Iran and the West

Regional Interests and Global Controversies

Editors Rouzbeh Parsi and John Rydqvist

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Editors' remarks

The chapters in this volume are based on a workshop held in Stockholm, Sweden, during the later part of 2009. It was co-sponsored by the Swedish Defence Research Agency (FOI) and the Austrian National Defence Academy (IFK). The workshop focused on the converging and diverging interests of Iran and the West, and discussed the prospects for cooperation or further conflict.

The turmoil in the aftermath of the Iranian presidential elections in the summer of 2009 and the continued stalemate over the nuclear issue made the prospects bleak for any solution that was satisfactory to the principal parties to the conflict. This triggered renewed media speculation about a military attack on Iran, by either Israel or the US. The urgency of the matter was stressed against this backdrop and, although several analysts presented a pessimistic view on the ability of the parties to resolve their conflicts through diplomatic compromise, there was a strong will on the part of the participants to explore possible alternative solutions.

We did not originally plan to produce a publication, but as interest grew and papers were volunteered, a publication became the obvious thing to do. The present volume does not represent the full range of topics raised and conclusions drawn at the workshop but the authors' own perspectives. Hopefully these perspectives were inspired by discussions and interactions at the workshop, rather than any unanimous conclusion. The topics investigated in this volume include regional security interests in the Persian Gulf and Afghanistan, the nuclear issue in EU-Iran relations, Iranian decision-making and how views of the West have evolved in the Iranian political system.

Stockholm and Paris, March 2011

Introduction: The converging and diverging interests of Iran and the West

Rouzbeh Parsi and John Rydqvist

It is remarkable how little things change when adversarial positions are set and incentives for constructive engagement are limited. The Obama Administration entered office in 2009 with the intention of breaking the stalemate on the Iran nuclear issue by engaging with the country's leadership. This policy of engagement was intended to supplement or potentially even replace the "stick and carrot" policy of the Bush era, but the Iranian leadership was cautious and wary of the intentions of the US president and his capacity to deliver. Skeptics in Teheran could convincingly point to earlier failures of engagement, for example. Converging interests in Afghanistan had not resulted in engagement despite Iranian attempts starting in 2001. As if the general lack of synchronicity of attempts at engagement was not enough, the 2009 Iranian elections and the ensuing turmoil made the situation even more complicated.

As of late 2010, the situation is in far too many ways back to where it was in 2007. Focus is on diverging interests, specifically the nuclear issue. A fourth round of United Nations' sanctions has been enforced, further isolating Iran. The political decision-making process inside Iran has become even more opaque. While greatly troubling, however, the picture is not consistently or irreversibly bleak. Although Iran's leadership could not agree on a positive response to the Vienna Group's proposal for the Tehran research reactor in October 2009, it did sign a deal brokered by Brazil and Turkey along similar lines in May 2010.

In this publication, five distinguished authors address the difficulties of achieving non-adversarial engagement between Iran and the West. Converging and diverging interests constitutes the analytical focal point in each chapter. Persian Gulf Security, Afghanistan, Iranian foreign policy development and the nuclear controversy are the themes elaborated on. The pursued objective is to explore ways ahead that avoid paths of confrontation.

As a scene setter, as well as contribution to the discussion writ large, this introductory chapter deliberates on some of

the important changes and issues that are fundamental to Iran-West relations and attempts to put them into a larger perspective.

The backdrop against which the relational perspectives covered in this report evolve is rapidly changing. Actors of central importance are increasing in number. The scene on which current events are played out is now more complex and fluid than in a long time. Mistrust, shifting power relations and wider security dilemmas are amongst the important issues touched upon here. The concluding remarks explore what ways ahead could and should be pursued. Such ways toward positive progress are difficult to distinguish and the challenges that must be overcome many.

It is evident that any solution to the multitude of problems dividing Iran and the West must come as result of a fundamentally transformed regional dynamic. A necessary prerequisite for such a transformation is that the main actors change their reappraisals of how politics in the Middle East should be pursued. Here one can look ahead with carefully calibrated optimism. The current pace of change in the Middle East and the world at large may very well force key actors in the region to change their behavior; the politics and balance of power in the greater region may transform into something more beneficial to Iran-West relations. But caution is advised. The risk of further complications and deteriorating relations is significant – further underlining the conclusion that the West and Iran must actively, together and separately, re-think their regional approaches and policies in Middle East.

False hope of the West; tactical imperative of Iran

There has been a tendency in the West to believe that obstacles in discussions with the Iranian elite can be overcome by waiting, and hoping that a change of guard will alter the dynamics of negotiations. This has not materialized. For example, it was President Ahmadinejad and not the more moderate candidate Rafsanjani who succeeded President Khatami. Obviously, personalities matter. Tone and style can be very helpful in a relationship where there is a mutual lack of trust and navigating thorny negotiations are of vital importance. But it is false hope to believe that any realistic political change in Iran would alter the underlying logic of the contention between Iran and the West. The current conflicts are fundamentally of a strategic rather than tactical nature. Ambitions, policy and

corresponding measures must be handled accordingly. In short, the Iranian nuclear program and its fundamental logic precede President Ahmadinejad and will survive him. This is something the West must take into account. Furthermore, while political elites in Western capitals are still reeling from the aftermath of the post-election crisis, the Iranian system has proven resilient; it has managed to survive just as it has under various extreme conditions throughout the last thirty years. Arguably, none of the international actors involved can afford to sit idly by—as the situation risks deteriorating further in a downward spiral towards a possible war.

Western inability to act firmly and efficiently is only partly explained by this "wait, hope and see" attitude. Uniformity is another key problem. 'The West' is neither a well defined nor, perhaps most importantly, a single and uniform actor. Tom Sauer clearly illustrates this in chapter 6. The EU, he writes, is internally divided. "From the beginning, a tension existed within Europe between hard and soft approaches … The longer it took for the EU to resolve the impasse, the more internal friction occurred." In a general sense, the West is considered to include the United States, Canada and the EU member states, but this Western 'core' is more often than not situational in its constitution rather than geographically fixed. Some states in the Greater Middle East that are close allies of one or more of the core Western states could be and in some cases are included in the West as a concept of political identity.

Examining the conversion or diversion of core national interests is also a challenge. Lawrence G. Potter highlights one key problem in chapter 2. As he explains, "Determining Iran's intentions in the Persian Gulf poses a major dilemma for regional states and the international community." Uncertainty about Iran's intentions comes from the lack of consistency in Iranian foreign policy, an important contributory factor to the mistrust between Iran and other regional and global powers.

Jalil Roshandel expands on the issue of intentions and decision-making in chapter 5. The tensions between different power centers and stakeholders in Iran often lead to foreign policy being driven by "expediency rather than long-term national interests, and regime survival rather than the ability of a solid political system to cope with the challenges of the 21st century." In this context it is not surprising that the foreign policy signals emanating from Iran lead to uncertainty. The turmoil after the 2009 presidential elections has deepened such uncertainties about the political course in Iran.[1]

1. Walter Posch, "Last Chance for Iran's Reformists? The 'Green Struggle' Reconsidered," Working Paper, *Stiftung Wissenshaft und Politik* (May 2010).

Root Causes of Mistrust

Uncertainties about iran's foreign policy have also lead to mistrust. In 'core' Western countries, animosity toward Iran has roots that go back to the immediate aftermath of the Islamic revolution. There are at least four problems that the West has focused on: Iran's pursuit of weapons of mass destruction, its support for international terrorism, its opposition to an Israeli-Palestinian peace agreement and its poor human rights record.[2]

Arguably, however, Western animosity runs even deeper—going beyond single issues where interests clash. The hostage-taking at the US embassy in 1980 is one issue which has bred feelings of bitterness and hostility through the years. More generally, the systemic differences between the polities are in themselves sources of mistrust. These range from insular notions of modernity that view the Islamic Republic as an oxymoron to those that emphasize the revolutionary aspect of the regime as a threat to the international system.

While not being an outright example of a clash of civilizations in the Huntingtonian sense, elements of cultural misunderstanding and fears about the system-challenging tendencies of Iran do affect Western perceptions and influence Western behavior toward Iran. Furthermore, these kinds of reciprocal identity-based fears and projections of the other side's presumed malevolent intentions tend to be mutually reinforcing. The risk is that they eventually become self-fulfilling prophecies.[3]

Revolution

One line of argument traces the seeds of a 'comprehensive animosity' back to the late 1970s, with the Islamic revolution in Iran and the Soviet invasion of Afghanistan as the two key events. Both worked to reinvigorate political Islam but in very different ways and for very different reasons. The Iranian Revolution was the first successful Islamist takeover of a state —and a very powerful state at that. Part of its success lay in harnessing the leftist tradition, and addressing grievances linked to social injustice and anti-imperialist currents. These were successfully adapted to a religious framework, which in turn had to be radically reinterpreted in order to legitimize the takeover of the state.

The sacrifices made in the defensive war with Iraq during the 1980s took a huge toll on Iranian society. General mobili-

2. Kenneth M. Pollack, "Iran: A US Perspective", in Ivan Daalder, Nicole Gnesotto and Philip Gordon, eds, *Cresent of Crisis: US-European Strategy for the Greater Middle East* (Washington, DC: The Brookings Institution, 2006): 10.

3. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996).

zation and the grimness and stress of war that Iranian society experienced left huge scars. In addition the power struggle within the revolutionary elite was partly overshadowed by the war. The revolutionary patriarch Ayatollah Khomeini could strengthen his power, and some of the contradictions of the new revolutionary polity and brewing conflicts were contained. Two principal political wings crystallized within Khomeini's camp soon after the revolution: one, a culturally and politically conservative faction with a clear market-oriented view; and, the other, a leftist faction envisioning a greater role for the state in dispensing social and economic injustice. The conflict between the two was not resolved, but only managed. Through the post war years it has reappeared in different guises, when important structural issues have confronted the leadership of the Islamic Republic.[4]

The war with Iraq came to an end in 1988 and Ayatollah Khomeini died the following year. A war-weary country and its leadership had to abandon some of its more ideological battles in order to rebuild the country. Attempts at normalization where initiated, with an emphasis on management of the state rather than revolutionary zeal. The leftist camp reinterpreted its role and the lessons to be learned from the revolution, emphasizing the need for legitimacy which in turn entailed stressing the republican element of the Islamic Republic. The reward for this outreach to hitherto neglected social groups—especially women and the youth and later ethnic and religious minorities as well—was the surprise, but resounding, election victories of President Hojjatoleslam Mohammad Khatami in 1997 and again in 2001. This group now defined itself—in a very general sense—as reformist (counting among its adherents many from the old radical leftist faction) and promised enhanced cultural liberty and greater freedom for women to participate in the public domain. They faced two different kinds of structural problems: the generally decrepit state of the economy and the institutional strength of the conservatives, who did everything in their considerable power to halt or sabotage the reforms initiated by President Khatami.

By the end of Khatami's first term the conservatives (self-labeled as the 'principalist' camp) had started to regain their footing. The failed attempt to revise the draconian press laws by the reformist-dominated parliament—the Majles was a clear sign the principalists where gaining influence. The press reform was rejected by the supreme leader Ayatollah Khomeini, and Khatami was put under great public pressure to retreat. When the reformist newspaper *Salam* was shut down in July

4. Wilfried Buchta, *Who Rules Iran? The Structure of the Power of the Islamic Republic* (Washington, DC: Washington Institute for Near East Policy and Konrad Adenaur Stiftung, 2000): 13.

1999 it sparked massive student protests that were violently put down.

As significant for the future was the principalist camp's reappraisal of its own weak performance in electoral terms. Thus, a more concerted effort began—one which attempted to regain elected bodies and promote a younger generation of conservatives. As the rise of Ahmadinejad to mayor of Tehran and later the presidency has shown, the principalist camp is by no means a cohesive or united one. The main theme that unites them is the battle against the reformists. The principalists' renewal energized the different factions and groups coalescing around significant personalities, such as Mohsen Rezai and Ali Larijani. It also brought to the fore the more radical groups that existed on the fringe. Both wanted to go much further in pushing the conservative agenda to remake and re-revolutionize Iranian society. They also had a track record which involved greater use of violence.[5]

Invasions of Afghanistan

Iran-west relations have until now also been negatively affected, albeit more indirectly, by the legacy of the Soviet invasion of Afghanistan. The formation of the Taliban and the establishment of a fundamentalist Islamist state in Afghanistan posed a threat to Iran. For some time, Iran gave support to the Shiite minority in Afghanistan and, during the civil war in the 1990s, Iran joined several other countries, most notably Russia and India but also the United States, as primary supporters of the anti-Taliban forces of the Northern Alliance. The Taliban's endorsement of radical Sunni elements further increased Iran's unease. Iran had long been worried about its roughly 5 million Baluch citizens, a predominantly Sunni ethnic group spread out across southern Afghanistan and south-west Pakistan. A rebellion in Pakistani Baluchistan in the 1970s was put down with the help of Iran but cooperation ceased after 1979 as relations between the two countries soured.[6] Since then the risk of a Baluchi uprising has worried Iran, and in the course of the 1990s there was increasing concern that Sunni radicalism was growing in the border region of Sistan-Baluchistan.[7] Iranian concerns on this issue were paralleled in the West. Mutual concern meant that mutual interests could have evolved into cooperative engagement, but that was not to be.

As a result of the September 11, 2001, terrorist attacks in the United States, Western threat perceptions changed dramatically,

5. Walter Posch, "Last Chance for Iran's Reformists?: 2–4.

6. Alexander Atarodi, *Insurgency in Baluchistan* (FOI: Stockholm, 2011): 18–19.

7. Chris Zambelis, "Insurrection in Iranian Balochistan," *Jamestown Terrorism Monitor* 6/1 (January 2008).

which at first seemed to favor a realignment of the US-Iranian relationship to fit their common interests. But what could have been a positive development soon turned around. Enmity between the two countries both increased and deepened. Sunni radicalization had for some time been an issue of concern in both Iran and the West, but in the wake of September 11 attacks the stakes were raised. Those arguing that global Islamic radicalism threatened the international system came to dominate the agenda in both the United States and several other Western countries. The United States soon engaged in a military campaign in Afghanistan in order to topple the Taliban and eliminate al-Qaeda's ability to use the country as a safe haven. While the presence of US troops in a neighboring country was not the preferred option in Tehran, Iran greatly benefited from the removal of the Taliban from power.

Iran did its utmost to take advantage of the situation, while still hedging against detrimental US influence in its neighborhood. Significant, but discreet steps were taken by Tehran to seek direct cooperation with the United States. During initial deliberations on the formation of a new Afghan government, in Bonn in late 2001, an Iranian delegation approached James Dobbins, the US representative. In his assessment it was clear that Iranian and US objectives "largely coincided" and that Iran wanted to establish direct contact with the United States in order to explore the possibility of further cooperation on Afghanistan.[8] Additional attempts to make direct contact with the US government concerning cooperation on Afghanistan were made in 2002. Washington did not reciprocate these initiatives and, according to Dobbins, Iran never received a reply to its proposals. Later initiatives never achieved any level of seriousness and lead to little more than minute moves forward. Up until today there has been no significant change in the situation.

In chapter 3, Gülden Ayman discusses whether possible cooperation regarding Afghanistan could contribute to an overall improvement in Iran-West relations, and whether this in turn could affect the nuclear controversy. Ayman highlights some potentially positive effects that could result from further cooperation on Afghanistan between Iran and the United States. In the larger scheme of things, however, progress in this theatre seems difficult to achieve, and any subsequent effects leading to increased trust between Iran and the West, let alone a change in Iran's nuclear ambitions, unlikely.

8. James Dobbins, "Negotiating with Iran: Reflections from Personal Experience," *Washington Quarterly* (January 2010): 151.

Mistrust in the New Century

The growing mistrust between Iran and the West has been fueled by many external events in the past seven years. First and foremost is the US-led invasion of Iraq. The invasion neutralized a key adversary of Iran and created a power vacuum which it was tempting for Iran to fill. Tehran's policy toward Iraq soon became a new source of mistrust for the West. Iran was depicted as manipulating the fragile and precarious situation in Iraq. Occasional Iranian statements hinting at the possibility of using Iraq as a proxy location for an armed struggle against a hostile West confirmed this sentiment.

Second, Islamic notions of governance as well as Muslim governments themselves were stigmatized as a result of the September 11 terrorist attacks—and Iran was no exception even though it represented a Shiite, state-centric project quite different from al-Qaeda. Arguably, then, the so-called War on Terror has had a substantial effect on Iran-West relations.

Mistrust goes the other way as well. In chapter 4, Rahman Ghahremanpour examines what is sometimes referred to as the "problematic of the West" in Iranian politics. He argues that animosities toward the West in Iran run much deeper than mere interest-based controversies:

> Although mistrust does not constitute a tangible hindrance in Iranian-Western relations, it underlines sociological obstacles to trust building … The complex concept of 'the West' in Iranian politics is present in discussions about ideology, security, the economy and development.

The inability of Iran and the West to maintain any substantial dialogue has made things worse.[9] To meet is often a first step toward establishing a common language in which to talk about contentious issues. It is also important for understanding the other party's fundamental interests, needs and fears. There have been few official meetings since the revolution, and informal meetings between politically influential academics or military personnel have also been limited. In this particular area things have gone from bad to worse since Iran blacklisted several influential Western think tanks and universities.[10] In general, the volatile political situation in Iran combined with the general suspicion of the principalists toward Western governments and NGOs have set back any attempts to recommence dialogue, official or otherwise.

9. Johannes Reissner, "EU-Iran Relations: Options for Future Dialogue," in Walter Posh, ed., *Iranian Challenges*, Chaillot Paper 89 (Paris: Institute for Strategic Studies, 2006): 115–116.

10. "Iran: Intelligence Ministry Blacklists Yale and Dozens of other Western Institutions," *Los Angeles Times*, January 4, 2010, http://latimesblogs.latimes.com/babylonbeyond/2010/01/iran-intelligence-ministry-blacklists-yale-and-dozens-of-other-western-institutions.html.

The issue is as thorny and sensitive from the Western horizon. A comparison between US-Iranian relations and Chinese-US interaction is instructive in highlighting the markedly different approaches adopted by the United States. After the 1989 Tiananmen massacre, the United States ended all official contacts with China. In 2000, however, interactions recommenced and accelerated—despite considerable Chinese skepticism. Competing interests, as well as occasional conflicts resulting in military to military talks being suspended, cannot hide the fact that China and the United States are learning to get along, partially as a result of the direct contacts and interactions they have had. A key question is: under what circumstances could the United States and Iran head down a similar path of interaction?

It is a central tenet in the study of international relations that 'domestic structures' are crucial to an understanding of how states behave and interact in the international arena.[11] They influence not only the way states behave but also how the actions of other states are perceived and interpreted, fueling the action-reaction cycles that states become locked into. In Iran-West relations the intrinsic blend of geopolitical competition for power, influence and wealth; contradictory religious-ideological imperatives; and mutual animosity arguably give domestic issues particularly strong explanatory power—something which, each in their own way, all five essays in this volume confirm.

The Big Picture: A World Order in Transition

The Iran-West dilemma is bound by domestic politics and cultures of animosity but also by the broader currents of change in the international system. Systemic change has accelerated, leaving the immediate post-cold war era behind. The hegemony debate has been paralleled by a debate on the decline of US global dominance and prestige. Both are by definition open-ended debates as the final results of these new trends are still unfolding. The steep decline of Russia in the 1990s has been partly reversed, at least insofar as Russian ambitions and its abilities are now better matched. Russia can now project itself as a strong regional power.

What makes the world increasingly multi-polar, however, is the rapid rise and increasing power of regional powers such as Brazil, China and India. Their ambitious domestic goals and rising importance in the global economy will, if sustained,

11. Henry Kissinger, *American Foreign Policy*, third edn. (New York: W.W. Norton & Company, 1977): 13.

increase their influence far beyond the regional context. Arguably, the European Union (EU) can be seen as one of these rising powers, albeit one with certain peculiarities. First, the EU is a union of 27 states with all the complications that this entails. Second, the self-definition and modality of the EU are decidedly inclined toward soft power. Here, the idea of being able to further its interests as well as certain universal values is central. Most other emerging powers tend to try to enhance both their hard and their soft power without making specific claims for promoting certain values.

How these changes in the world system are interpreted and understood in Tehran is of course of great relevance to relations between Iran and the West. Additionally there have been voices in the West who, from the inception of the Islamic Republic, have claimed that the ideological and political mindset in Tehran is incompatible with the current international system. This notion of inherent antipathy is too simplistic and requires a more nuanced appraisal of the debates inside the circles of power in Tehran—something which is addressed in several chapters.

Regionalization and Emerging Powers: Turkey in Iran-West Relations

Arguably one of the most illustrative relationships regarding the effects of the changing international environment is the one between Turkey and Iran. There are several reasons behind the closer cooperation between Turkey and Iran. Increasing energy demands and what is generally seen as Turkish over-dependence on Russian oil and gas make Iran an important energy partner. Managing the Kurdish issue and promoting stability in Iraq are also issues of common interest. The Turkish will to take a more active role as a link and mediator between Iran and the West also plays a role.

Fundamentally, however, it is a function of the significant shift in the strategic calculus of Turkey, coupled to changing views on the nature of the international order and international relations by the ruling AKP (Justice and Development Party). While some of these changes can be traced to developments in Turkish politics preceding the electoral victories of the AKP, it is the AKP that has undoubtedly pursued and honed this shift most consistently.

The founding principle of the new foreign policy is that Turkey has gone from a peripheral power on the south-eastern flank of the North Atlantic Treaty Organization (NATO), a

12. Lale Sariibrahimoglu, "Davutoglu Promoting 'Strategic Depth' in Turkish Foreign Policy," *Eurasia Daily Monitor* 6/89 (May 2009). For a more recent exposition of this approach see Davutoglu's keynote speech "Turkish Vision of Regional and Global Order: Theoretical Background and Practical Implementation" at the conference Turkey's Foreign Policy in a Changing World, Oxford University May 1, 2010, reprinted in *Political Reflection* 1/2 (June–August 2010).

historical anomaly in the AKP view, to being once again a central power in several overlapping regions. The AKP argues that the emerging multi-polar world should become more attuned to the long-term historical reappraisal of Turkey's traditional involvement in the Balkans, the eastern Mediterranean, the Middle East, Central Asia, the Black Sea, and so on.

The chief intellectual architect of this new foreign policy, based on the historical examples from the great eras of Turkish power, is the current foreign minister, Ahmet Davutoglu, who spelled it out in his 2001 report *Stratejik Derinlik* (Strategic Depth).[12] In order to fully capitalize on the changes in the world order, Davutoglu and the AKP have pursued a proactive foreign policy with the aim of establishing Turkey as a regional and global power by promoting interdependence in the neighborhood and attempting to pre-empt potential conflicts. Catch phrases in the pursuit of this policy are: "zero problems with neighbors", "a multidimensional foreign policy", "transition to a rhythmic policy", aiming to enhance bilateral relations, and "a new diplomatic language" aiming for reconciliation between East and West while at the same time continuing Turkey's integration into the EU.[13]

The main practical implication of this foreign policy is that Turkey has moved away from being a regionally isolated and West-looking power, instead pursuing its own policy goals in different directions and regional contexts. This new, by some accounts assertive, foreign policy has seen the Turkish government move from isolation to engagement with the Kurdish political leadership in northern Iraq as well as increased exchanges with Persian Gulf countries and—transforming the antagonistic relationship with Syria into a constructive one.[14] The implication of this multifaceted foreign policy that has gotten the most attention in the West is the engagement in the conflicts of the Middle East. Turkey went public with its criticism of Israeli actions, especially after the Ankara-mediated talks between Israel and Syria broke down. This has had a highly detrimental effect on Turkey's relationship with Israel (the policies and style of Avigdor Lieberman's foreign ministry has hardly improved matters), which in turn has created more friction between Washington and Ankara.

Turkey's deepening relationship with Iran has been an important part of the new foreign policy and has generated extensive debate. For those who consider the underlying narrative of Turkish foreign policy to be plausible, improved bilateral ties with Iran is a sign that Turkey is normalizing its regional relations and thus decreasing the potential for friction

13. M.K. Kaya and Halil M. Karaveli, "Vision or Illusion? Ahmet Davutoglu's state of Harmony in Regional Relations," *Turkey Analyst* 2/11 (June 2009), retrieved December 7, 2010, from www.silkroadstudies.org/new/inside/turkey/2009/090605A.html.

14. For different appraisals of these initiatives see Svante E. Cornell, 'Turkish Hubris: has the AKP Government Overreached in its Foreign Policy?' *Turkey Analyst* 3/11 (June 2010), retrieved December 9, 2010, from www.silkroadstudies.org/new/inside/turkey/2010/100607A.html; Bülent Aras, Kenan Dagci and M. Efe Çaman, "Turkey's New Activism in Asia," *Alternatives. Turkish Journal of International Relations* 8/2 (2009); and Bülent Aras and Rabia Karakat Polat, "From Conflict to Cooperation: Desecuritization of Turkey's Relations with Syria and Iran," *Security Dialogue* 39/5 (2008).

and conflict. Critics argue instead that this is a clear sign that Turkey is in the process of abandoning the West, which in turn will weaken Western influence in the Middle East. Meshed into this larger picture is the question of whether improved bilateral relations with Iran are, or could be, of any value in resolving the nuclear controversy between Iran and the West.

The full extent of Turkey's role in trying to find and promote solutions to the Iran-West controversy remains partly obscured because of the sensitive nature of the issues. Turkey's public position on the nuclear controversy has been that Iran has not failed to fulfill its duties under the Nuclear Non-Proliferation Treaty (NPT) to the extent that military action is warranted, and that the problem of mutual mistrust between the West and Iran regarding the nuclear program can only be resolved through negotiation. Thus, although Ankara honors and complies with United Nations Security Council sanctions on Iran, it has thus far steadfastly refused to join the group of countries, with the United States at the forefront, that have imposed further sanctions on Iran, primarily aimed at the financial sector.

The Brazil-Turkey initiative regarding the Tehran research reactor deal was a constructive attempt by two new actors to find a way forward, but it failed to win support in Washington as well as several capitals in Europe. Criticism of the deal focused on several issues, most notably that it did not resolve the issue of ownership of the enriched uranium in a satisfactory way. It also presupposed the ability of third parties to deliver the requisite fuel to Iran. But few if any other nuclear fuel suppliers could have delivered the promised fuel within the stipulated timeframe of 12 months. These critics claim that Turkey and Brazil knew this, thereby indicating that the deal was both immature and counterproductive.

Despite the backlash, Turkey's sustained diplomatic engagement with Iran has given it connections with and channels into the opaque power structures and decision-making processes in Tehran. Such connections are rare and sorely absent in the overall Western interaction with Tehran. Recent leaks of US diplomatic cables also clarify that Turkish politicians are not convinced that Iran has a weapons program. In a cable from February 2010, Turkey's Defense Minister Gonul is quoted as saying that Ankara is "concerned about the Iranian threat… but the international community does not yet have evidence that there is a weapons program."[15] Another leaked cable from November 2009 clarifies that one role Turkey sees for itself in the region is that of a mediator between Iran and the United States.

15. OSD Staff, "Secretary of Defense Gates's meeting with Turkish Minister of National Defense and Chief of the Turkish General Staff, February 6, 2010," accessed December 17, 2010, at http://213.251.145.96/cable/2010/02/10ANKARA251.html.

Ways Ahead

Bearing the above observations in mind, and taking into account the evolving situation in the past few years, it is tempting to dismiss the notion that there could be any rapprochement between Iran and the West. Western, and for that matter Iranian, political discourse has for decades emphasized friction, conflict and diverging interests. Seven years of nuclear controversy has arguably exacerbated the negative discourse, taking confrontational narratives to new depths. Perceptions in both camps have become one-sided and oversimplified. The effect of this consistently negative framing has been to petrify views on the nuclear program in their current state.[16]

While containment is sometimes suggested as a solution to a highly artificial dichotomy of war or engagement—the latter often derided wrongly as "appeasement"—this is contradicted by the existing arithmetic of the global and regional systems and their long-term trends. The dual containment that worked to a certain degree against Iran and Iraq came at a great cost for the civilian populations and never resolved the underlying issues. Current long-term trends in the global and regional systems suggest that containment would achieve even less today. The region is already quite unstable, with Iraq and Afghanistan still toiling towards uncertain recovery. Assertive global and regional actors with interest and capability to have an impact in the region have increased in number. Their compliance with a containment strategy is absolutely necessary for any success, regardless of how it is defined and measured. It is the neighbors and not the West that would feel the secondary effects of an increasingly impoverished and destabilized Iranian society. Furthermore, it remains an open question whether China and Russia would permanently give up one of their bargaining chips in their negotiations with the United States. Prospect of reaching a consensus and steadfast adherence to an isolationist policy is highly uncertain and decreases as the number of influential actors increase. Without full compliance, a containment policy simply amounts to Western abandonment and withdrawal from the Iranian scene in all its dimensions: political, economic and cultural (soft power). In today's world this would create a temporary vacuum soon filled by other contenders.

Moving forward should instead be defined, more ambitiously, as an attempt to resolve the broader regional problems and impasses in the Gulf region, rather than just isolating the Islamic Republic or solving a single issue. This approach entails

16. Rouzbeh Parsi, "The Trilateral Iranian Nuclear Agreement: Shell Games, International Style," *EUISS Analysis* (May 2010): 3.

two elements that are both needed in equal measure: the tactics of fostering a slow thaw in the relationship and the strategic perspective of working towards a mutually beneficial end state. The deal to refuel the small Teheran Research Reactor (TRR) in all its variations is an example of trying to create a minimum level of confidence between the parties so that, in the next step, they can approach the more important issues of disagreement.

Thus far, however, confidence-building measures have failed. These failures conform to the law of diminishing returns, making every subsequent attempt more difficult. One important contributory factor is the lack of a conceptual framework, or even a discussion, on what the end goal of the mutual relationship is. (That there is to be one is in itself a position not to be taken for granted.) This imbalance tends to burden the tactical initiatives with the weight of the total sum of mutual grievances, rendering their short-term objectives nigh on impossible to achieve.

Relations between different Middle Eastern countries and their global allies have long been characterized by a zero sum game mentality. This has contributed to the dysfunctional environment of the Middle East, and the logic would dictate that a positive outcome is only possible when one of the main actors is fundamentally altered or removed from the equation. Neither the US nor Iran is going to leave the region or, in the foreseeable future, change its identity or fundamental strategic interests.

Instead, linkages, exchanges and connections must be seen as beneficial for all parties and the interdependence they will foster should be regarded as a medium through which grievances can be dealt with before they amount to a potential cause for violent conflict. Thus, what is needed on the Western side is a frank discussion on what the long-term relationship with Iran could look like, with an emphasis on realism and feasibility, premised on a more comprehensive regional approach that gives Iran a place at the table. Here, the nuclear issue inevitably looms large, and in both camps certain maximalist red lines have to be abandoned. The West has no choice but to accept Iranian knowledge and use of the complete fuel cycle. It is a reality that cannot be changed short of a war. The political elite in Tehran, in turn, cannot insist on their good word being sufficient for the world to trust Iranian intentions and ambitions. The augmented additional protocol of the NPT and other measures of verification must be accepted and vigorously employed. Nuclear experts at all levels should also focus attention on the difficulties inherent in managing a nuclear weapons

arsenal. It is far from certain that, on balance, overt possession benefits Iran's interests. The political and military calculus that awaits Iran and its military planners as the country moves up the nuclear ladder should be examined carefully and the conclusions clearly conveyed to Iran. The result is far more likely to be an argument not to go nuclear.

While both the explicit and implicit aim in Western capitals has long been to transform the Islamic Republic, making its existence more palatable, a long-term solution requires a more radical reappraisal of how politics is conducted in and with the Middle East. Inevitably, in order to reach a stable and peaceful solution—and perhaps even reconciliation—it is necessary for all the parties involved to change their position.

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Persian gulf security: patterns and prospects

Lawrence G. Potter

The security of the Persian Gulf has been a concern of outside powers for the past 500 years, and the situation today resembles that which has long prevailed: an imperial hegemon—now the United States—tries to maintain stability thanks to naval superiority and an alliance with key regional states.[17] However, this situation will not continue indefinitely. The United States has never been able to exert complete control over regional states nor prevent local rivalries. The Obama Administration is determined to wind down its involvement in Iraq and Afghanistan and its regional allies are nervous at being seen as too closely identified with US policies. The littoral states, especially the triangle of interests represented by Iran, Iraq and the Gulf Cooperation Council (GCC),[18] will inevitably and increasingly determine the course of events. It is necessary to think about a future security regime in the Gulf in which outsiders play a much smaller role, over the horizon, and the Gulf states themselves take on more responsibility for their own security.

The situation that prevails today in the Gulf is unsustainable over the long term.[19] Since the imposition under the Clinton Administration in 1993 of the policy of Dual Containment, the United States has sought to exclude the two largest littoral states, Iran and Iraq, from regional affairs. In a throwback to the era of British imperialism, the strongest US bond has been formed with the mini-states of the GCC. In terms of size and population they are tiny, but thanks to their petroleum reserves they are very wealthy. Their security has been guaranteed by an external protector (first the United Kingdom, then the United States) for the past two centuries, and this will likely continue, due to the West's critical need for their oil.

For the past thirty years Iran has sought to regain its position as policeman of the Gulf, assigned to it by the Nixon Administration in the early 1970s, and is acutely frustrated that it is not consulted on regional affairs. Its repeated proposals to form a region-wide security organization have been ignored. The position of Iraq since the fall of Saddam Hussein in 2003 has changed dramatically: Iraq has hardly been able to project its influence in the Gulf at all, and the GCC states have held back from engaging with the new government in Baghdad.[20]

17. *The Persian Gulf in History*, ed., Lawrence G. Potter (New York: Palgrave Macmillan, 2009).

18. The GCC states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

19. For a comprehensive review of regional developments over the past four decades see F. Gregory Gause, III, *The International Relations of the Persian Gulf* (Cambridge: Cambridge University Press, 2010).

20. As of early 2011 there was still no Saudi ambassador in Baghdad.

After three major wars in the past thirty years, the future political trajectory of the region is uncertain and all the Gulf states believe themselves to be in a vulnerable position. Ever since the Iran-Iraq War, with the unrestrained mutual disparagement of Sunni and Shia and Arab and Persian, the discourse in the region has served to inflame sectarian tensions. The importance of political Islam, which has become more evident since the first Gulf War, now is a significant factor in Bahrain, Iraq and, Saudi Arabia. The era of détente that arose between Iran and the GCC states during the Khatami years (1997–2005) has now dissipated. Gulf Arabs are very nervous about Iran's intentions, and in the future will be concerned about the intentions of Iraq.

With the implosion of Iraq in 2003, the strategic configuration in the region changed overnight, as one leg of the political triangle that dominated regional affairs suddenly collapsed.[21] Iraq traditionally served as a balancer of Iran, and a bulwark against Iranian expansion. Saudi Arabia was a lesser counterweight. The rise of a Shiite-dominated government in Iraq, coupled with the belligerent rhetoric of the Ahmadinejad regime in Iran and its push for a nuclear option, has unnerved Sunni-ruled Gulf states. According to Professor Abdullah Al Shayji of Kuwait University, the Iranian design is to "intimidate, co-opt and dominate" the Gulf, and "the GCC states are hapless bystanders and mute witnesses to the showdown between the Americans and the Iranians …"[22] Regional fears of a malevolent "Shiite Crescent", however, are misplaced, as nationalism continues to be a stronger force than religion.[23]

The most powerful military forces in the Gulf are those of Iran and the United States. The GCC states today exercise more influence than many believe they are entitled to, but this may be a temporary situation. In light of these issues it is necessary to examine what Iran, Iraq and the GCC states each seek in a Gulf security regime, and how realistic their goals are. Over all hangs the shadow of US policy. The Gulf monarchies fear retaliation should the United States or Israel attack Iran, yet can do little about it. At present the rhetoric and policies of the Ahmadinejad government are a source of great concern, but ultimately a US rapprochement with Iran will take place, which has the potential to transform Gulf security.

It seems highly unlikely that the littoral states will be threatened by an outside attack. Rather, the major threat all states face is internal, as governments seek legitimacy (a key problem in Iran and Iraq), and fear destabilizing transnational forces such as Islamic terrorism. In an age of globalization, the televi-

21. This idea is developed by Henner Fürtig in "Conflict and Cooperation in the Persian Gulf: The Interregional Order and US Policy," *Middle East Journal* 61 (2007): 627–40.

22. *Gulf News*, August 17, 2009 (online).

23. Chris Toensing, "From the Editor," *Middle East Report* 242 (Spring 2007), Special Issue on "The Shi'a in the Arab World,": 1–4 and 47–48.

sed uprising following the Iranian elections in the summer of 2009 frightened the leaders of other Middle Eastern states who were never subjected to such scrutiny. As Jon Alterman notes, "for many of Iraq's smaller neighbors, fear motivates governments more than hope."[24]

Above all in the Gulf we see an intertwining of internal and external security challenges.[25] This is illustrated in the conflict in Yemen in early 2010, seen by some as a proxy war between Iran and Saudi Arabia. The return of jihadi forces to Saudi Arabia, previously from Afghanistan and in the future from Iraq, will continue to destabilize that state. The impacts of globalization and media penetration of the region, the widespread availability of information and the growing youth bulge all presage a new kind of politics in which ruling elites increasingly have to respond to the wishes of their citizens. All the regional states are struggling with the question of how the presidential elections in the United States (2008) and Iran (2009), and the Iraqi parliamentary elections of 2010, will affect them.

Iraq's strategic predicament

One significant unknown factor is future Iraqi foreign policy, especially as it relates to Iran and the Gulf. After the Iraq Revolution of 1958, and especially under the rule of Saddam Hussein, Iraq increasingly assumed an identity as a (rentier) oil state the fate of which was linked to others in the Gulf. Iraqis blamed the British for drawing boundaries which prevented it from gaining a secure foothold there, and since the 1930s Iraq has sought repeatedly to revise its southern border preferably by annexing the Kuwaiti islands of Bubiyan and Warba. This impulse ultimately resulted in an attempt to take over Kuwait after the British granted it independence in 1961, and the occupation of that state in 1990–91 which triggered the first Gulf war.

Because of their country's geographical situation, historical experience and political culture, Iraqis feel deeply vulnerable to the outside forces that they believe constantly threaten the state. Iraq is largely dependent, for example, on the goodwill of others for its water supply and for pipeline routes to export its major resource, oil. The political response to Iraq's strategic predicament could have been to cultivate good relations with its neighbors. It was unfortunately the contrary: a series of authoritarian, military-dominated regimes that espoused a strong Iraqi nationalism. Even with a new government in Baghdad, this ideological mindset may persist.

24. Jon B. Alterman, "Iraq and the Gulf States: The Balance of Fear," *Special Report* 189 (Washington, D.C.: US Institute of Peace, 2007): 2.

25. Kristian Ulrichsen, "Gulf Security: Changing Internal and External Dynamics," Working Paper (London: London School of Economics and Political Science, Kuwait Programme on Development, Governance and Globalization in the Gulf States, 2009).

Iraq has a promising future as an oil-producing state, and if production increases as planned, from 2.5 million barrels a day now to 12 million by 2016, it will outstrip Iran and perhaps even Saudi Arabia, altering the regional balance of power.[26] Iraq's water supply is a different story, and for that it depends on its upstream neighbors—Turkey and Iran. This has led to repeated tension. In May 2009, for example, Iraq complained that these states were withholding Iraq's fair share of water from rivers originating there, causing a major drought in Iraq.[27] In October 2009, Iraqi vice president Tariq al-Hashimi said Iran should prove its friendship by releasing water from the Karun and Karkheh rivers.[28] Water issues are not new, but will probably take on increased importance in the coming years.[29]

Future foreign policy

Iraqi governments formed since the fall of Saddam Hussein so far have been too preoccupied with trying to manage domestic affairs to pursue a vigorous foreign policy. Some things have clearly changed. Most importantly, Iraq will not pose a military threat to its neighbors for some years. But eventually, Iraq will rearm to protect itself and when it does Iran and the GCC states will object. The greatest threat to Iran and Iraq in the past was each other, and this could become true once more.[30] However, Iraq now has a Shia-dominated government and this will likely continue to be the case. This means better relations with Iran, even if Iraqis do not want to imitate its form of government and reject Iranian meddling in its evolving political system. The nature of Iran's relations with the new Iraqi government will have an important effect on regional stability.

Although Iraq's borders with Kuwait and Iran have both been agreed, this was under duress and the issue may be regarded as dormant rather than settled.[31] The border with Kuwait, which was redrawn by the United Nations in 1993 after the Gulf War, allocated the principal navigation lanes in the Khor Abdullah to Kuwait, and gave Kuwait the southern part of the port city of Umm Qasr. Although the Iraqi government finally acknowledged the new boundary in November 1994, there was vocal protest by Iraqi opposition groups.[32] Many Iraqis will likely continue to feel victimized and in the future this could lead to demands that the borders be adjusted again.

Most troubling is the absence of a peace treaty between Iran and Iraq, where a ceasefire has been in effect since August 20, 1988. It was not until May 2005 that Iraq publicly acknowledged responsibility for starting the war, an admission Iran had

26. Michael Christie and Simon Webb, "Iraqi Oil Power may Shake Iran more than Saudi," *Reuters UK* (online), Dec. 9, 2009; and Timothy Williams, "Iraq Auctions Development Rights to More Oil Fields, Hoping for Big Production Rise," *New York Times*, December 13, 2009.

27. *Iran Times*, May 1, 2009: 5.

28. *Iran Times*, October 9, 2009: 2.

29. Chris Toensing, "Iraq's Water Woes: A Primer," *Middle East Report* 254 (Spring 2010): 19–23.

30. This was true under the Shah and Saddam Hussein, in his post-capture debriefings, admitted fear of Iran led him to maintain the charade of a nuclear program. *Iran Times*, August 7, 2009: 7.

31. An announcement was made recently that joint technical teams of Iraqi and Iranian experts were planning to demarcate the border. See "Iraq, Iran Agree to Demarcate Border," *RadioFreeEurope/Radio Liberty* (RFE/RL), March 15, 2009 (online).

32. Richard N. Schofield, "Border Disputes in the Gulf: Past, Present and Future," in *The Persian Gulf at the Millennium: Essays in Politics, Economy, Security, and Religion*, eds, Gary G. Sick and Lawrence G. Potter (New York: St. Martin's Press, 1997): 139–41.

long demanded.[33] So far there has not been an unequivocal affirmation on the part of Iraq of the validity of the Algiers Accord of 1975, which settled the boundary along the Shatt al-Arab and granted Iran the *thalweg* delimitation it had sought for decades. In the opinion of geographer Richard Schofield, this protocol "…remains the most sophisticated river boundary agreement signed to date in international law."[34] Although repudiated by Saddam Hussein at the outset of the Iran-Iraq War in 1980, in a series of letters to Hashemi Rafsanjani in 1990 (on the eve of the invasion of Kuwait), he implied that Iraq would revert to the Algiers provisions, which Iran regarded as a vindication of its position. There have been contradictory signals, however, as to whether Iraq still accepts this treaty.[35]

Iraq and the GCC states

Iraq's relationship with the Arabian peninsula states was often strained in the past, due to Saddam's threats and blackmail.[36] Baghdad was able to extort an estimated USD 35 billion from its Gulf neighbors, notably Saudi Arabia and Kuwait, in return for containing Iran militarily during the Iran-Iraq War.[37] Iraq portrayed the war as a selfless effort to protect the eastern flank of the Arab world. However, shortly after the war ended, Iraq occupied Kuwait, putting paid to proclamations of Arab solidarity and the inviolability of national borders. In the wake of war, Iraq sought to use the GCC states to achieve its rehabilitation. As is noted by Raad Alkadiri, "one of the features of Iraq's regional relations since 1980 was that Baghdad, despite its hegemonic posturing, was forced to depend in one way or another on the Arab Gulf states in order to achieve some of its most important political goals."[38]

Iraq had varied political relations with the Gulf states under Saddam, with Saudi Arabia and Kuwait the most supportive of UN sanctions while Oman, the United Arab Emirates and Qatar were often less so. However, there are many family ties between the countries, many Iraqis work in the Gulf, and the main Shiite movements in the Gulf emanated from Iraq.[39] In the future Iraq will undoubtedly work to rebuild its ties with the GCC states, and this will be easier when the political role of Iraq's Sunnis is enlarged. In light of Iraq's political and financial problems in the wake of the US invasion, it is striking how little the GCC states have contributed to its rehabilitation. It seems likely that in the future, as in the past, Iraq will seek or demand more financial support from the Gulf.

33. Sabrina Tavernise, "Iraqi Government, in Statement with Iran, Admits Fault for 1980s War," *New York Times*, May 20, 2005.

34. Richard Schofield, "Position, Function, and Symbol: The Shatt al-Arab Dispute in Perspective," in *Iran, Iraq, and the Legacies of War*, eds, Lawrence G. Potter and Gary G. Sick (New York: Palgrave Macmillan, 2004): 30.

35. E.g., in December 2009 Iraq objected when Iranian troops occupied an oilfield on the border that Baghdad claimed was its territory. Timothy Williams and Sa'ad Al-Izzi, "Iran Claims an Oil Field it Seized from Iraqis," *New York Times*, December 20, 2009.

36. See Gerd Nonneman, "The Gulf States and the Iran-Iraq War: Pattern Shifts and Continuities," in *Iran, Iraq, and the Legacies of War*: 167–92.

37. Lawrence G. Potter, "The Persian Gulf in Transition," *Headline Series* 315 (New York: Foreign Policy Association, 1998): 29.

38. Raad Alkadiri, "Iraq and the Gulf Since 1991: The Search for Deliverance," in *Security in the Persian Gulf: Origins, Obstacles, and the Search for Consensus*, eds, Lawrence G. Potter and Gary G. Sick (New York: Palgrave, 2002): 255.

39. Laurence Louër, *Transnational Shia Politics: Religious and Political Networks in the Gulf* (New York: Columbia University Press, 2008).

The GCC: Between Iraq and a Hard Place

Due to their disparity in size, population and resources, the littoral states have often regarded each other with apprehension. Thus, a country such as Iran (population 75.1 million) or Iraq (31.5 million) finds it hard to take seriously countries such as the UAE (5.4 million), Kuwait (3.1 million) or Qatar (1.7 million).[40] Fear of spillover from the war between Iraq and Iran led to the formation of the GCC in 1981, and since that time the Arab monarchies have openly sought Western protection.

Iran has long advocated a security regime which would include only the regional states, with the removal of external forces, but there is no realistic prospect the GCC states will agree unless there is a change of government in Tehran. Ironically, when Obama first took office the Arab monarchs feared that US-Iranian rapprochement could come at their expense. For many Arab leaders, "the re-election of Mr. Ahmadinejad was good news in that it did away with the illusion of a moderate Iran on which many gullible westerners pinned their hopes," according to Emile Hokayem, political editor of *The National*, a newspaper in Abu Dhabi.[41] The current standoff between the United States and Iran has kept the tension level in the Gulf fairly high and discouraged any confidence-building measures.

The Obama Administration offers the GCC the promise of further arms sales and continued protection. In October 2010, the administration notified Congress that it intended to sell up to USD 60 billion in advanced weapons to Saudi Arabia.[42] The Gulf monarchs in particular fear Iran's nuclear program, especially the reactor at Bushehr, supposed to go on line in late 2010, in light of the danger of severe environmental pollution should there be an accident or earthquake. The suggestion in Bangkok in July 2009 by Secretary of State Hillary Clinton that the United States might provide a security umbrella over the Middle East to protect it from a nuclear Iran raised an interesting possibility.[43] Since that time there has been a crescendo of concern in the Arab—not to mention the Israeli—press about Iran's intentions. Iranian naval maneuvers, and threats to close the Strait of Hormuz or retaliate against targets in the Gulf if attacked are very unsettling.

Many fear the region will be further destabilized: in the opinion of Abdul Khaleq Abdullah, a professor at the United Arab Emirates University, "Iran is forcing everyone in the region now into an arms race."[44] Saudi Arabia and the UAE are in the early stages of developing nuclear power, mainly for desalination, and in December 2009 a Korean consortium won

40. Mid-2010 figures from *2010 World Population Data Sheet* (Washington, D.C.: Population Reference Bureau, July 2010).

41. *The National*, July 1, 2009.

42. *New York Times*, October 21, 2010.

43. *New York Times*, July 23, 2009.

44. Quoted in *New York Times*, October 1, 2009.

a contract to build four nuclear power reactors in the UAE, which are due to go on line by 2017.[45]

Iran has longstanding cultural, religious and economic ties with all of the GCC states; for example, its trade with the UAE in 2008 amounted to USD 14 billion. However, as a federal state, the UAE's seven emirates do not have uniform relations with Iran—business ties with Dubai are very close, for instance, while political relations with Abu Dhabi are more tense. One interesting question is whether the price of Abu Dhabi's rescue of Dubai from its financial crisis will be a crackdown on the liberal lifestyle permitted there, or a distancing of ties with Iran.[46]

Islands issue

A key problem blocking regional détente is the century-long dispute between Iran and the UAE over the sovereignty of three tiny islands, Abu Musa and the Tunbs, at the mouth of the Gulf.[47] These were occupied by force by Iran in the wake of the British withdrawal in 1971, partly because the Shah of Iran believed he had a deal to do so in return for relinquishing Iranian claims to Bahrain. A Memorandum of Understanding was signed between Iran and Sharjah to jointly administer Abu Musa, but no agreement was reached on the Tunbs.

The UAE's strategy has been to internationalize the issue, and it has been successful in gaining support within Arab forums such as the GCC and the Arab League. Both regularly denounce the "Iranian occupation" of the islands. Thus, the 30th GCC summit conference, held in Kuwait in December 2009, reaffirmed support for the UAE's position.[48] The problem is that both sides have become hemmed in by overblown rhetoric on the value of the islands and the murky historical claims of both to them. The governments involved have invoked this issue in emotional terms as a non-negotiable issue of sovereignty, thus complicating any eventual compromise.

A way out of this situation is available: the dispute could go to the World Court, which successfully resolved the Qatar-Bahrain border dispute in 2001. A first step could be a renegotiation of the Memorandum of Understanding over Abu Musa. Thus far, however, Iran does not believe it to be in its interest to do so and it seems unlikely that the present government will be willing to make any compromise. This cyclical dispute might better be understood as a symbolic focus of Iranian-Arab rivalry, which is not really dangerous but is not likely to be resolved any time soon.[49]

45. Wall Street Journal, December 27, 2009; and David Jolly, "South Korea to Build Reactors in United Arab Emirates," New York Times, December 28, 2009.

46. Christopher M. Davidson, "Dubai: Foreclosure of a Dream," *Middle East Report* 251 (Summer 2009): 13.

47. On the issue of the Gulf islands, see three linked articles in Potter and Sick, eds, *Security in the Persian Gulf*: 135–87: Jalil Roshandel, "On the Persian Gulf Islands: An Iranian Perspective"; Hassan H. Al-Alkim, "The Islands Question: An Arabian Perspective" and Richard Schofield, "Anything but Black and White: A Commentary on the Lower Gulf Islands Dispute."

48. Yoel Guzansky, "Business as Usual in the Persian Gulf: Results from the GCC Annual Summit," *INSS Insight* 152, December 24, 2009.

49. Richard Schofield, "Anything but Black and White": 185.

What Iran Wants

Determining iran's intentions in the Persian Gulf poses a major dilemma for regional states and the international community. Iran's rightful predominance there looms large in the historical memory of Iranians, although control was always episodic and not continuous.[50] The Islamic Republic, while adding a new religious dimension to Iran's foreign policy, has continued to observe some well-established principles.[51] These include the conviction that Iran ought to dominate the Gulf, that Iran is entitled to control Abu Musa and the Tunb islands by historical right, and that external powers should leave the Gulf.

One important difference is that foreign policy is no longer made by one man, but rather is the product of contending factions in Tehran. This resulted, especially in the early years, in a lack of consistency which led to Arab unease about Iranian intentions. The battle between the "idealists" and "realists" led initially to the ascendancy of the former, who placed an emphasis on Islam over Iranian nationalism and sought to export the revolution. As the revolutionary idealism of the early years waned, a less confrontational style developed. By the mid-1980s, Iranian rhetoric had cooled and Iran sought better relations with other states, including its Gulf neighbors.

Iran's Persian Gulf strategy

Iran contends that the other Gulf states have nothing to fear from it. Even before the election of Mohammad Khatami in 1997, Tehran was the most active proponent of confidence-building measures in the Gulf.[52] Former president Rafsanjani and his foreign minister, Ali-Akbar Velayati, tirelessly promoted the idea. Under President Khatami's policy of "dialogue among civilizations," there were unprecedented acts of regional cooperation such as mutual visits and reciprocal port calls. Khatami's triumphal tour of the Gulf in May 1999 set the stage for a new rapprochement.

This era of good feeling has now evaporated as the reckless policies of the Ahmadinejad government, and its growing militarization, have forced Gulf Arab states on the defensive. Since 1997 responsibility for the Gulf has been in the hands of the naval wing of the Revolutionary Guards, while the regular navy patrols outside the Strait of Hormuz.[53] The increased role for the Revolutionary Guards in domestic and foreign policy at the expense of the foreign ministry is very unsettling.[54]

50. *The Persian Gulf in History*, ed. Potter.

51. See Mehran Kamrava, "Iranian Foreign and Security Policies in the Persian Gulf," in *The International Politics of the Persian Gulf*, ed. M. Kamrava (Syracuse University Press, 2011). Also Christin Marschall, *Iran's Persian Gulf Policy: From Khomeini to Khatami* (London: RoutledgeCurzon, 2003). The foreign policy of the Islamic Republic may be conveniently followed in several publications by R. K. Ramazani, including *Revolutionary Iran: Challenge and Response in the Middle East* (Baltimore: The Johns Hopkins University Press, 1988), especially Part 2, "The Persian Gulf,": 57–143; see also three articles in *The Middle East Journal (MEJ)*: "Iran's Foreign Policy: Contending Orientations," *MEJ* 43/2 (Spring 1989): 202–17; "Iran's Foreign Policy: Both North and South," *MEJ*, 46/3 (Summer 1992): 393–412; and "The Shifting Premise of Iran's Foreign Policy: Towards a Democratic Peace?" *MEJ* 52/2 (Spring 1998): 177–87.

52. For more on this topic see Lawrence G. Potter, "Confidence-Building Measures in the Persian Gulf," in *The Persian Gulf at the Millennium*: 231–48.

53. Iran Times, October 9, 2009: 2; and Walter Pincus, "Iran Restructuring its Naval Forces," Washington Post, December 1, 2009.

54. Gary Sick, "Does Khamenehi lead or follow Pasdaran?" *Iran Times*, July 3, 2009: 8; and Rasool Nafisi, "Iran's Revolutionary Guard Has a Lot to Lose," RFE/RL, September 18, 2009.

Over the past few years there have been a number of troubling incidents in the Persian Gulf, including the capture and detention in June 2004 and March 2007 of British sailors in the Shatt al-Arab who supposedly strayed into Iranian territorial waters.[55] These incidents highlight the need to have clearly agreed international boundaries.[56]

Particularly galling are the renewed questions Iran has raised about the leadership of the Gulf monarchies. Suggestions in August 2008 on the part of the deputy foreign minister that the Gulf monarchs lacked legitimacy seemed a throwback to 30 years ago when Iran sought to export its revolution to the region.[57] An article in *The Gulf News*, published in Dubai, quoted a former Iranian ambassador to the UAE living in exile as saying that Iran had "sleeper cells" in all GCC states gathering information and prepared to destabilize them.[58] Saudi Arabia and Bahrain are concerned that Iran will activate Shia groups to promote its causes. Iranian officials and journalists have periodically recalled Iranian control over Bahrain—where the Persian presence was driven out in 1783—and implied that Bahrain rightfully belongs to it. This led to widespread Arab anger and apprehension, and eventual apologies and recognition of Bahraini sovereignty on the part of Iranian diplomats.[59] Even in light of the post-election upheaval in Iran, which should keep the government focused on domestic issues, Ahmadinejad seems determined to maintain an active involvement in world affairs.[60]

Tehran's major objective, first broached at the end of the second Persian Gulf War, is a nonaggression treaty of the Gulf states.[61] Tehran frequently has asserted its view that the littoral states themselves should assume prime responsibility for Gulf security. This would, of course, lead to a preponderant role for Iran. In late 2007, the Iraqi national security advisor embraced the idea of a regional security pact including Iran, saying that security in the region was "indivisible. You cannot stabilize Iraq and destabilize Iran, for example."[62] However, the GCC states are not ready to sign on. Iran nevertheless has been trying to get Bahrain, Qatar and Oman to agree to bilateral defense agreements.[63] Absent the goodwill that was generated under the Khatami administration, the GCC states will remain wary. With no strong Iraq as a counterweight to Iran, they are driven closer into the Western embrace.[64]

Iran is surrounded by states allied to the US, including Afghanistan, Iraq, Pakistan and the GCC, and is acutely aware of its vulnerabilities. The reality is that Iran can do little to counter US military domination except argue, as had the Shah,

55. *New York Times*, April 5, 2007 and March 24, 2007.

56. *The Times* online reported on April 17, 2008, that in 2007 the marines were seized in internationally disputed waters and not in Iraqi territory as first claimed, due to a lack of agreement with the Iranians about where the boundary lay.

57. Emile Hokayem, *The National* (online), 18 Aug, 2008.

58. "Iran defector says 'sleeper cells' all over Persian Gulf," *Iran Times*, September 19, 2008: 3.

59. E.g., in February 2009 Ali-Akbar Nateq-Nuri, who held a high position in the office of the Leader, Ayatollah Khamenei, remarked that Bahrain was properly part of Iran. *Iran Times*, February 20, 2009, p. 10; *Iran Times* Feb. 27, 2009: 10; *Iran Times*, March 6, 2009: 10.

60. Farideh Farhi, "Ahmadinejad's Nuclear Folly," *Middle East Report* 252 (Fall 2009): 2–5.

61. Mohsen M. Milani, *The Making of Iran's Islamic Revolution: From Monarchy to Islamic Republic*, 2nd edn (Boulder, CO.: Westview Press, 1994): 237.

62. Mouaffak al-Rubaie, cited by Agence France Press, December 10, 2007.

63. Theodore Karasik and Sabahat Khan, "What are the Local Reasons Behind Secretary of State Clinton's Comments on a Gulf Security Umbrella?" INEGMA, July 23, 2009.

64. Alterman, "Iraq and the Gulf States," has a good discussion on regional security frameworks on pages 11–14.

that foreign forces should be withdrawn and security left to the littoral states. Iran has been careful to maintain correct relations in the Gulf. In the case of Dubai, for instance, there is a strong economic incentive not to let the dispute over the islands derail major trade ties.

Iranian aims in Iraq are the subject of speculation, but it seems clear that it supports Iraq's territorial integrity and does not want to let internal unrest get out of control. Iran is pleased that a friendly Shiite government has taken control for the first time in history, and it looks forward to a final withdrawal of US troops in 2011. Religious ties between the *hawza* or Shia religious establishment in Najaf and Qom have been reinvigorated, and there is an increased flow of Iranian pilgrims to Iraq. Iraq could even revert to its historical role as serving as a refuge for dissident Iranian clerics. However, Iran also understands that Iraq still needs US assistance in many areas, including security training. In Iraq, Iran is succeeding by playing a waiting game.

Iran has many assets in Iraq. There are many people of Persian heritage living there, and since 2003 Shiite pilgrims have flooded the holy cities. Iran has close relations with the major political parties it nourished in exile, such as the Islamic Supreme Council of Iraq (ISCI) and Dawa. The role being played by the Revolutionary Guards, especially its external arm, the Quds force, is unclear. All such factors serve Iran's interest in shaping an Iraq that will be friendly and not threatening. Iran has good intelligence in Iraq but, as the International Crisis Group concluded several years ago, it has acted with restraint.[65] Tehran's ability to influence its protégés in Iraq may be at its apogee as Iraqi nationalism increasingly comes to the fore and Sunni and secular forces resume a more prominent role.

Conclusion

There are longstanding patterns of relations among the people in the modern Gulf states which will persist regardless of any current government or external actor. The Gulf is a region in which transnational forces—ethnic, linguistic and religious—continue to play a prominent role and this occasionally leads to disputes. However, regional states have lived with such tensions for a long time and they will not necessarily lead to conflict. It is important to keep in mind that the Gulf states are locked in a state of mutual dependence that will not change.

65. On Iran's interests in Iraq see "Iran in Iraq: How Much Influence?" *Middle East Report* 38 (Brussels: International Crisis Group, March 2005).

Peace in the Gulf fosters good business ties which are strongly in the interests of all parties. The Gulf Arabs have a lot to offer Iran in terms of economic investment, and the interdependence created would bode well for regional relations.[66] Likewise, the shared economic development at the head of the Gulf may be the best insurance against future conflict there. According to Emile Hokayem, "to avoid an unsatisfactory outcome, the Arab side needs to devote more thought to how a normal relationship with Iran could and should look. Because the United States has acted as the grand architect of Gulf security for so long, there is little understanding and interaction between the two shores of the Gulf. Only by being proactive and constructive can the Gulf states shape their own strategic environment."[67]

A major problem is that because Gulf security has been provided by outsiders for so long, regional states rarely take the initiative to improve the situation. A key unknown factor is the continued willingness of the United States to serve as the protector and in effect regulator of the Gulf, and how long Iraq and the GCC states will invite it to do so. Clearly, the Obama Administration plans to reduce its military involvement in the region, and this is demanded by US public opinion. In the future, US influence will probably be mainly exercised by naval power, over the horizon, as it was before.

A major improvement in the regional security situation probably will not come until US-Iranian relations are normalized. After 30 years of estrangement, bilateral ties reached a new low under Ahmadinejad, especially following the post-election crackdown that began in the summer of 2009. Hopes that a breakthrough nuclear deal had been reached at Geneva in October 2009 were dashed when Iran subsequently repudiated its agreement and accelerated its enrichment activities.

For years analysts have expected political change in Iran to come through reforms, not revolution, but the unprecedented events of the past year have led many to wonder if the current government in Tehran (or at least its president) could be replaced sooner rather than later. In the long run—however long this is—ties will improve, because it is in Iran's interest and is what most Iranians want. Iranians are very proud of their country and its heritage, and are pained that their country is regarded as a rogue state. They want to rejoin the world. When this happens, the Iranian dream of a regional security agreement may be realized.

66. Emile Hokayem, "Arab Silence is no Substitute for Policy on a Troubled Iran," *The National*, January 27, 2010.

67. *The National*, Jan. 26, 2010.

There are many points of convergence and divergence among the policies of the regional states and the Western powers. At present, most of the similarities are found between the policies of the GCC and the United States. Both want to contain Iran and have been effective in frustrating Iranian aims in the Gulf. Iran, the GCC states and the Western powers all want to maintain the territorial integrity of Iraq, so this is likely to prevail. (Kurdistan, however, is already a de facto state and its neighbors have acquiesced in this fact.) Iran and the United States have clear mutual interests in maintaining stability in Iraq. Stability in Afghanistan and suppressing terrorism and drug trafficking emanating from the Afpak area are also clear mutual interests. Despite mounting pressure, however, Iran has shown little inclination to compromise on the nuclear issue and may be unable to do so as long as internal political conditions remain unsettled.

The United States, as demonstrated in Iraq, has proved that it holds no animus toward Shia Muslims and in fact encourages a democratic process which brings them to power, which should be reassuring to Iran if worrisome to Bahrain or Saudi Arabia. Promoting an alliance of Sunni Arab states, the United States and Israel against Iran is probably a non-starter, however, especially in light of the admiration for Ahmadinejad's popularity on the "Arab street."

One important divergence is the degree to which the GCC states would support a US or Israeli military effort to contain Iran. Although it has been reported that they now fear Iran more than Israel,[68] that does not mean that Gulf monarchies would support an attack, naval embargo or aggressive measures. According to two RAND analysts:

> This alarm … does not translate into unequivocal balancing against Iran or a wholesale embrace of US regional containment policy. Instead, Arab states are more likely to blend confrontational policies toward Tehran with elements of conciliation, engagement, and accommodation, thus hedging against sudden swings in US policy toward Iran while maintaining deeply rooted economic and cultural ties with their neighbor to the east. For some, the threat of US military action against Iran is as worrisome as a potential nuclear threat from Iran itself.[69]

After all, the GCC states are the ones that live in the neighborhood and would be subject to any retaliation.

68. E.g., statements by former Secretary of Defense William S. Cohen, as reported in *Iran Times*, August 21, 2009: 3.

69. Dalia Dassa Kaye and Frederic Wehrey, "Containing Iran? Avoiding a Two-dimensional Strategy in a Four-dimensional Region," *Washington Quarterly* (July 2009): 38.

There is a lot of unfinished business in the Gulf. Some issues will be critical for future security, especially Iran's development of nuclear power at Bushehr and perhaps elsewhere, which is already sparking a nuclear race. It is important for Iraqis to overcome their sense of strategic disadvantage due to the country's landlocked status. The reconstitution of Iraqi political life in the post-Saddam era has been difficult and deadly, but the March 2010 elections were regarded by outside observers as fair, and, while sectarianism was still an important factor in voting, it was less so than in the 2005 election. Although Ayad Allawi, a secular Shia who received Sunni support, was the victor, nine months of negotiations ended in December 2010 with Maliki retaining the office of prime minister.[70]

Factors which could destabilize the region include a renewed Iraqi push for regional influence, terrorism in the GCC states, and violence between Sunni and Shia—especially in Iraq. An Iran with decreasing oil production next to an Iraq with rapidly increasingly production and income would be a destabilizing element. Other festering issues include border disputes with neighbors, especially those with Iraq. Iranian relations with Qatar, which are good, could sour should Iran accuse it of overexploiting their joint gas field (the North Field for Qatar and South Pars for Iran). The dispute over Abu Musa and the Tunbs, like that over the proper name of the Gulf—Persian or Arabian—is mostly letting off steam. Such issues are not allowed to get in the way of good business relations, such as between Dubai and Iran. A change in the internal balance of power among the emirates of the UAE, however, could lead to a more unified state and one less accommodating of Iran.

There are actions that regional states should be taking to improve their own security other than by purchasing arms. It is important to address common problems such as environmental degradation and the lack of fresh water. Confidence-building measures would always be welcome. A younger, Internet-savvy generation is coming of age that is much better informed about regional and global conditions, as evident in the widespread demand for democracy in early 2011. New governments will have to learn how to accommodate this group. What is striking is the limits of US influence and even will in these matters: in the end, the future is up to the regional states. The GCC states clearly need to rise to the occasion and contribute more to Iraq's rehabilitation. Otherwise, they are replicating the situation under Saddam in which Iraqis believed their prosperity was being sacrificed due to the greed of others.

70. Rod Nordland, "The Iraqi Voter Rewrites the Rulebook," *New York Times*, April 4, 2010; "Who will lead Iraq?" *Los Angeles Times* (editorial), April 1, 2010; Timothy Williams and Rod Nordland, "Former Premier Wins Narrowly in Iraq Election," *New York Times*, March 27, 2010.

The future of Iran is the most critical issue which will affect the region. The United States will have to learn to live with a nuclear Iran and try to restrain Israel over this issue. This will not be easy if Israel acts on its threats not to allow Iran to become nuclear-armed. Iranian enrichment is now a fact and can only be contained by negotiated agreement. Any military strike against Iran would be a major miscalculation but one which cannot be ruled out. The success and durability of the opposition Green Movement and the longevity of the Ahmadinejad Administration are also important questions. The United States should not to make the historical mistake of tying its policies too closely to one individual (as in the case of the Shah), neglecting other forces or public opinion.

The real key to peace is the transformation of mutual perceptions between Arabs and Iranians and security by inclusion, not exclusion. Allowing and encouraging the regional states to play a greater role in their own security is essential. While the interests of the regional states and the United States in the Gulf sometimes converge and sometimes diverge, the constantly changing political constellation offers many opportunities for cooperation and the containment of potential conflict.

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Afghanistan as a bridge

Gülden Ayman[71]

Could afghanistan serve as a bridge for US-Iranian relations? This question can be considered in two distinct ways: first, as a discussion of whether a process of cooperation over Afghanistan could contribute to an overall improvement in US-Iranian relations; and, second, as whether US-Iranian cooperation over Afghanistan could lead the way toward a decision by Iran to terminate its nuclear enrichment program or at least comply with the terms of Western proposals to limit Iranian efforts. This chapter asserts that the second proposition is unlikely, but US-Iranian engagement over Afghanistan may bring some short-term benefits. Such benefits, however, would not be a replacement for the broad-based strategic understanding that is required if the US-Iranian conflict is to be settled.

The chapter examines the differences in threat perceptions and the strategies employed by both parties in an effort to analyze the validity of pursuing an incremental approach to US-Iranian relations over Afghanistan. After evaluating the conditions that paved the way for limited cooperation on Afghanistan between the United States and Iran after the terrorist attacks of September 11, 2001, the impact of the US invasion of Iraq on Iranian perceptions is examined and the current challenges that impede progress in US-Iranian rapprochement discussed.

Hopes for a New Beginning

By rejecting the Bush Administration's harsh stance toward Iran, recognizing Iran's right to a peaceful nuclear program, curtailing support for Iranian opposition groups and reaching out for Iran's cooperation on Afghanistan, President Obama has generated hope for a new beginning. Positive expectations regarding future relations have often been supported by evaluations stressing that both countries have strong incentives to break the ice. Such arguments underline the fact that Iran is perceived by the Obama Administration to be at the center of a set of issues of direct national interest to the United States, including the Middle East peace process, the fight against international terrorism, regional stability and ensuring a continuous supply of oil. It is also asserted that the only way out of Iran's economic and social impasse is to reach agreements with

71. The editors express their gratitude to the Islamabad Policy Research Institute for allowing this article to be reprinted. It originally appeared in the *IPRI Journal* in 2010.

the United States and the European Union. This would bring an end to the diplomatic and economic isolation of Iran and attract more foreign investment to develop its reserves of oil and natural gas.[72]

Notwithstanding these arguments the United States and Iran are still far from initiating constructive dialogue. This necessitates a closer look at the threat perceptions of both parties and a careful evaluation of what guides their strategic behavior.

Asymmetry of Power, Perceptions of Threat and Strategic Behavior

Because of its prolonged difficulties and the complex issues they encompass, US-Iranian relations could be characterized as an intractable conflict.[73] Both sides have grievances and differ in their definition of the threat and the perception of its intensity, and also in their strategic behavior toward each other.[74]

For the United States, the tension started with the seizure of the US Embassy in 1979 and was deepened by the humiliating hostage situation that ensued. Since the fall of the Shah in 1979, relations between Iran and the United States have been poor. In the minds of US policymakers, Iran has been associated with the image of a "rogue regime" that foments instability and chaos in the Middle East, with no respect for international law. According to the official US line adopted during the Bush Administration, Iran was labeled as a country that supports international terrorism, seeks to possess weapons of mass destruction, has a poor human rights record and opposes the Middle East peace process. Iran has long been accused ferociously by successive US administrations of covertly providing financial and military aid to Hizbullah and Hamas. It has also been condemned for channeling weapons to Afghanistan, as well as funding and training militia groups in Iraq.

72. As an example of such opinions see Stephen Heinz's comments on "US-Iran Relations," at MIT World, http:www.mitworld.mit.edu/video/682 (accessed March 25, 2010).

73. On the definition of intractable conflicts see Peter Coleman, "Intractable Conflict," in Morton Deutsch and Peter Coleman, eds, *The Handbook of Conflict Resolution: Theory and Practice* (San Francisco: Jossey-Bass Inc., 2000): 428.

74. On the relationship between power, threat and negotiations see Nadim N. Rouhana and Susan T. Fiske, "Perception of Power, Threat, and Conflict Intensity in Asymmetric Intergroup Conflict: Arab and Jewish Citizens of Israel," *Journal of Conflict Resolution* 39/1 (March 1995): 49–81.

The National Identity Dynamic in Iran

While the united states perceives the Iranian challenge as a threat to its strategic interests, for Iran the United States poses an existential threat, which necessitates a strong deterrence policy that leaves room for compromise only under certain conditions. The US-Iranian rivalry encompasses a unique stage of Iranian history, and defending Iran from external threats has always been the core component of the Iranian national iden-

tity dynamic, which is defined by Bloom as "the potential for action which resides in a mass which shares the same national identification."[75] The first manifestation of a national identity dynamic in Islamic Iran was the cross-national resistance by Iranians to Arab dominance. The same cross-national mobilization occurred during the occupation of Iran by the Ottomans and the Russians after the fall of the Safavid dynasty in 1722. Later, in 1856, when British naval forces invaded southern Iran at Bushehr to force Iran to withdraw from Herat, Persian and non-Persian Iranian tribes united in their war against the British. During World War II, Iran's spiky relations with the West entered a new stage. In 1941, the British Empire and the Soviet Union jointly invaded and occupied the independent kingdom of Persia, deposed Iran's ruler, Reza Shah, and installed his son, Mohammed Reza Pahlavi, on the throne to serve the interests of the British Empire. Iranian occupation with foreign interference was further fueled in 1952 by a coup engineered by the United States and the United Kingdom to bring down the Prime Minister, Mohammed Musaddegh, who was the architect of the nationalization of the Iranian oil industry. It is noteworthy that the coup's effects were long-lasting. The erosion of trust between Iran and the West after the US and British interference in Iran's domestic affairs ruined the democratic credentials of the West and strengthened the belief that the democratic rights of Iran would not be respected when the strategic interests of the West were at stake.[76]

Ending foreign intervention constituted one of the important driving forces behind the Iranian Revolution and was reflected in the Constitution as well as the new bureaucracy built by Iran. The negative image of the United States was reinforced by US support for Saddam Hussein during his eight-year war with Iran in the 1980s. The initial stages of the revolution had made clear that it would be detrimental to Western, specifically US and British, interests. There was also a strong belief that an Iranian victory in the Iran-Iraq War would not serve Western interests. As a consequence of the US and British failure to find other ways to overthrow the revolutionary Islamic government, and as a way of preventing Iranian victory, the United States provided Iraq with financing, enhanced its credit standing and enabled it to obtain loans from international financial institutions. Meanwhile, Israel sold Iraq a reported USD 5 billion in US produced arms and spare parts. Europe supplied Iraq with chemical weapons, food and arms.[77]

Even though the Geneva Conventions require that the international community respond to acts of chemical warfare,

75. William Bloom, *Personal Identity, National Identity and International Relations* (Cambridge: Cambridge University Press, 1990): 53, 79.

76. Hamid Ahmadi, "Unity within Diversity: Foundations and Dynamics of National Identity in Iran," *Critical Middle East Studies* 14/1 (Spring 2005): 127–147.

77. "Shaking Hands with Saddam Hussein: The US Tilts toward Iraq, 1980–1984" in Joyce Battle, ed., *National Security Archive Electronic Briefing Book* 82 (February 2003), http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB82/ (accessed March 25, 2010).

a diplomatically isolated Iran received only a muted response to its complaints. After the US Navy entered the war on Iraq's side, Iran was forced to sue for peace. The bloody, eight-year Iran-Iraq war cost Iran one million casualties, half of them fatalities. Iran was left a financial and emotional ruin, with an entire generation killed in battle or horribly maimed by Iraq's West-supplied chemical weapons. This generated a deep sense of "victimization."[78]

Isolation as a Choice

One of the critical aspects of the Iranian Revolution was the adoption of a defensive approach based on the belief that Iran's security was best assured by it disassociating itself from the economic and political impositions of the international capitalist system led by the United States. In this respect, isolation was a conscious policy aimed at maintaining a calculated distance from the international landscape, which is perceived as an alien world founded on oppression, conspiracy and anti-Islamic sentiment controlled and directed by capitalists.[79]

As well as being a reaction to foreign intervention, isolationism as a policy was also regarded as protecting the interests of certain socio-economic groups in Iran, groups which provided critical support for the "revolutionary action". Religion has played a critical role in Iranian politics for at least two millennia. After Shi'ism became the state religion, during the Safavi dynasty in the 16th to the 18th centuries, religion became the most important legitimizing force behind the Shahs—who were considered as being the "shadow of God" (zill al-Allah). Since the power of the Shi`i ulema (the educated class of scholars who study Islamic law) was inseparable from the presence of a "sacred king," any idea that might diminish their influence was rejected. This was clear in the early days of Reza Shah's rule, in the mid 1920s, when he wanted to declare Iran a republic as Kemal Ataturk had done in Turkey. The Shi'i ulama rejected the idea and instead recommended that he become the new Shah of Iran.

The imagery and symbolism of Shi'i Islam played a distinctive role in initiating and sustaining the revolutionary movement. What made the Iranian experience a unique case, however, was that the bazaaris—those engaged in trade and industry in the bazaar, the traditional sector of the economy—and the landowners found the revolutionary movement compelling. At first the religious opposition to Reza Shah's anticlerical

78. On the role of victimization as an obstacle to resolving enduring conflicts see John E Mack, "The Psychodynamics of Victimization Among National Groups in Conflict," in Vamik Volkan, Demetrios A. Julius and Joseph A. Montville, eds, *The Psychodynamics of International Relationships, Vol. II: Unofficial Diplomacy at Work* (Lexington, Mass.: Lexington Books, 1991).

79. Mahmood Sariolghalam, "Iran in Search of Itself," *Current History* 107/713 (December 2008), p. 425–431.

policies was quite weak since the resistance to Shah's modernization policies gained little support from the merchants and landowners. However, the landowners as well as the merchant class where alienated by the economic policies of Mohammad Reza Shah Pahlavi, who favored large, modern commercial and industrial establishments, corporations and agribusiness. The antagonized classes became an audiences for the arguments for an Islamic alternative to the monarchy, an audience that commanded considerable resources and nurtured extensive networks in the Iranian population.[80]

The Main Pillars of the Iranian Strategy

Since its founding, the Islamic Republic of Iran has developed a two-layered, security-centered foreign policy to promote and protect its interests and to neutralize the perceived threat posed by the United States. Absolute Islamic sovereignty, the rise of the Muslim world and a genuine struggle against imperialism were the ideas championed by the Islamic Revolution. Iran was not seeking strategic allies in the early days of the revolution as it was expecting to lead the Muslim world. However, when this did not happen, the idealism of the revolution gradually waned and left space for adaptation to a more political approach to foreign policy. In other words, the perception gained influence that asymmetric power relations with the United States necessitated Iran's pursuit of a careful foreign policy. In that respect, notwithstanding the portrayal of the United States as the real source of evil in the planet (the "Great Satan"), Iran has persistently sought not to allow hostile bilateral relations to descend into a military confrontation between the two countries. In addition, in an effort to overcome its inferior power position vis-à-vis the United States, non-conventional and asymmetric strategies were developed in the military and foreign policy arenas to provide Iran with the measure of strategic depth it needed but hitherto had not possessed. These include non-conventional weapons options, relationships with regional groups, some of which are labeled terrorist organizations, and efforts to create spheres of influence or buffer zones around Iran's troubled neighborhood and beyond its borders. These asymmetric strategies allowed Iran to project its power and enhance its interests, support Islamic movements, create a defensive and sometimes invisible wall outside its borders, and position friendly forces and proxies beyond its borders against those who threaten its own survival.

80. Mansoor Moaddel, "Ideology as Episodic Discourse: The Case of the Iranian Revolution," *American Sociological Review* 57/3 (June 1992): 353–379, 358–359.

Iranian Policy toward Afghanistan

The start of the Soviet occupation of Afghanistan coincided with the US hostage crisis in Tehran, which ended decades of strategic cooperation between Iran and the United States and regrettably transformed the two former allies into bitter enemies.[81] As Iran became increasingly isolated during the hostage crisis, it began to move toward the Soviet Union in order to neutralize the impending US threat. Iran refused to become a "frontline" state or to participate in the Washington-Islamabad-Riyadh axis. Iran considered Wahabism to be "America's Islam" and the Saudi-US alliance, with its uncompromising anti-Shi'i proclivities, to be a grave security threat. Another noteworthy characteristic of Iranian policy was its determination to improve its relations with Pakistan under President Zia al-Haq, in the hope of keeping him distant from Washington. Tehran-Moscow relations were also complex. Tehran was publicly demanding Soviet withdrawal from Afghanistan and supporting the Afghan resistance, portraying it as a legitimate movement against an illegitimate occupation. At the same time, Tehran was taking a sophisticated approach, not allowing its public policy toward Afghanistan to irrevocably damage its otherwise amicable relations with Moscow. It is striking that Iran played its "Afghan card" not only to counter the looming US threat but also as an effective means to gain concessions from Moscow. The objectives were to limit the Soviet supply of arms to Iraq during the Iran-Iraq War and, domestically, to tame the activities of the pro-Moscow Tudeh party while the Khomeinists consolidated power in Iran.

In an attempt to create an "ideological sphere of influence" by empowering their religious kinsmen during the Soviet occupation (1979–88), Tehran mobilized and energized the Afghan Shi'ites, which comprised about 20 percent of the population. The historically oppressed and marginalized Hazaras, Qizilbash and Farsiwans Shi'ites were transformed into a disciplined and cohesive force as a result of this policy. As is explained by Milani, Tehran not only provided financial support to the Shi'ites, but also gave them hope, trained a generation of activists and established close links with the Afghan ulama. The presence of Afghan refugees in Iran provided Tehran with a unique opportunity to train an indigenous Afghan force that could be relocated to Afghanistan at an opportune moment.[82]

At the end of the Iraq-Iran War, Iran began to employ a more assertive policy in Afghanistan. The multidimensional approach by which Tehran sought to further its interests

81. See Mohsen M. Milani, "The Hostage Crisis," *Encyclopedia Iranica* VII (New York: Columbia University, 2004): 525–535

82. Mohsen M. Milani, "Iran's Policy towards Afghanistan," *Middle East Journal* 60/2 (Spring, 2006): 235–256.

included attempts to: (a) ensure stability on its borders with Afghanistan as it rebuilt its own shattered economy; (b) support the establishment of a Tehran-friendly government in Kabul; (c) reduce the influence of Pakistan and especially Saudi Arabia in Afghanistan; and (d) transform itself into a critical trade and energy bridge between Central Asia, Afghanistan and the Persian Gulf. Countering US influence remained the primary motive for its approach to Afghanistan.

As realism in foreign policy gained ground, Iran's eagerness to create an "ideological sphere of influence" transformed into attempts to create a "political sphere of influence" during the period 1988–96. Emphasis was put on unifying the Dari/Persian-speaking minorities, who ascended to power. Iranian policies added fuel to the ferocious civil war in the 1990s. However, after the Taliban government was found responsible for storming the Iranian Consulate in Mazar-e Sharif, in north-central Afghanistan, in August 1998, killing nine Iranian diplomats, Tehran's relations with the Taliban deteriorated. This created a more favorable environment for possible US-Iranian working relations and paved the way for secret talks on Afghanistan in Geneva. The September 11 attacks reinforced this tendency. In contrast to the perception of the United States as the Great Satan, the image of maimed innocent victims and grieving people created sympathy for the United States in large parts of Iranian society, including parts of the Iranian leadership. President Khatami, who had heavily invested in his "dialogue among civilizations," was one of the first world leaders to condemn the attacks as being "anti-Islamic and barbaric." Under these auspicious conditions, Iran came to play an important role in the campaign to overthrow the Taliban. Iranians saw this as an opportunity to cooperate with Washington, hoping that such cooperation would translate into a fundamental realignment of relations between the United States and Iran.[83]

Back Room Talks

The fall of the taliban created a strategic configuration which brought some advantage to Iran but also presented some challenges. It forced Pakistan and Saudi Arabia, Iran's main competitors in Afghanistan, into a defensive posture and resulted in the Northern Alliance regaining considerable power in Kabul. Iran not only facilitated the dialogue between the Northern Alliance and the United States, but also allowed the United

83. Ibid.

States to transport food and humanitarian aid to Afghanistan through Iranian territory. What puzzled Iran, however, was that the United States seemed to lack a clear plan for the post-Taliban Afghanistan. Worried about possible unexpected developments that might transform the situation in a way that would harm Iranian interests, Iran offered advice and intelligence assistance to the United States.

Iran participated in the UN-brokered, US-sponsored Bonn Conference in December 2001, at which an agreement laying the groundwork for the future of Afghan governance was signed by the major Afghan factions. Iran and the United States supported a new government free from the Taliban, and agreed on several other critical issues. Iran even dropped its proposal favoring an interim government led by Rabbani in support of Hamid Karzai, who was the US choice. However, this did not mean that the use of asymmetric strategies by Iran was at an end.

In January 2002, weapons allegedly made in Iran were captured by the Israeli Defense Forces on a Palestinian Authority-owned freighter, and US-Iranian negotiations over Afghanistan soured. Just a few weeks after the incident, President Bush included Iran as one of the three states in the "axis of evil." This move was received with collective outrage in Iran. It elevated deep-seated suspicions among Tehran's clerics that the United States was committed to not only to encircling, but also overthrowing the regime.

Despite the downturn in relations after the axis of evil speech, the basic parameters of Iran's approach to Afghanistan did not change. It was still aimed at avoiding direct confrontation with the United States while pressuring Kabul gradually to reduce US influence. Iran continued to collaborate with Karzai's government but it did not abandon its support for its other allies in Afghanistan. Tehran engaged heavily in the reconstruction of Afghanistan in order to create an "economic sphere of influence," transform Herat into a buffer zone and reduce the flow of narcotics to Iran. However, the status of Afghan refugees, estimated at over 2 million, remained a source of friction between Kabul and Tehran. The two governments also differed in their approach to multinational troops in Afghanistan. Karzai favored their presence to consolidate his own rule and stabilize the country, whereas Iran demanded their withdrawal. In addition, "pipeline politics" also upset relations between the two countries. Iran was heavily engaged in the reconstruction of Afghanistan, but its economic sphere of influence was designed to enhance Iran's political and se-

curity objectives. In this regard, Iranian efforts were primarily aimed at reducing the influence of other neighboring countries and transforming itself into a hub for the transit of goods and services between the Persian Gulf, Afghanistan, Central Asia, China and India. As a result, Iran became one of the leading contributors to reconstruction activity in Afghanistan. It is also true, however, that the bulk of these Iranian investments involved infrastructure projects, road and bridge construction, education, agriculture, power generation and telecommunications focused on the Herat region, which was considered an "integral part" of Iran until 1857. Iran's vehement opposition to the Turkmenistan-Afghanistan-Pakistan pipeline angered many in Afghanistan. From Iran's perspective, the most contentious issues were opium production in Afghanistan, the Karzai government's attempts to undermine the power of warlords friendly to Iran, and Karzai's policy of increasing the Pashtu presence in his government.[84]

Relations After the US Invasion of Iraq

The US invasion of Iraq in 2003 changed the security calculus in Tehran by increasing the US military presence in Iran's vicinity. It clearly intensified the security pressure on its border regions felt by Iran—the feeling of being encircled by a US military presence extended to the Persian Gulf, Iraq, Turkey, Central Asia and Afghanistan. This strengthened the "security-centered" approach of Iranian foreign and security policy and a more confrontational stance was adopted toward the United States and Israel.

Iran, however, has also been portrayed by many as the main beneficiary of the Iraq invasion. Not only had it gained help to eliminate the Taliban in Kabul. It now received help to remove a second major security threat to the Islamic Republic, that posed by Saddam Hussein. In addition, the inability of the United States to restore security and stability in Iraq reinforced Iran's position in the region by creating a power vacuum on its western border.[85]

Tehran thought that it had given too many concessions to the West, particularly to the United States, without being sufficiently rewarded. This led to a reluctance to restart US-Iranian cooperation on tactical matters. Despite the fact that Iran, like other regional players, added fuel to the bloody Afghan civil war, it shares some common objectives with the United States, such as the establishment of a stable Afghanistan

84. Ibid.

85. Iran created a sophisticated and multilayered 'sphere of influence' within Iraq similar but more powerful than the one it built in Afghanistan. See Kenneth Katzman, "Iran's Activities and Influence in Iraq," *CRS Report for the Congress*, Congressional Research Service, June 4, 2009.

free from the Taliban and al-Qaeda, the reconstruction of that country and the fight against narcotics.

On a more general, holistic level Iran demands that its security concerns should be addressed, sanctions lifted and, more importantly, the Islamic Republic and its place in the regional order acknowledged if any meaningful cooperation with the United States is to be resumed. In viewing its influence in Afghanistan and Iraq as a bargaining chip to effectively defend its interests and counter any offensive, it seems keen on keeping all its options open until a comprehensive agreement is reached with the United States.

Dilemmas of the US Approach

In recent years the hallmarks of the US national security strategy toward Iran, isolation and regime change, have done little to coerce Iran into moderating its behavior in the region, and it has not prevented the evolution of the Iranian nuclear program. The United States has imposed economic sanctions, armed Iraq to fight Iran, supported a variety of Iranian opposition groups, and orchestrated international efforts to isolate it, including a campaign to keep Iran out of the World Trade Organization (WTO). One important factor behind the failure of the US policies of regime change, isolation and the threat to use military force has been a gap between the assumptions driving these policies and the political realities in Iran.[86] A key effect is that the Iranian leadership has been able to divert the attention of Iranian society away from the failures of the revolution by using anti-US propaganda to trigger nationalism. The imposition of sanctions on Iran has translated into more political power for the Revolutionary Guards which already control a significant portion of Iran's economy. The forces of political opposition have been further pacified and alternative world views within Iran have been suppressed rather than encouraged. This has had an especially negative impact on the internal dynamics of Iran by weakening the "internationalist school," a group which promotes the view that Iran's national security would be strengthened by non-confrontational politics, putting the focus instead on producing national wealth, engaging in economic diplomacy and busying itself with soft power politics.[87]

86. Robert Gates, the US Secretary of Defense, asserts that the United States does not have a military option for dealing with Iran's nuclear program. For the difficulties for Israel or the United States of launching a military strike on Iran see Anthony Cordesman, "The Iran Attack Plan," *Wall Street Journal*, September 25, 2009, http://online.wsj.com/public/page/news-european-union.html (accessed 25 March 2010).

87. Sariolghalam, "Iran in Search of Itself".

Relations with the Obama Administration

After president obama announced his intention of opening up some kind of dialogue with Iran, the first US-Iranian face-to-face talks took place at the Afghanistan Conference in The Hague on March 31, 2009. The most important challenge facing the Obama Administration was to get support for the additional 17,000 troops as well as 4000 military trainers and hundreds of civilians being sent to assist in Afghanistan's development. Iran pledged to continue to support reconstruction efforts and efforts to combat the drugs trade,[88] but it heavily criticized US plans to send more troops to Afghanistan and demanded a timetable for their withdrawal.[89]

Later in 2009, President Obama seized on a plan that asked Iran to divest itself of the bulk of its stock of low-enriched uranium. Two rounds of talks took place between the so-called 5 plus 1 group: one in Geneva on October 1, 2009; the other in Vienna on October 19–21, 2009. At the first meeting, Iran's Foreign Minister, Manouchehr Mottaki, reflected on how Iran viewed these talks: "Our intention is also to see if there is a change of behavior on the part of the Obama Administration and if we can detect evidence of new behavior away from the hegemonic mindset and toward mutual respect."[90] President Ahmadinejad expressed optimism before the Geneva talks and proposed the establishment of "three specialized committees" that would issue reports on pertinent nuclear and non-nuclear issues of mutual concern, culminating in a "summit of heads of state."[91] Despite the willingness showed to discuss a deal, the Iranian negotiators did not agree to any Western proposals during the talks. The talks ended without any attempt to explore the possibility of a larger bargain with Iran, and were therefore viewed as a failure in the West. The Western agenda shifted its emphasis once again to the next phase of sanctions, and calls for regime change and the use of force against Iran.[92]

Arguably, no amount of economic sanctions or economic inducements will change Iran's behavior on the nuclear issue—but US policies also impact Iran's Afghanistan policy. Iran did not attend the International Conference on Afghanistan in London in January 2010, at which representatives of over 60 world countries gathered to discuss a strategy to support the Afghan government. According to the Iranian explanations for its absence, if a collective peace is to be restored to Afghanistan, the role of its neighboring countries should be specified and attention should be paid to them since they are the most interested in ensuring stability and security in Afghanistan.

88. In the words of Iran's Deputy Foreign Minister, Mehdi Akhundzadeh, "Welcoming the proposals for joint cooperation offered by the countries contributing to Afghanistan, the Islamic Republic of Iran is fully prepared to participate in the projects aimed at combating drug trafficking and plans in line with developing and reconstructing Afghanistan." Julian Borger, "Iran Offers to Help US Rebuild Afghanistan," *The Guardian*, March 31, 2009, www.guardian.co.uk/world/2009/.../iran-afghanistan-obama.

89. For details see Bill Meyer, "Uneasy Rivals US, Iran Talk at Afghan Conference," *World News*, March 31, 2009, http: www.cleveland.com/world/.../uneasy_rivals_us_iran_talk_at.htm, accessed March 25, 2010.

90. Kaveh L. Afrasiabi, "October Surprise in US-Iran relations," *Asia Times Online*, October 3, 2009, www.atimes.com/atimes/Middle_East/KJ03Ak01.html, accessed March 25, 2010.

91. Ibid.

92. For details see Gareth Porter, "US-Iran Talks: The Road to Diplomatic Failure," *Le Monde Diplomatique*, February 21, 2010, http: www.raceforiran.com/wp-content/uploads/.../Gareth.Porter.Original.pdf, accessed March 25, 2010.

93. "Iran's Ambassador to Britain: London Conference Ignores Regional Cooperation as Vital in Afghanistan," *Islamic Republic News Agency (IRNA)*, January 27, 2010, http: www2.irna.ir/fa/news/view/line-16/1001269994143550.htm, accessed March 25, 2010. See also Hassan Beheshtipour, "Pursuing Interests of Afghanistan or those of US, Britain?," *Iran Review*, February 1, 2010, http: www.iranreview.org/content/view/5313/36/, accessed March 25, 2010.

Tehran asserted that "regional cooperation has not been placed on the agenda at the London Conference" and argued that "identifying the root causes of the problem has been missed out of the agenda, and the participants simply approved a strategy set out by the United States and the UK."[93]

Conclusions

If no comprehensive framework is developed for the United States and Iran to deal with each other, a variety of issues will continue to risk undermining otherwise productive interactions.

Moreover, the level of mistrust increases each time talks are cut off, increasing the risk of conflict. In order to change the course of US-Iranian relations Hillary Mann Leverett suggests that "Iran would need to be prepared to address our [US] concerns about the nuclear issue, Tehran's ties to terrorist organizations, and problematic aspects of its regional role; the United States would need to be prepared to address Iran's legitimate security concerns, lift sanctions, normalize bilateral relations, and acknowledge the Islamic Republic and its place in the regional order."[94] Mann Leverett, who helped to negotiate a deal with Iran over Afghanistan from 2001 to 2003, argues that in order to insulate any tactical cooperation with the Iranians over issues of mutual interest, such as Afghanistan or Iraq, the United States needs to have a broad-based strategic understanding with Iran, similar to the one Nixon and Kissinger developed during the rapprochement with China in the early 1970s and codified in the 1972 Shanghai Communiqué. Leverett claims that "the Iranians recognized the need for a comprehensive approach," underlining the fact that "In May 2003, just before we cut off the dialogue with the Iranians over Afghanistan and al-Qaeda, the Iranians sent us an offer for talks with a comprehensive agenda, which, unfortunately, the Bush Administration rejected."[95] For US diplomacy toward Iran to be effective, Sam Sasan Shoamanesh recommends that:

US decision makers begin the dialogue on equal footing; not to miss any more diplomatic opportunities; recognize when, with whom, and how to dialogue; engage Iran; recognize the benefits of engagement; engage empathetically; engage knowledgeably; find common ground in Iraq and Afghanistan; decrease the nuclear threat by building trust; avoid force and threats of force; refrain from nuclear sabotage; adopt an innovative approach toward nuclear negotiations; enlist Iranian

94. Bernard Gwertzman, "Interview with Hillary Mann Leverett: US Should Seek Comprehensive Accord with Iran," *New York Times*, February 9, 2009, http:www.nytimes.com/cfr/world/slot1_20090204.html, accessed March 25, 2010.

95. Bernard Gwertzman, "Interview with Hillary Mann Leverett."

help in forging an Arab-Israeli peace deal; give Iran a stake in the global economy; frustrate spoilers, combine popular and formal diplomacy; promote democracy through a bona fide engagement; adopt a human rights-centered diplomacy.[96]

Since today such a change in US diplomacy seems unlikely, Afghanistan is not likely to serve as a bridge for US-Iranian relations. Rather, it will remain an area where US-Iranian tensions are played out.

96. For details see Sam Sasan Shoamanesh, "How and Why to Promote US-Iran Rapprochement," *MIT International Review*, June 1, 2009, Retrieved 25 March, 2010, from //web.mit.edu/mitir/2009/online/us-iran.pdf.

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Iran looking west: identity, rationality and Iranian foreign policy

Rahman Ghahremanpour

Introduction

The troubled relationship between the Islamic Republic of Iran and the West has not been normalized despite several opportunities to do so and thus far reconciliatory forays have been unsuccessful. The controversy over Iran's nuclear program has become a further inhibiting factor for a comprehensive engagement between two sides, at least in the near term. Further more Iran's foreign policy has not followed a clear roadmap and this has decreased its predictability, although this could also be regarded as opening up opportunities—albeit ones that are fraught with danger. Apparently, Mahmoud Ahmadinejad's rise to power has revived a by now familiar Iranian to-and-fro between opposing foreign policy positions.

The ebbs and flows of the relationship between Iran and the West in the past three decades have made it a very difficult object of study, especially if the point of departure is mainstream Anglo-Saxon rationalist theories. From the neo-realist perspectives of foreign policy, the continued confrontation between the Islamic Republic of Iran and the West, particularly the United States, is mystifying. According to such theories the Islamic Republic of Iran should have abandoned its costly uncompromising policies toward the West in order to fulfill its security needs and the pursuit of economic prosperity, these being considered the universal goals of state actors in an anarchic international system. The long-term prediction of such theories is that the values of the predominant international system are internalized even by self-proclaimed revolutionary states such as the Islamic Republic of Iran.[97]

The anti-Western rhetoric of the Islamic Republic of Iran serves as an instrument in its domestic politics and is used to cement its legitimacy. However, the formulation of Iran's foreign policy toward the West also has its own domestic sources independent of the immediate instrumentalization value. For instance, the state identity of the Islamic Republic of Iran, which considers itself the leader of the anti-hegemonic movement in the Islamic world, is a significant variable in analyzing its foreign policy behavior.[98] At the same time, the

97. Kenneth Waltz, *Theory of International Politics* (New York: Random House, 1979).

98. Homeira Moshirzadeh, "Discursive Foundations of Iran's Nuclear Policy," *Security Dialogue* 38 (2007): 521.

state's self-perception in general may be studied as the outcome of identity formation struggles within a society. Different groups make every effort to become the dominant power and seize the state apparatus, through democratic or undemocratic methods. In this sense, the identity of the Islamic Republic of Iran, as is explained below, is the result of competition among several groups in 1970s and 1980s. Furthermore, identity formation is a dynamic and continuous process. Struggles over dominant identity among rival groups are an indispensable part of the political game in every society.

This chapter contributes to an understanding of the complex Iranian-Western relationship by studying the identity-formation process in Iran, from both a historical and a sociological perspective. It tries to comprehend foreign policy behavior by studying social and ideational variables, and specifically the role played by identity formation in inhibiting or enabling some aspects of foreign policy. Here, identity may be seen as primarily a defense mechanism that inhibits international actors from changing their conception of their own role in a foreign policy relationship.[99]

This is achieved by addressing the theoretical foundations of identity formation and discussing the history of identity formation in the Islamic Republic of Iran in the early years of its existence. As we presuppose that identity formation is not static, the chapter is also dedicated to current discourses of, and struggles over, identity formation in Iran. Three main discourses are identified and analyzed. The geopolitical-historical discourse refers to the evolving concept of geopolitics in Iran in contemporary history. The economic-technological discourse is relatively new in Iranian society, and is to a large extent the result of its encounters with modern Western civilization in the past two centuries. It relates to the conception of a specific relationship between power and knowledge. Finally, there is the ideological security discourse, whose supporters are defined as revolutionary by Sarioghalam.[100] Describing the characteristics and features of this discourse is more difficult because until recently it was not the dominant power in Iranian politics. Both Khatami and Rafsanjani, as two pragmatic and moderate presidents, constituted significant obstacles to the ascendancy of this group.

The main argument in this chapter is that the confrontational nature of the Iranian-Western relationship stems from the conflicted Iranian appraisal of the West both as a concept (related to modernity) and a political reality (the Great Powers game from the 19th century onwards). In short, the most

99. Glen Chafetz et al., *The Origins of National Interests* (London: Frank Cass, 1999): xii.

100. Mahmood Sariolghalam, "Iran's Identity Crisis," *Current History* (December 2008): 429.

important and perhaps most contentious point is that anti-Western trends in Iranian politics are not completely dependent on the type of political regime in power in Tehran. This is part of a multilayered phenomenon that could be called an identity dilemma in Iranian society. The majority of Iranians are not satisfied with their current role in the region nor in the international system. Western policies—perceived or real—aimed at restricting and isolating Iran intensifies this sense of frustration.

Theoretical Framework

The relationship between identity and foreign policy is a useful perspective when trying to understand why anti-Western rhetoric has become a feature of the foreign policy of the Islamic Republic of Iran. Constructivism, a relatively new approach to the study of international relations, argues that cultural norms are as important as materialistic variables in determining the national interests of actors in the international system. It talks about the role of state identity in defining the interests and even the security concerns of states.

As Alexander Wendt states in his seminal book: "five hundred British nuclear weapons are less threatening to the United States than five North Korean ones because of the shared understandings that underpin them."[101] One of the important effects of identity is to constrain the available options of the state in its conduct of foreign policy. A certain identity inhibits the pursuit of some policy choices while enabling others. As Telhami and Barnett observe: "We should consider how a particular identity makes certain kinds of state behavior possible or probable, and why."[102]

Gamal Abdel Nasser, the president of Egypt from 1956 to 1970, can serve as an example. His intervention in Yemen's civil war in the 1960s can be traced back to his self-proclaimed leadership of, and identification with, Pan-Arabism and the notion of shared Arab norms. Once Nasser had mobilized a Pan-Arab constituency, he was bound to live up to the role of Arab hero, and this led him down a path of continuous struggle with the West and Israel.[103] In other words, Nasser's Pan-Arabism turned into a constraint. Thus, identity is not merely a political instrument in the hands of power elites and politicians, as rationalist approaches would suggest, but also a framework that both enables and inhibits different policy options and pursuits.

Identities are not formed in a vacuum and thus are not free of the power relations that exist in a society or the international

101. Alexander Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999): 255.

102. Shebley Telhami and Michael Barnett, "Introduction: Identity and Foreign Policy in the Middle East," in Shebley Telhami and Michael Barnett, eds, *Identity and Foreign Policy in the Middle East* (Ithaca, NY: Cornell University Press, 2002).

103. Raymond Hinnebusch, *The International Politics of the Middle East* (Manchester: Manchester University Press, 2003): 103.

system. Maintaining the dominance of a certain kind of identity entails the use of power. The exertion of power, while perhaps not even visible, in turn gives rise to resistance at the micro-level of society. Rival groups use different strategies to de-legitimize the dominant identity. State and non-state groups struggle with each other to dominate their ideal identity and this identity-formation process continues. Sometimes, a marginal identity becomes the dominant one, as happened in Iran's 1979 revolution.

States have to consider rival identities in order to resist the change they demand. Sometimes states oppress and marginalize these rival identities, as happened in Egypt's state struggle with extremist Islamic groups in the mid-1990s. Other states, such as some conservative Arab states, may prefer a type of coexistence with rival identities. In democratic systems, rival identities can achieve dominance through democratic elections. For example, the Islamic AKP (Justice and Development Party) in Turkey won the 2002 parliamentary elections and subsequently tried to challenge the dominant Kemalist identity.

The struggle over identity has been channeled into the democratic process in Western societies, which means that identity formation is not a primary concern in such societies, except for countries such as Canada, Spain and the United Kingdom which have significant ethnic, religious linguistic or national/regional minorities within their borders. Besides continuity, states should regard the importance of change. Some states begin to reinterpret history in order to deter the rise of rival identities. The re-Islamization policies in Egypt of Anwar El Sadat and Hosni Sayyid Mubarak can be better understood from this perspective. Mohammad Reza Shah tried to do this in Iran in the 1970s but failed.

Understanding the nuances of the formation of state identity may help us to discern why states conduct a different and specific form of foreign policy. The historical sociology of state identity formation is an explanatory factor when accounting for a state's foreign policy behavior. Bearing in mind that this formation is a process rather than an event, changes in society and politics facilitate modifications in state identity and subsequently foreign policy behavior and direction. Pragmatic foreign policy in revolutionary states can be explained by this adaptation policy.

To avoid clashes with rival groups or to produce legitimacy, states have to adapt themselves to changes in the environment. Haji Yousefi observes that the demise of the Soviet Union and the subsequent changes to the international system forced

Iran to change its foreign policy orientation in the 1990s, although this did not necessarily result in changed goals and principles.[104] A reinterpretation of past identities and history is a common strategy by states to reproduce state identity and weaken rival identities. Thus, the meaning of being a Kemalist in Turkey or a revolutionary in Iran has changed over time—especially in the past decade.

The Evolution of Anti-Imperialism in Post-revolutionary Iran

To understand the emergence of anti-Western feeling among different groups in post-revolutionary Iran, it is necessary to study the competing revolutionary forces that existed following the 1979 revolution. It is widely accepted that the 1952 coup d'état against Mussadiq played a critical role in reinforcing religious forces in Iran as the other oppositional groups were weakened by the Shah's regime. In the aftermath of the coup, the Shah became the dominant and most powerful person in the country, and he marginalized many political groups. His regime weakened national-bourgeois as well as leftist groups.

Surprisingly, the Shah underestimated the importance and influence of the clergy as a rising political group. Exaggerating the intervention of foreigners and especially the United States in Iran's domestic affairs became a mobilizing strategy for political groups, including the fervent supporters of Ayatollah Khomeini, in order to delegitimize the Shah. Many of the groups struggling against the Shah had lived through the era of foreign intervention between the two world wars and had a negative perception of the role of the Great Powers in Iran. It was common to blame foreigners for Iran's backwardness and underdevelopment. As Ruhollah Ramazani has repeatedly stated, the motto of independence and freedom in the Iranian revolution in 1979 was a reflection of this historical alienation and a wish to gain genuine sovereignty.[105] Sariolghalm believes that the mindset of the leaders of the Islamic Republic was shaped in the 1960s, the decade of anti-colonialist and anti-imperialist movements. This mindset is still alive and impacts the perception of world politics today.[106] It is quite easy to detect this sentiment and mindset in the public speeches of Iranian policymakers.

It is sometimes forgotten that Islamists were only one of the political groups which paved the way for the 1979 revolution. Others, such as the Marxists and Liberal Islamists, had a

104. Amir M. Haji-Yousefi, *Iran and the Middle East*, (Tehran: Goftoman, 2005), p. 65

105. R. K. Ramazani, "The Shifting Premises of Iran's Foreign Policy: Towards a Democratic Peace?," *Middle East Journal* Vol. 52, No. 2 (1998).

106. Mahmood Sariolghalam, "Iran's Identity Crisis," *Current History* (December 2008).

considerable role in the articulation of ideology after the fall of the Shah. When reviewing the intellectual discourse of Iran in the 1960s and 1970s, anti-imperialism stands out as a common theme for most political groups. Some well-known Islamic thinkers such as Ali Shariati tried to present a Marxist reading of Islamic texts and history. Those who were not anti-imperialist were not regarded as truly revolutionary by many political groups in the 1970s.

Borrowing from discourse theory, it could be said that anti-imperialism was the nodal point of revolutionary discourses and was regarded as one of the main sources of legitimacy and credibility for many political trends. Clearly, Islamists paid attention to this concept in order to be accepted by the other groups. In this context, the marginalization of Islamic Liberals such as Mehdi Bazargan in the early years of the Islamic Republic of Iran was predictable. In 2004, Ahmadinejad could defeat Hashemi Rafsanjani in the presidential elections by supporting radical policies compared with his rival in the runoff elections. It seems that radicalism has its specific attraction in revolutionary political systems.

The use of anti-imperialist rhetoric in domestic power struggles strengthened this trend, and the takeover of the US embassy in Tehran—a symbol of imperialism—by Islamist students became a turning point in the weakening of rival political groups. As a matter of fact, Islamist groups disarmed other revolutionary groups polemically and even politically. It has recently become clear that other revolutionary groups, including Marxist students, had a plan to take the US embassy before the Islamist groups but they could not execute it due to lack of support from the Islamist groups and Ayatollah Khomeini. This demonstrates that the majority of political groups were aware of the symbolic importance of taking the US embassy to increasing their bargaining power in domestic politics. Thus, anti-imperialism became a founding element of the identity of the Islamic Republic of Iran, and in the foreign policy arena this was manifested in the emphasis on the doctrine of exporting the revolution in 1980s.

The construction of the identity of the Islamic Republic of Iran was not completed in the 1980s, although the Islamists dominated the building site as it were. A number of events can be enumerated that were significant for the trends and developments in Iran in the past two decades: the Iran-Iraq War and its consequences; the death of Ayatollah Khomeini and the selection by the Assembly of Experts of Ayatollah Khamenei as his successor; the revision of Iran's Constitution and dis-

solution of the premiership system; the collapse of the Soviet Union; the detente in Iran's foreign policy under Rafsanjani's presidency; and finally the surprising rise to power of the reformists in the election of 1997.

State identity in the Islamic Republic of Iran has been affected by these developments. For example, in recent years there has been a shift in Iranian foreign policy away from anti-imperialist rhetoric to an anti-hegemonic conceptualization instead. In this context, Moshirzade examines three discourses which shaped the ideational bases of Iran's nuclear policy. These are the discourses of independence, justice and resistance.[107] It seems to me that these discourses overlap and differentiating them is too difficult. Moreover, this conceptualization mostly explains similarities rather than differences in Iran's nuclear policy. Most of the Islamist political groups in Iran adhere to these discourses, although they may choose different methods and policies.

In addition, there are other theoretical conceptualizations of current political discourses in Iran. Localist/globalist, revolutionary/reformist and resistance/interaction dualities are among the most familiar. It is necessary to use concepts which can elucidate similarities as well as differences among policymakers and policies. Like other social entities, the Islamic Republic of Iran is not unified and homogeneous and there are several trends among policymakers. The conceptualizations selected below constitute one attempt to comprehend these differences and similarities, but more are needed in order to accurately describe and understand these discourses.

Historical-geopolitical Discourse

The majority of Iranians believe that the history and geopolitics of Iran make it a natural regional power. Historically, Iran was an empire until the 19th century and Iranian civilization has had a great cultural impact on its neighbors, from the Indian sub-continent in the east to the Levant in the west, and from the Caucasus and Central Asia in the north to the Arabian Peninsula in the south. It is a commonly held view among Iranians that their country was a crossroads for different civilizations. Ethnic, linguistic and cultural diversity in Iran are the heritage of cultural interchange with other civilizations and an imperial state. History and its interpretation play a unique role in every country and Iran is no exception. In Iran, history is interwoven with a sense of national grandeur and victimization

107. Homeira Moshirzadeh, "Discursive Foundations of Iran's Nuclear Policy," *Security Dialogue* 38 (2007).

at the hands of great powers. According to Moshirzade, the perception of geography in Iran has two aspects: a negative one of, rejecting foreign dominance, and a positive one of seeking to realize one's identity.[108]

Many modernist Iranian intellectuals in the early 20th century believed that reviving ancient Iran would help Iranians find solutions for their problems and pave the way for economic and political development. Novels and official historiography of this period are replete with this idea.[109] This was the ideological framework of the modern narrative of Iranian national identity, which is full of references to the ancient and imperial history of Iran, and was institutionalized by Reza Shah and his political advisors and supporters.

Mohammad Reza Shah tried to realize some of the ambitions of his father. One of his declared policies was to transform Iran into a regional power in the Persian Gulf. This ambition became a reality to a large extent in the early 1970s in the context of the two-pillar policy of US President Nixon. Along similar lines of thinking, the Shah's goal was to restore the Iranian empire and become the fifth greatest power in the world by acquiring modern and sophisticated technologies.

One of the steps taken in this direction was the development of a nuclear power program, which was initiated in the 1960s. In the 1970s, the Shah tried to become a regional power of the Indian Ocean while, according to his Court Minister Asadollah A'lam, remaining suspicious of the ulterior motives of some Western countries—especially the UK.[110] The Shah's close relations with the United States helped him achieve some of his ambitions, including the purchase of sophisticated military weapons. Yet this relationship also evolved into an Achilles heel for him domestically, and revolutionary groups accused him of being a puppet of the United States.

In this way, the Shah's foreign policy played a critical role in fomenting the 1979 revolution in Iran. It also highlights the importance of the Great Powers in the mindset of Iranians. Many believed that the Shah's return to power in the aftermath of the 1952 coup d'état by the United States and the UK was illegal and more beneficial to those two powers than to Iranian society.

It is said that the direct and indirect interference of the Great Powers in Iranian affairs in the 19th and 20th centuries stymied Iran's ambition to become a regional power. For example, the treaties of Golestan (1813) and Turkomanchay (1828) between Iran and Russia, and the Treaty of Herat (1857) between Iran and Great Britain, are seen by many Iranians as attempts to break up the territorial unity of Iran and weaken

108. Ibid: 11.

109. Mohammad Reza Ghanoonparvar, *In a Persian Mirror: Images of the West and Westerners in Iranian Fiction* (University of Texas Press, 1993).

110. Asadollah A'lam, *Memories*, volume 5, edited by Alinaghi Alikhani (Tehran: Akhtaran publications, 2007).

its geopolitical importance. Ironically, some believe that the collapse of the monarchical regime in 1979 was the outcome of the intentions of the United States and others to prevent the rise of Iran as a potential regional rival.

Thus a thread in Iranian public memory of its modern history begins with losing territory in wars against Russia in the 19th century and ends with the nuclear standoff between Iran and the West from 2003 onwards. Other events confirm the role of the Great Powers, especially the West, in this period in weakening Iran: the invasion of Iran in August 1941 and the subsequent forced abdication of Reza Shah, Russia's reluctant withdrawal from Iranian territory in contravention of the agreement between Iran and the Allied powers to withdraw from the country when the war ended, the above-mentioned 1952 coup d'état against Prime Minister Mussadiq, overwhelming support for Mohammad Reza Shah in the 1960s and 1970s, and, finally, the Great Powers' indifference to Saddam Hussein's invasion of Iran in 1980.

These are all inseparable elements in Iranian public memory. In some provinces, the contemporary history of Iran is divided into before and after the invasion of 1941. To this day, the Russian invasion is a common point of departure when history is narrated in Iranian Azerbaijan, which was occupied by Soviet forces. In this regard, as is pointed out by John Garver, the shared sense of humiliation at the hands of the West has been one of the main driving forces in Iran-China relations in the past four decades. According to Garver, both states feel that the West has humiliated them by preventing them from becoming regional or global powers. This idea was shared by the Shah's regime and the Islamic Republic of Iran.[111] It means that the majority of Iranians, putting aside their political and social affiliations, are sure that their country would be a regional power were it not for the resistance of the Great Powers.

Recent developments both inside and outside Iran have reinforced this feeling. Even though it could be regarded as a psychological defense mechanism and a mix of paradoxical thoughts and imagination, it should nonetheless be taken seriously as a social and political trend in Iran. Today, the popularity of political groups and actors in Iran is heavily dependent on their stance on Iran's position in the international community and its national power. Even the revolutionary groups of the 1980s, which were opponents of any kind of nationalism and regarded it as product of colonialism to divide and govern non-Western nations, have come to respect Iran's history and nationalism.

111. John W. Garver, *China and Iran: Ancient Partners in a Post-imperial World* (Washington, DC: University of Washington Press, 2006).

Viewed from this discourse, the mastering of complicated and sophisticated nuclear technology by Iran is a key factor in enhancing its regional position and facilitating the historical ambition of Iranians to be a regional power. The political system has been able to utilize this feeling to justify its nuclear program and delegitimize Western pressure in this regard. Some who are not fervent supporters of the political system and are eager to see fundamental changes and reform in Iran agree with the government that the standoff between Iran and the West over the nuclear program is not solely rooted in the confrontational policies of the Islamic regime.

The West has not been successful in persuading Iranians that its main aim is not preventing Iran's access to nuclear energy. The EU-3 neglected this critical point in its nuclear talks with Iran. It seems that they thought the Iranian nuclear program, as is the case in some countries, is not a concern of the majority of the population. They focused instead on offering concessions to the government without taking into account whether these offers were attractive to the constituencies of that government.

Nationalist sentiment and the state in Iran have in common their ambition to enhance Iran's power and influence, and it is from this common perspective that many people perceive the nuclear program. It is true that the West has repeatedly recognized Iran's right to use nuclear technology in the different negotiation packages that it has offered Iran. Yet, the historical mistrust of the Great powers in Iranian society and the popularity of conspiracy theories mean that many believe that the West's declared policy is not the actual policy it is pursuing.

In addition, the historical gap in trust between state and nation in Iran reinforces this type of thinking among Iranians. Seen from outside, this is a paradoxical and contradictory reaction. While people do not trust their state, they are at the same time willing to believe in its nuclear policy. Analysis and an understanding of this sympathy toward the nuclear policy of the state, or at least some parts of the policy, is easier within a historical-geopolitical discourse. As is noted above, it seems that Iran's regional ambitions are not dependent on the type of regime that rules the country. As long as the nuclear program is understood as a main factor in realizing this aspiration, a majority of Iranians, putting aside their political affiliations and views, will support it. This is why some Western scholars believe that bombing Iran's nuclear facilities will not diminish Tehran's intention to use nuclear technology as political leverage to enhance Iran's regional power.

Economic-technological Discourse

Viewing the west from the perspective of technological and scientific power is nothing new in the Islamic world or Iran. Some Islamic revivalists in the early 20th century argued that the West could dominate world politics because of its scientific power, and if Muslims could obtain this type of power they would be as powerful as the West. Furthermore, the popularity of development theories in the 1960s convinced some bureaucratic professionals in the region that economic development was the key to political development. This tendency was popular among some pro-Western intellectuals in Iran in the 1970s. Ironically, the experiences of the Iran-Iraq War and the sanctions against Iran persuaded some policymakers that Iran's dependence on Western technology increased its vulnerability. Referencing Ayatollah Khomeini's recommendation on the need to be self-sufficient, Iran began to meet its own technological needs by developing and gathering know-how and equipment through alternative methods such as imports, reverse-engineering and even black market purchases.

Thus, the proponents of this discourse do not reject Iran's right to be a regional power. Rather, they believe that increased economic power and the acquisition of modern technology play a key role in achieving this historical aspiration. This discourse primarily rejects the isolationist tendency in Iranian foreign policy, although this does not necessarily mean accepting Western hegemony over the international system.

The so-called pragmatists and moderates in the policymaking circles of the Islamic Republic of Iran support "constructive engagement" with the international community. This key concept was used in the 20-Year Vision Document of the Islamic Republic of Iran as part of its overall strategy. The document asserts that Iran should be "a technological and scientific power in the [Southwestern Asia] region in 2025." Apparently, the concept of constructive engagement is an attempt to reconcile the economic-technological discourse with the ideological-security one, since the former relies on increasing economic and scientific power through engagement with the industrialized world and the latter is concerned with the security ramifications of unrestricted engagement. In this sense the constructive element of the concept is interchangeable with "restricted" or "selective" engagement. Elsewhere, I have called the 20-Year Vision Document a kind of reconciliation between two main rival approaches in policymaking circles: the supporters of resistance against the West and the believers

in engagement with the West.[112] Defining Iran as a technological and scientific power and the inspirational model for the Islamic World in the next 20 years is another sign of the attempt to balance this see-saw.

Technically speaking, this discourse sees engagement with the West mostly as a method for becoming a developed country and subsequently a regional power. As Sariolghalam points out, power and wealth in today's world are concentrated in the West and to be a developed country, Iran should work and interact with the West.[113] As Hasan Rouhani, the former secretary of the Supreme National Security Council, observes, one of the foundational debates among power elites in Iran is about the primacy of the Islamic Revolution or the Islamic Republic. Some argue that national power is a function of expanding and exporting the culture of the Islamic Revolution regionally and internationally, while others stress that expanding the values of the Islamic Revolution is dependent on progress and development and hence technological and scientific power.[114] It is a common assessment that some Muslims prefer Western science and technology but not its cultural values. How to import Western science and reject its social and cultural implications, however, is a real dilemma.

One of the important aspects of Iran's nuclear program is its technological and scientific importance. Iranian leaders, like their Argentinean counterparts in the 1960s,[115] assert that mastering sophisticated nuclear technology will enhance Iran's national power and therefore call this program strategic and critical to Iran's progress and development. This line of thought also applies to Iran's space program, and to other research programs, such as transgenic research and nanotechnology, which have received much attention from policymakers. It is argued that acquiring advanced technology increases Iran's geopolitical and historical importance. While some consider the historical-geopolitical discourse to be too idealistic, there is a relatively widespread consensus among different political groups in Iran on the advantages of and need to obtain and localize sophisticated technology.

The main supporters of this discourse belong to two different groups. The first group is the revolutionaries that believe in self-sufficiency and independence even in an interconnected and globalized world. They see the nuclear program of Iran as a critical step toward establishing independence from the West-dominated international system. Being independent is the preliminary condition for reaching the ideals of the Islamic Republic of Iran, and mastering nuclear technology would help

112. Rahman Ghahremanpour, "The Priority of Inspirationalism to Soft Power In Iran's Grand Politics in the Muslim World," *Defense Strategy Quarterly* (April 2010): 152–60.

113. Mahmood Sariolghalam, *Iran and Globalization* (Tehran: Center for Strategic Research, 2005): 16.

114. Hasan Rouhani, "National Wealth or National Power? What is the Priority?" *Rahbord Quarterly* (Spring 2006) (In Persian): 10–12.

115. Manpreet Sethi, *Argentina's Nuclear Policy* (New Delhi: KW, 1992): 10–15.

Iran in this regard. There are some officials in Iran who insist on the strategic value of nuclear technology even if it entails international isolation for a certain period of time.

On the other hand, the second group—the pragmatic revolutionaries—understand the value of nuclear technology in a different way. They do not accept the isolation/nuclear technology trade-off. According to them, it is possible to access this invaluable technology without sanctions and a confrontational foreign policy. A nuclear program should not be premised on or lead to Iran being isolated. Any kind of resistance against Western pressure on Iran due to its pursuit of nuclear technology should be based on long term national interests and national security concerns. To them, nuclear technology or even a nuclear bomb is not a reliable guarantee of national security. Pakistan is a good example of this. It has not been able to resolve its outstanding and enduring problems by producing a nuclear bomb.

Ideological-security Discourse

Some policymakers, revolutionaries and religious groups claim that there is a permanent and existential enmity between the Islamic Republic of Iran and the West. This, they claim, is rooted in their mutually incompatible nature and aims. While the Iranian system is theocratic and religious, the West has been the forerunner of secularism in the modern international system. Additionally, the West—and specifically the United States—views the Islamic Republic of Iran as the main impediment to its hegemonic ambitions in the international system.[116] This perception has ideological and security-related roots. Ideologically, it states that the Islamic Republic of Iran and the West have two distinct ideologies with a completely different ontology and worldview. Islamism and Liberalism propagate two different lifestyles that are incompatible with each other.

It is not rational to expect either side to accept the ethical or political superiority of the other. The Islamic Republic of Iran, as the supreme leader Ayatollah Khamenei has frequently reiterated, is the spiritual leader of political Islam, and to abandon its revolutionary values and ideals would amount to a renouncement of the Islamic world and a loss of the Islamic Republic of Iran's influence among Islamic movements across the world. Indeed, Iran's 20-Year Vision Document and other national documents provided by the state insist on the inspirational role of the Islamic Republic of Iran in the Islamic world and its

116. Manoochehr Mohammadi, *Iran and the Future of the International System* (Tehran: IPIS, 2009) (in Persian): 15–25.

defense of Muslims against oppression all over the world. At the same time, it is incumbent on the Islamic Republic of Iran to refuse the stationing of foreign military bases on Iranian territory. The Constitution of the Islamic Republic of Iran affirms and prescribes this premise in articles 152, 153 and 154.[117] Thus, the Islamic Republic of Iran's strategic depth is not limited by its territorial borders since its core ideology is transnational—a perception of Islamic ideology that is not unique to Iran.

In terms of security, this discourse posits the West, and its globalizing ideology and market philosophy, as the main threat to the Islamic regime's survival and security. The history of the past 30 years evinces that this threat has not been attenuated. Instead, the West has intensified its confrontation with the Islamic Republic of Iran and the latest instance is the nuclear standoff. Although the West may not be an existential threat to the survival of the Iranian regime, it is a major threat and hence the Islamic Republic of Iran should resist Western policies of isolation. The most rational option for Iran is to resist until the West accepts coexistence with an Islamic political system and abandons its policy of regime change. According to Sariolghalam, "the revolutionary school asserts that Iran's security is guaranteed when it dissociates itself from the international capitalist system led by the United States."[118]

In this context, any unbridled engagement with the West, and particularly the United States, may pave the way for transforming the identity and consequently the nature of the Islamic Republic of Iran, something that would constitute the beginning of a de-legitimization of Iran's policies in the Islamic World. The regime change polemic is interpreted as a symptom of Western conspiracy against Iran that harks back to the inception of the Islamic Republic. Some claim that the Islamic Republic of Iran is a global soft power due to its Islamic identity, and that the real struggle between Iran and the United States is taking place at the global rather than the regional level.[119] A minority in this group asserts that insistence on Iran's right to be a regional, rather than a global, power is a conspiracy to restrict and control its potential. This is an extremist position for which the priority is the defense of ideological rather than national borders.

Concepts such as opposition to unipolarity in the international system, giving priority to Islamic countries in the expansion of Iran's foreign relations and insisting on the Islamic identity of the Islamic Republic of Iran are the main components of the ideological security discourse. In the aftermath of

117. Homeira Moshirzadeh, "Discursive Foundations of Iran's Nuclear Policy"; Mahmood Sariolghalam, *Iran's Foreign Policy: Theoretical Renewal and Coalition Paradigm* (Tehran: Center for Strategic Research, 2000); and Seyed Javad Tahee, *Status of the Constitution in the Foreign Policy of the Islamic Republic of Iran* (Tehran: Islamic Azad University, 2008).

118. Mahmood Sariolghalam, "Iran's Identity Crisis," *Current History* (December 2008): 429.

119. Asghar Eftekhari et al., *Soft Power: Culture and Security* (Tehran: Emam Sadegh University, 2007).

Ahmadinejad's rise to power in 2005, this discourse became part of the public debate. Subsequently, the potential of this approach has been tested continually by international reaction to the implications of the Ahmadinejad Administration's foreign policy orientation. Being critical of human rights violations in some Western countries, and questioning taboos such as the Holocaust or the events of September 11, 2001, are signs of the application of this approach to Iranian foreign policy. The logic behind this approach, it is argued by its architects, is to force the West to withdraw from its top-down policy toward Iran

Nuclear energy has a double meaning in this discourse. It is a sign of the righteousness of the ideology of the Islamic Republic of Iran, on the one hand, and of the belief that the program can increase the sense of security in Iran by dissuading its enemies, on the other. The nuclear threshold is regarded by a small minority as leverage to discourage the West from implementing a policy of regime change. Apparently, the nuclear issue is regarded as a major scientific and technological breakthrough for the Islamic Republic of Iran. It is used to compare the Republic with l'ancièn regime in order to show the virtue of Islamic ideology over the secular ideology of the Shah. Ahmadinejad has said that the nationalization of the nuclear fuel cycle is one hundred times more important than the nationalization of oil in the 1950s.

Tussle of Ideas or Political Zero-sum game?

It is a common misunderstanding in the West to assume that differences among Iranian policymakers are artificial rather than real and serious. Understandably, it is difficult for many outsiders to understand the various political institutions in the Iranian polity, beyond the various and diverging political groups. Iran's political institutions are a reflection of attempts to combine Islamic values with modern republican norms. The emergence and competition of the above-mentioned discourses demonstrate the difficulties of this enduring endeavor. Defining the identity and hence the role of Iran is the main contested issue. These approaches have been at the center of attempts to conceptualize and articulate the foreign policy of the Islamic Republic of Iran toward the West. Although the West is not a unified and homogenous entity, most Iranians and particularly policymakers think that there is no substantial distinction to be made between Europe and the United States.

There is serious competition between the economic and ideological discourses within the power elite, but the historical-geopolitical discourse has gained a new momentum on a societal level in recent years. The increasing importance of elections has led political groups to accommodate public opinion in order to gain votes.

The geopolitical-historical discourse has not, however, been widely utilized as the main discourse by political groups. This is due to what is conceived by the more ideologically Islamist groups as the principal contradiction between nationalism and Islamism, where the latter is seen as inherently internationalist. As these discourses have interacted in the past two decades, the Islamic Republic has modified some of its revolutionary foreign policies. Here, we can highlight the departure from the policy of the late 1980s of exporting the revolution, reconciliation with UK and deferring the Rushdie affair, detente with neighboring states and cooperation with the United States in Afghanistan in toppling the Taliban regime as examples of modifications in this regard. Iran has even adjusted some of its policies on Hezbollah in Lebanon. Iran's judiciary banned discussion of a compromise with the United States in 2003, but today some Iranian policymakers think about establishing a pro-Iranian lobby in Washington, DC, and commencing official talks with the White House. Today, talking about Israel and Palestine and criticizing Tehran's approach to Hamas is no longer taboo inside the country.

Viewed from the perspective of identity, these modifications are important because they are to a large extent irreversible. Furthermore, the hardliners have been able to persuade neither the majority of policymakers nor the people that the West has a plan to facilitate a color revolution in Iran since the controversial presidential elections of June 2009.

All the above are examples of changes in Iran's foreign policy toward the West, but it remains a question of degrees. Does this mean that the Islamic Republic of Iran is going to have to leave behind its anti-Western and anti-American rhetoric? It is clear that the Islamic Republic of Iran cannot ignore discourses about its identity. At least until now, it has not found any alternative to its anti-Western rhetoric. At the same time, it is evident that Iran's antagonistic approach to the West has weakened considerably. The remaining anti-Western elements are rooted in: (a) historical skepticism about the West that is underpinned by all of the above-mentioned discourses; (b) lack of reciprocity, in that the West has not had a comprehensive policy on how to react to the modifications in Iran's foreign policy and instead regards it

as a natural process that happens in revolutionary countries; and (c) the growing power of fervent proponents of the ideological-security discourse since 2004 and Ahmadinejad's rise to power.

Concluding Remarks

Being suspicious of major powers, particularly European countries and the United States, has been an evolutionary process in modern Iran and become one element of the national identity narratives of different groups. In this sense, regime change would not ameliorate doubts about the West in Iran. Although mistrust does not constitute a tangible hindrance to Iranian–Western relations, it does underscore sociological obstacles to building trust.

Conflicting ideas about the West are not restricted to Iranian foreign policy debates. The complex concept of the West in Iranian politics is present in discussions about ideology, security, the economy and development. In this sense, some prefer to call it the problematic of the West in Iranian politics. It is premature to conclude that this problematic will be resolved in the near term, at least at the sociological level, or by regime change at the state level. It is a long-term process, constantly evolving and being reconstructed, and it is naive to consider it as simply a byproduct of the regime. The Islamic Republic of Iran did not design or manufacture the Western problematic —it only reframed and rejuvenated it in a new Islamic form.

The future of politics in Iran in general and of Iranian-Western relations in particular will be affected by the interaction between these discourses. Rafsanjani and Khatami followed the economic-technological discourse in their presidencies, albeit using different methods and gestures, but Ahmadinejad, at least until now, has pursued the ideological-security discourse. He and his main aides see the West through this prism and this has increased tensions between two sides. Concurrently, some Western policies have helped the rise of the ideological-security discourse. In particular, the EU-3's inflexibility toward Iran's nuclear issue had a considerable impact on the mindset of Iranians and reinvigorated the sense of alienation among them.

Bearing in mind that events are more important than processes in shaping the future of politics in Iran, it is not far-fetched to imagine changes in Iran-West relations. We have learned from the history of international relations in the region that this may be possible and although the present situation is very difficult, it does not imply the impossibility of change.

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Iran's decision-making on foreign, security and nuclear policy

Jalil Roshandel

This chapter explores Iran's foreign, security and nuclear policy decision-making in both a regional and a global context by examining the parties and players that affect the decision-making process. In this regard, two questions must be highlighted. 1) The question of a security dilemma created by any other actor in the region. 2) The conceptual and political difference between state security and regime security.

The two main questions in this chapter are answered by focusing on individual actors inside and outside Iran. These include the supreme leader and the president, as well as networks of advisors and military commanders and their roles and power in the decision-making process. However, in order to explore the decision-making process in Iran one also has to look beyond Iranian domestic actors and issues to, for instance, virtual neighbors such as the United States and actual neighbors such as Russia. The study of all the factors affecting Iran's decision-making process reveals a complex situation often driven by expediency rather than long-term national interests, and regime survival rather than the ability of a solid political system to cope with the challenges of the 21st century.

Several factors may have contributed to Iran's decision to go down the path of acquiring and developing nuclear technology. These factors range from the military (Iraq's invasion and the ensuing war in 1980–88) to feelings of insecurity as a result of US and European political and diplomatic pressure in the past 30 years, including economic sanctions and attempts to isolate Iran in the international arena, as well as, most recently, signals from Israel that it might feel compelled to bomb Iran—either unilaterally or in coordination with the United States.

International pressure has curtailed Iranian efforts with regard to nuclear technology, and officially Iran has always insisted that it is not seeking a military nuclear capacity. Despite the persistent denials of military ambitions, Iran has been unable to reassure the international community —or even public opinion for that matter— to the extent necessary in order to gain its confidence and trust. In the past two decades, lingering controversies over its nuclear program, on the one hand, and President Ahmadinejad's controversial

remarks about other states in the region, on the other, have placed Iran in the global spotlight.

The Regional Context

THE MIDDLE EAST in general and the Persian Gulf in particular is a highly volatile region of the world where threat perceptions create security dilemmas.[120] In this region, security tends to be directly associated with the political stability of the state, its military and security agenda, and its status within the international community. Countries situated around the body of water that I choose to call the Persian Gulf[121] are engaged in a vicious circle of competition, and their relations are best described by the security dilemma paradigm.

The Persian Gulf states face "the uncomfortable dilemma" by placing the survival of their people "at risk" if they stick to some "tangible values as sovereignty" or by choosing to defend themselves (regime security) through heavy investment in military might paid for at "the inevitable expense of economic development."[122]

Regime security is an important factor in analyzing Iran's security behavior. The regime is strengthened by the hard currency earned mainly from oil in a region of *rentier states*, yet it is strength seriously associated with power structures, leadership dynamics, and the often complex process of decision-making. Another permanent variable in the security situation of the region are external actors. The entire regional game is interconnected with the role of these external actors, the legacy they leave behind and the perception they create among the countries of the region. From this follows, and Iran serves as an example of this, that national interests and national security are compromised by regime security, and regime security can also mean the security of one single person at the top of a hierarchy.

In the post-Cold War era, and in the absence of two great rivals, game theory and a zero sum game may have lost some relevance, but the more vulnerable states of the Persian Gulf still need to shelter behind a superpower in case a war breaks out. This situation keeps the United States engaged in the region.

Iran has become unique among the regional powers since it provides a political pattern that does not exist elsewhere in the region—it is the only country organized as an Islamic Republic. Looking at the political map of the Persian Gulf, we find that most of the hereditary monarchies in the region

120. The author has used "the Gulf" and "the Persian Gulf" interchangeably. This should not be interpreted as a political preference.

121. Since the 1950s, the name used for this body of water has been another source of conflict among the neighboring states. Iranians tend to call it the 'Persian' Gulf, while Arabs use 'Arabian' Gulf, the former being a historic name while the latter started with Abdul Karim Ghassem (1954) followed by Gamal Abdel Nasser as a indication of support for the Arab states of the Persian Gulf.

122. See, among others, Bjørn Møller, "Conflict Theory," Research Center on Development and International Relations (DIR), Alborg University, Working Paper 122: 26.

surround this body of water. What appears to be different is Iran, where there has been an Islamic Republic since 1979. Unlike what might be expected from a republican system, however, the Islamic Republic of Iran still endorses lifelong leadership, although it did do away with the hereditary factor. The supreme leader technically receives his (and it can only be a man in the Islamic Republic) lifelong appointment from a group of Islamic experts.[123] Despite the fact that even traditional monarchies adhere to Islam, the idea of monarchy was un-Islamic in Ayatollah Khomeini's mind and he argued that the just ruler should be a trained Islamic jurist. "Since Islamic government is a government of law, knowledge of the law is necessary for the ruler, as has been laid down in tradition."[124] That is, he wrote, the ruler "must surpass all others in knowledge," and be "more learned than everyone else."[125]

As much as Ayatollah Khomeini knew about Islamic jurisprudence he was probably not a security expert and definitely not conversant with the security situation in the Persian Gulf and the region in general. He was a skilled populist who successfully mobilized large parts of the population against the Shah's regime, but his statements while in exile do not reflect a well developed national security doctrine. His idea of exporting the Islamic Revolution was one of the first destabilizing factors that worked to the detriment of interstate relations in the Persian Gulf. Had he been more knowledgeable about the basics of security, and not pursued a revolutionary path at all costs, he might have taken a different approach to the West and perhaps avoided the war with Iraq.[126]

The Islamic revolution did not entirely abolish the tradition of a leader-for-life system. An even more powerful spiritual-religious leadership replaced the omnipotent Shah. The Constitution of the Islamic Republic of Iran gives the leader vast direct and indirect authority and power in a number of crucial areas, ranging from the judiciary to national security. When Khomeini was the leader this was very much a *de facto* acknowledgement of his theological and political status. With his successor, Ali Khamenei, the need arose to institutionalize the decision-making potential of the position as much as possible. Thus, his word can virtually substitute the law, taking precedence over or entirely changing decisions made at all levels of the state bureaucracy, leaving few formal, virtually none in reality, instances where his position on any given issue can be challenged.[127]

This applies to all decisions involving the state, even those formally in the purview of the president of the republic. A good

123. Eighty-six members of the Assembly of Experts are elected by direct vote, from a government-screened list, for eight-year terms .

124. Imam Ruhollah Khomeini, *Islam and Revolution: Writings and Declarations of Imam Khomeini*, trans. Hamid Algar (Berkeley, CA.: Mizan Press, 1981): 59.

125. Ibid.

126. It was only in the 1980s, by welcoming Eduard Shevardnadze, the then Soviet Minister of Foreign Affairs, that he realized breaking the alliance with both East and West was probably a mistake.

127. In 2001 Khamenei issued "Farman hasht made'h-ee" or the "eight articles decree" to combat economic corruption. The text was considered equal to a text in law and branded a "governmental decree." For an analysis of the decree in the Persian language see the website of the Iranian Parliament, http://www.majlis.ir/mhtml/modules.php?name=News&file=article&sid=396

example is the nomination of Rahim Mashaaei[128] by Ahmadinejad as his first vice president for parliamentary affairs. In 2008, Mashaaei had publicly announced that "Iranian people are friends of the Israeli people." His statement met with the strong disapproval of high ranking clerics and, following a public rebuke by Ayatollah Khamenei, he was forced to reaffirm his loyalty to the guidance of Khamenei in all policy. After the presidential elections in 2009, Ahmadinejad renominated Mashaaei as vice president. This created a dispute among the conservatives and once again Ayatollah Khamenei intervened. This time he issued a decree to Ahmadinejad, which was initially ignored, urging that "Without any delay the removal or acceptance of Mashaaei's resignation must be announced by the president."[129]

While in theory in a republican system one president is equal to another president, in practice all foreign leaders who visit Iran have to visit the supreme leader—despite the fact that the president is supposed to be their counterpart. President Ahmadinejad usually accompanies the guest to the leader's office and sits in during the meeting. Hugo Chavez (July 2006), Vladimir Putin (October 2007) and Evo Morales (June 2007) are just a few examples. While this does not appear to have any meaning per se, it is in fact an authorization from the leader for Ahmadinejad's negotiations with the guest. In other words, the visiting head of state is reassured that the promises made to him by the government have the support of the leader and can therefore be considered valid. Paralleling the importance of the supreme leader in all nuclear related issue, such foreign policy procedures shows the supremacy of the leader in sensitive decisions directly related to issues of Iranian security.

The leader has a vast network of advisors and consultation groups, for example, an advisor on issues related to higher education and Iranian universities, another on the armed forces and yet another or even a group of advisors in relation to international, economic or security issues. Some of these advisors switch from positions in the president's office to positions with the leader and vice versa. For instance, when in 2005 Ahmadinejad emerged as a presidential candidate, Saeed Jalili, who was then in his early 40s and worked as a deputy to the foreign minister on European and American affairs served as a close advisor to Ahmadinejad's presidential campaign.[130] At the same time, Ali Larijani served as the head of Iran's Supreme National Security Council and the country's top negotiator on nuclear issue. After Ahmadinejad's election, Larijani resigned and was

128. Mashaei's daughter is married to Ahmadinejad's son.

129. "Leader tells Ahmadinejad to undo VP choice, http://www.presstv.com/detail.aspx?id=101259&sectionid=351020101.

130. Alireza Ronaghi, "Big Shoes to Fill," Aljazeera.net, http://english.aljazeera.net/news/middleeast/2007/10/200852517354795170 5.html

immediately replaced by Saeed Jalili who appeared to have little or no experience of nuclear negotiations.

In other cases former top military or Revolutionary Guard commanders as well as former foreign ministers are appointed to advise the leader. The list of most recent advisors includes: Yahya Rahim Safavi, former chief commander of IRGC; Ali Akbar Velayati and Kamal Kharrazi, both former ministers of foreign affairs; and even mid-ranking clerics such as Mohammad Mohammadian, head of the supreme leader's office of university affairs. The list of advisors now contains more military than civilian names and this is a reflection of the growing importance and influence of the military—including the Revolutionary Guard—in decisions made by the leader, particularly in issues related to security, defense and the nuclear program.[131]

An international perspective on the importance of the Revolutionary Guard is offered in a statement by US Secretary of State Hillary Clinton. In her words, the leader is now fully under the influence of the Revolutionary Guards, to the point where it is approaching a military dictatorship: "We see that the government of Iran, the supreme leader, the president, the parliament, is being supplanted and that Iran is moving toward a military dictatorship. That is our view."[132] It is possible that her statement about Iran becoming a military dictatorship is based on an in-depth examination and interpretation of this network of advisors, and their impact on recent decisions in the domestic and international spheres, including the pursuit of nuclear technology.

The Arab leaders in the Gulf watch political developments in Iran closely and are constantly mindful of their social and political ramifications. Any change in Iran can have an impact in the Gulf and create insecurity. Bahrain is a primary concern. While the "disagreement over the name" seems to be primarily "symbolic," what the Arab leaders of the Gulf definitely do not like to see is hard-line clerics resuscitating their territorial claim over Bahrain.[133] When in 2009 one of Khamenei's key advisors called Bahrain the 14th province of Iran, Bahrain halted negotiations with Iran over planned gas imports.[134] Iran's claim to Bahrain arises every now and then and triggers mistrust and suspicion of Iran's regional goals. It also "serves as a catalyst for sharpening Arab-Iranian polarization in the area."[135]

131. For further detail and an elaboration of the intricacies of the political situation in Iran see the thoughtful reports by Ali Ansari, "Iran Under Ahmadinejad: Populism and its Malcontents," *International Affairs* (2008); "The Revolution Will Be Mercantilized," *National Interest*, http://www.nationalinterest.org/PrinterFriendly.aspx?id=22602 as well as Farideh Farhi, "Ahmadinejad's Nuclear Folly," *Middle East Report*, http://www.merip.org/mer/mer252/farhi.html; and "Anatomy of a Nuclear Breakthrough Gone Backwards," http://www.merip.org/mero/mero120809.html.

132. See the Reuters report of Clinton's statement in Qatar, http://www.reuters.com/article/idUSTRE61E1FR20100215. See also Amir Taheri, "Iran's Emerging Military Dictatorship," *Wall Street Journal*, February 16, 2010, http://online.wsj.com/article/SB10001424052748704431404575067193404330842.html.

133. Faisal Bin Salma Al-Saud and Faisal Bin Al-Saud, Iran, Saudi Arabia and the Gulf: Power Politics in Transition (London, New York: I. B. Tauris & Company, 2004): 30.

134. Bahrain Halts Gas Talks in Protest, *Iran Daily*, February 19, 2009, http://www.iran-daily.com/1387/3345/html/national.htm#s364737.

135. Jasim M. Abdulghani, *Iraq and Iran: The Years of Crisis* (London, Sydney: Croom Helm, 1984): 87.

Foreign Policy Powers of the Presidency

Iran has a complicated system of decision-making, especially in matters related to foreign policy. As Mohsen Sazgara, one of the founders of the Revolutionary Guards succinctly puts it, after the death of Ayatollah Khomeini: "Ayatollah Khamenei gradually has created a bureaucracy to consolidate his power over Iran's military, intelligence and foreign policy."[136] In an Iranian power grid in which the leader is central, decision-making circles remain completely opaque. It is arguable that the leader operates within a network of mainly military advisors, but it is unclear who makes or influences the decisions. Usually, the president of the Islamic Republic of Iran is the one who makes the public announcements, but he has not necessarily made the decision himself and could in fact even disagree with the decision. It is therefore fair to say that while the president can take initiatives to resolve problems with Iran's neighbors or create new problems, he is not the source of the decision-making. His part is limited to announcing the modality and tactics of putting those decisions into operation. This can be verified in almost all incidents in the past 30 years—no matter who was the president.

As Abbas Maleki, former deputy foreign minister of Iran under Velayati, puts it, the leader's "word is final in the more significant matters of foreign affairs."[137] Some critical foreign policy decisions taken by him in the past 20 years include the following: "Iran's stance of neutrality during the allied attack on Iraq in 1991; the non-intervention in Afghan internal affairs (even after the killing of nine Iranian diplomats in Mazare Sharif by the Taliban in 1998); and the support for the Palestinians in the Arab-Israeli conflict."[138] The above-mentioned decisions were made while three different presidents were in power: Rafsanjani, Khatami and Ahmadinejad. While this continuity and consistency could be interpreted as evidence of the consensual nature of decision-making in Iran, one can also see the limits of such consensus by looking at the existing power struggle between the supreme leader and the former presidents or presidential candidates. What is completely missing in this quasi consensus is the role of the minister of foreign affairs.

Toward the end of Rafsanjani's second term, there was a shift toward Iran's Arab neighbors in the Persian Gulf. The shift continued under Khatami, but it was the 2007 Gulf Cooperation Council (GCC) that invited Ahmadinejad to speak. The December 2007 summit of GCC leaders in Doha marked

136. Jeffrey Fleishman, "Iran supreme leader's Son Seen as Powerbroker with Big Ambitions," *Los Angeles Times*, June 25, 2009, http://articles.latimes.com/2009/jun/25/world/fg-iran-khamenei-son25.

137. Abbas Maleki, "Decision Making in Iran's Foreign Policy: A Heuristic Approach," text available at: http://www.caspianstudies.com/article/Decision%20Making%20in%20Iran-FinalDraft.pdf.

138. Abbas Maleki, "A Heuristic Approach".

"the first time an Iranian president has been invited since the GCC was formed in 1981."[139] Ahamdinejad "reiterated a consistent Iranian theme" requesting the Gulf countries to form a regional security system including Iran and excluding "outside powers."[140]

Practically, and also by definition, several centers of power such as the parliament's National Security and Foreign Policy Committee influence the supreme leader and his advisors in international affairs. Legislation is modified before being passed in this often highly informal process of consultation. This is particularly important for legislation related to Iran's security and foreign relations, and here again it can be argued that this provides structural hope for the future. By precedent and history, however, they have only nominal value in and a minor influence over the decisions made by the system. A good example is the stalemate in Iran's nuclear issues and in Iranian-US relations.

Iranian presidents are powerless if they oppose the leadership's ideas on foreign policy but become less than a spokesperson if they are merely obedient to the supreme leader. In fact, they are empowered to speak on behalf of the leader who sets the pattern and instructs them about major foreign policy issues. By definition, the president is only the second man in the system and heads the executive power. All critical decisions are made by the leader, who receives his advice not from the government's foreign ministry but from a group of experts in international relations. The supreme leader also places his men in some key positions in the ministries of foreign affairs, defense and Islamic culture. In 1997, Khatami resisted maintaining Velayati in his position as foreign minister for a fifth term, but finally agreed on Kharrazi who was the head of Iranian delegation to the United Nations.[141] Khatami had to nominate Kharrazi because Khamenei would not agree to anyone else. It is worth mentioning that Ayatollah Khamenei has kept all previous foreign ministers (Velayati and Kharrazi) as personal advisors on international affairs.[142]

Global Context: The Russian Factor in Iran's Security Decision-Making

Russia is part of neither the Persian Gulf nor the Middle East, but it features prominently in Iranian foreign policy and security decision-making, and influences US–Iranian relations. The combination of Iran's geostrategic location, its importance

139. Kenneth Katzman, "Iran: US Concerns and Policy Responses," Report to Congressional Research Service, August 6, 2009: 28, http://www.fas.org/sgp/crs/mideast/RL32048.pdf.

140. Ibid.

141. For a review of the governments and cabinets after the revolution see Dasetan Dowlat [The Story of Government], *Hamshahri*, http://www.hamshahrionline.ir/hamnews/1384/840520/world/siasatw.htm.

142. They form a type of "Council of Foreign Relations" that functions in parallel to the government's Ministry of Foreign Affairs and feeds information to Khamenei and his office on international issues.

to world energy supplies, and the policy of rapprochement pursued by President Khatami in 1997–2005 have won Iran friends not only in its immediate neighborhood, but also in Europe and Asia. However, ongoing disturbances and turmoil in Iran make it hard to predict the direction these relationships may take in the future.

The most dynamic relationship that Iran has outside the Middle East and the Caucasus is with Russia. Russia is a good example of successful Iranian diplomacy in recent years, although the two countries have a long and often a troubled history, most notably Russia's occupation of 17 Iranian cities in the 19th century. The historical hostility continued until after the second World War, when the Soviet Union was reluctant to withdraw from Iran's western provinces and created the puppet independent republics of Kurdistan and Azerbaijan. In the Cold War era, the Shah of Iran was concerned about Marxist ideology being exported from the Soviet Union to Iran, and soon after the revolution in 1979 the Islamic regime rejected the Soviet Union on the grounds that it was one of the two evils (the other being the United States), albeit the lesser one because it had no religion.

Russia could also be viewed as an Iranian protector of sorts. For the first time in several hundred years, Russia and Iran do not share a common border, but this has not prevented Russia from helping Iran in several ways to re-establish its strength since the revolution and the 1980–1988 Iran-Iraq War.

First, Russia took on the task of completing the Bushehr Nuclear power plant, which West Germany had begun before the revolution.[143] The nuclear cooperation effort is fully legitimate under international law as understood by both parties, and it also constitutes a context in which Russian political support can be expressed and gauged. It is exactly this political trait that could have long term implications for regional and international security, although Russia does not see it as detrimental in any way. For instance according Georgy Mamedov, who was to Russia's Deputy Foreign Minister in the 1990s: "Moscow called on Washington to lift sanctions against Russian companies and research institutes, imposed because the United States believed they have sent banned technology to Iran."[144] He mentioned that "Russia's export of equipment, technology and the development of military-technical cooperation with Iran, as with all other countries, is firmly within international obligations and non-proliferation and export control agreements."[145]

However, two years before a CIA report had said that the expertise and technology gained from this enterprise could

143. "Russia-Iran: Cooling Relations?" BBC World Service, February 24, 1998, http://news1.thdo.bbc.co.uk/low/english/world/analysis/newsid_59000/59404.stm.

144. "Russia Defends Iran Exports in Talks with US," CNN World, January 21, 2002, http://www.cnn.com/2002/WORLD/meast/01/21/rU.S.sia.U.S.a.reut/index.html.

145. Ibid.

also "be used to advance Iran's nuclear weapons research and development program."[146] In a long term strategic calculation all countries—and Iran is no exception—that possess dual-use technology could potentially divert that technology into military uses that threaten their neighbors or the wider international community. Irrespective of the countries involved, dual-use nuclear technology is an international problem that is not fully addressed in the Nuclear Non-Proliferation Treaty (NPT).[147] Nonetheless, because of the importance of the export revenue gained from its arms and nuclear technology sales, Russia offered to sell Iran another reactor in September 2001.[148]

Russia benefits from Iran's international isolation and sees Iran as a market for its older military equipments as well as newer missile and satellite systems. But recent reports that Russia has put a ban on the delivery of the advanced S-300 anti-aircraft missile system, as well as tanks, fighter jets, helicopters, ships and missile systems provide a perspective on how much Russia is willing to pay politically in order to deliver advanced arms to Iran.[149] Russia, on the other hand, is not willing to terminate the cooperation on the Bushehr nuclear reactor.

According to Rosoboronexport, "The volume of military trade cooperation with Iran may exceed USD 300 million a year."[150] Between 1994 and 2001, Russia provided Iran with over USD 1 billion in conventional weaponry.[151] This is consistent with Iran's extravagant plan to remodel its defense structure. According to Nikolai Novichkov, a correspondent for *Jane's Defense Weekly*, Iran is planning to re-equip its armed forces before 2010 with modern armaments worth USD 10 billion, of which up to USD 4 billion could be spent on procurement of Russian armaments."[152]

In addition, Iranian technicians are being taught at Russian institutes and, because of the ease of access and lower cost, many Iranian students decide to study in Russia. Since 1992, Iran has had a permanent Scientific Representative in Russia and Belarus, which coordinates Iranian students' activities in those countries.[153] According to Mahmoud Reza Sajjadi, Iran's Ambassador to Russia, 20 of the 500 Iranian students in Russia receive government scholarship, although this number does not seem to include the technicians and experts being trained by Russia to work in the Iranian nuclear facilities.[154]

Many people wonder why Russia has been willing to jeopardize its warming relationship with the United States in order to arm Iran. In 2001, Ed Blanche, a correspondent for *Jane's Defense Weekly*, proposed what was at the time the most common explanation: "There is an apparent determination in Moscow

146. "Iran's Weapons of Mass Destruction Program, Statement by Deputy Director," DCI Nonproliferation Center. September 21, 2000, https://www.cia.gov/news-information/speeches-testimony/2000/schindler_WMD_092200.htm, accessed 20 October, 2010.

147. "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction Munitions, 1 January Through 30 June 2000," http://ftp.fas.org/irp/threat/bian_feb_2001.htm.

148. "Russia Offers Another Reactor to Iran,", BBC World Service, September 4, 2001, http://news.bbc.co.uk/hi/english/world/europe/newsid_1525000/1525095.stm.

149. Since 2007 rumors have resurfaced about Russia selling the S-300 Missile System to Iran. It is now known that a contract was signed in 2007, but no delivery has been made because of international pressure on Russia to cancel the deal. In September 2010 Russia officially announced that the deal would be blocked as a result of the sanctions imposed on Iran in June, 2010, something lawmakers in Iran view as an actionable breach of contract. See: "Iran to Sue Russia for S-300 Dealbreak," *UPI*, October 11, 2010, www.upi.com/Bussines_News/Security-Industry/2010/10/11/Iran-to-sue-Russia -for-S-300-dealbreak/UPI-47111286807144/; and "Russia Drops Plans to Supply Iran with S-300 Missiles," *DefenseNews*, 22 September, 2010, www.defencenews.com/story.php?i=4786840&c=MID&s=ALL.

150. Nikolai Novichkov, "Russian Firms Accord with Iran," *Jane's Defence Weekly*, October 10, 2001: 31.

151. Michael T. Klare, *Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum* (New York: Henry Holt and Company, 2004): 160, 171–173.

152. Ibid.

153. See http://www.srir.ru.

154. See http://www.farsnews.com/newstext.php?nn=8803030428, accessed August 24, 2009.

and Tehran to build an alliance to counter US influence in the Persian Gulf and Central Asian regions. If the US-led campaign goes awry politically, the emerging axis between Moscow and Tehran could assume wider importance and accelerate Iran's growing efforts to improve relations with Arab states."[155]

The fact that Russia has exported millions of dollars worth of weaponry and weapons technology to Iran has fueled perceptions within the Iranian elite that the Iran-Russia relationship amounts to a strategic partnership, an assertion the validity of which no one has been willing to candidly assess or examine until recently.

More recent developments have been an unpleasant awakening for the Iranian elite. First, Ahmadinejad failed in his attempt to make Iran a member of Shanghai Cooperation Organization (SCO). The SCO proved reluctant to give Iran full membership and Iran remains an observer—a strong indication that neither Russia nor China was willing to jeopardize relations with the United States in order to create a strategic axis with Iran. The deteriorating Iran-Russia relationship culminated between June and September 2010 when Russia agreed to tough UN sanctions and then announced a ban on the export of high-tech weapons. It is likely that this will represent a distinct turning point in Iran-Russia relations.

However, other forms of cooperation may still prove to be problematic in the eyes of the West. Russia's economic ties with Iran could still be a critical stumbling block to curbing Iran's nuclear ambitions. Without Russian cooperation, attempts to impose sanctions on Iran will be much less effective. According to the Atlantic Council "Russia's long-standing economic relationship with Iran has been a principal hurdle to American efforts to curb Tehran's nuclear ambitions."[156] Clearly, however, more recent developments and Russia's conformity with the West on sanctions make such fears less pressing.

Regional Actors

Iran's main economic, military and political partners are China, Germany, Italy, Japan, Russia and the United Kingdom. In addition, the neighboring Caspian, Caucasus and GCC states have compelled Iran to assume a more significant role in international politics, particularly since the events of September 11, 2001. That year should be taken as a turning point for the Middle East. Even though "a weakened US economy and increase in non-OPEC production had pushed the importance

155. Ed Blanche, "Russia: the Tehran Factor," *Jane's Defence Weekly*, October 10, 2001: 37.

156. "Iran, Russia and the US Nonproliferation Efforts," http://www.acus.org/new_atlanticist/iran-russia-and-us-nonproliferation-efforts.

of oil downward," the events of September 11 followed by the so-called Global War on Terror and the occupation of Iraq emphasized the importance of oil on a global scale.[157]

This in turn was perceived in countries like Iran that the West had a plan to dominate the oil regions of the Middle East. In this situation, the Caspian Sea and the Caucasus become strategically important to Iran. Current outside involvement is viewed as a new pattern of the "Great Game", this time as a competition for the oil and gas resources of the Caspian. The importance of the Caspian and the Caucasus to Iran is twofold: economic and security.

However the legal regime on the Caspian Sea and how it should be divided between the five shore nations—states that did not exist until the collapse of the Soviet Union—is a source of conflict that has been deadlocked for close to two decades. Unlike Iran's policy in other neighborhoods such as Iraq or Afghanistan, its approach to this traditionally Muslim neighborhood is non-ideological. Thus, Iran is closer to Armenia (Christian) than Azerbaijan (Muslim). Iran does not want to give any incentives to its Azeri minority groups and therefore aims to downplay its relations with Azerbaijan. Economic exchange within the region remains low, and because of security concerns it is more directed to Armenia than Azerbaijan. Iran and Armenia have expressed a readiness to cut their trade barriers.[158]

In this regard, two major projects are worth mentioning. First, Iran will finance the Armenian sector of a road link to form a unique transportation corridor from the Gulf to the Black Sea. China may also be a potential contributor—Beijing is assessing the project. At the same time, "the Asian Development Bank has expressed interest and in December 2008, ADB provided a USD 1 million grant to Armenia to perform a feasibility study of the Armenian sector."[159] The second project will deal with the construction of a pipeline for petroleum products from the Iranian refinery at Tabriz to Armenia. This project will cost USD 200–240 million, and will be relatively easy to implement as up to 70 percent of the pipeline will run parallel to an existing Iran-Armenia gas pipeline. A joint venture will be created to implement the project with equal shares for the two countries.[160]

Obviously, the exploitation of Caspian Sea oil and gas resources depends on the legal status of the Caspian Sea. The outcome of these stalled negotiations could be either positive or a negative for Iran. The two most likely solutions are either an equal or a proportional share of the water. In the second case,

157. For a good historical analysis of oil prices see http://www.wtrg.com/prices.htm.

158. Haroutiun Khachatrian, "Armenia and Iran Agree on New Communication Projects," Central Asia-Caucasus Institute, January 14, 2009, http://www.cacianalyst.org/?q=node/5016.

159. Brenda Shaffer, *Iran and its Neighbors: Diverting Views on a Strategic Region* (German Institute for International and Security Affairs, 2003): 17–22 , abstract available at http://belfercenter.ksg.harvard.edu/publication/2452/irans_role_in_the_south_caucasus_and_caspian_region.html.

160. Haroutiun Khachatrian, "Armenia and Iran Agree."

Iran's share will be less than 13 percent, while previously the Caspian had been considered an Iran-Soviet Lake. Several political spheres, including Russian politics in now independent former-Soviet republics, affect the Caspian Sea issue and for the time being resolving this problem does not seem to have priority in either Russia's or Iran's foreign policy circles. It is likely that Iran is trying to create dependencies within the region and use those economic, and occasionally political, dependencies to release the international pressure that is currently being applied to Iran. It is also likely that the reluctance on the Iranian side might be related to its intention not to create any new tensions in its surrounding territories, while Russia, too, is dealing with more important economic and political problems in the post-Soviet era.

The United States and Iran

Iran and the united states have a 30-year history of contention and conflict. Under the Bush Administration the conflict escalated to a level approaching a state of war. However, this bad relationship is not set in stone, and under the Obama Administration there has been a change in political approach. The outstanding question is whether Iran is ready to move forward and break its three decades of international isolation? If so what are the challenges and obstacles, and to what extent are they surmountable? Three major points of contention could be said to define the relationship between the United States and Iran, while also providing a context in which cooperation is possible.

First, the US accuses Iran of being a state sponsor of terrorism. In light of the US fight against international terrorism, this accusation is clearly problematic. The United States must decide whether it is ready to fight with Iran because it practically supports terrorism, or if it can accept that the supposed support of terrorism is just an instrument of Iranian policy to enhance its bargaining and negotiating position. In other words, if Iran is ready to give concessions, the United States might want to look at the relationship from a different perspective. In particular, the United States accuses Iran of providing support to Hezbollah, Hamas and al-Qaeda. Iran was first designated a state supporter of terrorism in 1984 and has remained on the US State Department list since then.[161] In 2006 the State Department declared Iran the most active state supporter of terrorism.[162]

161. US Department of State, "State Sponsors of Terrorism," http://www.state.gov/s/ct/c14151.htm.

162. See, e.g., US Department of State, "State Sponsors of Terrorism," *Country Reports on Terrorism* (Washington: Government Printing Office, 2007).

Second, the United States believes that Iran was actively supporting insurgency activities in Iraq, and is supporting such activity in Afghanistan, in order to undermine the US position in the region and its fight against international terrorism. Iran has been accused of providing weapons such as advanced armor-piercing roadside bombs, improvised explosive devices (IEDs), training, financing and, in some cases, even fighters to facilitate the insurgency and influence the future of the Iraq state.[163] In November 2007 the then US vice president, Dick Cheney, argued that a US withdrawal from Iraq could allow "competing factions", in which he specifically included Iran, to unleash "an all-out war, with violence unlikely to be contained within the borders of Iraq [resulting in] carnage [that would] further destabilize the Middle East."[164] Iran denies that it has played such a role.[165] Theoretically, from the Iranian point of view, both the United States and Iran have strategic interests that necessitate regional cooperation. "Iran can help in building stability in Iraq and Afghanistan" and, as seen during the 2007 Baghdad negotiations between US Iranian officials, there are certain "permanent mechanisms for dialogue" that can guarantee mutual interest.[166]

Third, and perhaps most importantly, the two states are locked in a dispute over Iran's nuclear plans. In 2002, "evidence emerged that Iran was secretly building a large uranium enrichment plant, violating its obligations under the Nuclear Non-Proliferation Treaty to declare such activities publicly."[167] At least since 2003, Iran has persistently claimed that it is seeking enrichment technologies only to help fulfill and diversify its energy production capabilities. The International Atomic Energy Agency (IAEA) has visited Iran's heavy water reactor at Arak, confirmed that materials were not being diverted, and declared that Iran has been relatively truthful about its nuclear-relevant activities.[168] The United States and many others in the international community argue that the technologies desired by Iran are dual-use technologies that would give it a nuclear weapon capability "even if the intention is not to develop a nuclear arsenal at this stage."[169] Other technologies are available that could provide for power generation without fostering a weapon program. Among the potential solutions proposed are the building of a light water reactor rather than a heavy water reactor, but Iran refuses the provision of nuclear fuel by other states, persistently claims it has a right to produce nuclear fuel locally and says this right has been given to it by the virtue of NPT, which it signed in 1968. In fact, under obligation of full cooperation, article IV of the NPT reaffirms the "inalienable right

163. See, e.g., Lolita Baldor, "General: Iran Training Shiite Insurgents," *Washington Post*, August 23, 2006; and Thom Shanker and Steven Weisman, "Iran is Helping Insurgents in Iraq, US Officials Say," *New York Times*, September 20, 2004.

164. "Vice President's Remarks to the World Affairs Council of Dallas/Fort Worth," www.whitehouse.gov/news/releases/2007/11/print/200711002-13.html.

165. Thom Shanker and Steven Weisman, "Iran is Helping Insurgents in Iraq."

166. Nabih Sonboli, "Challenges to Iran as an Emerging Regional Power" [in Persian], http://www.ipis.ir/index.php?newsid=344.

167. Mark Gasiorowski, "The New Aggressiveness in Iran's Foreign Policy," *Middle East Policy* 14/2 (Summer 2007): 125–132.

168. IAEA, "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran," August 30, 2007; and "Iran Generally Honest on Nuclear Program, IAEA Inspectors Say," *Global Security Newswire*, November 15, 2007.

169. Paul Ingram, "Changing the Frame of the International Debate over Iran's Nuclear program," British American Security Information Council: 2, http://www.basicint.org/pubs/Papers/o8irano1.pdf.

of all NPT parties to develop research, production, and use of nuclear energy for peaceful purposes, without discrimination and in conformity with articles I and II of this Treaty."[170]

Further fueling Western criticism and complicating Iran's argument about its inalienable rights under the NPT is the fact that Iran continues to conceal its nuclear installations. The Natanz uranium enrichment plant, now a large scale enrichment facility, was disclosed not by the state but, allegedly, by an Iranian opposition group. In September 2009, a hitherto unknown enrichment facility was revealed deep inside a mountain outside Qum, on the basis of US, French and British intelligence.[171]

At times, there have been mixed messages from Iran about its nuclear weapon aspirations. On the one hand, there are pronouncements from Iran's religious community that "Islam bans shedding the blood of nations; on the same ground, production of a nuclear bomb and even thinking of its production are forbidden from an Islamic point of view."[172] Similar statements have been issued by Ayatollah Khamenei, the supreme leader of the Islamic Revolution.[173] Even stronger statements have come from Ayatollah Sanei, who is considered a high ranking ayatollah opposed to Khomeini. His statement goes beyond weapons of mass destruction, as it also strongly prohibits suicide bombings.[174] However, in other instances the supreme leader has stated that Iran would never give up its enrichment plans at any price.[175] Furthermore, in addition to threatening Israel with annihilation, Iran's President Mahmoud Ahmadinejad has made statements that it is the sovereign right of nations to acquire nuclear weapons.[176] Regardless of the most recent intelligence assessments of Iran's actual capabilities, these seemingly contradictory statements from key members of Iran's government tend to foster mistrust in the international community.[177]

It appears that the nuclear issue provides the best context for dialogue and that President Obama and the US State Department are willing to engage Iran in a direct and unconditional dialogue. The unexpected release of the five Iranian detainees "at the request of the government of Iraq", however justified as part of US compliance with the "security agreement between the United States and Iraq" has definitely been a major step forward.[178] Unfortunately, events following the disputed presidential election in Iran and the July 2009 arrest of three US hikers on the border of Iraq and the Iranian Kurdish areas have become complicating issues. Iran only confirmed the detention 12 days after they were detained. They were sent to Tehran, and after more than a year only one of the three has been freed.[179]

170. Treaty on the Non-Proliferation of Nuclear Weapons (NPT), http://www.un.org/events/npt2005/npttreaty.html

171. David E. Sanger and William Broad, "US and Allies Warn Iran Over Nuclear Deception," New York Times, September 25, 2009: A1.

172. Ayatollah Kashani, "Ayatollah Kashani: Nuclear-bomb Production Religiously Forbidden," *Islamic Republic News Agency*, November 9, 2007.

173. "Iran's Statement at IAEA Emergency Meeting," *Mehr News Agency*, August 10, 2005.

174. Ayatollah Sanei can be seen with the Iranian-Canadian film maker Maziar Bahari, who was detained by the Islamic Republic of Iran after the 2009 elections in Tehran, at http://www.youtube.com/watch?v=-BoP8aOamyY.

175. Sharon Squassoni, "Iran's Nuclear Program: Recent Developments," *CRS Report to Congress*, March 8, 2007: 2.

176. "Ahmadinejad Boasts of Iran's Nuclear Gear," United Press International online, November 7, 2007; and Sean Young, "Ahmadinejad: Destroy Israel, End Crisis," *The Washington Post*, August 3, 2006.

177. A declassified memo from a briefing by US intelligence Chief Dennis Blair sees "No Iran Nukes before 2013," http://www.straitstimes.com/Breaking%2BNews/World/Story/STIStory_414139.html.

178. Steven Lee Myers, "Americans Release Iranian Detainees to Iraq," *New York Times*, July 9, 2009, http://www.nytimes.com/2009/07/10/world/middleeast/09release.html.

179. "Iran says it is holding American hikers," CNN World News, August 11, 2009, http://edition.cnn.com/2009/WORLD/meast/08/11/iran.detained.americans/; and "American Hiker Freed from Iran: 'We Are Not Spies,'" Associated Press, September 19, 2010, www.npr.org/templates/story/story.php?storyId=129974615.

A fourth contentious factor between the United States and Iran could be added: that of Iran's poor human rights record. Iran's poor record on human rights was on the agendas of both President Clinton and President Bush, but it seems that under current international circumstances it has lesser importance for the Obama Administration. Several people with dual nationalities have been detained and sent for trial since the July 2009 presidential election, but no major action has been seen from the United States. The list of detainees includes the Iranian-Canadian journalist, Maziar Bahari, who was released recently, the Iranian-US scholar, Kian Tajbakhsh, and a French student, Clotilde Reiss, who was a language teacher in Iran. There is suspicion or evidence that several detainees have been murdered, tortured or mutilated, raped or forced to confess to crimes that they did not commit. The latest example is the January 2011 execution of the Dutch-Iranian woman Zahra Bahrami who was arrested in during the 2009 election protests. Her trial was viewed as "unconcluded", and the execution was not known beforehand, even by her lawyer, according to European press reports.[180] The entire process is against basic accepted norms of international human rights but, thus far, unlike the European Union, the US administration has been relatively silent.

The harshest reaction from Hillary Clinton in the face of the mistreatment and mass trial of detainees was that the trials "demonstrate that … this Iranian leadership is afraid of their own people, and afraid of the truth and the facts coming out."[181] Despite the ongoing military clampdown on opposition in Iran, the question of human rights has dissipated vis-à-vis other important regional issues. It is also possible that public opinion in the US is so sensitive to the political outcome of the current turmoil in Iran that immediate civil or human rights issues have been neglected.

US dissatisfaction is not limited to Iran's conduct of domestic policies. Iran is stubborn when it comes to its nuclear policy as well. All suggestions of swapping Iran's low enriched uranium with nuclear reactor usable fuel have come to nothing and the parties involved seem to be divided on how to deal with Iran. The recently imposed sanctions point to the development of a more coherent view on Iran in the course of 2010. United Nations resolution 1929 of June 2010 imposes sanctions that have been assessed as affecting the economic development of Iran.[182] Whether this effect will translate into a political willingness to change behavior, or push Iranian domestic politics toward reform and more far-reaching change, remains open to question. However, diverging interests, and the highly sensitive prediction

180. "Diplomatic crisis after Dutch citizen executed", *Press Europe*, January 31, 2011, http://www.presseurop.eu/en/content/news-brief-cover/483771-diplomatic-crisis-after-dutch-citizen-executed

181. "Clinton says Iran trial is 'sign of weakness,'" http://television-washington.com/floater_article1.aspx?lang=en&t=3&id=12889.

182. "Iran's Economy Feels Sting of Sanctions," *YaLibnan*, October 12, 2010, www.yalibnan.com/2010/10/12/irans-economy-feels-sting-of-sanctions/.

of the consequences that military action against Iran might have, have made the use of armed force almost impossible. The statement by Hillary Clinton that "ignoring the threat posed by Iran will put the world in a more precarious position within six months to a year" clearly shows that the United States is concerned about a unilateral strike by Israel. Such a strike would run a considerable risk of triggering a wider conflict in a region already stricken by two wars.[183]

If President Obama decides to stay the course on a dialogue with the Islamic Republic and to change the US approach to the Iranian government after 30 years of confrontation, he will face serious criticism both at home and in Iran. First, because many Iranians strongly reject Ahmadinejad's legitimacy as president of Iran, given the accusations of fraud and the turmoil following the election. Any US negotiations with or change of approach to Iran should not make the regime stronger or more persistent at suppressing its domestic dissidents. Second, most European leaders openly criticized Ahmadinejad and announced that they were not going to congratulate him on winning the election. This approach even forced the White House to change its language and stance on the issue. In the meantime, while it seems that Clinton is still hopeful in getting a response from Iran on US initiatives, several factors, especially the latest round of sanctions, are making it more and more difficult. In the summer of 2009, Clinton was quoted by the BBC as saying:

> We've certainly reached out and made it clear that's what we'd be willing to do, even now, despite our absolute condemnation of what they've done in the [12 June presidential] election and since, but I don't think they have any capacity to make that kind of decision right now.[184]

In the autumn of 2010 President Obama used harder language in an interview with BBC Persian:

> This regime has shown itself to be very resistant to observing basic international norms and being willing to engage in serious negotiations around a nuclear program that has generated great fear and mistrust in the region and around the world …What I've said consistently is that we are willing to reach out with an open hand to the Iranian government and the Iranian people … But the goverment has taken Iran on a path that has led to international condemnation … a behavior on the part of the Iranian government that indicates that it has a nuclear program

183. Daniel Dombey, "Clinton Fears Regional Conflict Without Accord on Iran Sanctions," *Financial Times*, April 19, 2010, http://www.ft.com/cms/s/0/66c4dd94-4b4a-11-df-a7ff-00144feab49a.html.

184. "US Pessimistic on Iran Overtures," BBC News, July 23, 2009, http://news.bbc.co.uk/2/hi/middle_east/8165265.stm.

> that does not abide by international rules and that potentially poses a threat to the region as well as the world… So this is not a matter of us choosing to impose punishment on the Iranians. This is a matter of the Iranians' government I think ultimately betraying the interests of its own people by isolating it further.[185]

Relations with Iran are an important foreign policy issue for the United States and any improvement is potentially good for US regional interests. But improved relations are not of the same importance for Iran. The Islamic Republic of Iran seems to be concerned that the establishment of a long-term relationship with the United States may jeopardize the very existence of the regime and bring about regime change.[186] Tehran-based analyst Saeed Leylaz believes: "There are a lot of radicals who don't want to see ordinary relations between Tehran and Washington. To convince Iran, they should send a very clear message that they are not going to try to destroy the regime."

Conclusions

Iranian decision-making is affected by the relationship with the West in many respects but in the majority of cases conflict and contention is in focus. What frightens the Iranian leadership most is the possibility of a severe decline in public support for the regime. A regime security guarantee would be what the radicals might be looking for before they make any commitment to better relations. In addition, Iran does not appear enthusiastic about establishing contacts with the United States—the outcome of an unrestricted relationship could be more harmful to the Islamic Republic, even though it might be extremely useful to the *people* of Iran. It is needless to say that no opportunity has been missed for the clerical leadership to speak out against improved relations with the United States.

The use of tough and intrusive sanctions, its support for Israel, the invasions of Iraq and Afghanistan, and the US military presence in the Persian Gulf are the usual contexts for rejecting better relations. There is one more reason, however, why the clerical leadership does not want to re-establish its ties with the United States: the fundamentally antagonistic conflict between the nature of the two political systems.[187] The fear over regime security cannot be surmounted and as long as this is the case most factions in Iranian policy-making will emphasis conflict rather than cooperation.

185 "President Obama's interview with BBC Persian," White House, Office of the Press Secretary, October 24, 2010, www.america.gov/st/texttrans-english/2010/September/20100924140114su0.5820996.html.

186. "Obama White House may Send Letter to Unfreeze US-Iran," Guardian online, January 28, 2009, http://www.guardian.co.uk/world/2009/jan/28/barack-obama-iran-us-letter.

187. "Ayatollah Ali Khamenei Dismisses Barak Obama's Overture to Iran," The Guardian, March 21, 2009, http://www.guardian.co.uk/world/2009/mar/21/ali-khamenei-barack-obama-iran.

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The impact of the European Union on Iran's nuclear program

Tom Sauer

Introduction

The biggest diverging interest between the West and Iran concerns Iran's nuclear program. If Iran obtains nuclear weapons, the West and the rest of the world will not be a safe place. While Iran denies that it wants to acquire nuclear weapons, there are serious indications that it is trying to get hold of everything that is needed to build a nuclear bomb once it decides to do so.

While Iran declares that it only wants to build an extensive civilian nuclear program, including enrichment facilities, and that it has the right to do so under the Nuclear Non-Proliferation Treaty (NPT), the West worries about indications of a secret military program.[188] In the past, Iran has not declared everything that according to the NPT should have been declared to the International Atomic Energy Agency (IAEA). Tehran, for instance, admitted in the summer of 2003 to having experimented in the past with uranium conversion, which is the first step toward uranium enrichment. The so-called full declarations of 2003 and 2004 were also incomplete; and in September 2009 the international community detected an undeclared facility in Qum. A civilian nuclear program does not require enrichment facilities, let alone heavy water installations—something to which Iran aspires. Iran has also sometimes forbidden IAEA inspectors access to its facilities. In short, if Iran had nothing to hide, it would not have behaved as it did.

This chapter looks at how the West, and more in particular the European Union (EU), has tried to deal with this threat. The United States refused even to talk to Iran as a result of the 1979 revolution there, China had North Korea to look after, and Russia was not regarded as the most responsible power. The EU therefore believed in the period 2002–2003 that its time had come to play a larger role on the world stage. Coercive diplomacy vis-à-vis Iran would be a first test-case for the EU's diplomatic power.

188. Joby Warrick and Scott Wilson, "Iran Might Be Seeking to Develop Nuclear Weapons Capability, Inspectors Say," *Washington Post*, February 19, 2010.

The EU and Iran

Since 2003, it has been a major objective of the EU to prevent Iran from acquiring nuclear weapons. It is too soon for a final verdict on the EU's approach to Iran: Iran has not yet acquired nuclear weapons and the EU has not ceased its efforts to stop it. Nonetheless, Iran started the enrichment of uranium in January 2006, something the EU had tried to prevent. Since then, the EU has asked Iran to suspend enrichment but, to date, Iran has refused to do so, despite US, UN and EU pressure in the form of diplomatic and economic sanctions, including UN Security Council resolutions. Thus, the EU has—at least until now—not been successful in halting Iran's nuclear program.[189]

This interim-assessment, however, is not completely negative. The EU did sign two agreements with Iran, which led to the temporary suspension of its program. Thanks to these agreements, Iran has provided much more information about its nuclear program, and the second agreement slowed the Iranian nuclear program. These agreements also obliged Iran to sign and adhere to the IAEA Additional Protocol, which meant that the IAEA had significantly more leverage in verifying declared and undeclared installations in Iran. This, however, only lasted until February 2006, when the Iran file was sent to the Security Council and Iran reacted by ending its voluntary implementation of the Additional Protocol.

One major problem was that Iran did not feel rewarded by the EU for the positive steps it had taken. There has been a sense of betrayal especially because it was the EU that drafted the IAEA resolution that sent the Iranian file to the Security Council. As a consequence, the EU has not been able to sign any agreement with Iran since the end of 2004. This is in sharp contrast with the IAEA, for instance, with which Iran signed an agreement in August 2007. The EU, in short, has made little if any progress in the past six years.

Should Iran definitively halt its enrichment program in the future, and to the extent that that such a decision can be directly related to EU policy, this negative assessment could still be converted into a positive one. For a number of reasons, however, the odds are that this will not happen, most notably: the scientific, financial, and political capital that Iran has already spent on its nuclear program; the international political costs that it has already had to bear; and the fact that there is more or less a consensus within the Iranian elite that enrichment should continue. According to a prominent reformer in Iran in August 2006: "Those who threaten and pressure from

189. Sergey Smolnikov called it "disappointingly unsuccessful". Sergey Smolnikov, "Neither Submission, Nor War: Conceiving the EU's Policy Response to the Iranian Challenge," *Strategic Insights* 6/6 (December 2007).

the outside forget that we still think in traditional ways about national sovereignty. If we have to choose between individual freedom and national sovereignty, we will choose the latter."[190] Even after the political unrest that started in the summer of 2009, no meaningful Iranian voice has been heard asking for a halt to the nuclear program.

If the EU cannot succeed, its reputation, which was already low in the field of strategic and security matters, will be further dented. As long as Iran continues to enrich uranium, all things being equal, the EU's reputation will suffer.[191]

It is sometimes claimed that the alternative to the EU's coercive diplomacy—US or Israeli military action—would have been worse. The problem with this argument is that it compares the EU approach with a worst-case scenario instead of making a balanced judgment of the EU's accomplishments. Further compromising this one-sided comparison is the fact that a military attack was not very likely before 2007, although the option was always lurking in the background.

This chapter provides three complementary explanations for the EU's lack of success: (a) differences within the EU; (b) questionable tactics by the EU; and (c) a bad initial assessment of the chances of success by the EU, which was linked to an overestimation of its own power and an underestimation of the power of its adversary.

Differences within the EU

The internal divisions within Iran on the nuclear issue pale in comparison with the differences inside the coalition of states that opposed Iran. On the one hand, there was the hard-line position of the Bush Administration, which refused to talk to Iran about the nuclear issue without preconditions. On the other hand, states such as Russia and China were more moderate. They would probably prefer not to have a nuclear Iran, but their short-term economic interests have prevailed to date. There is little evidence that they are about to change their policy on Iran, and they will probably never agree to far-reaching economic sanctions against Iran. That Russia and China have already voted in favor of UN sanctions does not mean very much, as such sanctions are of limited value in comparison with the trade deals that both countries have signed with Iran. In 2010, both Russia and China criticized the United States and the EU for implementing unilateral economic sanctions that went further than the UN sanctions.

190. 'Iran: Ahmadi-Nejad's Tumultuous Presidency," *International Crisis Group Middle East Briefing* 21 (6 February 2007): 25.

191. EU officials do not always want to admit this. Bruno Dupré of the European Commission, for instance, stated on 1 February, 2007, that "This [double-track approach by the EU] has brought credibility to the European Union concept of effective multilateralism." See Bruno Dupré, "Iran nuclear crisis: the right approach', *Proliferation Analysis*, Carnegie Endowment for International Peace, 1 February, 2007.

The EU in turn is internally divided. The EU is Iran's largest trading partner: 28 percent of the Iran's trade is with the EU—33 percent of its imports and 24 percent of its exports in 2006.[192] The volume of trade increased from EUR 15 billion in 2002 to EUR 25 billion in 2006.[193] In addition, 80 percent of Europe's imports from Iran are oil products. A number of European energy concerns have contracts with Iran: ENI (Italy), Total (France), Repsol (Spain), Shell (UK/Netherlands), Hydro-Statoil (Norway), OMV (Austria) and EGL (Switzerland).[194] According to Ottolenghi, "thousands of jobs depend on the smooth functioning of this vital and profitable trade."[195] Only 4 percent of Europe's energy imports come from Iran, but the percentage in some EU countries is much higher, such as in Greece (25%) and Italy (12,5%).[196] It is not surprising that those EU member states with the most substantial trade relations with Iran, such as Austria, Germany, Greece, Italy and Spain, are the least interested in implementing punitive sanctions, while states that do not have substantial trade relations, such as the UK and the Netherlands, or that allow security priorities to prevail, such as France, are more in favor of a hard-line approach. In 2009, Germany was the third-largest exporter to Iran, after China and the United Arab Emirates, with more than USD 3 billion in goods sold.[197] The unilateral sanctions imposed by the EU in 2010 will probably diminish the volume of trade with Iran.

From the beginning, a tension existed within Europe between hard and soft approaches. The European Commission preferred to try to rescue the talks on a Trade and Association Agreement with Iran and did not want to link these with the nuclear issue, but the EU-3 (France, Germany and the UK) and the European Council Secretariat won the internal debate in June 2003 and the trade talks were suspended. The demarche of the EU-3 in October 2003 was a compromise between both approaches: it put pressure on Iran but also promised negotiations without threatening economic (let alone military) sanctions. The fact that the 2003 EU initiative came from the EU-3 was criticized internally by Italy and the smaller member states. Even the addition of Solana to the negotiating team could not temper these criticisms. An Italian security expert put it this way: "[Italy] has insisted that the threesome club be broadened and made more EU-wide."[198]

Both the hard-liners and the "softies" were able to achieve temporary gains during the conflict, depending on the circumstances, but the hard-line approach prevailed most of the time. In 2003 the EU could have been regarded as a kind of medi-

192. Cited in Sergey Smolnikov, "Neither Submission, Nor War."

193. Emanuele Ottolenghi, *Under a Mushroom Cloud: Europe, Iran and the Bomb* (London: Profile Books, 2009):162.

194. Ibid.: 158.

195. Ibid.: 161.

196. Ibid.: 163–164.

197. Daniel Schäfer, "The Mittelstand Opportunists," *Financial Times*, April 27, 2010.

198. Antonio Missiroli, "Foreword" in Sara Kutchesfahani, "Iran's Nuclear Challenge and European Diplomacy," *EPC Issue Paper* 46 (March 2006): 5.

ator between the United States and Iran (see below). Later, the EU clearly moved to the US camp and tried to oppose Iran by using increasingly harsh measures, especially in comparison with Russia and China. Sometimes, it was hard to distinguish the EU position from that of the United States.

A similar evolution can be detected in the Iranian camp. Iran was willing to compromise in the spring of 2003,[199] and signed two agreements with the EU, but gradually became more and more disappointed by the size of the carrots and the slow speed of the negotiations. Both processes reinforced each other: as the Iranians became more stubborn, it became easier for the hard-line approach inside the EU to overcome internal criticism.

The longer it took for the EU to resolve the impasse, the more internal friction occurred. Since the beginning of 2007, fear of a US or Israeli military attack, either planned or as the result of miscalculations and misinterpretations, has added to the problem. There were many public debates within the EU about how to deal with Iran. Germany, for instance, was openly against new economic sanctions from the UN in January 2007. Jacques Chirac, the French president, stated at the end of January 2007 that it would be very hard to prevent Iran from going nuclear and, in contrast to statements from the US leadership, that he preferred a nuclear Iran to a war with Iran.[200] Similarly, an internal EU report in February 2007 stated that economic sanctions would probably not make much difference, and admitted that the EU approach had failed.[201] Germany publicly announced in February 2007 that it wanted to offer carrots to Iran. It tried again four months later, but failed. In September 2007 criticism was raised by EU officials of US pressure on European firms. Austria used its veto power in the Council to block further sanctions in October 2007. German Minister of Foreign Affairs Steinmeier accused the United States and France in the same month of being hypocritical by pressuring states like Germany to end trade relations with Iran and by leaking the names of German firms that were continuing to do business in Iran, even though German exports to Iran had significantly dropped, while at the same time French and US firms continued to do business with Iran. Spain also publicly criticized the hard-line approach of the EU-3 in October 2007. By the beginning of 2009 there was still no consensus within the EU about new sanctions. In February 2010, France and Germany called for additional EU sanctions, while others such as Sweden and Luxembourg called for a UN resolution instead.[202] France and Germany won that debate.

199. Gareth Porter, "Neo-con Cabal Blocked 2003 Nuclear Talks," Asia Times online, 30 March, 2006, http://www.atimes.com/atimes/Middle_east/HC30Ak01.html.

200. Angelique Chrisafis, "Nuclear-armed Iran Would not be very Dangerous, Says Chirac," *The Guardian*, February 2, 2007.

201. Daniel Dombey and Fidelius Schmid, "Too Late to Halt Iran's Nuclear Bomb, EU is Told," *Financial Times*, February 12, 2007.

202. "Iran Identifies Possible Enrichment Sites," *NTI Global Security Newswire*, February 22, 2010.

Questionable Tactics

With respect to the tactics of the EU, at least two major points of criticism can be made: first, that the EU changed from being a mediator to being a coercer;[203] and, second, that the EU was not creative in coming up with new and attractive proposals. At the start, the EU was perceived as a mediator. It put pressure on Iran, but also tried to give the Iranians more time—or at least more than the United States. The United States, for instance, wanted to send the Iranian file much sooner from the IAEA to the Security Council. Thanks to the EU, many IAEA resolutions, such as the one in November 2003, were rather moderate.

Up to November 2004, the EU could have lived with limited enrichment. After that point, under pressure from the United States, it closed that option. Since then, both the United States and the EU have required that Iran first suspend its enrichment before anything else can be discussed.

Later on, the positions of the United States and the EU were even harder to distinguish between. It was, for instance, the EU that drafted the IAEA resolution in January 2006 which advocated sending the Iranian file to the Security Council. It was therefore not surprising that president Ahmadinejad subsequently stated, in March 2008, that it was no longer in Iran's interests to talk to the EU.[204]

Each time that the soft approach of the EU seemed to make gains, the United States intervened. In most instances the United States succeeded in moving the EU closer to its own position. This happened, for instance, at the beginning of 2004 when the United States informed the EU that Iran had not provided a complete declaration.[205] When Germany seemed ready to accept limited enrichment in June 2006, the United States immediately blocked further moves in that direction. One year later, exactly the same occurred. In July 2007, an EU diplomat in Vienna stated: "we are coming to a situation where five out of six (powers) would support further talks, and only one would insist on a complete suspension before talking."[206] Somewhat later, it was leaked to the press (by the United States?) that German firms continued to do business with Iran, with the result that German firms, and European firms in general, were put under pressure by the United States to stop trading with Iran, something that gradually had an effect.[207] Even more remarkable is the lack of support from the EU for Dr. Mohamed El Baradei, the Director General of the International Atomic Energy Agency, when he succeeded in

203. Tom Sauer, "Coercive Diplomacy by the EU: The Iranian Nuclear Weapons Crisis," *Third World Quarterly* 28/3 (2007): 613–633.

204. "Iran Limits Nuclear Talks to IAEA," *NTI Global Security Newswire*, March 5, 2008.

205. "EU, Iran to Meet on Nuclear Offer Next Week," *NTI Global Security Newswire*, June 29, 2006.

206. "West Rules out Iran Sanctions until September," *NTI Global Security Newswire*, July 23, 2007.

207. See also Steven Mufson, "Familiar Hurdles for US as it Ramps up Pressure on Firms Doing Trade With Iran," *Washington Post*, March 11, 2010: A14.

convincing the Iranians to agree a new timetable in August 2007, again under pressure from the United States. When the EU did not support El Baradei at the meeting of the IAEA Board in September 2007, an infuriated El Baradei walked out of the meeting. The next day, the EU and the United States back-pedaled and formally supported El Baradei.

In regard to the lack of creativity on the part of the EU, the EU promised a lot in the agreement of October 2003 but either failed to follow up with concrete proposals, or only did so very slowly. Exactly the same happened one year later: Iran received the impression that the EU was slow to provide what had been agreed. At that time, the EU preferred to wait for the outcome of the May 2005 presidential elections in Iran. Once again, the EU's proposals of August 2005 were clearly insufficient to convince Iran. Only at the beginning of June 2006 was a reasonable offer made by Solana, who spoke for the P-5 + 1 (Germany). Even that package did not include US security guarantees, however, and it made everything conditional on the prior suspension of enrichment by Iran. In addition, it was an offer made with a Western knife pointed at the Iranian throat, as Solana threatened to draft a Security Council resolution if Iran did not agree.

To hang on to your position during negotiations is fair enough, certainly in the early stages. When both sides do so, the one that has the most to lose should normally take the first step in the direction of compromise. As a diplomat in Vienna predicted: "The United States will push very hard until the last minute in the hope of getting the Iranians to give in but at the end of the day they will accept some form of enrichment activity."[208] The more Iran makes progress with enrichment, the more the United States and the EU will come under pressure to give in. This is basically because of the lack of an alternative: bombing Iran would be a highly risky business.

Many non-governmental observers, such as the International Crisis Group,[209] experts at MIT[210] and the Atlantic Council of the United States,[211] have proposed technological solutions that would accept limited enrichment or multilateral fuel production inside Iran. None of these was proposed to Iran by the EU before October 2009. At that time, Iran first seemed to agree with the proposal to enrich up to 20 per cent abroad. Only a few weeks later, however, Iran declined as a result of its own internal frictions. A similar idea was proposed by Turkey and Brazil in May 2010.[212] The United States, followed later by the EU, was unimpressed, however, and announced the next day that the P-5+1 had agreed a new draft Security Council resolu-

208. Michael Adler, "IAEA Studies Enrichment Compromise but US Remains Unimpressed', Agence France Press, June 25, 2006.

209. 'Iran: is there a Way Out of the Nuclear Impasse?" *International Crisis Group Middle East Report* 51, February 23, 2006.

210. Geoffrey Forden and John Thomson, 'Iran as a Pioneer Case for Multilateral Nuclear Arrangements," *MIT Science, Technology and Global Security Working Group Report*, June 16, 2006.

211. William Luers, Thomas Pickering and James Walsh, 'How to End the US-Iran Standoff," *International Herald Tribune*, March 3, 2008.

212. Daniel Dombey, "Iran's Deal Sets Back US Goal of Sanctions," *Financial Times*, May 18, 2010; and Rouzbeh Parsi, "The Trilateral Iranian Nuclear Agreement: Shell Games, International Style," *ISS Analysis* (May 2010).

tion, including further economic sanctions.[213] Iran had already rejected the Turkish-Brazilian deal by that time.

Overestimating its Own Power and Underestimating Iran

THE EU SHOULD have considered the costs and benefits of its strategy. Apparently, the EU, or at least the EU-3, judged in the summer of 2003 that the benefits were higher than the costs if they could press Iran to give up its nuclear program. At a minimum, the EU believed that its efforts would be perceived by the outside world as positive, even if it were unsuccessful in the end.

However, the difficulties associated with this position should have been predicted and taken more into account. From the Iranian perspective, there are very good arguments for acquiring nuclear weapons. From a security point of view, Iran is situated in one of the most volatile regions in the world. Iran is surrounded by real and perceived adversaries: the United States, through a NATO member state, Turkey, in the West;[214] Afghanistan and Pakistan, in the East; and the Persian Gulf States and US fleet in the Persian Gulf, in the South. The Bush Administration categorized Iran as part of the "axis of evil" in January 2002. Such external pressure creates a "rally-round-the-flag" phenomenon in Iran. The Iranian opposition would have found it hard to oppose a nuclear weapon program even if it had been allowed to.

Further enhancing Iran's sense of vulnerability is the experience of the Iran-Iraq War, in which hundreds of thousands of Iranians were killed. Iraq, at the time supported by the United States, used chemical weapons against Iran. This convinced Ayatollah Khomeini to restart the nuclear program in the second half of the 1980s. The war continues to have a tremendous impact on both the Iranian leadership and Iran's people.

Another important factor is the nuclear weapon arsenal that Israel is believed to possess. The tacit acceptance of the arsenal by the international community, despite the fact that Israel is not a party to the NPT, is viewed as a major problem by Iran.

Furthermore, many observers note that countries *without* nuclear weapons, such as Afghanistan and Iraq, have been attacked by the United States, while countries with nuclear weapons, such as Pakistan and North Korea, have not. This observation has persuaded hard-liners inside Iran to continue the nuclear program. It is easy to imagine that the dominant perception in Tehran is that obtaining nuclear weapons may be

213. Valentina Pop, "EU Skeptical about Iran Nuclear Deal," *EU Observer*, May 18, 2010.

214. Relations between Turkey and Iran have improved in the past year, and the Turkish-Israeli relationship has deteriorated.

the only guarantee that Iran will not be invaded by the United States in the future.

Last but not least, nuclear weapons provide prestige, both internally and externally—at least according to their advocates. Regional powers like symbols of prestige, such as nuclear weapons. With Iraq on the losing side during the 1990s and beyond, Iran came to be perceived as the upcoming regional power. The Indian and Pakistani nuclear tests in 1998 made clear that governments that conduct nuclear tests gain popularity at home. A test proves to their constituencies that the political regime in a developing state is able to successfully complete a complex technological project.

It is difficult to understand why this proliferation logic has not had a stronger impact on EU decision makers. There are several possible explanations. First, the EU was in 2003 regarded as "the usual suspect" to take the lead in a diplomatic initiative. There were no real alternatives. The United States certainly was not an alternative as there have been no diplomatic relations with Iran since 1979, and the Bush Administration was not about to change that. China did not play a role of mediator in international politics at that time, except perhaps in its immediate neighborhood such as North Korea. Russia was not regarded as a trustworthy actor in world politics, due to its more assertive external policy under President Putin. The only regional power left was Europe. EU member states had the benefit of having maintained diplomatic and economic relations with Iran since the 1979 revolution. At the end of 2002, the EU had even started negotiations on a Trade and Association Agreement with Tehran. The latter could be exploited by the EU to put pressure on Iran—or at least that was the plan.

Second, the EU was looking to become more visible in world politics than it had been in the 1990s. For decades, Europe had been criticized for being an economic giant but a military midget. Although it had taken substantial institutional steps in the direction of a more assertive foreign policy, major issues in world politics (such as proliferation, catastrophic terrorism or energy security) had not been tackled. Worse, the Iraq crisis of 2002–2003 had hopelessly divided the EU into the "old" and "new" Europe. The United States again called the shots. Most people in the EU, and the rest of the world, were opposed to the Iraq war, but their governments did little to prevent it, or if they did could not convince the United States to change its mind.

This frustration inside Europe—including in the UK—freed a lot of energy in the form of new thinking to take its own

security and defense policy more seriously. Nuclear non-proliferation seemed a perfect case. The Iraqi issue, the Iranian and the North Korean nuclear crises all erupted in the summer of 2002. The late Anna Lindh, then Sweden's minister of foreign affairs, drafted an EU Non-Proliferation Strategy in February 2003 and succeeded in convincing her colleagues in the General Affairs and External Relations Council to support her initiative. At the same time, a broader process of drafting the first ever European Security Strategy had also been initiated. Both strategies were written in the spring of 2003, their drafts were adopted at the Thessalonica Summit in June 2003, and their final drafts were formally adopted in December 2003.[215]

Taking a central role in the resolution of one of the two non-proliferation crises was regarded as an ideal signal to send to the rest of the world. The EU was not just a paper tiger, it was ready in practice to take on its responsibilities as a strategic actor. The Iranian crisis was geographically more suitable for the EU than the North Korean, on which China took the lead.

The prospect of resolving the Iran issue by taking on the role of mediator while at the same time fulfilling a European need to become visible in world politics was too tempting. Those inside the EU who wanted to enhance its strategic role were thus more or less blind to any potential roadblocks and setbacks.[216] A one-sided assessment of the potential benefits of its strategy vis-à-vis Iran guided EU policy, not the potential risks. The decision to 'fight' Iran was taken on the basis of a combination of a kind of euphoria as well as rash, naive ambition in London, Paris and Berlin, and in the Secretariat of the European Council in Brussels.

This combination of euphoria and naiveté is part of the explanation for the EU's ineffectiveness at dealing with the Iranian nuclear program. The EU's lack of empathy is another. It appears to have been very difficult for EU leaders to understand the dynamics of decision-making in Tehran. For instance, Bruno Tertrais, a French defense expert who is close to the government, stated: "I don't think that Iran's nuclear program is driven by security concerns."[217] Such declarations illustrate a continued misinterpretation of Iran's motives in its drive to acquire a nuclear weapon capability.

This kind of myopia can only be explained by a lack of "geostrategic" empathy and too much Eurocentric thinking. Many in the EU apparently believe that Iran will make a "rational" cost-benefit calculus, and that the outcome of that calculus will be integration in the world economy rather than isolation and confrontation. For instance, Bruno Dupré, an official at the

215. *European Security Strategy: A Secure Europe in a Better World* (Brussels: European Union, December 2003), http://www.iss-eu.org/solana/solanae.pdf; *Strategy Against Proliferation of Weapons of Mass Destruction* (Brussels: European Union, December 2003), http://ue.eu.int/pressData/en/misc/78340.pdf.

216. Sahar Arfazadeh Roudsari, "Talking Away the Crisis? The E3/EU–Iran negotiations on nuclear issues," *EU Diplomacy Papers*, College of Europe, 6 (2007): 3.

217. Bruno Tertrais at the Carnegie International Nonproliferation Conference on June 25, 2007.

European Commission in charge of nuclear non-proliferation, stated at the beginning of 2007 that "Iranian authorities know that there is no other alternative than Iran's integration into international society and becoming a constructive player in the region."[218] As is shown above, such reasoning is flawed.

In addition, the threat of being isolated sounds hollow. States that "went nuclear" in the past were either not punished, or only punished temporarily. The United States imposed sanctions against Pakistan and India after the nuclear tests of 1998, but the effects were neither comprehensive nor lengthy. Pakistan is currently one of the major US allies in the fight against international terrorism. The United States recently signed a nuclear deal with India offering nuclear fissile material and nuclear know-how.[219] The latter goes against the spirit and the letter of both the NPT and that of the Nuclear Suppliers Group (NSG), as India is one of the few countries in the world that has not signed the NPT. It is likely that Iran hopes that the United States will soon "calm down" once Tehran possesses the bomb. The United States may even look for closer cooperation with a nuclear Iran in order to help stabilize Iraq and the Middle East in general.

Critics will argue that sometimes states do opt to give up their weapons of mass destruction. The best example is Libya, which gave up its nuclear weapon program in December 2003 after pressure from the United States and the United Kingdom. The problem with this analogy is that there are many differences between Libya and Iran: the efforts that have been made on the program, its level of success, the power of the state in the region and the recent history of war and peace.

The strategic failure by the EU is hard to explain, given that the European Non-Proliferation Strategy of December 2003 explicitly admitted that the "best solution to the problem of proliferation of weapons of mass destruction is that countries should no longer feel they need them."[220] There is no doubt that this phrase was proposed by the arms control community within the EU rather than by those who favor a more hard-line approach.

Conclusions

The EU wants to be a global actor—not only economically, but also politically. That is why the EU-3 took the initiative in 2003 to try to resolve the nuclear impasse in Iran. Seven years later, the issue has not been resolved. Iran started uranium

218. See, e.g., the interview with Neil Crompton of the British Embassy in Washington, DC, at the Carnegie International Nonproliferation Conference on June 25, 2007; and Bruno Dupré, "Iran Nuclear Crisis: the Right Approach," *Proliferation Analysis*, Carnegie Endowment for International Peace Report, February 1, 2007.

219. George Perkovich, "Global Implications of the US-India Deal," *Daedalus* (Winter 2010); Harsh Pant, "The US-India Nuclear Pact," *Asian Security* 5/3 (2009).

220. *EU Non-Proliferation Strategy*, December 2003, http://register.consilium.europa.eu/pdf/en/03/st15/st15708.en03.pdf.

enrichment in 2006. At the beginning of 2009, Iran obtained enough low-enriched uranium to produce an atomic bomb—at least if the decision makers in Tehran decide to enrich the uranium to weapons-grade and to weaponize it. If Iran succeeds in acquiring nuclear weapons, the EU effort can only be categorized as a failure. Its reputation as a strategic actor would be damaged. While EU efforts were not completely ineffective, and in the end may still succeed, the interim assessment is negative.

There are three complementary explanations for this negative prediction. First, there are the classical internal divisions within the EU, which complicate the already difficult job of mediating between the United States, on the one hand, and Russia and China, on the other. Second, there were some tactical blunders. "En cours de route," the EU changed from being a mediator to become the right hand of the United States. Another tactical failure is that the EU failed to come up with a package deal that was powerful enough to make a difference in Iran. Third, the EU's strategy in 2003 was questionable. It seems that the EU overestimated its own power and underestimated the power of Iran. This can in turn be explained by the blind ambition of the EU to "do something" on the global stage, regardless of the difficulties. The latter points immediately go to a further problem: a lack of empathy which prevented the EU from seeing the underlying interests of Iran. The odds are that the nuclear program in Iran will further complicate its future relationships with the EU and the West more generally.

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