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The United States and Iran: A Dangerous but Contained Rivalry

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Executive Summary

Despite dangerously high tensions between the United States and Iran, which are rooted in the fundamentally different foreign policy objectives of each country, the risks of open hostilities between the two sides are kept in check by the realization of the catastrophic consequences involved. The conflict between the two sides is one of fundamental foreign policy visions and principles that often — especially since the start of President Bush's second term — verge on the irreconcilable. The stakes of this dangerous rivalry are high, and the range of possible scenarios for moving beyond it is perilously limited. At the same time, however, both sides appear to be keenly aware of the catastrophic consequences of open hostilities between them, and thus seek to undermine the other's interests without stepping beyond certain ill-defined red lines. High-level US-Iranian tensions are likely to continue for some time, therefore, without, however, spilling into open warfare.

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American and Iranian foreign policy objectives stand in sharp opposition to each other on multiple levels. The United States sees Iran as a rogue state that is a source of instability in the region and a direct threat to American allies and US interests. This is signified by Iran's relentless pursuit of its nuclear program and by its actions in Afghanistan and Iraq, which the United States blames for the death of its servicepeople. At the same time, although deeply factionalized and at times paralyzed by internal discord, Iranian policymakers consider the United States to be a regional and global hegemonic power, having established itself in places like the Persian Gulf, Afghanistan, and Iraq in order to secure access to the region's vast resources, not the least of which is oil. The risks of war between the two sides have been considerable, backed by tough rhetoric from Washington and Tehran and also by occasional provocative and bellicose actions.

Despite the danger of warfare between the United States and Iran, however, neither side is likely to deliberately launch a military attack on the other and initiate open hostilities. The United States, in particular, which has taken an especially bellicose attitude toward Iran during the presidency of George W. Bush, is unlikely to translate that into military action. The consequences of an attack would undermine the interests of the side initiating the hostilities. In the process of attacking, each side is likely to inflict even greater harm to its own interests. Interest-preservation is an important restraining factor, particularly for the United States, which is by far the more superior military power and which has on multiple occasions threatened war on Iran. For the foreseeable future, the conflict between the two sides — rooted as it is in their clashing policy objectives — will remain dangerously volatile. But this will be kept in check. Motivated by self-interest, both sides will pursue the conflict, while at the same time, each side will strive to keep it relatively managed.

The root causes of the current American-Iranian conflict lie in the broader policy objectives of the United States in relation to the larger Middle East. For both the Clinton and Bush administrations, Iran has been perceived as a major threat to America's regional interests and policy objectives in the Middle East and elsewhere. In fact, the Bush White House has identified Iran as "a major threat" to the United States and its allies, aggressively seeking to isolate it and to bring about "soft" regime change. Meanwhile, Iranian foreign policy, its internal factionalism notwithstanding, has featured a populist, and at times belligerent, rhetoric. At the same time, it has entailed a persistent strand of pragmatism. Nevertheless, the ensuing rivalry between Iran and the United States has placed the Persian Gulf region and the larger Middle East in a perilous predicament, and the risks of warfare have been considerable. But the very fact that the stakes are so high has served as a source of restraint, each side quite aware of its inability to afford a protracted, and no doubt costly, conflict with the other.

This posturing, this article stipulates, is the extent of it. At present, US policy toward Iran and Iran's policy toward the United States is driven largely by the ideological agendas of policymakers in each capital and by their respective needs to enhance their legitimacy before domestic constituents. Although the options open to American and Iranian policymakers for moving forward beyond their current, largely intractable positions are rather limited, a few do exist. The future is not nearly as bleak as the current level of tensions would lead us to believe.



US POLICY TOWARD THE MIDDLE EAST

Both before and since the 1978-79 revolution, US-Iranian relations have been formulated within the broader context of American foreign policy toward the Middle East. Historically, US policy in relation to the Middle East has been informed by three overriding concerns: the safety and security of the State of Israel; the free and unfettered flow of oil from the region to Western markets; and the containment of threats to US interests both within the region and globally.¹ Different administrations in Washington have brought different degrees of emphasis, diplomatic styles, and rhetoric. But the underlying assumptions of American foreign policy in relation to the Middle East have stayed the same.

Up until 9/11, and especially during and after the Cold War and into the Clinton administration, American policy toward the Middle East was premised on “realist” or “neorealist” precepts. As such, the US paid careful attention to the balance of power that characterized the region, doing its best to prevent or manage inter-state conflicts. Despite occasional proclamations to the contrary, it gave far less weight to spreading American ideals about democracy and human rights than to preserving American economic, political, and military interests.² But the administration of George W. Bush had fundamentally different ideas about the underlying premises of American foreign policy in general and US relations toward the Middle East in particular. Tragic as it was, 9/11 afforded the new administration the perfect opportunity to put into place its radically different vision of America’s role in the world at large and especially in the Middle East.

Given that the drastic shift in US foreign policy came on the heels of 9/11, and that the Bush administration’s rhetoric justifying its new policy objectives was couched in terms of a civilizational conflict and the need to spread democracy, some observers initially credited it to a paradigmatic turn from “neorealism” to “idealism.”³ In reality, however, the Bush White House was, and remains, stridently nationalist and determined to resort to the muscular exercise of American military might to protect American interests. Despite the idealist rhetoric and the promise of “democracy promotion” in which it is often couched, the basic focus of the Bush foreign policy in the Middle East continues to be the three salient issues that have preoccupied previous administrations, namely oil, Israel, and threats from within and from outside of the region. What is different now is the blunt manner and the means through which these interests are protected.

The most comprehensive elaboration of the Bush Doctrine first appeared in the *National Security Strategy of the United States*, released by the White House in Sep-

1. For a concise discussion of US foreign policy toward the Middle East see, Michael C. Hudson, “The United States in the Middle East,” Louise Fawcett, ed., *International Relations of the Middle East* (Oxford: Oxford University Press, 2005), pp. 283-305. These policy objectives, it is important to note, each grew in significance over time, and the level of their significance changed, and continues to change, depending on strategic considerations and political and international developments. For more on changes and nuances in US Middle Eastern policy see William B. Quandt, “New US Policies for a New Middle East?” in David W. Lesch, ed., *The Middle East and the United States: A Historical and Political Reassessment*, 4th ed. (Boulder, CO: Westview Press, 2007), pp. 493-503.

2. Steven David, “American Foreign Policy toward the Middle East: A Necessary Change?” *Israel Affairs*, Vol. 12, No. 4 (October 2006), pp. 615-616.

3. David, “American Foreign Policy toward the Middle East,” pp. 615-616.



tember 2002. Four years later, the 2006 *National Security Strategy* built on the radically transformative foreign policy objectives outlined in the earlier document.⁴ “Traditional concepts of deterrence will not work against a terrorist enemy whose avowed tactics are wanton destruction and the targeting of innocents,” the 2002 document asserted.⁵ Thus the United States reserves “the option of preemptive actions to counter a sufficient threat to [its] national security … To forestall or prevent … hostile acts by [its] adversaries, the United States will, if necessary, act preemptively.”⁶ At the same time, the United States remained deeply committed to the spread of democracy and human rights, which, it is claimed, are the only panacea for terror and tyranny:

The United States must defend liberty and justice because these principles are right and true for all people everywhere. These nonnegotiable demands of human dignity are protected most securely in democracies. The United States Government will work to advance human dignity in word and deed, speaking out for freedom and against violations of human rights and allocating appropriate resources to advance these ideals.⁷

On the surface at least, the Bush Doctrine appears to have turned on its head American foreign policy’s long-standing commitment to realist and neorealist balance of power assumptions. American ideals are upheld as universal, and their spread is claimed to be central to American foreign policy pursuits. This is coupled, as already mentioned, with an aggressive defense of preemption and “forward defense.”⁸ Though never articulated in such blunt terms, the logical consequences of the Bush Doctrine for the international political system are clear: those states whose policies and postures are inimical to American interests, and who continue to defy the United States, are likely to forcibly undergo “regime change” and have democracy imposed on their societies.

With Iraq and Afghanistan held up as shining examples of the Bush Doctrine at work,⁹ and with the rest of the Middle East on friendly terms with the United States, the Doctrine’s only remaining regional targets are Syria and Iran. Insofar as the specific case of Iran is concerned, the United States considers Iran to be by far the biggest threat the US has faced since the invasion and military pacification of Iraq. According

4. The full text of the 2002 report can be accessed at <http://www.whitehouse.gov/nsc/nss.pdf>, and the text of the 2006 document is at <http://www.whitehouse.gov/nsc/nss/2006/nss2006.pdf>.

5. The White House, *National Security Strategy of the United States of America, September 2002*, p. 15.

6. The White House, *National Security Strategy of the United States of America, September 2002*, p. 15.

7. The White House, *National Security Strategy of the United States, March 2006*, p. 2.

8. For a detailed discussion of the centrality of democracy promotion to the Bush Doctrine, see Jonathan Monten, “The Roots of the Bush Doctrine: Power, Nationalism, and Democracy Promotion in U.S. Strategy,” *International Security*, Vol. 49, No. 4 (Spring 2005), pp. 112-156. Also, for a thoughtful analysis that claims there is a consistency between the basic premises of the Bush Doctrine and the main tenets of American diplomatic history, see Robert G. Kaufman, *In Defense of the Bush Doctrine* (Lexington, KY: University Press of Kentucky, 2007). In particular, the active promotion of democracy appears to be highly selective, targeting only those countries with which the US has hostile relations (Saddam’s Iraq, the Taliban’s Afghanistan, and Iran) but ignoring others. For critical analyses of the premises of the Bush Doctrine in general see Christine Gray, “The Bush Doctrine Revisited: The 2006 National Security Strategy of the USA,” *Chinese Journal of International Law*, Vol. 5, No. 3 (2006), pp. 555-578; Mel Gurtov, *Superpower on Crusade: The Bush Doctrine in US Foreign Policy* (Boulder, CO: Lynne Rienner, 2006); and, Robert Jervis, “Why the Bush Doctrine Cannot be Sustained,” *Political Science Quarterly*, Vol. 120, No. 3 (2005), pp. 351-377.

9. The White House, *National Security Strategy of the United States of America, March 2006*, p. 2.



to the 2006 *National Security Strategy* document,

We may face no greater challenge from a single country than from Iran. ... The Iranian regime's true intentions are clearly revealed by the regime's refusal to negotiate in good faith; its refusal to come into compliance with its international obligations by providing the IAEA access to nuclear sites and resolving troubling questions; and the aggressive statements of its President calling for Israel to 'be wiped off the face of the earth.'¹⁰

Clearly, the Iranian government is showing no signs of caving in to American pressure. In fact, President Bush's aggressive diplomacy and his tough rhetoric on Iran are matched by those of his counterpart in Tehran almost punch for punch. Are, then, the United States and Iran on an increasingly irreversible collision course? Despite the ominous signs and the charged atmospherics, the strategic risks of militarily taking on Iran are far too great for American policymakers. If the Bush Doctrine was to be applied to Iran with the same vigor that it was applied to Afghanistan and Iraq, an American attack on targets inside Iran would have occurred by now. In fact, its incessant rhetorical drumbeat against Tehran notwithstanding, Washington has already begun to quietly modify its application of the Bush Doctrine to Iran in order to lessen the costly potential risks that its full application would entail.

WASHINGTON'S "IRANIAN THREAT"

Since coming to office in January 2001, the Bush administration has adopted three different but inter-related policy approaches toward the Islamic Republic. Each of these approaches, or options, has been pursued based on a comparatively flexible strategy — compared to the strategy followed in relation to pre-invasion Iraq — in which ideology and worldview have been tempered according to changing cost-benefit analyses and assessments of the capabilities of "the enemy."

Initially, from when it first assumed office until the invasion of Iraq in March 2003, the administration pursued a policy that may best be described as one of "hostile neglect." The Bush administration was never fond of the Iranian leadership, and from early on it adopted a hostile posture toward Tehran that was in sharp contrast to the conciliatory gestures of the Clinton administration's final months in office. The Clinton administration had originally branded Iran a "rogue state" back in 1993. In June 2000, however, as an apparent sign of support for the moderate President Khatami, it softened its position toward Iran and reclassified the Islamic Republic as a mere "state of concern."¹¹ At the same time, Secretary of State Madeleine Albright announced a slight easing of trade sanctions against Iranian imports in March 2000, and delivered an unusually conciliatory policy speech in which she expressed remorse at the history of ill will between the two states.¹² But the Bush administration quickly relabeled Iran as a rogue state soon after coming to office, and began to imply that Iran, like Iraq, was a "crazy state" and "an undeterrable regime that traditional

10. The White House, *National Security Strategy of the United States of America*, March 2006, p. 20.

11. Katzman, et al, "The End of Dual Containment," p. 80.

12. *The New York Times*, March 18, 2000, p. A1.



diplomacy cannot address.”¹³

Nevertheless, prior to 9/11, the Bush administration did not really formulate a coherent strategy toward Iran or, for that matter, toward the rest of the Middle East, with the exception of Iraq of course. There was, to be sure, plenty of harsh rhetoric directed against the Islamic Republic from the very beginning of the Bush presidency, not the least of which was the president’s designation of Iran as a member of an “Axis of Evil.” However, either the administration was really uncertain as to what to do with Iran, or it was too focused on Iraq to pay enough attention to its neighbor to the east. Whatever the cause, US policy toward Iran in the initial year of the Bush presidency was marked by a combination of neglect and hostility.

US posture toward Iran changed soon after the start of the US invasion and occupation of Iraq beginning in March 2003. Buoyed by the rapid advance of American forces in the early months of war and the relatively quick fall of Baghdad, the United States began to pursue an active policy of regime change toward Iran as well. The US government never quite publicly articulated its strategy, but a number of highly influential Washington insiders, especially figures generally identified as Neoconservatives, began to vocally call for regime change in Iran. Richard Perle, for example, who served as chairman of the Pentagon’s Defense Policy Board in the lead up to the Iraq war, and David Frum, the former White House speechwriter who is credited with coining the phrase “Axis of Evil,” coauthored a book called *An End to Evil* in which they called for covert US operations to overthrow the Iranian regime. “The problem in Iran is much bigger than the weapons,” they wrote. “The problem is the terrorist regime that seeks the weapons. The regime must go.”¹⁴ They go on to argue that Iran is ripe for change and that an American-initiated regime change would be greeted with the same popular enthusiasm that accompanied “the American liberation of Iraq” next door. “Why do we hesitate?” they ask rhetorically.¹⁵ Michael Ledeen, another prominent Neoconservative, declared gleefully: “Tehran is a city just waiting for us.”¹⁶

Throughout 2003 and late into 2004, Washington was abuzz with talk of regime change in Iran, much of it encouraged by the speeches of former or serving administration officials before the American Israel Public Affairs Committee (AIPAC).¹⁷ Also consequential were efforts by some figures within the Iranian exile community in the United States.¹⁸ But as the occupation of Iraq steadily turned into a quagmire and as “liberated Iraq” teetered on the brink of civil war, officials in Washington appeared to realize the grave risks of undertaking a similar “liberation” of Iran. Increasingly, therefore, the military option was dropped in favor of a more nuanced and subtle approach. By late 2005, early 2006, it was clear that the United States had adopted a new

13. Katzman, et al, “The End of Dual Containment,” p. 81.

14. Richard Perle and David Frum, *An End to Evil: How to Win the War on Terror* (New York: Ballantine Books, 2004), p. 93.

15. Perle and Frum, *An End to Evil*, p. 95.

16. Quoted in Robert Dreyfuss and Laura Rozen, “Still Dreaming of Tehran,” *The Nation*, April 12, 2004, p. 17. For a typical think-piece advocating regime change in Iran see, Reuel Marc Gerecht, “Regime Change in Iran? Applying George W. Bush’s ‘Liberation Theology’ to the mullahs,” *The Weekly Standard*, Vo. 7, No. 45 (August 5, 2002), pp.30-33.

17. See, for example, Andrew I. Killgore, “Neocons Plot Regime Change in Iran,” *Washington Report in Middle East Affairs*, Vol. 22, No. 10 (December 2003), p. 17.

18. Mark Hosenball, “Regime Change in Iran? One Man’s Secret Plan,” *Newsweek*, Vol. 142, No. 25 (December 12, 2003), p. 6.



strategy toward Iran.

This new strategy, which continues to be in effect today, appears to have three primary components. The first component is aimed at fostering “soft regime change” in Iran through the encouragement of acts of civil disobedience and resistance inside the country.¹⁹ Secondly, the United States has simultaneously embarked on an aggressive campaign to isolate Iran economically, diplomatically, and militarily in order to undermine its interests and its influence both regionally and globally. Complementing these two components is a third, less overt one, spearheaded by the CIA and aimed at disrupting the Iranian government’s financial operations around the world. This three-pronged strategy of erosion, isolation, and disruption still has the ultimate objective of bringing about the Islamic Republic’s collapse. What makes it radically different from previous administration strategies is the amount of diplomatic resources and energy being devoted to it by both the White House and by the State Department.

The adoption of the new strategy by Washington appears to be the result of a shift in the administration’s internal balance of power in favor of the State Department in policy areas once dominated by the Defense Department during the tenure of Defense Secretary Donald Rumsfeld.²⁰ While still a prominent feature of US policy toward Iran, the possible resort to blunt force appears to have taken a back seat to vigorous diplomacy. As Nicholas Burns, the Undersecretary of State for Political Affairs, put it in March 2007, the United States is now engaged in an “active and focused diplomatic strategy” in which “multiple points of pressure” are brought to bear on the Iranian regime.²¹ A year earlier, Burns promised that the United States would “extend support to the Iranian people, especially the millions of young Iranians who suffer due to the regime’s repression and economic misrule and crave opportunities to connect with the wider world.”²²

To back up its soft regime change strategy toward Iran, in 2006 the administration received \$66 million for domestic “outreach” programs inside Iran (it had requested \$75 million from Congress). For 2007, the administration requested another \$75 million toward the same goal.²³ The requested money is supposed to go toward “civil society promotion” inside the country in the form, for example, of training sessions conducted in Dubai for Iranian activists by so-called “velvet revolution experts” from Eastern Europe. Part of the money also goes toward the funding of US government radio broadcasts beamed into Iran (Voice of America’s Persian language program and Radio Farda).

The Bush administration started its second term in office with a commitment to multilateralism that was not always evident in the previous four years. Perhaps

19. John Dumbrell, *The Bush Administration, US Public Diplomacy, and Iran* (Durham, UK: SGRIRWP07-04), p. 9.

20. Robert Kagan, “On Iran, Giving Futility Its Chance,” *The Washington Post*, July 13, 2006, p. A23. See also David Ignatius, “After the Rock, Diplomacy,” *The Washington Post*, March 7, 2007, p. A17.

21. Quoted in Dumbrell, *The Bush Administration, US Public Diplomacy, and Iran*, p. 8.

22. Quoted in Dumbrell, *The Bush Administration, US Public Diplomacy, and Iran*, p. 7. The full text of Burns’s statement to the Congress on March 8, 2006 in which he articulated US policy toward Iran can be found at <http://www.state.gov/p/us/rm/2006/62779.htm>.

23. Dumbrell, *The Bush Administration*, p. 10.



nowhere has this embracing of multilateral diplomacy been more apparent than when the United States entered the talks taking place between the European Union and Iran over Iran's nuclear program, succeeding in steering the talks in a direction to its own liking, and successfully shepherded three resolutions through the United Nations Security Council (UNSCR 1969, adopted in August 2006; 1737, in December 2006; and 1747, in March 2007) that impose progressively tougher economic sanctions on Iran for its defiance of EU and US demands. American diplomacy in the UN has been complemented by a concerted effort to ensure Iran's international and regional isolation. An increasing number of European banks — chief among them the UBS and Credit Suisse banks of Switzerland, ABN Amro of the Netherlands, and HSBC, based in London — have been pressured by the US Treasury Department to stop doing business with Iran.²⁴ With talk in official circles of an emerging "Shi'a crescent" threatening America's Sunni allies — and its own interests in Iraq and elsewhere — the United States has also engaged in frontal diplomacy to strengthen its ties with key regional players such as Saudi Arabia, Egypt, and Jordan. Successive administration officials have visited the region as part of the campaign to ensure Iran's regional isolation.²⁵ Even more pointedly, in July 2007 the White House announced the planned sale of some \$20 billion in military hardware to America's allies in the Middle East over a 10-year period, making it the most expensive and extensive sale of US weaponry to the Middle East to date.²⁶ According to one administration official,

This is a big development, because it's part of a larger regional strategy and the maintenance of a strong U.S. presence in the region. We're paying attention to the needs of our allies and what everyone in the region believes is a flexing of muscles by a more aggressive Iran. One way to deal with that is to make our allies and friends strong.²⁷

In addition to trying to erode the strength of the Iranian regime and to ensure its diplomatic isolation, Washington also has engaged in efforts designed to disrupt the Islamic Republic's operations both inside and outside of Iran. Specifically, in May 2007, American media reported the signing of a "Nonlethal Presidential Finding" by President Bush that authorizes the CIA "to mount covert 'black' operations to destabilize the Iranian government."²⁸ Among other things, the CIA plan reportedly includes "a coordinated campaign of propaganda, disinformation, and manipulation of Iran's currency and international finance."²⁹

24. Steven R. Weisman, "Banks trimming ties with Iran," *International Harold Tribune*, May 22, 2006, p. 1. Steven R. Weisman, "U.S. Asks Finance Chiefs to Limit Iran's Access to Banks," *The New York Times*, September 17, 2006, p. A8. For effect of the sanctions on Iran's Sepah Bank see Louis Charbonneau, "Iran bank hit hard by U.N. sanctions: diplomats," *Iran Focus*, July 30, 2007, pp. 1-3.

25. For an in-depth discussion of possible consequences for the United States of an emerging "Shi'a crescent" see Juan Cole, et al, "A Shia Crescent: What Fallout for the United States?" *Middle East Policy*, Vol. 12, No. 4 (Winter 2005), pp. 1-27.

26. The recipient countries include Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Bahrain, and Oman. Another \$30 billion in arms sales to Israel has also been announced. Robin Wright, "U.S. Plans New Arms Sales to Gulf Allies," *The Washington Post*, July 28, 2007, p. A1.

27. Quoted in Wright "U.S. Plans New Arms Sales to Gulf Allies," p.A1.

28. Reported by ABC News, details of which can be found at http://blogs.abcnews.com/theblotter/2007/05/bush_authorizes.html.

29. http://blogs.abcnews.com/theblotter/2007/05/bush_authorizes.html.



Revelations about the CIA's covert operations designed to destabilize the Iranian government reveal a clear shift in strategy about the manner and methods that Washington is employing in order to bring about regime change in Iran. There is always an ever-present possibility of a US military strike on targets in Iran, and administration officials, including President Bush himself, have repeatedly stated that "all options are on the table" when it comes to Iran, in a not-too-subtle hint at the possibility of a military attack against Tehran.³⁰ There are also persistent reports in the media that powerful figures within the Bush administration, especially those affiliated with the office of Vice President Cheney, are eager to set into motion plans to attack Iran.³¹ With tensions at all-time highs, an unintended eruption of open hostilities is also a distinct possibility. As time goes by, however, the possibility of a US attack on Iran becomes increasingly improbable. The shift in US strategy toward Iran is clear and undeniable: diplomacy and soft regime change first, backed up with the threat of military action. That threat, it appears, is becoming less and less likely to materialize.

There are two primary reasons that are likely to prevent Washington from attacking Iran militarily. One has to do with the consequences of such an attack on the domestic standing and the popularity of President Bush at home. Back in 2003, President Bush had an easier time convincing the American people that invading Iraq was in America's national security interests. Steadily, however, as the war in Iraq began to turn into a quagmire and as promises of a "mission accomplished" failed to materialize, public skepticism about the wisdom of the war mounted. Throughout the policymaking apparatus that filters, modifies, and implements the president's policy agendas, there are influential figures advocating a firm military response to Iran's strategic challenge. But with a popularity rating among the lowest in recorded presidential history and an intractable civil war in Iraq, the ideological and policy impulses to strike at Iran are likely to be kept in check.

A second important deterrent to an American attack on Iran has to do with possible Iranian responses. To better understand these likely responses, an examination of Iranian foreign and national security policies is in order.

IRANIAN FOREIGN POLICY

One of the most salient features of Iranian foreign policy in the last decade has been its underlying pragmatism, especially since the passing of Ayatollah Khomeini in 1989 and the emergence of the so-called "second republic."³² This pragmatism often has been masked by the charged rhetoric with which Iran's senior leadership defends its positions in relation to such contentious issues as the war in Iraq, Iran's nuclear program, the Palestinian-Israeli conflict, and the positioning of American forces in the Gulf. Despite their intransigent rhetoric, the actual conduct of Iranian foreign policy has been marked by a significant degree of pragmatism. This pragmatism was most evident beginning in the late 1980s and the 1990s, when almost all senior policymaking positions in both the executive branch — especially the presi-

30. Brian Knowlton, "Bush takes tough line, as does Iran leader," *International Herald Tribune*, April 19, 2006, p. 1.

31. Ewen MacAskill and Julian Borger, "Cheney pushes Bush to act on Iran," *The Guardian*, July 16, 2007, p. 16.

32. Anoushiravan Ehteshami, *After Khomeini: The Iranian Second Republic* (London: Routledge, 1995).



dency and the foreign ministry — and in the parliament, were controlled by so-called “pragmatic conservatives”. In the Iranian context, “pragmatism” means a realistic, sober assessment of the country’s needs and capabilities in both the domestic and the international arenas, and the formulation of public policies accordingly. In this sense, while ideology and doctrine are not completely overlooked or abandoned, they become secondary to the policies the regime makes based on objective assessments of the environment within which it operates.

Among other things, Iran’s pragmatic conservatives concentrated chiefly on addressing the multiple ills from which the economy suffered, especially after the eight-year war with Iraq, and also on ending the international isolation that had ensued from the chaotic consequences of the 1978 revolution.³³ This trend picked up significant pace during the presidency of Muhammad Khatami, during which Iran made an even more concerted effort to improve its international standing.³⁴ There were even some hints of improved relations with the US as the Khatami and Clinton administrations sent each other faint but nonetheless unmistakable signals to that effect.³⁵

President Bush’s “Axis of Evil” speech came in early 2002, just as US-Iranian relations were showing the potential for improvement. As the Bush administration’s posture toward Iran grew increasingly more hostile in the lead-up to and following the invasion of Iraq, and as the Bush Doctrine got into full swing, Iran’s diplomatic posture changed accordingly.³⁶ Iranian policymakers felt betrayed and let down by the United States for what they considered to have been their positive contributions toward creating stability and order in post-invasion Afghanistan and Iraq. For example, at donor conferences for Afghanistan and Iraq in 2002 and 2003 respectively, Iran pledged some \$650 million in assistance toward the reconstruction of Afghanistan and another \$300 million for the same effort in Iraq.³⁷ At the same time, throughout 2003 to 2005, during the tenure of Prime Minister Ayad Allawi, Iran began expanding its ties with Iraqi Shi‘a groups, almost none of which were represented in the fledgling Iraqi government at the time.³⁸ This in turn solicited sharp rebuke from the Allawi administration, whose defense minister at one point called Iran “Iraq’s number one enemy.”³⁹

During this period, the pragmatism of Iranian foreign policy manifested itself in two forms. First, driven primarily by fears of a US invasion of Iran following apparent and rapid successes in Iraq and Afghanistan, Iranian policymakers took an extremely

33. Ray Takeyh and Nikolas K. Gvosdev, “Pragmatism in the Midst of Iranian Turmoil,” *The Washington Quarterly*, Vol. 27, No. 4 (Autumn 2004), pp. 37-38.

34. See, for example, an article by Khatami’s foreign minister, Kamal Kharrazi, “The View from Tehran,” *Middle East Policy*, Vol. 12, No. 1 (Spring 2005), pp. 25-30.

35. Elaine Sciolino, “Seeking to Open a Door to U.S., Iranian Proposes Cultural Ties,” *The New York Times*, January 8, 1998, p. A1.

36. Domestic support for rapprochement or even dialogue with the US was also greatly reduced following the start of the harsh rhetoric toward Iran. See, for example, Daniel Heradstveit and G. Matthew Bonham, “What the Axis of Evil Metaphor Did to Iran,” *The Middle East Journal*, Vol. 61, No. 3 (Summer 2007), especially pp. 433-436.

37. Keith B. Richburg and Glenn Kessler, “Nations Pledge Billions for Iraq; Reconstruction Aid Falls Far Short of Projected Need,” *The Washington Post*, October 25, 2003, p. A1. James Dobbins, “Time to Deal with Iran,” *The New York Times*, May 6, 2004, p. A35.

38. Kamran Taremi. “Iranian Foreign Policy toward Occupied Iraq, 2003-05,” *Middle East Policy*, Vol. 12, No. 4 (Winter 2005), p. 40.

39. Taremi, “Iranian Foreign Policy,” p. 40.



cautious approach to Iraq while, at the same time, seeking to build up and to deepen a network of support among Iraqi Shi'a groups.⁴⁰ Even more tellingly, in May 2003, the Iranian leadership is reported to have offered the United States what many have termed a “grand bargain.”⁴¹ The precise terms of the offer have never been revealed, but by most accounts it was as comprehensive of a package as Iranian diplomacy could have feasibly put together at the time. Iran would pledge to help stabilize Iraq, rein in Hizbullah and Hamas, suspend its nuclear enrichment activities, and work toward normalizing ties with the United States. In return, the US would lift its economic sanctions on Iran and would give Tehran “security guarantees” — namely, that it would not invade Iran or otherwise initiate measures to bring about regime change.⁴² The existence of such an offer — a dramatic overture on the part of Iran toward the United States — was not revealed until some time in 2005. It was also revealed that the Bush administration had chosen to ignore the offer and decided to continue its campaign of denouncing the Islamic Republic and its policies in Iraq.⁴³

In June 2005, Iranians elected the mayor of Tehran, Mahmud Ahmadinejad, as their new president. Even before he was elected, and especially after he took office, President Ahmadinejad was identified in the Western press as a “radical hardliner.”⁴⁴ Undeniably, under Ahmadinejad’s presidency, there has been a notable contraction of political space in Iran, with many of the reforms of the Khatami era either abandoned or rolled back.⁴⁵ Within the Iranian political spectrum, President Ahmadinejad does indeed belong to the “radical” faction, and his administration marks a significant departure from the post-Khomeini era and a throwback to the earliest days of the revolution.⁴⁶ But his populist dogmatism notwithstanding, a year into his presidency, Ahmadinejad, in his own way, pursued another avenue for improving ties with Washington. On May 8, 2006, the Iranian president wrote a 19-page letter to President Bush.⁴⁷ Ignored and unanswered by the White House, the letter was followed by another one the following November, this time in the form of an “open letter” to the American people.⁴⁸

Both letters are filled with religious references and are in many places rambling and incoherent. They certainly do not represent the conventional manner in which diplomacy is conducted today. But the real significance of the letters was either not understood or was deliberately brushed aside by the White House. The letter was

40. Taremi, “Iranian Foreign Policy,” p. 44.

41. Nicholas D. Kristof, “Hang Up! Tehran is Calling,” *The New York Times*, January 21, 2007, p. A13.

42. The Islamic Republic’s formulation of a “grand bargain” is all the more significant considering that Iranian foreign policy is notorious for its incoherence and is often forced into a reactive posture due to the bitter in-fighting that characterizes the different political factions in the system. For this factional in-fighting and the resulting incoherent and reactive policies see Mehran Kamrava, “National Security Debates in Iran: Factionalism and Lost Opportunities,” *Middle East Policy*, Vol. 24, No. 2 (Summer 2007), pp. 84-100.

43. Glenn Kessler, “Rice Denies Seeing Iranian Proposal in ‘03; Remark Adds to Debate on Whether U.S. Missed Chance to Improve Ties With Tehran,” *The Washington Post*, February 8, 2007, p. A18.

44. Karl Vick, “Hard-Line Tehran Mayor Wins Iranian Presidency; Victory Could Complicate Relations with West,” *The Washington Post*, June 25, 2005, p. A1.

45. Farideh Farhi, “Iran’s ‘Security Outlook,’ *Middle East Report Online*, July 9, 2007, <http://www.merip.org/mero/mero070907.html>.

46. Kamrava, “National Security Debates in Iran,” p. 90.

47. A copy of the letter can be found on-line at http://online.wsj.com/public/resources/documents/wsj-IranianPres_letter.pdf.

48. A copy of this letter can be found at http://www.washingtonpost.com/wp-srv/world/documents/Ahmadinejad_Letter_112906.htm.



meant as an opening, a way to start a direct form of dialogue with the American president. But Ahmadinejad could not — and cannot — afford to be seen as if he were capitulating to his American counterpart. The fact that the letter was bound to be publicly revealed underlay its religious tone and its ambiguous message. Perhaps the subtlety was lost on the White House. Or perhaps the overture was deliberately ignored because it did not fit into Washington's strategic goals in the Middle East.⁴⁹

Iranian foreign policy pragmatism hasn't necessarily meant that Iran is willing to abandon its strategic objectives in the Gulf, in the larger Middle East, or beyond. At the broadest level, these strategic objectives fall into three general, inter-related categories.⁵⁰ First and foremost, Iranian policymakers view their country as a regional superpower, and therefore consider it a given that Iran should play a key role in the region's security architecture. There is, to be sure, a fair amount of nationalist power-projection that underwrites Iranian foreign policy.⁵¹ Much more of a factor, however, is the sober realization on Tehran's part of the widespread instability that pervades its immediate neighborhood.⁵² Continued Taliban activity in Afghanistan and lack of political stability there, the raging civil war in Iraq, the potential for political upheaval and crisis in Pakistan to the west and in the former Soviet republics to the north, and the presence of close to 200,000 foreign troops and untold numbers of terrorist insurgents throughout the region are all sources of worry and concern for the Iranian leadership. It is these more immediate, locally-based concerns that guide much of Iranian strategic thinking, not necessarily regional and international issues such as the Israeli-Palestinian conflict or global power alignments.⁵³

A second Iranian strategic objective has to do with Iraq. For some time, and especially since 2003, Iraq has played a central role in Iran's strategic calculations. The initial hostility shown toward Iran by the Iraqi Provisional Governing Council, installed by the coalition forces in July 2003 soon after the invasion, gave way to increasingly close relations between the two countries following the Iraqi elections of December 2005. In fact, much to the dismay of Washington, relations between Prime Minister Nuri al-Maliki's governing Shi'a coalition and Tehran have become extremely close.⁵⁴ Iran has pursued a two-track strategy in Iraq: on the one hand it has strengthened its formal diplomatic and economic ties with the central government in Baghdad; on the other hand, it continues to exert considerable influence over Muqtada al-Sadr's armed militia group, the Mahdi Army.

This two-pronged policy is a calculated strategy. The first track is official and diplomatic. For obvious reasons, Iran would like to have a friendly government in Baghdad that not only would be receptive to Iranian trade and investment but would

49. Another similar, veiled effort was made by Ahmadinejad during an interview with *60 Minutes*, a popular American news program. The interview can be seen at <http://www.informationclearinghouse.info/article14547.htm>.

50. There are vast differences over the appropriate foreign and national security policy objectives among the various Iranian factions. The three broad objectives mentioned here, however, are unanimously agreed upon. See Kamrava, "National Security Debates in Iran," pp. 84-100.

51. Fred Halliday, "Iran's Regional and Strategic Interests," in Walter Posch, ed., *Iranian Challenges* (Paris: EU Institute for Security Studies, Challiot Paper No. 89, 2006), p. 65.

52. Halliday, "Iran's Regional and Strategic Interests," p. 66.

53. Halliday, "Iran's Regional and Strategic Interests," p. 66.

54. Nazila Fathi and Kirk Semple, "Iran Promises to Help Iraq in Ending Violence There," *The New York Times*, November 28, 2006, p. A14.



also be supportive of Iran's strategic and regional objectives. Trade between the two countries has seen a dramatic spike in recent years, and it will reportedly rise to \$1.8 billion by August 2008.⁵⁵ In the same vein, warming relations between Tehran and Baghdad have tangible diplomatic and perhaps even military benefits. Up until now, the Arab governments of the Gulf have cast their lot with the US in support of its strategic goals and objectives in the region. An ally in Baghdad will lessen Iran's isolation and undermine American efforts to further marginalize the country and demonize its leadership.

The second track guiding Iranian strategy in Iraq is informal and unofficial. Despite their frequent proclamations to the contrary, there is a palpable fear among Iranian officials that the United States will in fact attack Iran militarily. Unable to mount a conventional military response that would effectively match American firepower, Iranian military planners have devised a strategy of asymmetric warfare revolving around guerrilla activities and insurgency tactics.⁵⁶ With the presence of thousands of American troops in Iraq (and Afghanistan), client groups such as the Mahdi Army can be called on to intensify attacks on American targets inside Iraq. Iranian military commanders are, therefore, counting on wearing the Americans down in an ensuing "war by proxy" if the US were to attack.⁵⁷

Iran's third strategic objective revolves around its nuclear program. There is a general consensus among the various factions within the Iranian state that an active nuclear program is in Iran's best interest.⁵⁸ However, there is a vibrant debate within the regime as to the appropriate means of pursuing the country's nuclear program and the extent to which such a program should progress. In general terms, these different perspectives fall into three broad categories.⁵⁹ First, many argue that Iran is a signatory to, and in full compliance with, the Nuclear Non-Proliferation Treaty (NPT), and, as such, should enjoy all the technical and research rights and privileges allowed under the aegis of the treaty. A second line of argument views the issue from the perspective of Iranian national security. Iran is situated in a hostile environment, with nuclear powers on all sides — Pakistan to the east, Israel to the west, and the Americans encircling Iran in Afghanistan, the Gulf, and Iraq. The only way that Iran's safety can be guaranteed, they argue, is by joining the nuclear club. The fact that the US negotiated with North Korea, a nuclear state, but invaded Iraq, a non-nuclear state, is not lost on more hawkish Iranian policymakers. Finally, there are a number of Iranian policymakers who view nuclear technology in terms of its significance for the country's increasing demands for resources and technology. Given demographic trends and technological needs, they argue, Iran is rapidly putting itself in danger of becoming an energy-starved country. Nuclear power stations, they argue, especially of the kind currently being constructed in the city of Bushehr, would significantly reduce the country's dependence on outside suppliers.

Currently, the group advocating the use of nuclear technology for non-military,

55. Islamic Republic News Agency, "Iran-Iraq trade to hit dlrs 1.8 billion a year," August 25, 2007.

56. Daniel L. Byman, "What Tehran Is Really Up To," *The Washington Post*, February 18, 2007, p. B1.

57. Colin Freeman, "Iran poised to strike in wealthy Gulf states," *Sunday Telegraph*, March 4, 2007, p. 28.

58. Kamrava, "National Security Debates in Iran," p. 95.

59. Anoushiravan Ehteshami, "The Future of Iran's Defense and Nuclear Policy," in Posch, ed., *Iranian Challenges*, p. 79.



resource-driven purposes appears to have the upper hand within the Iranian state's policymaking apparatus. Their insistence that they are not interested in nuclear weapons has been confirmed by the November 2007 *National Intelligence Estimate*, which concludes that "Tehran halted its nuclear weapons program" in 2003 in response to international pressure.⁶⁰ This conclusion is reached in several IAEA reports as well, the most recent of which was issued on August 27, 2007.⁶¹ Ultimately, the question of which one of these options emerges as the dominant paradigm for Iranian strategic thinking (or continues to remain so) depends on the constellation of power in charge of the state in Iran.⁶² It also depends on the extent to which Iranian political leaders perceive their survival to be threatened by the United States. The greater and more imminent the threat perception from Tehran's view, the more likely it is to opt for the nuclear option.

Whether it is in relation to the immediate neighborhood, Iraq, or the nuclear issue, Iran's strategic objectives clash directly with those of the United States. Iran wants to play an active role in resolving regional issues and crises; the United States wants to ensure Iran's isolation and to retain a strong foothold in the region for itself. Iran wants to be an ally of and a key player in Iraq; the United States will not relinquish its military control over Iraq and accuses Iran of fanning the flames of the Iraqi civil war by aiding the insurgency. Iran wants to continue with its nuclear program as stipulated in and guaranteed by the NPT; the United States suspects Iran of having a clandestine nuclear weapons program. With the certitude and blunt nature of the Bush Doctrine on the one side, and Iran's dogged refusal to surrender to American demands on the other, the potential for conflict and the eruption of open hostilities between Tehran and Washington is ever-present. The geographic proximity within which this rivalry is unfolding, and the uncompromising and often undiplomatic rhetoric through which each side articulates and defends its positions, greatly heighten the risk of a military confrontation. If this were to happen, its most likely manifestation would be in the form of an American military attack on targets inside Iran, and, to the extent possible to them, retaliations by Iranian forces.

But is this indeed likely to happen?

PROSPECTS FOR THE FUTURE

There are three possible scenarios for US-Iranian relations in the short term and in the foreseeable future. The first possibility is a continuation of the *status quo*, with high levels of calculated, but managed, tensions characterizing the relations between the two sides, with each country trying to undermine the regional and international interests of the other one, and frequently accusing the other of being responsible for instability in the region. A second possibility is engagement and negotiation, leading, at the very least, to a reduction of tensions in the short run, and, eventually, to a res-

60. National Intelligence Estimate, *Iran: Nuclear Intentions and Capabilities* (Washington, DC: National Intelligence Council, 2007), p. 5.

61. "The Agency has been able to verify the non-diversion of the declared nuclear materials at the enrichment facilities in Iran," the report states, "and has therefore concluded that it remains in peaceful use." International Atomic Energy Agency, *Understandings of The Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues Tehran – 21 August 2007* (Vienna: INFCIRC/711, August 27, 2007), p. 4. Full text available at <http://www.iaea.org/Publications/Documents/Infircs/2007/infirc711.pdf>.

62. Ehteshami, "The Future of Iran's Defense and Nuclear Policy," p. 81.



toration of formal diplomatic relations. The third possibility is the opposite scenario: an escalation of tensions leading to an American attack on Iranian targets, and subsequent Iranian retaliation. While each of these three scenarios is quite plausible and possible, of all three, the first or the second scenarios are more likely to occur.

The first scenario — a continuation of the tension-filled *status quo* and at best minimal and acrimonious official contacts between the United States and Iran—is likely to continue so long as the Bush administration is in office. More specifically, beginning with the “Axis of Evil” speech in January 2002 and continuing up until today, the Bush administration has increasingly narrowed the possibility of any sort of engagement with Iran. Too much of the Bush Doctrine features Iran as its centerpiece, and too much of President Bush’s rhetoric about the “war on terror” revolves around Iran, for the administration to alter its current, confrontational stance toward the Islamic Republic.

At the same time, even with a massive military attack that would supposedly obliterate the Iranian military and, as news reports suggest, destroy as many as 1,200 targets inside Iran in the span of only three days,⁶³ Iran would still retain the ability to conduct asymmetric warfare against American targets in Iraq and Afghanistan and also against US allies throughout the Gulf. If an American attack were to occur in Iran, there is bound to be massive loss of life and widespread destruction of infrastructure and military capabilities. There also would be widespread chaos and instability in the region. Despite the thick ideological lenses through which it sees the world, even this White House appears to have realized that Iran is not Iraq, and that another “shock and awe” campaign will not bring about a pro-American, Western-style liberal democracy in Iran. With a popularity rating among the lowest in recorded presidential history, a deepening quagmire and civil war in Iraq, and a fractured support base among Republicans in Congress, President Bush can ill afford another military misadventure, this time with unfathomable regional consequences.

Considering all of these factors, if an American military attack on Iran were indeed to occur under President Bush’s watch, the most likely — or from the White House’s perspective the most logical — timeframe for it will be sometime between the presidential elections in November 2008 and the following January, when the president is scheduled to leave office. Based on this unlikely scenario, the Bush Doctrine will have been implemented, Iran will have “suffered the consequences” of its intransigence, and the Bush White House will not have to deal with the ensuing mess and chaos. While a possibility, this is not likely to occur, given the domestic political fallout and the scale of the regional upheaval.

The alternative to the *status quo* or to a further deterioration of the situation is engagement, substantive negotiations, and, eventually, improved relations. The Iranians, for their part, are willing — and perhaps even eager — to improve their relations with the United States for a whole variety of reasons, one of the most important of which has to do with the crushing economic sanctions that the US has imposed on Iran since the mid-1990s. At the same time, keenly aware of the domestic popularity of such a development, the Iranian leadership, its anti-American rhetoric not-

63. Sarah Baxter, “Pentagon ‘three-day blitz’ plan for Iran,” *Sunday Times*, September 2, 2007, p. 1.



withstanding, is eager to enhance its lagging political legitimacy among middle class Iranians. In fact, even though Washington ignored the “Grand Bargain” offer of May 2003, Tehran has been sending frequent signals indicating its willingness to deepen the “Baghdad track” negotiations with the United States. But for reasons already mentioned, this is unlikely to occur so long as the Bush administration remains in office. There is much bad blood and animosity to overcome, and, “the wall of mistrust” separating the two sides, as Iranian officials have often put it,⁶⁴ currently seems impenetrable. But overcoming animosity and mistrust, no matter how deep and historically engrained, is not impossible. The rivalry that currently marks US-Iranian relations is dangerous and ultimately untenable over the long run.

64. Robin Wright, “War Backfiring on U.S., Khatami Says”, *The Washington Post*, September 6, 2006, p. A4.