inability to put an end to such practices exposed his basic lack of political power and dispirited many of his constituents.

Out of apathy or protest, many pro-reform voters stayed away from the polls in the 2005 election that brought Mahmoud Ahmadinejad to power. A brief look at Ahmadinejad’s electoral victory and early tenure as president highlights several policy-relevant facts about the current political mood in Iran.

Ahmadinejad benefited from a disorganized and divided reform movement, and won primarily for what he is *not*. As a non-cleric with a simple lifestyle, he capitalized on the growing resentment Iranians have for a corrupt, wealthy class of clerical elites who have failed to deliver on the revolution’s promises. His most prominent rival in the race, former president Hashemi Rafsanjani, paid a political price for simultaneously holding the titles of Ayatollah and richest man in Iran. Ahmadinejad ran on domestic issues, making populist pledges to share Iran’s wealth more broadly and wipe out corruption.

His cultural conservatism and nationalist credentials as a war veteran and former IRGC general also gave him a loyal, aggressive base that mobilized votes. His electoral victory, however, in no way indicates popular support for the hate speech, millenarian ramblings, or belligerent foreign policy statements that have characterized his early tenure.

In fact, recent official “reigning-in” actions and results from the December 2006 elections indicate a clear rejection of Ahmadinejad’s amateur diplomacy and economic performance.
The international condemnation brought about by Ahmadinejad’s Holocaust denials embarrassed many Iranians, who would prefer he paid more attention to Iran’s domestic dilemmas. On the nuclear issue, the unanimous Security Council adoption of sanctions under United Nations Security Council Resolutions (UNSCR) 1737 and 1747 displeased senior Iranian officials seeking to prevent further economic isolation. A popular newspaper associated with supreme leader Khamenei recently editorialized that “just when the nuclear issue was about to move away from the UN…the president’s fiery speeches have resulted in the adoption of two resolutions.”

Reasserting a degree of control over his trouble-making president, Khamenei issued two decrees apparently designed to put a limit on how much damage Ahmadinejad could do in the foreign policy arena. One tasked the Expediency Council, a powerful 38-member body led by the pragmatic Rafsanjani, to more closely oversee and report on the executive branch. And the other established a “Strategic Council for Foreign Relations” made up of more moderate foreign policy veterans to develop and implement policy. The leader could also potentially use this group for less formal diplomatic talks with the West. Indirect rebukes such as these are the norm in high Iranian politics, where the leader generally tries to avoid an open breach.

On the economic front, 150 members of parliament recently signed a public letter criticizing Ahmadinejad for Iran’s double-digit inflation and unemployment. And another newspaper with ties to the supreme leader pilloried Ahmadinejad for attempting to use the nuclear confrontation to distract public attention away from his failed domestic policies. The December 2006 City Council and Assembly of Experts elections—in which nearly all of Ahmadinejad’s handpicked candidates lost—also reflected his waning popularity.

US policy-makers should view these official and popular reactions against Ahmadinejad more as political correctives than harbingers of sweeping reforms. In other areas, such as the
parliament, government ministries, and Supreme National Security Council, conservatives have consolidated their control of key power centers. But politics in Iran rarely remain static, and fissures exist within the conservative bloc between hardliners and more pragmatic forces. Some kind of tactical reformist-pragmatist coalition could plausibly emerge in 2009 to make Ahmadinejad a one-term president. This outcome will be even more likely if economic prospects do not improve for Iran’s young generation.

Roughly 1.8 million members of that generation will turn 20 this year, far exceeding the job-producing capacity of Iran’s economy. Unemployment officially sits at 11%, but most analysts put the number closer to 15-20%, and higher still among young Iranians. Iran’s economy has seen positive growth in recent years, but income disparities have widened and job creation remains insufficient. Educated youth in Iran readily tell foreign journalists about their lack of opportunity and disdain for corrupt “millionaire mullahs.” One female economics student stressed the need for free market reforms, actually citing works by Milton Friedman.

By regional standards, Iran has a strong economy. Some Iranian officials hope for a ‘China model” for Iran; meaning a rapidly expanding economy without any corresponding political liberalization. However, in order to achieve such a vision and improve economic prospects for its young population, the regime would need to address several deeply-rooted structural problems. To name a few, widespread corruption and weak rule of law, a negative investment climate, vast unaccountable patronage networks, heavy state subsidies, and over-reliance on aging oil infrastructure to generate over 80% of Iran’s foreign revenues and fund nearly 50% of its welfare-state budget. Meanwhile, Ahmadinejad’s populist promise to “put oil wealth on people’s tables” would require an already-bloated state sector to grow even further.
Gasoline is the most consequential of Iran’s many subsidized commodities, eating up approximately 10% of GDP.\textsuperscript{32} Iranians pay about a dime for a liter of gasoline, roughly 35 cents per gallon. Not surprisingly, while population doubled since the revolution, domestic gasoline consumption increased more than fivefold.\textsuperscript{33} To date, government attempts to reduce consumption or raise fuel prices have not met with success.\textsuperscript{34} Of its four million barrels per day (bpd) of crude oil production, Iran now consumes 41% internally, up from 29% in 1990.\textsuperscript{35} Compounding the issue, Iran’s outdated refineries meet less than 60% of domestic demand. The artificially low gasoline prices make investment in new refineries unprofitable. Thus, while second only to Saudi Arabia in proven oil reserves, Iran imports at market price over 40% of its refined petroleum.\textsuperscript{36}

As a further problematic sign, Iran has also failed to meet its OPEC production quotas in recent years and today extracts 30% less crude oil than it did under the Shah in the 1970s.\textsuperscript{37} Over the same time period, however, the number of people working in the oil sector, where nepotism and graft are rampant, has ballooned from 54,000 to 180,000.\textsuperscript{38} The entire state-run oil industry suffers from aging and neglected infrastructure, foreign investment apprehension, and bureaucratic incompetence.\textsuperscript{39} “Rent-seeking,” or using oil revenues to subsidize various oil and non-oil commodities, also continues to do long-term damage.\textsuperscript{40}

Oil revenue provides the regime the financial levers it needs to control the economy and maintain its patronage networks. Several leading mullahs and opaque quasi-state entities rely on this steady flow of oil and cash. But to reverse an annual 8-10% production decline in roughly 60 mature fields, the Iranian oil industry will need investment on the order of several billion dollars per year.\textsuperscript{41}
On a different, but interesting note, there is a similar story with respect to natural gas. Second only to Russia in proven natural gas reserves, Iran has yet to bring this tremendous resource to economic fruition. By comparison, tiny Qatar, capitalizing on an attractive foreign investment climate, exports six times more natural gas than Iran does from their shared South Pars gas field.

Anomalously high oil prices in recent years have hidden some of this decay in Iran’s energy sector. One frequently-cited US oil analyst, Roger Stern of Johns Hopkins University, predicts that, if current trends and practices continue, Iran will export no oil within a decade. Furthermore, the current flight of capital and talent out of Iran suggests that needed Western investment will be difficult to obtain, at least in the near term.

Since oil revenues buttress the regime, threats by Iran to use the “oil weapon” against outsiders are hollow. In fact, and very importantly as will be demonstrated later, the regime’s dependence on a fundamentally weak industry represents a key strategic vulnerability. Apparently, at least some Iranian oil industry and government officials are aware and concerned about the issue. In response to its energy and geopolitical problems, the regime has adopted a “look East” strategy designed to minimize the effects of Western sanctions and establish long-term energy partnerships with rising economic giants in Asia.

China is the more-than-willing centerpiece of this new “look East” strategy. The crux of the relationship is that China needs oil, natural gas, minerals, and markets; Iran needs weapons technology, cheap Chinese manufactured goods, a reliable long-term energy buyer, and a sponsor at the UN. The two appear about to finalize a large, 25-30 year oil and natural gas deal which Iran’s deputy minister of petroleum called “a marriage” worth between 100 and 200 billion dollars. The Iran-China relationship resembles the petro-dollar recycling arrangement
the US enjoyed in the 1970s under the Shah, when US products accounted for 21% of Iran’s imports, and of course that number is zero today.

Chinese companies in Iran routinely underbid their Western European competition by large margins. Sinopec, China’s second largest oil company, transferred to Iran a complete set of its oil exploration equipment in an effort to show that it had narrowed the technological gap with the West. Over 40 Chinese firms keep permanent offices in Iran, and roughly 2,000 Chinese businessmen can be found on any given day in Tehran. Chinese appliances are ubiquitous and Chinese companies presently have large-scale dam, subway, and pipeline projects underway.48

Beijing disregards provisions of the US Iran-Libya Sanctions Act (ILSA), which threaten sanctions against any company investing more than $20 million dollars in Iran’s oil sector. The Chinese commercial attaché in Tehran stated that “we don’t care about the sanctions…why should we ask America’s permission to do business? We are a sovereign country…we don’t believe politics should be part of business.”49 Booming global energy demand and its strategic partnership with China and other Asian powers have helped Iran lessen the impact of Western sanctions. But “looking East” will not cure Iran’s chronic economic ills; only significant internal reforms can.

Inhibiting such reforms, however, are the vested interests deeply entrenched in Iran’s untaxed, largely unaccountable foundations, or bonyads. These para-governmental entities control 30-40% of business in Iran, and constitute a vast shadow economy through which the supreme leader and other rich mullahs exercise political power via patronage.50 With origins as religious charitable institutions, bonyads in post-revolutionary Iran have become multi-billion dollar corporate conglomerates.51 Having expropriated all of the former Shah’s assets and
property, these entities rapidly expanded into big business, such as banking, construction, real estate, agriculture, manufacturing, mining, and petro-chemicals.

Some of the largest *bonyads*; the Foundation for the Disabled and Oppressed, the Martyr’s Foundation, and the Imam Reza Foundation control tens of billions of dollars and dispense largesse to millions of Iranian families and war veterans. They derive income from their various private commercial ventures as well as directly from “the official budget of the supreme leader.” The head of the Imam Reza Foundation, Ayatollah Abbas Vaez-Tabasi, provides an example of the intertwined nature of political and economic power in Iran. In charge of the *bonyad’s* auto plants and multiple other businesses worth 15 billion dollars, Tabasi also sits on the Expediency Council and Assembly of Experts.

Most analysts estimate that roughly half of Iran’s national budget flows into *bonyads*, with little legal oversight. Notoriously corrupt and inefficient, their opaque accounting methods also facilitate “no-fingerprint” funding for various weapons deals, covert operations, and foreign proxies.

Former President Khatami’s past attempts to instill more transparency and accountability into these institutions met with little success. Iran’s elected parliament, the *Majles*, actually passed a motion to remove the *bonyads*’ tax-exempt status. But the Council of Guardians, beholden to the supreme leader, exercised their constitutional power and vetoed the measure, arguing that the *bonyads*’ charitable functions justified their privileged status. By controlling and protecting *bonyad* leaders, Khamenei ensures continued loyalty.

**Internal Dynamics, Personalities, Power Centers, and Factions**

Multiple power centers exist in Iran, where informal networks have as much or more influence on decision-making than traditional bureaucratic institutions do. Networks generally
form around commonalities: kinship, generational bonds, revolutionary credentials, wealth, political allegiance, clerical status, or wartime military service. While penetrating the fog surrounding these networks is difficult, a cultural desire for consensus in Iran suggests that on major policy decisions, the top power brokers have at least given tacit approval. Some analysts have described the regime’s decision-making methodology as “chaotic but not anarchic.”

With respect to the nuclear portfolio, influential elder statesman Rafsanjani recently assured an audience that important decisions were reached collectively, not via a renegade actor or institution. The regime also sought to create an image of unity and policy continuity during the 2005 presidential transition, holding a public meeting that included Khamenei, Rafsanjani, Khatami, and the newly-elected Ahmadinejad.

Regarding official decision-making authority, it nearly all rests with the supreme leader. The constitution gives the supreme leader vast power including command of the armed forces, authority over foreign policy, power to declare war, control of the media, and pardoning power. He has appointment and dismissal authority over military and IRGC commanders, supreme judicial authorities, and clerical members of the Guardian Council. The leader can also dismiss the president if deemed in the national interest to do so, and exerts further influence by appointing “representatives” to all of Iran’s important institutions.

Iran’s current supreme leader, Ayatollah Sayyid Ali Khamenei, emerged largely by default in the succession crisis that followed Khomeini’s death in 1989. Khomeini’s original heir apparent, Grand Ayatollah Hosein Ali Montazeri, ran afoul of the Imam when he criticized the regime’s 1988 execution of roughly 3,000 political prisoners. The succession crisis that developed had its roots in Khomeini’s 1979 constitutional dictate that the supreme leader, the fusion of political and religious authority in Iran, be a “source of emulation,” or “Grand
Ayatollah.” But none of Iran’s other highest ranking clerics, most of whom never fully subscribed to Khomeini’s doctrines, were sufficiently politicized. So on his deathbed, Khomeini amended the constitution, eliminating the requirement for the supreme leader to have attained shiism’s highest clerical rank.63

When Khomeini died, the Assembly of Experts convened and chose the loyal Khamenei to be the next supreme leader. At that time, Khamenei served as Iran’s figurehead president (the president’s office has since been constitutionally strengthened) and held only the midlevel clerical rank of hojatoleslam. In a political move still not recognized by Iran’s top shiite scholars, the regime granted Khamenei the title of Ayatollah. Khamenei plainly lacked his predecessor’s charisma and clerical credentials. Thus, he has had to deal with legitimacy and respect issues since taking office. His official, 15-page bio goes to great lengths to demonstrate his humble, devout origins, revolutionary credentials, and wide-ranging religious studies.64

Born in 1939, Khamenei belongs to the Islamic Republic’s founding generation. Like other regime leaders of this era, Khamenei remained loyal to Khomeini through the 1960s and 70s, and suffered imprisonment and torture by the Shah’s hated domestic intelligence service, SAVAK for his political activities. Unlike Khomeini, who as supreme leader used his dominant stature to remain above political faction, Khamenei has generally aligned himself with his base of ideological and clerical conservatives.65

He does not appear, however, to drive a specific agenda or strongly dictate foreign policy. As long as the regime and its ideological pillars remain unthreatened, Khamenei seems content to let other power centers operate and even exercise a degree of autonomy.66 For example, he presided over and largely tolerated reformist Khatami’s “dialogue of civilizations” overtures to the West, as well as hard-liner Ahmadinejad’s calls for a “world without the United States and
Zionism.” These extreme, nearly antithetical policy positions do not suggest a heavy hand or guiding policy vision from Khamenei. With respect to rival political factions, Khamenei leans well right but generally seeks to build at least some consensus, keep a lid on public anger, and prevent any one faction or institution from dominating Iranian politics.

Political parties in the Western mold do not exist in Iran, but we can discern three rough ideological factions that define the political spectrum: from right to left, the hard-line Khomeinist ideologues, the pragmatists, and the reformers. As explained above, Khamenei hovers near the right end of the spectrum, but does not have a dominant persona. Also, clerics should not be treated as any kind of ideological bloc—one finds them scattered along the entire political spectrum. A brief sketch of influential personalities within each of the three factions reveals the breadth of opinion in Iran and sheds light on existing rivalries, networks, and formal and informal sources of power.

We start with Iran’s hard-line, fifty year old president. Too young to be among the founding generation, Ahmadinejad nonetheless has solid revolutionary credentials. Speculation persists about his direct involvement in the 1979 US embassy takeover, but his political activism as a student in the 1970s, and later service in the IRGC during the Iran-Iraq War are well documented. It appears likely that in the revolution’s early years he performed covert internal intelligence functions and interrogated political prisoners. He reportedly became a senior commander of the IRGC’s elite “Qods Force” in western Iran during the latter part of the war, responsible for special foreign military operations.

His official bio has conspicuous gaps in the 1980s. It lists various provincial governorships with no corresponding dates and states that “during the war imposed on Iran, Dr. Ahmadinejad [he holds a PhD from Tehran University in civil and transportation engineering] was…a member
of the volunteer forces (Basij) in different parts and divisions of the battlefronts.” He was Governor General of a northern province from 1993-1997, but his 2003-2005 term as Tehran’s mayor marked his first appearance on the national scene.70

By most accounts, Ahmadinejad from a young age has been devoutly religious and socially conservative. While he came from a family with sufficient means to send him to private schools, they kept a simple household and honored shiite traditions. Ahmadinejad and his family continue to live a simple lifestyle—a well-publicized feature of his presidential campaign. During the campaign, he also had strong support from many of Iran’s most politicized, hard-line clerics in Qom, who advocate a return to the revolution’s roots.

Said to be Ahmadinejad’s spiritual advisor, 72 year old seminary scholar Ayatollah Mohammad Taghi Mesbah-Yazdi heads the Imam Khomeini Institute and the influential “Haqqani circle” in Qom. A sampling of his political statements put him at the extreme end of the spectrum: “if someone tells you he has a new interpretation of Islam, hit him in the mouth;” “the people are ignorant sheep;” and “killing hypocrites does not require a court order…throw them down from a high mountain.”71

Contesting Mesbah-Yazdi’s ideological influence on Iran’s president, a Tehran University political scientist and childhood friend of Ahmadinejad downplays the extreme cleric’s role, calling the relationship one of political convenience. He instead claims that Ahmadinejad’s political ideas, such as they are—radical egalitarianism and militant anti-imperialism—come primarily from Ali Shariati, the influential 20th century Islamic theorist.72 Ahmadinejad’s economic ideas by most accounts reprise Khomeini’s statement that the revolution was not about “the price of melons.”
Ahmadinejad’s formal powers as president are primarily domestic: he directs budgetary and economic policy, and has appointment power for various ministerial positions. In the foreign policy realm, the president chairs the Supreme National Security Council (SNSC), which also includes the commanders of the regular armed forces and IRGC, two supreme leader representatives, and the heads of the foreign, interior, and intelligence ministries. This body—generally given some latitude by Khamenei—performs its constitutional function of crafting defense and security policy under the general guidance of the supreme leader. The SNSC’s current secretary, former IRGC brigadier general Ali Larijani, also leads Iran’s international nuclear negotiations.

Larijani, a Khamenei protégé, has had to moderate some of Ahmadinejad’s most bellicose public statements on the nuclear issue, but the SNSC has clearly tacked to the right under Ahmadinejad. This is also reflected in the increased militarization of Iran’s foreign and nuclear policy. As president, Ahmadinejad replaced scores of professional diplomats and government officials with cronies from the Revolutionary Guard and security and intelligence communities. Ahmadinejad does not possess a power network based on family, wealth, or clerical status but instead he exerts informal influence mainly through shared wartime experience and close ties to the IRGC and intelligence communities.

The 120,000 man IRGC has emerged as a powerful policy player in its own right. It exploits its direct access to the supreme leader and, along with the intelligence services, its control over information. Its close ties to extreme elements of the clerical community in Qom also extend its influence to the judiciary and Expediency Council. Unlike Iran’s 450,000-man regular military with its traditional responsibilities to defend Iran’s borders, the more ideological IRGC protects the revolution and its achievements.
And along with its paramilitary *basiy* force, the IRGC performs various internal functions for the regime, gets favorable budgetary treatment, and maintains operational ties with foreign proxies. Most current and former IRGC commanders are culturally conservative non-clerics that fought in the Iran-Iraq War, have technical or engineering backgrounds, and tow a hard nationalist line; Ahmadinejad exemplifies the mold.

The Guard has expanding financial and institutional interests in ensuring regime survival and preventing political reforms. It owns large corporate enterprises in telecommunications and other industries, and increasingly exercises contracting independence for new weapons programs.76 Significantly, the IRGC also runs firms responsible for procuring hardware for Iran’s *Shahab* missile program and nuclear industries.77

The Guard’s growing assertiveness became more evident in its poor relations with former president Khatami. Viewing his reform agenda as a danger to revolutionary pillars, IRGC commander Safavi made thinly veiled threats: “I have made the supreme leader Khamenei aware that there is a new form of hypocrisy disguised by the clergy…some of them should be beheaded or have their tongues torn out,” and “when I see conspirator cultural currents, I give myself the right to defend the revolution and my commander, the esteemed Leader, has not prevented me.”78

It seems plausible that the IRGC kept Khatami in the dark on some of its weapons programs and foreign ventures. Khatami clearly had no awareness of or control over its internal activities. It seems less plausible; however, that Ahmadinejad would be ignorant of IRGC activities, given his ideological affinities and network of connections in defense and intelligence circles. Dependency between the IRGC and supreme leader seems increasingly a two-way street. Some
analysts speculate that the Guard may become a “king maker” when the time comes to name Khamenei’s successor.\textsuperscript{79}

Between Ahmadinejad and Khatami on the political spectrum sit the pragmatists. This faction’s leader, 72 year old Ayatollah Ali-Akbar Hashemi-Rafsanjani, has been at or near the top of Iranian politics and society since the revolution. Like Khamenei, Rafsanjani aligned politically with Khomeini in the 1960s and 70s and suffered multiple imprisonments and torture under the Shah. Rafsanjani held positions as Iran’s Majles speaker from 1980-89, and president from 1989-97. Though defeated in 2005 in his bid for a third presidential term, he still wields official power today through his seats on the Assembly of Experts and Expediency Council, which he chairs. These two bodies have constitutional authority to oversee and arbitrate disputes between Iran’s governing institutions, and select the next supreme leader.

Arguably Iran’s richest man, Rafsanjani’s vast informal networks extend into nearly every facet of Iranian politics and society. He exerts influence in several ways: as family patriarch, through his siblings, children, and extended clan who are active in various political and large business enterprises; through connections to bonyads; through his revolutionary and generational commonalities with Khamenei and other senior Iranian figures; through clerical ties; and simply through his wealth and stature as Iran’s senior statesman. His tactical maneuvering and willingness to form ad-hoc alliances also keep him at the center of Iran’s political dynamic. Finally, his direct access to and long relationship with Khamenei give him a prominent, though informal place in major foreign policy decisions.

Neither a revolutionary ideologue nor democratic reformer, Rafsanjani seems more the practical politician and businessman.\textsuperscript{80} If the system allowed him sole control, one could see something like a “China model” for Iran as a real possibility. Rafsanjani desires stable
geopolitical and domestic conditions so that Iran can repair and strengthen its economy, and achieve its rightful place on the world stage. He recently stated “domestic and foreign conflicts…will lead to the flight of capital from this country.” Seeing Iran’s restive, underemployed youth as potentially destabilizing, pragmatists shun strict Islamic social mores and instead call for greater cultural tolerance and job growth.

Rafsanjani views Ahmadinejad’s populist economic policies as the wrong prescription for Iran. He sees private ownership, competition, foreign investment, and technocratic competence as the keys to Iran’s economic and national future. His comments indicate a desire not to reject the revolution, but to reconcile it with global economic realities. He can still make fiery speeches denouncing the US and Israel, but his rhetoric focuses on specific policies, leaving the door at least partially open for future cooperation. Rafsanjani’s politics are not always easy to pin down, but “economic nationalist” would seem a more apt label than “liberal democrat.”

From a US policy standpoint, Rafsanjani should be viewed as a crafty but rational man with whom one should look to do business. In his 2005 presidential campaign, he called for “positive and constructive interaction with the international arena: renewing bonds and links with the rest of the world in order to remedy the country’s vulnerabilities on the international stage and speeding up the process of foreign investment in Iran.” Populist hard-liners attack this as corrupt mullahs trying to protect their investments at the expense of the nation’s honor.

Though Rafsanjani lost the 2005 election, he successfully formed a tactical alliance with reformist leader and former president Mohammad Khatami in the December 2006 City Council elections, which contributed to the defeat of most hard-line candidates. Rafsanjani himself won nearly twice as many votes as previously-mentioned hard-line cleric Mesbah-Yazdi in the same election for Assembly of Experts.
The reformers are the most popular but least powerful faction in Iran. With conservatives consolidating institutional power and driving up the price of political activism, Khatami’s agenda has been relegated to the political margins—at least for now. Unlike the pragmatists, the reformers’ ideas confront directly the ideological foundations and legitimacy of the revolution. The movement does not, however, call for a complete overthrow of the current government; hence, it remains legitimate within the democratic system. But Khatami’s attempts to make changes within the existing system proved to be simultaneously too threatening to hard-liners, and too slow and ineffectual to his constituents.

Women make up a large percentage of the pragmatic constituency. Iran’s most famous woman, human rights lawyer Shirin Ebadi, winner of the 2003 Nobel Peace Prize recently published her memoir illuminating some social impulses brewing in Iran today—a resource that provides helpful insights for US policy-makers.

The near-universal education of post-revolutionary Iranian women, remarkable by regional standards, has produced what Ebadi calls “a visceral consciousness of their oppression.” Women outnumber men at universities but, with triple the rate of unemployment, face even bleaker prospects upon graduation. Many of those with means seek opportunity in Western countries, adding to Iran’s “brain drain.” Ebadi also described the social effects of rapidly expanding internet usage in Iran, especially among educated reform-minded youth and women, and the regime’s inability to fully censor or control information flows. Along with previously-mentioned social factors, Iran’s educated women portend inevitable political change.

The work of one of Iran’s most prominent intellectuals provides a philosophical foundation for such a change. Professor Abdul-Karim Soroush argues that there is no “official” or “final” interpretation of Islam and that a state’s “ideologization (sic) of religion” leads to its
vulgarization. His writings, which attempt to reconcile Islam with modernity, and plainly challenge *velayat-e faqih*, have gained a wide, enthusiastic audience in Iran and elsewhere. But concepts such as…“an ideal religious society can’t have anything but a democratic government,” and “in an ideal religious society, no personality or *fatwa* [religious decree] should be above criticism…clerics must be accountable as everyone else,” were not received well in Tehran.

The regime’s *basiy* henchmen physically attacked Soroush at Tehran University and made death threats to his family. Under increasing danger, he eventually left the country to speak and teach abroad. Not lost on Iranians who lived through the revolution, the regime’s use of the MOIS and secret police to repress political dissent resembles the Shah’s use of SAVAK and the rot it exposed. The current price of dissent is high in Iran, but demographic realities keep the clock of political reform ticking. Virtually every day international policy makers are dealing with another ticking in Tehran; the nuclear clock.

**Nuclear Desire**

Nuclear power is very important to Iran. US policy-makers must understand the degree to which Iranians, across the political spectrum, support their nation’s nuclear energy program. Recent, widely respected polling done in Iran found that an overwhelming majority (84%) said it was “very important” for Iran to have a full-fuel-cycle program. Respondents cited several “key reasons” to have such a capability, in priority order: “securing Iran’s energy needs, enhancing Iran’s national technical competence, enhancing Iran’s great power status, preserving Iran’s rights to nuclear technology under the [Nuclear Non-Proliferation Treaty] NPT, and preventing other countries from trying to economically and politically dominate Iran.” The NPT is, of course, the 1968 international treaty designed to stop proliferation of nuclear weapons, disarm nuclear states to the extent possible and allow peaceful nuclear power technology as
verified through its watchdog organization, the International Atomic Energy Agency (IAEA). In this regard, Iranian perceptions of nuclear power are dismissive of Western talk of a “Libya model” for Iran, viewing any such comparison as an insult to their national pride because Iran would never “give in” to “international bullying.”

Respondents were not asked specific questions about weaponization or sanctions cost-tolerance, but most analysts agree that the majority of Iranians presently do not want nuclear weapons at the price of further economic and political isolation. The current hard-line regime and its media organs deny any intent to develop nuclear weapons and frame the domestic debate in terms of national pride, double standards, and US bullying; themes that resonate well in Iran. With failed economic policies and weak domestic support, hard-liners hope to stoke nationalist flames around the nuclear issue to legitimize their hold on power and marginalize moderates.88

The internal political debate appears to have coalesced around two positions. Hard-liners, like Ahmadinejad (backed by the IRGC command), push for a costs-be-damned overt weapons capability, while pragmatists, like Rafsanjani, give Iran’s economic health top priority and prefer sanctions avoidance and continued technical advances within prescriptions under the Non-Proliferation Treaty (NPT).89 The latter position leaves room for a more ambiguous “nuclear hedging” strategy, in which Iran could achieve greater status and move closer to a weapons capability while avoiding the high political and economic costs that an overt breakout would precipitate.

With respect to the regime’s threat perceptions, the US military presence in the region continues to dominate. Other regional nuclear actors such as Israel and Pakistan, for example, undoubtedly also affect Tehran’s strategic calculus. The US, however, remains the overriding external perceived threat to the regime and its regional hegemonic ambitions. While IRGC
commanders publicly trumpet Iran’s growing sea-denial capabilities and the painful costs the US would suffer for military action, they see nuclear weapons as the only real national deterrent for Iran, and their best response to US conventional superiority.

This nuclear posturing is consistent with comments made by Iran-Iraq War veterans within the regime’s increasingly militarized leadership. Iran’s chief nuclear negotiator and former IRGC general, Ali Larijani said to an audience of IRGC commanders that to counter US pressure, “you have to find a way to be able to take the country’s level and status to a point so as to automatically solve your national security problem, otherwise this pressure factor will always weigh upon you.” He continued to say that “if Iran becomes (a nuclear power), no longer will anyone dare challenge it, because they would have to pay too high a price.” The IRGC and many in Iran’s scientific community have increasing institutional interests in the nuclear program. Decades of investments also give the program a momentum of its own.

Khamenei remains the central hinge in Iran’s internal nuclear debate and future nuclear course. His traditional desire for consensus suggests that Iran will likely continue down an ambiguous, dissembling path. He also does not appear to have sufficient legitimacy, clout, or will to stake out a bold diplomatic course for Iran by clearly and divisively aligning himself with either the hard-liners or pragmatists. A late-life, Sadat or Rabin-like move does not appear to be in his repertoire. The possibility of a total alienation of his hard-line clerical and military base seems equally remote. Given economic and demographic trend lines in Iran, the luxury of a non-committal course may not remain viable beyond the near term.

An important note of caution should be injected when analyzing the possibility of preemptive military strikes against Iranian nuclear assets. This approach would mobilize Iranian nationalism and bankrupt moderate political voices in Tehran. It would also give credence to
current hard-line arguments, increase Iranians’ cost-tolerance for the nuclear program, and force Khamenei to align with Iran’s most extreme political forces. This approach would also reduce the economic pressure that is currently opening fissures between hard-liners and more traditional conservatives. As odd as it sounds, pre-emptive military action could effectively reward hard-liners for their international intransigence and allow them, at least in the near term, to strengthen their grip on policy-making institutions.

This chapter created a better understanding of Iran’s internal dynamics. It described structural weaknesses in Iran’s economy, the regime’s dependence on a fundamentally weak oil industry, the intertwined nature of political and economic power in Iran, and several policy-relevant demographic and social trends. This chapter also more systematically peered inside key institutions, networks and influential personalities within the regime in order to reduce uncertainty about future behavior, better comprehend Iran’s nuclear motives, and inform a coherent US policy. To further chart a course for a successful strategy, analysis of the US position and perception is needed.

Notes

4 Ibid.
8 Menashri, Post Revolutionary Politics in Iran, 113-114.
9 Both Khatami and Ahmadinejad, for example, made addressing ethnic issues a part of their presidential campaigns.
Notes

12 Ibid., 258-259.
13 Buchta, Taking Stock of a Quarter Century of the Islamic Republic of Iran, 44.
14 For anecdotal evidence of this based on street interviews, see Hiro, The Iranian Labyrinth, and Wright, The Last Great Revolution.
15 Nasr, Shia Revival, 251.
16 Buchta, 46.
19 See Buchta, Who Rules Iran, for a comprehensive, single-source description of Iran’s formal and informal power centers.
20 Menashri, Post-Revolutionary Politics in Iran, 143-151.
21 Ibid., see also, Shirin Ebadi, Iran Awakening, 158-159, and Buchta, Who Rules Iran, 33.
22 Keddie, 328.
24 Ibid.
26 Secor, 50.
32 Margonelli, Oil on the Brain, 212.
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35 David Wood and Michael J. Economides, “Iran Stuck in Neutral: Energy Geopolitics Hinder Iran’s Oil and Gas Industry’s Development,” Energy Tribune, 11 December 2006.
37 Ibid.
38 Reza Bayegan, “Iran’s New Oil Disorder—An Interview with Dr. Parviz Mina,” Ektaban Observer, 4 Aug 2005.
39 Stern, 377-382.
41 Stern, 377-382.
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44 Bayegan, Ektaban Observer; Stern, 380; Margonelli, 214.
46 Garver, 270; Walt, 88-95; Margonelli, 232.
47 Garver, 246-269.
48 Walt, “Iran Looks East.”
49 Ibid.
50 Jahangir Amuzegar, “Iran’s Underground Economy,” Middle East Economic Survey, 8 September 2003; Wright, The Last Great Revolution, 278; Buchta, Who Rules Iran, 73-77; Keddie, Modern Iran, 342.
52 Buchta, 75.
53 Samii, “The Iranian Nuclear Issue and Informal Networks,” 68.
57 Samii, “The Iranian Nuclear Issue and Informal Networks,” 64.
58 Byman, et al., RAND, 22.
59 Ibid., 100.
Notes

63 Ibid.
65 Takeyh, Hidden Iran, 33-34, Buchta, Who Rules Iran, 55.
68 Not all Iranian politicians fall neatly into one of these factions. Buchta, in Who Rules Iran adds more groupings. Takeyh, in Hidden Iran uses hardliners, pragmatists and reformers.
71 Secor, “Whose Iran.”
72 Comments from Tehran University political scientist Nasser Hadian, cited in Secor, “Whose Iran.”
73 Alirez Jafarzadeh, The Iran Threat: President Ahmadinejad and the Coming Nuclear Crisis, Palgrave Macmillan, 2007, 25-35; Keddie, Modern Iran, 331; Secor, Whose Iran, 50.
74 Byman, et al., 28.
75 Iranian Constitution Articles 143 and 150.
76 Gheissari and Nasr, 181; Buchta, 67-68;
77 Takeyh, 38 ; Gheissari and Nasr, 188.
78 As found in Buchta, Who Rules Iran, 143, and Jame’eh, 3 June 1998 as found in Takeyh, 52.
79 Gheissari and Nasr, 184.
80 For good insights into Rafsanjani’s politics and personality, see Pollack, The Persian Puzzle, Manashri, Post-Revolutionary Politics in Iran, Dilip Hiro, The Iranian Labyrinth, Clawson and Rubin, Eternal Iran, and Takeyh, Hidden Iran.
84 Ebadi, Iran Awakening, 108.
85 For good summaries of Sorouch’s ideas, see Menashri, Post-Revolutionary Politics in Iran, 32-35; and Wright, The Last Great Revolution.
86 Wright, 55.
87 See the widely respected poll results in “Public Opinion in Iran and America on Key International Issues,” conducted by The Program for International Policy Attitudes and Search for Common Ground (SFCG), report date 24 January 2007, worldpublicopinion.org.
Notes


91 Pollack, “Iran: Three Alternative Futures.”


93 Pollack, “Iran: Three Alternative Futures.”
Chapter 4

US Perceptions

There are things known and there are things unknown, and in between are the doors of perception.

- Aldous Huxley

This chapter will be the first of two chapters to set the stage for the policy proposal in the final chapters. Specifically, for our purpose here, how does the US perceive recent developments in Iran? Also, how does the US perceive Iran’s external behavior? This chapter should not be considered a comprehensive introduction and review of documents that shape US perceptions of Iran internally or externally. Instead, the intent is to provide the reader an overview and framework for future chapters.

As described in chapters 2 and 3, it is absolutely critical for any future US policy maker dealing with Iran to understand how Iranians resent foreign domination, feel isolated, and fully expect themselves to assume their rightful role as a regional leader. As a summary statement, since 1953, Iran has perceived the US as a “foreign dominator” that created or exacerbated Iran’s feeling of isolation, and obstructed its destiny to be a dominant force in the Middle East and leader in the Islamic world.

How does the US perceive Iran internally? How does the US view Iran’s regional aspirations politically, economically, religiously and even militarily? How does the US perceive Iran’s nuclear ambitions? These questions are very difficult to answer because they are by their
very nature subjective. A summary of US perceptions is needed before moving on. For brevity, this chapter limits the discussion to US perceptions of Iran over the last five years.

Of all the questions above, perhaps the easiest to answer is how the US perceives Iran both internally and externally because of very straightforward policy statements made by the US government.

**US Perceptions of Iran Internally**

First, how does the US view the internal situation in Iran? *The National Security Strategy of the United States of America* states: “Tyrannical regimes such as Iran….that oppress at home and sponsor terrorism abroad know we will continue to stand with their people against their misrule.”¹ The President, in a speech on 16 June 2005, clearly summarizes the administration’s perception of Iran internally and sets the stage for our next question on how the US perceives Iran within the region:

The Iranian people are heirs to a great civilization – and they deserve a government that honors their ideals and unleases their talent and creativity. Today, Iran is ruled by men who suppress liberty at home and spread terror across the world. Power is in the hands of an unelected few who have retained power through an electoral process that ignores the basic requirements of democracy.

Today, the Iranian regime denies all these rights. It shuts down independent newspapers and websites and jails those who dare to challenge the corrupt system. It brutalizes its people and denies them their liberty.² Rarely in the US political realm has there been as much unanimity as there is on US perceptions of Iran internally. Congressional statements abound confirming this point: “Iran’s internal politics are dominated by a clerical clique that holds power by force.”³ Military planners and scholars on Iran share this perception, but it is in these spheres, away from the political realm, that one hears caveats. The two most common are that the government of Iran is extremely complex, and that “Iran today is a nation in search of an identity, a state that oscillates between
promises of democratic modernity and retrogressive tradition.” As previous chapters demonstrate, US security planners and scholars are very cognizant of the complex situation within Iran.

Beyond the presidential and NSS statements, there seems to be consensus within the US government and academia that Iran has a youthful population, untapped economic potential, vast natural resources and cultural dynamism yearning to be set free. Within government and academia, a vocal minority views Iran in much less hopeful terms, and lumps the entirety of Iran into the same category as its leaders without any distinction.

The perception by the US populace of Iran generally differs from those more familiar with the subject. Polling routinely finds that the US populace views Iran in a negative light. Interestingly, when studying the US populace and its perception of Iran, there are few polls which differentiate between Americans’ perception of Iran’s leadership and its population. In general, US polling focuses on Iran’s interference in Iraq and its nuclear aspirations. To summarize, based on these polls, most people view “Iran” as a “growing threat.” Perhaps the most illuminating poll, because of questioning ambiguity, is one conducted in December of 2006 by the Opinion Research Corporation for CNN. It polled 1,119 American adults nationwide and asked that for Iran “please say whether you consider it an ally of the United States, friendly but not an ally, unfriendly, or an enemy of the United States.” With an estimated margin of error at ±3%, the answers were: 4% ally, 14% friendly, 29% unfriendly, 48% enemy and 5% unsure. The poll did not distinguish between the leaders in Iran and the people. One poll that did distinguish between the leadership of Iran and its people points to similar conclusions by the US population. This poll concluded that 59% of polled Americans view the Iranian people unfavorably and only 29% view them favorably. The US, in general, views Iran as a threat.
**US Perceptions of Iran Externally**

The US sees Iran as seeking to become a regional power, create a nuclear weapons capability, destabilize the Middle East, export terrorists throughout the world, and act as a spoiler for the US in Iraq. Nicholas R. Burns, Under Secretary of State for Political Affairs (a key spokesperson for the administration on Iran) summarizes the US government’s perception of Iran in Iraq.

I am going to speak today about Iran. I would say that next to the challenge we have in front of us in Iraq, nothing is more important to the United States in the years ahead than to deal with this challenge which is multifaceted from the Iranian government. That challenge is an Iran that most of the world believes is trying to achieve a nuclear weapons capability, an Iran that continues to be in many respects the central banker of most of the Middle East terrorist groups of Hizballah and Hamas, of Palestinian and Islamic Jihad, of the Popular Front for the Liberation of Palestine General Command, just to name four terrorist groups. And an Iran, because of its policy in recent years, particularly through the statements and actions of President Ahmadinejad, that has caused instability in its relations with most of the Arab world and the countries of the greater Middle East.

The US government contends that there is abundant proof that Iran is trying to spoil US efforts in Iraq. The US administration’s position is that “Iran has been cultivating influence in Iraq through all means at its disposal. Iran’s threat involves both lethal action and the burrowing of Iranian actors into Iraqi institutions.”

Regionally, the US believes there is a level of unease among most countries of the Middle East in regard to Iran. “The sunni-dominated monarchies are increasingly concerned that shi’a-dominated Iran will try to dominate the region by appealing to shiites in such places as Bahrain, Lebanon and Saudi Arabia.” These growing regional concerns are not just among countries with large shiite populations but extend to Egypt and Jordan as well. Some of this concern stems from the purely shi’a and sunni divide, but there is also a less tangible issue on the minds of many in the Middle East discussed in earlier chapters -- Iran is Persian and not Arab.
Traditionally, some of the Arab Sheikdoms have relied on the US to come to their rescue if a country within the region or from the outside oversteps, much as the US did in 1991 when Iraq invaded Kuwait. Now the equation for this relationship is changing because of the growing regional fear of Iran. The clearest demonstration of this is the January 2007 Idex military fair in Abu Dhabi, United Arab Emirates. If the deals which were announced are completed, “then the United Arab Emirates, Kuwait, Oman and Saudi Arabia will spend nearly $60 billion this year” on military inventory, a nearly five-fold increase from last year. This reaction is not due to terrorism in the region or the problems in Iraq; it is because of Iran.

Iran’s nuclear weapons program is a regional and international concern, and the crux of the current crisis for the US and the West. The specter of a nuclear armed Iran dominates discussions in the region and there are virtually no diplomatic, economic or military forums internationally that do not treat this issue as a top priority.

Interestingly, many may forget that the origins of Iran’s nuclear program are American. As early as 1957, the US began working with the Shah to develop a civilian nuclear capability. The remnants of this program made it through the 1979 revolution and remain the foundations of Iran’s current program. Since Iran is a signatory of the Nuclear Non-Proliferations Treaty (NPT) of 1968, why is this issue such a concern for the US and the world?

The answer is found in the nature of how the US views Iran today. The US and world view Iran as going well beyond the NPT provisions for peaceful production of nuclear power. Increasingly the US and international community characterize Iran’s nuclear program as a threat. Iran has been warned, repeatedly, by the US and the international community since 2002 when a much more robust nuclear program than anyone had considered came to light. The National Council of Resistance of Iran (a dissident group) brought to light numerous facilities that are
likely the “tip of the iceberg” of the Iranian Nuclear program. These ongoing warnings are intended to bring Iran back into compliance with NPT protocols.

Throughout the 2002-2006 timeframe, warnings to Iran culminated in sanctions by the United Nations in Security Council Resolution (UNSCR) 1737. This resolution asked Iran to be more transparent in its program and to stop nuclear related activities within 60 days. Tehran rejected this and missed the deadline of 23 February 2007. In the month just after the deadline, top officials from the US, Britain, China, Russia, Germany and France hammered out a new UNSCR (1747, 24 March 2004). This resolution further targets the Iranian nuclear program. UNSCR 1747, passed unanimously by the 15-member UN Security Council, places an embargo on Iranian weapons exports, bars nations and international banks from making new loans to Iran, freezes assets of 28 additional Iranian individuals and organizations involved in the nuclear and missile program, and calls for a voluntary travel embargo on Iranian officials and IRGC commanders. Iran immediately rejected the measure. Behind the scenes, the US and the West continue to view the Iranian program as a façade for a weapons program, despite constant proclamations to the contrary from President Ahmadinejad. From the US perspective, Iran remains defiant and is working as rapidly as possible to develop nuclear technology.

The US perceives Iran as a dangerous destabilizing force in the region, an exporter of terrorism, a spoiler of US goals in Iraq, and as a country bent on gaining a nuclear weapon. When you juxtapose chapters 2 and 3 with this chapter one can see the significant hurdles facing policy makers in devising a cogent strategy for dealing with Iran. What are the recent US policies for Iran and have they been effective?

Notes

Notes

4 Ray Takeyh, Hidden Iran, pp. 3-4.
5 This reference is an amalgam of interviews conducted by the authors with Kenneth M. Pollack, Judith S. Yaphe, John Limbert, Barbara Slavin and military planners at the Pentagon. 13-16 November, 2006.
6 Rick Santorum, “The Gathering Storm,” National Review Online, 26 October 2006, http://article.nationalreview.com/?q=MzZmYWUyNWWyNZThlM2UwZGY0ZmUxYmJ5NTlyMTJjYWU.
8 Ibid.
10 This summary is an amalgam of virtually every article written by the US government in regards to Iran over the last couple of years, this information has now become “common knowledge” for most familiar with world current events.
Notes


21 Mark Heinrich, “Iran Vows to Pursue Atomic Project Despite Deadline,” Reuters, 21 February 2007, http://today.reuters.com/news/article.aspx?type=topNews&storyID=2007-02-21T180020Z_01_HAF126411_RTRUKOC_0_US-IRAN-NUCLEAR1.xml. This study in later chapters demonstrates that these recent sanctions are directed at precisely the right targets, or centers of gravity, within Iran.
Chapter 5

Review of Recent US Policy

*Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including its efforts to obtain weapons of mass destruction and long-range missiles, its support for terrorism and groups that violently oppose the peace process, its attempts to undermine friendly governments in the region, and its development of offensive military capabilities that threaten our GCC partners and the flow of oil....*

- 1998 National Security Strategy

Recent US policies toward Iran have been mixed. In a relatively short time, policy approaches included a hands-off attempt at containment, direct dialog with Iran immediately following 9-11, and now an increasingly aggressive mixture of public diplomacy with punitive sanctions. Once again, this is an overview of US policies focusing on trends to be used in the subsequent strategy proposal.

**Dual Containment**

Why begin with Dual Containment Policy (DCP) rather than the Reagan administration or Carter administration? Since 1979, most US policies were slightly different versions of a similar theme. These themes are to keep oil flowing, maintain a strategic political balance, and try to modify the behavior of the Iranians through incentives or disincentives.

When President Clinton took over in 1993, Iran had not only rebuked US attempts to reach out to it, but “had stepped up its animosity toward the United States.” While DCP has at its beginning the word “dual,” meaning both Iraq and Iran, in reality the US was really only bottling
up Iraq militarily and squeezing them economically. The real purpose then of DCP was containing Iran. It was clearly the stronger country and capable of doing US vital interests more damage in the long term:

The DCP, more accurately described as the Iran Containment Policy, calls for collective economic action against the Islamic Republic of Iran. It represents a determined effort to embargo Iran into ever-worsening poverty unless it alters its destabilizing, often terrorist, foreign policies.

DCP, most experts on Iran policy would agree today, represented the “most coherent attempt to establish a blueprint at that time for coping with Iranian Islamic militancy.”

This policy took many forms, but two of the three most tangible ones are President Clinton’s Executive Order 12957 (March 15, 1995), banning US investment in Iran’s energy sector, and Executive Order 12959 (May 6, 1995), which banned US trade with and investment in Iran. The last of the three tangible efforts was the Iranian-Libya Sanctions Act (ILSA), which Congress passed and President Clinton signed in 1996. ILSA aimed to cutoff financial loans and credit for Iran and to stop their export of military technology. The “teeth” of ILSA was its ability to financially cut-off any firm found violating these sanctions from US government procurement. It also restricted imports to the US by foreign companies dealing with Iran. However, a waiver provision in ILSA was used immediately after the Act was passed to avoid a crisis with Europe. This provision has since been used to avoid economic crises with the EU and Russia. In summary, despite the original design of ILSA, by 1998 it had ceased to have any real effect on Iran.

Iran’s role in the bombing of Khobar Towers further demonstrated the failure of DCP. On 25 June 1996, “acting under direct orders from senior Iranian government leaders, the Saudi Hizballah detonated a 25,000-pound TNT bomb that killed 19 US airmen in their dormitory at Khobar Towers in Dhahran, Saudi Arabia.” A June 2001 investigation into this bombing
produced astounding proof netting 14 indictments by the US District Court in Virginia. This indictment stated that, among other things, “(Saudi Arabian) Hizballah organizations were inspired, supported, and directed by elements of the Iranian government.”

Another important event for US-Iranian relations occurred during the 1990s when the Clinton administration attempted to change the nature of the relationship. Many US experts on Iran, since the 1979 revolution, had advocated establishing a dialog with Tehran. One of the first components of such a dialogue would be admitting US complicity in the 1953 coup. US advocates argued that this would clear the air in the relationship, and be a first step in US and Iranian rapprochement. In March 2000, Secretary of State Madeleine Albright delivered a speech in which she admitted that the US orchestrated the overthrow of then Iranian Prime Minister Mossadeq. Tehran responded with a resounding “we told you so” for the now “admitted” action, and went further in blaming the US in the Iran-Iraq war. This effort marked “the end of the Clinton administration’s bid for reconciliation with Iran.”

By 2001 when President George W. Bush took office, the only country really being effectively contained by the US was Iraq. Iran was largely unabashedly pursuing nuclear weapons, exporting terror and disrupting the region. The US strategic security assumptions were about to change dramatically.

**Post 9-11 Openings**

It is almost cliché, but everything changed after the terrorist attacks in New York, Washington and in the skies over Pennsylvania on 9-11. US policy toward Iran, if only for a short time, also changed.

There were conflicting messages from Iran after 9-11, most notably for the purposes of this study, Iran’s people and some of their leaders showed unprecedented support for America.
After 9-11, the US focused on the Taliban and Al Qaeda. Iran gladly helped in this effort because both of these organizations were their enemies as well. This created an opening for discussions and diplomacy between the US and Iran. The “six-plus-two” talks and later the “Geneva Contact Group” regarding Afghanistan represented the US and Iran’s highest level of diplomacy since the 1979 revolution. Discussions encompassed a variety of issues expanding from the basic theme of an Afghanistan free of Al Qaeda and the Taliban. US policy in regard to Iran had shifted, if ever so slightly, and then came the Karine A.

On 3 January 2003, Israel intercepted the ship Karine A, a freighter destined for the Palestinians with 50 tons of weapons cargo directly from Iran. Whether the shipment was part of a long-lasting relationship, a one-time shipment, or an act directed solely by Iranian intelligence or the Revolutionary Guard Corps is unknown. Nonetheless, this event had drastic strategic effects that closed the door to US and Iranian diplomacy. “Revelations of Iranian-Palestinian collusion to smuggle fifty tons of weapons into the hands of Yasir Arafat’s Palestinian Authority (PA) through the offices of Hizballah had profound strategic implications for the Middle East.”

This event meant one thing to the National Security Council and the speech writers working on the Bush administration’s State of the Union address in January of 2002. They added Iran as one of the countries in an “axis of evil” threatening “the United States and free peoples everywhere.” To say that the President’s characterization disappointed the Iranian leadership would be a gross understatement. The response was immediate as the Iranians ceased attending the Geneva Contact Group, thereby ending negotiations at this level and closing many of the diplomatic doors which had opened. The only contact between the US and Iran after this point was through informal means or third parties; the diplomatic opening which was created by 9-11
was closed. This “refrigeration” of diplomacy between the US and Iran would grow colder as the decade progressed.

Public Diplomacy and Sanctions

US policy since 2002 focused on addressing three major issues and one minor one. The major issues have been the growing threat from Iran’s nuclear ambitions and lack of compliance with NPT protocols, exporting terror, and destabilizing the Middle East. The minor issue, which has remained a component of US policy for Iran, is a concern over the lack of “true democracy” and infringement of human rights. By 2007 two more issues had developed to further sour US-Iranian relations. These issues were the specter of overt Iranian military posturing in and near the Persian Gulf, and US policy as it officially and unofficially relates to the inflammatory rhetoric between Iran and Israel.

US policy since 2002 has relied on a “variety of tools, including sanctions, interdiction, law enforcement, diplomacy, and international public opinion.” In essence, US policy toward Iran over the last several years has shifted focus based upon US perceptions of the Iranian domestic situation, regional developments and the international diplomatic and economic environment. A recent example of this shift can be found in the President’s reaction to the passing of the “Iran Freedom Support Act” in September 2006:

My Administration is working on many fronts to address the challenges posed by the Iranian regime’s pursuit of weapons of mass destruction, support for terrorism, efforts to destabilize the Middle East, and repression of the fundamental human rights of the citizens of Iran.

I applaud Congress for...passing the Iran Freedom Support Act. This legislation will codify US sanctions on Iran while providing my Administration with flexibility to tailor those sanctions in appropriate circumstances and impose sanctions upon entities that aid the Iranian regime’s development of nuclear weapons.
The President’s statement above highlights the issues and the policy for dealing with them. The Iran Freedom Support Act (IFSA), signed into law on 30 September 2006, seeks to strengthen the sanctions regime. IFSA revises the terminology of ILSA by removing Libya, because of its positive renunciation of weapons of mass destruction. IFSA also has new provisions for action by the US against companies supporting Iran’s weapons of mass destruction program, and also for companies that help Iran obtain “destabilizing” amounts of conventional weapons.20

Public diplomacy and sanctions have become areas of particular emphasis in the last few years as Iran has accelerated its nuclear program. The most recent sanctions have had some success at exerting pressure on Iranian leadership.

UNSCR 1737 and 1747 reflect many components of US policy. The US has also worked diligently outside of the UN structure to build economic, diplomatic and even military coalitions which could counter Iran through pressure. Examples can be seen both in and outside the region.

Within the region the US is working aggressively to build coalitions to counter Iran’s growing power. Diplomatically, the US is working to stabilize Iraq, which is critical. Iran is making the most of the ongoing turmoil created by US setbacks in Iraq.21 Further, the US and several Persian Gulf States are working collectively to counter the growing specter of Iranian nuclear ambitions and shi’a influence in their countries. The US is doing this multilaterally with the Gulf Cooperation Council (GCC) and bilaterally with a number of countries in the Gulf.22 The GCC sees Iran’s nuclear activity as a threat to the security of both the Persian Gulf region and the entire Middle East. The GCC is willing to work diplomatically, economically and to prepare militarily to counter this threat.23

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Economically, the easiest way to affect Iran is through the oil barrel. It is here that the US and its allies in the Persian Gulf are working to depress the price of oil. As seen in chapter 3, the Iranian economy desperately needs reforms. Beset by rampant corruption, the regime’s economic policies have “reduced liquidity, frightened off investment, boosted inflation, spurred widespread unemployment, diminished non-oil exports, impoverished the middle class, and created a very serious gap between rich and poor.”

Many regional governments are preparing militarily as demonstrated by their military procurements and exercises with each other and the US. This is not new for the GCC, whose stated purpose at its founding was a unified response to the Iranian revolution of 1979.

Part of the American regional strategy to deal with Iran should include the former Soviet southern tier countries. Good US relations with these countries was a byproduct of the US war in Afghanistan, and can be used by the US as the threat from Iran grows. In a recent book by Ilan Berman entitled Tehran Rising, he devotes an entire chapter to “The Northern Front” as he
describes it. The US must use caution in this geographic area. If not handled deftly, a false step could create collateral political damage in two particularly sensitive areas. The US must be careful because it is dealing with Russia’s former components, and Russia has an interest in maintaining a safety sphere on its southern tier against Muslim extremism.

![Map of Central Asia and South Caucasus](image)

**Figure 4 (Southern tier of former Soviet Republics)**

The US must also be careful not to re-stoke fears within Iran of the historical threat on their northern border previously supplied by the Mongols, Russians and Soviet Union. Despite the risks, the US must include the former Soviet Union’s southern tier countries into any strategy.

Beyond the regional policy, the US is consistent internationally with regard to Iran. It continues to mount international pressure on Iran through multilateral means and bilaterally with discussions ongoing in multiple venues. At least for the time being, it is important to note that
the US policy beyond the region focuses almost completely on diplomacy and economic instruments of national power. The US uses several multilateral vehicles to apply pressure on Iran outside of the region.

1. The United Nations
2. The European Union
3. The World Trade Organization
4. The World Bank and International Monetary Fund

The US also uses key bi-lateral relations to apply pressure on Iran outside of the region.

1. Russia
2. China
3. France
4. Germany
5. U.K.
6. India

These are not comprehensive lists, but are useful in analyzing current US thinking in its policies and how they are being applied.

The US has thus far failed to bring Iran’s nuclear program into NPT compliance, stop Iran’s export of terrorism or its destabilization of the Middle East. There have been some encouraging developments as different variables have come together with US policies since the 1979 revolution, but they could at best be described as sporadic. The few modest successes, such as the post 9-11 diplomacy and Iranian reaction to UNSCR 1737 and 1747, may foreshadow a novel strategy combining diplomacy and pressure.

Notes
4 Ibid.
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6 Ibid.

7 The two best summary documents of the ILSA chronology and its effects are Kenneth Katzman’s “The Iran-Libya Sanctions Act (ILSA)” in its entirety, and Kenneth Pollack’s The Persian Puzzle, pp. 286-289. The later work draws on multiple sources but is good to read as a single source. The author’s interview with Kenneth Pollack on 16 November 2006 reinforced this point.


9 United States of America v. Ahmed al-Mughassil, Abdel Karim Al-Nasser, et. al. in findlaw.com, http://fl1.findlaw.com/news.findlaw.com/cnn/docs/kobar/kobarindict61901.pdf. The authors have only included the names of the key leaders of the bombing according to the indictment, however all names can be accessed at the website link noted.

10 Pollack, Persian Puzzle, pp. xxv and xxvi.

11 There are conflicting reports on the exact quotations and reactions of both the people and the leadership in Iran after 9-11, although the consensus is the Iranian’s generally sympathized with the US’ plight. Kenneth Pollack’s Persian Puzzle, pp. 346 and Ali Ansari’s Confronting Iran, pp. 181 are examples of positive response such as the “spontaneous candlelight vigil” in Tehran. The leadership’s of Iran’s response was definitely a positive contrast to Iraq’s Sadaam Hussein who openly welcomed the attacks, but were still many in the leadership of Iran at the time who could not bring themselves to condemn the attacks including the Supreme Leader Ali Khamenei which can be seen in several articles the authors found at the Middle East Media Research Institute’s (MEMRI) website which reported extensively on post 9-11 Muslim response as can be seen in this link below. It must also be noted the authors during research found there are questions about MEMRI’s accuracy in reporting and allegations of bias toward Israel; http://memri.org/bin/articles.cgi?Page=countries&Area=iran&ID=SP28601.


15 Pollack, Persian Puzzle, pp. 352.

16 Ibid, pp. 352-354. Kenneth Pollack’s viewpoint was clarified in the authors’ interview on 16 November 2006. The impact on US and Iranian relations by the State of the Union Speech in 2002 cannot be overstated. This was reinforced by several discussions the author (Lt Col Douglass) had with two Iranian students at the University of Pittsburgh on diverse occasions.

17 This is a summary or amalgam based on a review by the authors of press briefings, statements and speeches by White House and the State Department. Two of the clearest vestiges of this policy “era” are a testimony delivered before the Senate Foreign Relations Committee by Deputy Secretary of State Richard L. Armitage on 28 December 2003 and Under Secretary of
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State R. Nicholas Burns’ comments at the Michael Stein address on US Middle East Policy at the Washington Institute’s Soref Symposium in Washington D.C. on 11 May 2006. The author’s accessed all of these releases on Iran through the National Defense University’s Military Education Research Library Network (MERLN), http://merln.ndu.edu/index.cfm?secID=143&pageID=3&type=section.


26 Pollack, “Three Alternative Futures.”


28 Berman, Tehran Rising, pp. 81-99. In the author’s opinion this chapter is a superb overview of the complexity of Iran-US-Former Soviet Republic dynamics.

29 Map from the public domain provided “Courtesy of the University of Texas Libraries, The University of Texas at Austin,” 2003, http://www.lib.utexas.edu/maps/commonwealth/caucasus_cntrl_asia_pol_2003.jpg accessed on 27 March 2007. The terminology provided above is as requested by the University of Texas.

30 The Organization of the Petroleum Exporting Countries (OPEC) is not included because most of their members are regional.

31 Pakistan is not listed because it is regional.
Chapter 6

Strategy Groundwork

“What do you want to achieve or avoid? The answers to this question are objectives. How will you go about achieving your desired results? The answer to this you can call ‘strategy’.”

- William E. Rothschild

There are volumes of material on the mechanics of strategy formulation. US strategy groundwork for Iran needs to consist of assumptions, re-evaluated US goals for Iran, centers of gravity, and some basic planning mechanics.

**Key assumptions**

Assumptions are important to any type of short or long-term planning and allow one to move forward with a “most logical” course of events. The following assumptions will be very strategic in nature. *Joint Pub 1* defines assumptions as “intrinsically important factors on which the conduct of the contemplated action is based.”

The assumptions for this study will be the most logical scenarios for some overarching questions based on trends from past chapters. Assumptions are required for a study of this length. Without them, there are numerous courses of action impacted by variables which make any strategy proposal too vague. This study will present a strategy overview. Further development and a more in-depth analysis of the assumptions presented here will be required to create a policy and to implement it. An example
of the process that might be used to analyze and further develop our key assumptions could be RAND Corporation’s “Assumption-Based Planning” tool which was reviewed for this work.²

Applicable assumptions³ are as follows:

1. Iran and the US act in a pragmatic manner in relations.
2. Neither Iran nor the US desire a military engagement with each other.
3. Iran has a unique, multi-polar political structure.
4. Iran’s economy is failing.⁴
5. Iraq and Afghanistan can be stabilized.⁵
6. Iran’s populace is educated and desires good relations with the international community, including the US.
7. Iran has a goal of producing a nuclear weapon, but will not produce one for at least 5 years.⁶
8. Israel and/or the US will not conduct a pre-emptive military strike on Iran’s nuclear program within the near term (3 years).
9. The international community does not want Iran to have a nuclear weapon.
10. The US can produce a cogent short (1 – 3 year), and long (beyond 3 year) strategy for Iran that can be effective.

In light of these assumptions, are US goals in relation to Iran reasonable?

**US Goal Assessment**

The US is working to have Iran bring its nuclear program into NPT compliance, and stop Iran’s export of terrorism and destabilization of the Middle East. US goals are reasonable for strategy development.

The US is presently not close to reaching its goals. Some qualification of the goals will be needed, because intransient interpretation of the goals has been a barrier to moving forward in the relationship. For instance, the US goal to stop Iran from exporting terror is likely too broad. If the US interprets this as meaning *any* terrorist attacks that can be remotely linked to Iran, then this may prove unachievable. Strict interpretation is equally difficult for the goal of halting Iran’s destabilization of the Middle East. There is less interpretation needed for the nuclear goal, but there may well be difficulty in determining when the US has achieved this goal. In other words, does this goal mean no nuclear reactors or enrichment, or does it mean that as long as Iran
has a verifiably transparent program subject to IAEA and NPT protocols then the goal is met? How these goals are interpreted through a strategy into policy is very important and relies on targeting the effort.

**Centers of gravity overview**

Targets, or centers of gravity, need to be identified clearly for strategy formulation. Centers of gravity are those strategic instruments of power both in and outside Iran which can and should be the target of a US strategy to achieve the goals stated previously. This must not be confused with a military target, because this is not the intent. “Target” and “center of gravity” in this study are strategic terms. A center of gravity could be “the people of Iran,” and would not mean a military attack on them, but rather the strategic goal of affecting the people to achieve a positive outcome. To target the center of gravity of the populace of Iran, the US could use information, public diplomacy, or economic efforts. What are the centers of gravity for a US strategy for Iran?

Centers of gravity in Iran are the leadership, the political structure itself, the people (including culture), and the Iranian economy. Another center of gravity, more nebulous but equally important, would be the way the Iranian leadership and people view themselves. Yet another center of gravity for a successful strategy on Iran is the international community, including international organizations. A closer examination of a few of these centers contributes to further strategy formulation.

Iranian leadership refers to the supreme leader, the president, the Parliament, the council of guardians, the assembly of experts, the expediency council, the leaders of the judiciary, leaders of the regular army, leaders of the IRGC, leaders of the *Basij*, and the leaders of the *Bonyads*. Iranian political structure refers to the nature of the political system itself, and specifically its
multi-polar nature. For use as a center of gravity, the political structure more strictly defined is any part of the governing structure that can be pressured (or enticed) to achieve a positive result in regard to achieving US goals. This last point is important because many in the larger US policy community overlook the importance of this vulnerability. For instance, if Supreme Leader Khamenei feels too much pressure from the international community and the people of Iran, he may take action against President Ahmadinejad.

**Planning Mechanics**

The US historically has done a poor job of planning security strategies. While it would be logical to think that since the US system places the National Security Council in charge of this process, and the heads of the US security policy apparatus at the same table with the President, this would lend itself to successful completion of this important task. Results do not bear this out. “There is still no systematic effort at strategic planning for national security that is inclusive, deliberative, and integrative.” The history of US strategy and the policies that have come out of it in regard to Iran further prove this point. As demonstrated in previous chapters, there has been no long-term, consistent policy on Iran. In broader terms, some critics argue that the US multi-polar political system of checks and balances prevents consistent strategy formulation. As a minimum, having strategy formulation powers in multiple branches (at least the executive and legislative) of government coupled with the large, often stove-piped bureaucracies within the executive branch inhibits coherent and consistent strategic security decision making.

Interestingly, despite the shortcomings of our system and the lack of strategic level planning, the policies it has produced have remained relatively close in scope due to the commonality of US perceptions in all branches of government in relation to Iran since the 1979 revolution.
Further testament to this point is that both political parties have been in the White House and controlling Congress at different times during this period. Based on this commonality of broad goals, it is logical that strategists and policy makers of different political persuasions can come to a common agreement for a US strategy. This study will not go into any further depth on the US political system because that is not the purpose. It is sufficient to state that with a common set of goals, a short and long-term strategy for Iran is achievable if the right apparatus is in place to facilitate development.

A successful short and long-term strategy for Iran requires a novel approach, and should be a component of a larger strategic US security process. The term “a new Goldwater Nichols Act” is bandied about often in senior military and policy circles, and a sustainable security strategy planning process may well require this type of a grandiose effort, but in regard to Iran there is not time for this.

The US should immediately form an Iran Policy Planning Committee (IPPC). This Committee should use the concepts broadly outlined in this and the next chapter as a basis for more detailed future planning. This body would exist no lower than the Deputy Committee level and would have representation from all Executive departments and agencies. Further, the IPPC should be “interbranch” and include selected senior level staff from the House and Senate. To add greater expertise, the IPPC should have an outreach capability to a pool of functional experts. This pool should represent backgrounds in multiple executive departments and agencies along with legislative and academic backgrounds. The IPPC could be a valuable test case for other interagency reform proposals for the broader national security planning apparatus. The IPPC, using reasonable assumptions and focusing on the correct centers of gravity can produce a successful short and long-term strategy for Iran.
Notes


3 The assumptions made by the authors are general amalgams based on nearly 6 months of research on these topics. If there is a particularly poignant source for the assumption made, then it will be annotated as such.

4 Kenneth Pollack, “Three Alternative Futures.” This is a simplistic assumption and there are clearly many other stresses that contribute to Iran’s economy failing such as rampant corruption, poor infrastructure, lack of investment or re-investment, rapidly expanding unemployment, etc....

5 This assumption is addressed in the next chapter in enough depth to underscoring its importance. This study is not a thorough plan on how to solve the incredibly difficult problems in Iraq and Afghanistan. The importance of this assumption was confirmed at the very outset of the authors’ study at the 60th Annual Middle East Institute’s Conference in Washington on 13 and 14 November 2006, and again in interviews with Kenneth Pollack and Judith Yaphe.

6 This is an estimate based on numerous articles and there are very conflicting reports in this area that are often driven by politics. Some articles indicate Iran could have a nuclear weapon in less than a year and some estimated more than fifteen years. Two of the most salient articles are listed as sources here. Rowan Scarborough, “US Military Sees Iran’s Nuke Bomb 5 Years Away,” *The Washington Times*, 31 August 2006; Sharon Squassoni, “Iran’s Nuclear Program: Recent Developments,” *Congressional Research Service Report for Congress*, 22 February 2007, [http://fpc.state.gov/documents/organization/81349.pdf](http://fpc.state.gov/documents/organization/81349.pdf).


8 Ibid: 80-86. There are numerous articles and studies on this subject. The article noted in *Joint Forces Quarterly* is of particular note in the authors’ opinion because of the recommendation for sweeping changes tying threat assessment to a strategic level security planning review and planning process.
Chapter 7

The Right US Strategy for Iran

*A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.*

- Winston Churchill

Iran is at the very least a “difficulty” for the US. As the great crisis leader Winston Churchill eloquently points out, there is an “opportunity” here. The current nuclear crisis with Iran seems to be deteriorating rapidly. As it does so, pressure is building on the US, Iran and even the international community to “do something.” There is an opportunity, because even though it seems there is a momentum that cannot be stopped, the pressure generated will create the environment needed for a successful strategy. The US should seize this opportunity to develop and implement a successful strategy that will achieve the goals of bringing Iran’s nuclear program into NPT requirements, stopping Iran’s export of terrorism and its destabilizing effect in the Middle East.

This study’s proposed strategy for Iran should be implemented through parallel policy initiatives across the entire range of US national instruments of power. This proposal is a broad overview and is the starting point for further and urgent development by the IPPC.

First, there is a centrally unifying theme. Namely, implementing an aggressive strategic communications, or public diplomacy effort to demonstrate to the world that the US wants to peacefully resolve its differences with Iran, and that the leadership of Iran is the party resisting
peaceful progress. Underlying America’s strategy should be a sincere message that it wants to recognize Iran as the great country it is, and embrace it as a friend and ally.

This approach has a number of subtle advantages over previous US policies for Iran. The differences are four-fold. First, all components found in this strategy must be seamlessly woven together in both the short and long-term. This is not to say there is no coordination between the current elements of policy now, but, as seen in the last chapter, the US can improve in this regard. Second, some of the proposed elements differ significantly from current policies. Third, many parts of this strategy are on a concertedly larger scale than current initiatives. Lastly, the US, by implementing the proposals of this study, must utilize flexibility in dealing with Iran. As an example, there will be efforts by the US that could be harshly rebuked by Iran as with Secretary Albright’s 2000 reconciliation speech. The US should be prepared for this, and not allow such a setback to completely derail the strategy.

The US has made progress in the arena of public opinion in recent months by working closely with the United Nations on resolutions and meeting with Iraq’s neighbors (including Iran), to resolve the violence in Iraq. The Iranian leadership has further hurt their international standing through Holocaust denials, nuclear saber rattling, the unlawful incarceration of British sailors, and near-overt intervention in Iraq. The US can build upon these recent public opinion “victories.”

**Short-Term**

The US short-term strategy for Iran consists of the following parts, in order of their importance: 1) coercive economic and political policies targeting the Iranian economy; 2) coercive graduated\(^1\) sanctions; 3) strategy enabling through the stabilization of Iraq and
Afghanistan; 4) bilateral and multilateral diplomacy with Iran; 5) cultural engagement with the Iranian people; and 6) coercive military pressure.

A short-term strategy (3 years) should begin as soon as possible and, ideally, not later than the 2007-2008 timeframe. This 3-year window allows enough time for positive changes in the relationship, but remains well within the 5-year assumption for Iranian nuclear weapons completion. This window also provides sufficient time to create a changed environment for the long-term strategy. Further, to be successful, a short-term strategy must focus beyond Iran. The center of gravity discussion earlier made the case for the international community as an important target.

As a preamble note it is important to address one issue; regime change. This strategy does not have as one of its goals regime change within Iran. This strategy proposal seeks a behavior change by the Iranian leadership. The pressures placed on Iran in this strategy may in fact create regime change, but that is not the specific intent. It would be up to the Iranian people to make the determination if a change of leadership is needed. As we have seen in the history of US-Iranian relations, it is very important that this be an Iranian decision.

One other note for the short-term strategy involves incentives planning. While implementing the short-term strategy, the IPPC should be preparing, in parallel with the steps below, contingency branches for success. The short-term strategy will not cover these in-depth, because in the short-term the prospects are low for significant headway. The long-term strategy assumes some positive changes in behavior, and therefore covers some incentives that could be used for Iran, many of which are intuitive after reading the short-term elements. Should significant progress be made in the short-term, incentive contingencies should be ready for implementation.
Economic and political coercion

Proposal: The US should accelerate current efforts to weaken the Iranian economy, thereby placing pressure on both the people of Iran and the leadership in order to stimulate the reform movement. Purposes: To further drive a wedge between the people of Iran and the leadership, and to force a change in behavior. This pressure on different poles of the multi-polar Iranian government will create fractures within the system. Methods: Increase pressure on corporations and countries doing business with Iran in order to stifle foreign investment. Work to increase global oil supplies, driving down world oil prices through international negotiation. Increase US domestic oil production and aggressively work to curtail US domestic oil consumption. Caution: This component of the strategy must be executed carefully and in close coordination with the other elements. Implementation must avoid having the Iranian people focus on the US as the source of their economic woes, rather than the Iranian leadership’s unwillingness to purge the corrupt system in favor of Iran’s best interests. Experts on Iran see a great deal of value in this: “tightening the economic noose around Tehran is one of the best policy options.”

The people of Iran feel the pain of a broken economy every day and have voted in a manner to elect officials who pledge to fix the problem, such as President Ahmadinejad. “What is the center of gravity for Iran which we must hope to affect in order to change Iran’s behavior? Oil.” The Iranian economy is broken, and the only thing keeping it afloat is oil revenue. Even record-high oil prices have not changed the economic dynamic significantly in Iran, and the economy continues to deteriorate. This presents an opportunity for the US. If the relationship with Iran changes in the short-term, then the US, with its technological capacity to quickly fix Iran’s oil infrastructure, can be seen as an ally of Iran. This coercive approach is directed at several centers of gravity. For example, if Supreme Leader Khamenei and the legislature see the economy continuing its downward spiral, and are under significant pressure from the people,
then he may change behavior regardless of the IRGC, or President Ahmadinejad’s objections. Iranian pragmatism will win out over rhetoric in the end.

Since the short-term strategy relies heavily on oil and economic coercion, implementation will require aggressive diplomacy and leveraging of the Arab Gulf States’ fear of Iran in order to rapidly increase world oil supply and lower global prices.

**Figure 5 (World Oil Reserves, as of 2004)**

This short-term strategy would focus on the countries with the immediate capacity and motivation to increase production. Saudi Arabia, Kuwait, the United Arab Emirates and Qatar are four GCC members with proven oil reserves of a combined 478.8 billion barrels. These countries fear shi’a uprisings and growing Iranian power. If the defense expenditures mentioned
earlier are any indication, then increasing oil production could be much more profitable in both the short and long-run than posturing for military containment of Iran.

Other countries with a little less motivation to contribute in this effort, but who could possibly be counted on (with total oil reserves of 435.29 billion barrels) are Canada, Iraq, Russia, Libya, Mexico and Kazakhstan. Diplomatic motivation would vary from country to country but could be tailored for the need. Libya could be motivated because of newly found diplomatic and economic progress established after it renounced weapons of mass destruction and was subsequently removed from ILSA. Kazakhstan could be pressured into reducing or ceasing business with the “outcast” Iranian regime. Kazakhstan can continue their aggressive oil production goals by trading with other countries such as China or India. These are just two examples and the IPPC would need to develop these concepts further. Representatives of the Departments of State, Energy and Commerce likely would take the lead role for this economic and diplomatic effort in the IPPC. Increasing US production and beginning to reduce US consumption would also help in this effort.

In the short-term strategy, increasing US production and reducing US consumption can only be started and will not mature until a longer-term timeframe. However minor the near-term gains in this area, immediate efforts will set the stage for the long-term strategy. With its oil drilling technology, the US could, even in just 3 years, generate a significant production increase. The US currently produces more oil than Iran, despite the much smaller reserves of the US. This ability is due to US technology in oil recovery and production. Despite this, only half of US proven recoverable oil reserves are open to drilling. 10.4 billion barrels are onshore beneath the Alaskan National Wildlife Refuge (ANWR) 1002 area, which is within miles of Prudhoe Bay (major oil transshipment point) but remains off-limits to drilling. This oil could be exploited,
but is not the only option available for near-term US production. Chevron Corporation recently made a huge find in the deep Gulf of Mexico called the “Jack No. 2 well.” This find could, on the upper end of estimates, equal the amount of oil in ANWR. This well in the Gulf of Mexico can and should be immediately developed.9

The US should also immediately reduce domestic consumption of oil to affect international opinion and set the stage for a change in the long-term equation. The US has the largest Gross Domestic Product in the world, but consumes by far the largest amount of oil at 20.7 million barrels a day. The nearest “competitor,” China, consumed 6.9 million barrels a day in 2005.10 By addressing its domestic oil consumption, the US would also help with other strategic security issues that might arise from instability in the Middle East. The US should address its consumption through a combination of methods; including new technology, cost savings to existing technologies, and incentives to develop oil-saving strategies.11

The objective is to coerce the leadership and the people of Iran by further exacerbating the poor economic conditions there. Iranian systemic economic corruption will likely prevent the current regime from countering this strategic move by the US and world markets. “Already there are signs of domestic discontent within Iran, and targeted financial measures can produce further political pressure (on) Iran.”12 This element will undoubtedly garner some criticism. One could be that there are no reformers in power who can benefit from this strategy and therefore they cannot exert enough influence to change Iran’s political equation. Although the “reformers are in decline, reform in the larger society is alive and well.”13 The people still desire change, whether or not reformers are in power. In interviews, the people of Iran desperately seek reform. This sentiment is picking up steam as the current dynamic of a failing economy and the nuclear standoff continue.14 The mounting criticism of the current leadership goes so far that some see
President Ahmadinejad as a virtual lame duck.\textsuperscript{15} Keeping in mind that the people are a key center of gravity is important for economic coercion to succeed.

\textbf{Coercive targeted and graduated sanctions}

\textbf{Proposal:} The US and the West should continue coercive pressure on Iran’s leadership through gradually stronger sanctions focused on economics, the Iranian nuclear program, Iranian leadership, and weapons proliferation. \textbf{Purpose:} When used in concert with the other components of the short-term strategy, this will exert pressure on multiple poles of Iran’s leadership. By using sanctions, the US demonstrates to the world community its sincerity in solving the Iranian problem through diplomatic means. This also shows the people of Iran that the world is united against the policies of their leadership. \textbf{Method:} The authors envision little change to the current method being employed by the US and international community. \textbf{Caution:} Due to the urgency of the situation, sanctions on Iran should continue to be gradually strengthened. The current 60 day suspense window created by UNSCR 1737 and 1747 will have the desired effect, and will not be perceived as overly aggressive by the people of Iran or the international community.

Sanctions are essential, but must be used in unison with other components of the strategy and be sustainable over the long-term.\textsuperscript{16} As noted expert Dr. Mathew Levitt stated recently: “Graduated sanctions, including multilateral UN sanctions and unilateral measures to protect the US financial system are critical and effective tools. Employing these in a graduated manner demonstrates that the purpose of such measures is not simply to punish Iran but to encourage a change in the regime’s behavior.”\textsuperscript{17}

When developing sanction specifics, the centers of gravity must be targeted to achieve the desired effect. “To be sure, the IRGC is precisely the element within Iran that should be
targeted....applying targeted measures against the IRGC represents the kind of regime-hostile, people-friendly sanctions that punishes those engaged in offensive behavior without harming the average Iranian citizen.”18 The people of Iran are educated and in touch with world events through the internet. This connectivity allows them to make the distinction between sanctions directed at the leadership of Iran or its nuclear program, rather than them. This type of strategy would not be as effective against North Korea for example, where the people are less educated and far more isolated.

This strategy is feared by many Iranian leaders and therefore can be effective. “Top leaders of the Islamic Republic, from Ayatollah Khamenei to Mr. Rafsanjani, have made it clear that they consider sanctions a serious threat – more serious, according to Mr. Rafsanjani, than the possibility of invasion.”19

Sanctions are an offensive strategy, and with the Iranian leadership on the defensive economically and diplomatically, both at home and abroad, the effect could be pronounced. To be effective, the US needs to take other steps to curtail Iran’s growing regional power.

**Strategy enabling through stabilization of Iraq and Afghanistan**

**Proposal:** The US and allies must stabilize Iraq and Afghanistan. “Stabilization” being defined as reasonably peaceful, centrally controlled governments allied with the world’s free states.  

**Purpose:** To reduce Iranian ascendancy in the region and the perception by the international community (including Iran’s neighborhood) that Iran may well be the only country able to produce stability in the region, thereby creating a de facto regional hegemony.

Iraq and Afghanistan can and must be stabilized for an effective strategy dealing with Iran.20 The current and growing instability in these two countries nullifies American efforts in the region. There are multiple “nightmare scenarios” if either Iraq or Afghanistan become failed
states. Almost all such scenarios envision Iran as ascendant, thereby eroding the US ability to negotiate from a position of power or even relevance.\textsuperscript{21}

By creating stability in the two largest conflicts in the Middle East, world oil markets will likely stabilize, and oil prices will fall even more precipitously. This stability would facilitate US diplomatic efforts to further increase the production of oil around the world and have a greater effect on Iranian leadership. The US should also be prepared to negotiate with Iran on another issue involving Iraq. The \textit{Mujahideen e Khalq}, or MEK, is a terrorist group residing around the world, but mostly in Iraq. This is a bargaining chip the US could use to help Iran settle the problems in Iraq \textit{vis-à-vis} Iran.\textsuperscript{22}

Stabilizing Iraq and Afghanistan enables a successful strategy for Iran. A stabilized Iraq and Afghanistan will build diplomatic momentum. This momentum will allow the US to further exploit weaknesses in Iran.\textsuperscript{23}

**Bi-lateral and multi-lateral diplomatic negotiations**

**Proposal:** This is an incentive-based enabling component of the strategy. The US should immediately establish bi-lateral and multi-lateral negotiations with Iran. **Purposes:** The two principal purposes are to build positive opinion of the US and to open formal lines of communication. **Method:** At key levels of the US government (except in the near-term at the head of state level), begin overt and well publicized efforts to establish diplomacy in both bi-lateral and multi-lateral formats.

This component of the strategy puts the US on the \textit{offensive} diplomatically. Currently, by not engaging Iran, the US remains on the diplomatic \textit{defensive} in the court of world opinion. The US negotiates with many countries on a containment and isolation strategy for Iran; however, this is defensive in nature. The targets of this change in US strategy are the
international community, the people of Iran, and the multi-polar leadership of Iran. The US must prove to all of these audiences that it is serious about achieving a negotiated settlement and not using force. Every contact should be advertised for effect.

There should be no illusions that this element will yield significant diplomatic fruits immediately, but the positive public appeal of the effort outweighs the dangers of offering a discourse. Daniel Byman of Brookings points out that “We can and should talk to Iran: we just should not expect talks alone to accomplish US objectives.” It is naïve to think that the US by simply talking to Iran will fix the years of bad relations. Without the pressure from other components of this strategy, there is simply no motivation for the leadership of Iran to change behavior.

This study does not propose immediate re-establishment of ambassadorial relations. A gradual approach will allow exploitation of any gains from the diplomacy itself, or from positive international reaction to US initiatives. Government officials and academicians agree conceptually. Bush administration policy has modified recently in this regard. New Secretary of Defense Robert Gates co-authored a Council on Foreign Relations study with Zbigniew Brzezinski entitled Iran: Time for a New Approach. This report realistically assessed US policy options in 2004. It recommends that a “political dialogue with Iran should not be deferred until such a time as the deep differences over Iranian nuclear ambitions and its invidious involvement with regional conflicts have been resolved.”

Realists also recognize that the situation has changed since 2004, as noted recently when Secretary of Defense Gates stated: “conditions regarding Iran have changed rather significantly since the report in 2004.” The primary change since 2004 is the increasing pressure existing today. Secretary Gates currently believes there is
still a need to have “higher-level (diplomatic) exchanges” with Iran. The US should have modest expectations for these exchanges, but they are needed for a number of reasons.27

By creating a diplomatic channel to the Iranians, the US will have greater flexibility to affect other components of the short-term strategy. There are indications that some leaders within Iran’s multi-polar government would welcome dialogue. “There are long-term reasons to seek talks as well. Much of the Iranian public, and even many senior leaders, seeks an improved relationship with the United States.”28 Also, if a crisis arises, diplomatic channels would provide a conduit for peaceful resolution.

Diplomatic relations with Iran would represent a significant shift in US policy. But, when combined with other parts of the short-term strategy, diplomatic efforts will maintain the pressure on the Iranian leadership. This pressure has the potential to further drive a wedge between the divergent poles of leadership in Iran, or between the leadership and the people.29 The world community and the people of Iran will see this as a positive effort by the US. Current Iranian leadership will be faced with two losing scenarios. If Iranian leadership puts aside its acerbic rhetoric and talks to the US, then the US is seen in a better light by building a bridge with Iran peacefully. If the Iranian leadership does not talk with the US, then the regime further isolates itself in world opinion and in the eyes of the Iranian public.

Cultural engagement with the Iranian people

Proposal: This is another incentive-based enabling component of the short-term strategy, by increasing cultural engagement with the Iranian people inside and outside of Iran. Purposes: To draw a significant contrast for Iranians between the US as portrayed by their leadership, and the US they encounter either physically or through public diplomacy. Methods: Significantly increase student and other visas for Iranians seeking to come to the US. Also, US public
diplomacy efforts should be doubled both in and outside Iran. Additionally, the tenor of US public diplomacy should change from one of soft intervention in Iran, to one of communicating US intentions to them. **Cautions:** There are two primary cautions on this point. First, cultural engagement, especially in the short-term must be managed closely so terrorists, or members of the Iranian intelligence apparatus are not given free access to US interests. Second, the public diplomacy effort must be benign to the international community and the people of Iran. The leadership will label any step in this regard as “further proof of US intervention in Iranian affairs” no matter how it is handled, but it is critical that the international community and the majority of Iranians either inside or outside Iran do not perceive it as such.\(^{30}\)

Regime change in Iran is not a goal of this strategy, and this needs to be re-emphasized. The reaction within Iran immediately following the US military attacks on Iraq and Afghanistan was one of fear that the US would try regime change in Iran next (as a nearby member of the so-called “axis of evil”). The US in this strategy must insure that the *people* of Iran do not believe this is the goal. The US should consider making very public statements to this effect, if openings or changes in the regime’s policies begin to appear. Daniel Byman stated recently that “the United States should be prepared to disavow regime change if it is clear that Iran would make significant concessions in exchange.” Making clear that concessions are an option is critical for “allaying the fears of US allies that Washington is only interested in confrontation.”\(^{31}\) Remaining flexible as openings occur as a result of this changed strategy could determine success or failure for the US.

Cultural engagement could take many forms, such as student visas, which focus on the large youth population. This is the exact group in Iran that has historically been at the core of all significant political change in Iran, including the revolution in 1979. Extra effort should be
made to include young females in all cultural exchanges. Unlike some Arab countries in the region where women are less educated and politically engaged, within Iran this could be a very positive audience for US efforts. As a matter of logistics, this component of the strategy would require some form of visa office in Tehran; a job usually performed by an embassy or consulate. This office should be small and manned by one or two US personnel to lessen the chance of a repeat of the 1979 hostage crisis. The bulk of the office staff could be Iranians who are locally hired after a background check. Also to avoid Iranian sensitivities on this issue the office should be located away from the former US embassy.

Other forms of cultural engagement could be exchanges of social, academic and professional groups. Athletic team visits should be worked out and encouraged. Frequent meetings in multiple forums should be conducted between US diplomats and policy makers with Iranians living abroad. Caution should be taken to be sure the US is not just meeting with dissidents living abroad, so that the US is not perceived as courting insurgents to be used in Iran.

Coercive military pressure

Proposal: Use military presence in the Persian Gulf to pressure Iranian leaders to modify their behavior. Purposes: More coercive pressure on the Iranian leadership center of gravity. By keeping a significant military presence in the Persian Gulf and in Afghanistan in the short term, the Iranian leadership knows the level of importance the US prescribes to relations (negative or positive) with Iran. This keeps the military instrument of power close by in case Iran crosses any red lines. Keeping US military forces near Iran creates another opportunity. The Iranians view the US military proximity as a threat, and it can be a bargaining chip to be “removed” for positive changes in Iranian behavior. Method: In the near term the US should keep approximately the same amount of force that is currently deployed to the Central Command
(CENTCOM) Area of Responsibility (AOR). However, the exact amount of US or coalition forces can be modified downward if Iraq stabilizes. The force construct should be at least three brigades of ground forces, two carrier groups, and a US Air Force expeditionary wing. **Caution:** The amount of military force should not increase above what is in the Persian Gulf region now because the Iranians would view this as prelude to attack. No matter how large or small the force, the current Iranian leadership will portray this presence as a prelude to attack for Iranian domestic consumption. The US should be very clear in statements to the people of Iran and the international community, that attack is not the intent.

The placement of the military instrument of US national power relatively low on the list of components of the short-term strategy is indicative of the overall tone of the strategy. A key short-term objective of this strategy is to present the US as the “good guys” and the current Iranian leadership as the “bad guys” in the court of public (Iranian, world and US) opinion. By placing smaller emphasis on large military presence in the CENTCOM region, and downplaying this presence, the US will be perceived as working peacefully to achieve its goals. By having a presence, pressure remains on the Iranian leadership. There are some cautions for this component of the strategy.

By having a significant military presence near Iran, there is a possibility that Iran may lash out militarily at US forces. If that attack is greeted by a US military response that is perceived by the Iranian people as US aggression, then Iranians will rally around whoever their leader is. In this case, many of the elements of this strategy proposal would be set back years or become impossible because the current regime would probably gain enough time to develop a nuclear weapon.
Recently, the IRGC captured British sailors in the historically contested Shatt-al-Arab delta of the Persian Gulf. Ironically, this is the same area where the Iran-Iraq war began. If Britain or the US had attacked Iran militarily because of this event, and it was seen by the Iranian people as “Western aggression,” then Britain and the US would have created a public relations coup for the Iranian leadership. The West “won” this crisis by resolving it peacefully. For the purposes of the strategy, the West had a “restrained and measured” response to the “criminal” behavior of Iran. The people of Iran understand what occurred in this crisis. They also understand that their leadership further isolated Iran from the international community. Other crises will undoubtedly occur as pressure mounts on the regime. The US and West must deftly manage and exploit future crises to support this strategy.

The short-term strategy uses economic and political coercion, sanctions, incentives, bilateral and multilateral diplomacy, cultural engagement, and coercive military pressure. Iraq and Afghanistan must be stabilized as a basis to reduce Iranian influence in the region. The US must weave the components of the short-term strategy together through public diplomacy. The purpose of this effort is to convince the Iranian people and the international community that the US seeks peaceful solutions and better relations with Iran. The goals are to bring the Iranian nuclear program into NPT compliance, stop Iran from exporting terrorism, and to halt Iranian destabilization of the region. Significant progress can be made by the 2010-11 timeframe. The short-term strategy enables and compliments the long-term strategy.

**Long-Term**

The long-term strategy consists of economic incentives, increasing diplomatic and cultural engagement, and a changed US military mission in the region.
The long-term strategy addresses all of the major strategic goals, and will also address the minor issue that has not previously been addressed. This minor issue concerns lack of “true democracy” in Iran, and infringements on human rights. The short-term strategy will create gains toward the goals, and as a byproduct, it will increase democracy and human rights in Iran. In the long-term, positive political changes in Iran can be institutionalized within the governmental apparatus to preserve positive momentum. As this occurs, the success could serve as a model for other countries in the region.

This long-term strategy, by its nature, is more amorphous than the short-term strategy because of the time frame involved. As a result, it will be presented in a broader construct than the short-term strategy. The short-term’s cross-cutting component of using positive public opinion will not only be used, but will gain momentum in the long-term. The long-term effort to strategically communicate the US message will be equally important. In the long-term strategy, this element will transition somewhat into one of “public opinion listening.” The US has historically done this very poorly, and correcting it is critical. Examples are plentiful. If the US had done a better job of this before 1979, the revolution might have been predicted and significant policy adjustments could have possibly prevented it.

The long-term will have a changed strategic environment. The short-term strategy will create modified Iranian behavior through pressure from Iranians and through pressure on internal mechanisms within the multi-polar government. The components of the government will ultimately act in a pragmatic manner, and change Iran’s behavior. Because of this, new long-term US goals for Iran are needed. These goals will be outlined in each component of the long-term strategy. The long-term strategy is also based on evolving assumptions. Over both the
short and long-term, the IPPC should anticipate a fluid environment and be prepared to quickly adjust goals.

**Economics**

The notional long-term goal with economics should be to integrate Iran economically into closer relations with the US as Iran modifies its behavior. As Iran does this, it would naturally be integrated into closer relations with the rest of the world, but because of the short-term strategy, the US would be uniquely positioned to benefit from Iranian changes.

As change occurs, the IPPC would need to have ready a list of economic incentives and rewards that could be implemented for each step forward by Iran. The first of these steps should address the multiple sanctions the US has in effect on Iran such as IFSA and any further unilateral US law or policies put into place in the short-term strategy to modify Iranian behavior. Other economic incentives would be multi-lateral, such as re-addressing UNSCR 1737 and 1747. Any other short-term coercive multi-lateral sanctions enacted by the world community should be incrementally re-addressed as well. Another economic incentive would be for the US to settle Iranian claims on the former Shah’s assets.34

The next part of the economic component should be direct US investment in Iran and creating the framework for rapidly expanding trade. Iran has the potential to be a regional and international economic power. Only the US has the ability to work rapidly with a stabilized Iran to rebuild its energy infrastructure, which would further cement close US-Iranian relations.

World economic markets would welcome stability in the region. The Middle East has been responsible for the greatest world economic fear since WWII as oil prices have vacillated based on each new crisis. A stabilized Iraq and Afghanistan would add to the region’s positive
economic momentum. The next logical step in the Middle East would be to use this momentum to solve the Israeli-Palestinian issue.\textsuperscript{35}

The US in the long-term would be reaping the benefits proposed in the short-term strategy related to reducing oil consumption. As an added strategic security measure, the US should create significant oil reserves to be ready for future emergencies. This reserve will result from the drilling in ANWR and further use of Gulf of Mexico oil fields. If the short-term economic coercion on Iran has not achieved the desired results, then US conservation efforts and the oil reserve would allow the US to exert even greater economic pressure beyond 2010.

Another economic incentive for the US to use would be to push for Iranian acceptance into the World Trade Organization (WTO). WTO membership has historically been a sticking point for Iranian relations with both the US and the Europeans. The US can also sponsor Iranian debt relief with the International Monetary Fund and World Bank.\textsuperscript{36} Each of these measures could be used independently or in unison should a rapid shift in Iranian behavior occur.

Another advantage of having a complimentary and deliberate short and long-term strategy would be to use economics for expanding fissures created in Iran. For instance, if a Khatami-like reformer did emerge, like in the 1990s, then economic policies could be structured to make sure he had relief from sanctions in the areas needed to aid in moving the country in the right direction and allowing the reforms to take root. The reform effort of the 1990s failed in large part due to the inability of the reformers to significantly change the economic equation of the country.

**Diplomacy**

The long-term goal is to normalize US diplomatic relations with Iran. This goal assumes positive movement in Iranian behavior.
Diplomacy, much like economics, should be a gradual process providing incentives for each measured improvement. Positive Iranian behavior metrics should be drawn-up in the short-term by the IPPC. Each metric should have an incentive package ready for rapid implementation. As an example, if regime change occurs, then the US should be prepared to offer rapid incentives. Repealing international resolutions and unilateral laws such as IFSA are further examples of incentives. Interestingly, IFSA, like ILSA before it, has a provision for “exigent circumstance” termination of the law. IFSA allows the President to cancel IFSA sanctions instantly and notify Congress within “3 business days.” This law anticipates the need to capitalize on rapid changes in diplomatic conditions.37

The US should be prepared to quickly normalize diplomatic relations. This would enable further components of the long-term strategy by opening channels in economic and cultural instruments of power. This could be done by expanding the visa office of the short-term strategy. It could also be done by restoring our embassy in Iran and vice-versa.

There is also flexibility in the implementation of diplomacy over the long-term. Using the example from economics, if a newly emboldened Khatami-like reformer emerged, then the US could move diplomatically to support him. Creating meaningful diplomacy in coordination with the other elements of national power could give this emergent leader the legitimacy needed to complete reforms in Iran.

Cultural

In the long-term, the US cultural goal is to dramatically draw the US and Iranian people together. When the short-term strategy for cultural engagement is successful, this goal will be well on its way. US policy should re-unite families, allow Iranians to see America, and to create an appreciation within the US for Persian culture.
Like economics and diplomacy this can be implemented gradually or rapidly. If the public diplomacy effort is working through television and not working through radio, then the effort can be shifted. If sports team exchanges are working, but not as well as student exchanges, then efforts should be shifted.

Iranians in the US before and even after 1979 have shown a real ability and desire to integrate into American society which means it will be much easier to accomplish this task than some of the others.

Military

The long-term US military goal is to reduce tension and to eventually become allies. Achieving this goal would yield benefits for the US in solving the Palestinian and Israeli conflict and other crises that may arise.

This is an almost unimaginable goal currently, but it is achievable if a vastly changed environment occurs. Achieving this goal would allow the US to significantly cut back its presence in the Middle East. This change would have long-term positive diplomatic and economic results well beyond this strategy for the larger “war on terror.”

Components of this new relationship could be Mil-to-Mil exchanges and joint exercises between the two countries, or in unison with other Middle Eastern countries. There will be an opportunity to create a new regional military cooperation organization to foster stability in the Middle East. Pundits of this strategy should remember that two of these components were present in the US-Iranian relationship before the 1979 revolution.

There is a cautionary note. Because of Iranian nationalistic pride, and a problem with the Status of Forces Agreement (SOFA) history, the US should not seek permanently stationed forces in Iran. A SOFA should be drafted and pre-negotiated before exercises commence.
This chapter creates a long-term strategy that, by its very nature, is hard to envision because of the huge obstacles in the short-term which have to be overcome. This long-term strategy balances stepped “de-containment” with increased engagement through economics, diplomacy, culture and the military.

Notes

1 The term “graduated” for sanctions is not an original thought of the authors and can be seen in multiple texts on United Nations sanctions in regard to North Korea, Iraq and Iran over the past decades.


3 Authors question to Judith Yaphe and her answer in an interview on 15 November 2006.

4 Pollack, “Iran: Three Alternative Futures.” This article points out there are only three capital markets in the world capable of the investment needed to fix Iran’s economy, with the US being one. House, (Prepared Testimony of Dr. Matthew Levitt, Director of the Stein Program on Terrorism, Intelligence and Policy, The Washington Institute for Near East Policy), “Pulling Tehran’s Purse Strings: Leveraging Sanctions and Market Forces to Alter Iranian Behavior,” Testimony before the House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade and Subcommittee on the Middle East and South Asia, Washington D.C., 15 March 2007, http://www.internationalrelations.house.gov/110/lev031507.htm.


7 Berman, Tehran Rising, pp. 91-92. This reference is only in regard to Kazakhstan.


11 Authors notes from US Secretary of Energy Samuel W. Bodman’s opening address to the Middle East Institute’s 60th Annual Conference, (Washington DC), 13 November 2006.

12 House, Levitt testimony, pp. 4.
Notes

13 Hooshang Amirahmadi, Rutgers University, remarks as part of a panel III discussion on Iran to the Middle East Institute’s 60th Annual Conference; author’s notes taken on 13 November 2006.


16 House, Byman Testimony.

17 House, Levitt Testimony.

18 Ibid.

19 Milani.

20 This study is on Iran, and both of the ongoing major conflicts in the region cannot be ignored in an Iran strategy because of the dramatic effect they are having on US and Iranian relations. As stated in the assumptions, Iraq and Afghanistan can and must be solved for any effective strategy on Iran to have a viable chance. The authors have reviewed studies on this subject to see their relation and importance for this work. Some of the most relevant opinions have been produced by the Iraq Study Group in late 2006 and another insightful study by Kenneth Pollack and Daniel Byman of the Brookings Institute entitled: “Things Fall Apart: What do we do if Iraq Implodes?” August 2006, Brookings Report, (Washington DC) http://www.brook.edu/views/articles/pollack/20060820.pdf.


22 Pollack, Persian Puzzle, pp. 360-361, 388. This is also based on the authors’ interview with Ken Pollack on 16 November 2006. Also important to note, the MEK (also known as the MKO) is regarded as a “valuable insurgent group” by some of the policy writers who recommend evaluation of using the MEK for destabilization of the regime in Tehran such as Ilan Berman as can be seen on pp. 140-141 of Tehran Rising. Regardless of how one views the MEK, they can be a significant bargaining chip.

23 This concept was outlined in the author’s interview with Kenneth Pollack on 16 November 2006.

24 House, Byman Testimony.

Notes

26 From authors notes while watching CSPAN video live of Secretary of Defense nominee Robert Gates at hearings before the Senate Armed Services Committee on 5 December 2006. The date and appearance verified by checking the Senate Armed Services Committee schedule at http://armed-services.senate.gov/testimony.cfm?wit_id=5850&id=2446.


28 Ibid.

29 The US position to negotiate only after nuclear concessions continues to be reiterated almost daily, and the position of Iranian experts who propose that US negotiations are the only option. The most recent examples of these position are: State, Minimizing Potential Threats from Iran: Assessing the Effectiveness of Current US Sanctions on Iran, (testimony by R. Nicholas Burns, Under Secretary for Political Affairs to the Senate Committee on Banking, Housing and Urban Affairs, Washington D.C., 21 March 2007); http://www.state.gov/p/us/rm/2007/82033.htm; Vali Nasr and Ray Takeyh, “The Iran Option That Isn’t On The Table, Washington Post, 8 February 2007.

30 Lionel Beehner, “Backgrounder: US Soft Diplomacy in Iran,” Council on Foreign Relations, 14 February 2006, http://www.cfr.org/publication/9904/ (accessed on 22 March 2007). This is an excellent online article overview that has hyperlinks to many of the key articles and speeches noted within. Specifically within the article the issue of “funding pro-democracy groups” in Iran is noted in the analysis section as “If we send in some CIA types, that looks like regime change…” which is a problem if the people of Iran perceive it as such.

31 Ibid.

32 The term red lines are a common term found in policy circles on any number of policy subjects. This term is often used by many Iran specialists and referring to thresholds that if the US, Iran or even Israel cross, then some much “greater” reaction would occur or that “all bets are off then.” This term came up in multiple articles and the 15 and 16 November 2006 interviews the authors conducted with Judith Yaphe and Kenneth Pollack.


34 Ibid.

35 The purpose of this study is not to solve all of the problems of the Middle East. It is important to note there are other tangible benefits to the momentum established by an increasingly stable Middle East.


Chapter 8

Recommendations

The US should immediately create an Iran Policy Planning Committee to further refine and implement the strategy proposal presented in this study. For greatest hope of success, the recommendations presented here should be implemented as soon as possible. This strategy proposal is based on sound analysis of historical trends.

Iran’s perceptions and patterns are based on historical roots of a sense of Persian greatness, resentment of foreign influence, strategic Persian-Shiite loneliness, and the emergence of pragmatic national interest replacing revolutionary ideology. Iran’s unique demographics, politics, personalities, power centers, and nuclear desire present key strategic considerations and frame the context for a US endgame with Iran.

Recent US policies have focused uniformly since the 1979 Iranian revolution on stopping Iran’s drive for nuclear weapons, proliferating terrorism, and destabilizing the region. The US perceives Iran as one of the greatest exigent threats to its goals in the Middle East.

This study creates a framework expounding on key assumptions and identification of Iranian centers of gravity. Further, a novel planning construct was outlined, known as the Iran Policy Planning Committee, which should be used as a template for further changes in interagency US strategic security planning.
A new US strategy for Iran is created using short and long-term planning in parallel. An important cross-cutting thread flowing through both the short and long-term strategy is a public diplomacy effort directed at multiple centers of gravity. The recommended short-term strategy uses both coercive and engagement efforts through six components to create pressure and a constructive way of relieving it.

The proposed long-term strategy creates closer relations between the US and Iran as the basic relationship and strategic environment changes.

There are two overarching cautions not previously covered. “Red lines” and contingency planning for crossing of these lines needs to be undertaken in the short-term by the Iran Policy Planning Committee. Virtually all experts agree that “red lines” should be developed early on in the planning process. There should be contingency plans developed for all “red lines.” Examples of “red lines” could be a completed independent nuclear fuel cycle, a significant military attack by Iran on US forces in the region, continued or stepped-up terror tied to Iran, or an overt Iranian military attack on Israel.¹

Despite the cautionary planning for “red lines,” the recommendations of this study do not change. The authors’ research proves this strategy is the most viable option for Iran.

The time to solve Iran is now. As Winston Churchill stated, there are opportunities which need to be pursued, despite their difficulty.

Notes

¹ House, Byman Testimony.
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