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IRAN
Richard Dalton

Analysis of Iranian foreign policy generally revolves around two poles—one focusing on Iran’s revolutionary ideology, and the other centering on a more pragmatist strain in its international behavior. All states have ideals to which they aspire, but their daily choices about how to act externally are typically made among a range of practical options. They choose the ones that they believe, rightly or wrongly, will promote their interests to the greatest degree. Iran may still be a revolutionary state, but in its foreign policy behavior, the evidence suggests that, as Mehran Kamrava has put it, “Iranian foreign and national security policies are influenced far more by pragmatic, balance of power considerations than by ideological or supposedly revolutionary pursuits.”¹

At the risk of oversimplification, Iran’s defensive actions and even its regional and international initiatives in support of the Islamic Revolution call for the security of Iranian territory and the preservation of the country’s strength, independence, and freedom above all. Power must be exercised for a purpose or mission, of course, and in revolutionary Iran’s case, that mission is to do God’s work, which includes leading Muslims worldwide by precept and example, defending Shiism and enhancing the lives of Shiites, and defending oppressed Muslims across the globe, but especially in the “Shia Crescent”—that large swath of territory populated overwhelmingly by Shiite Muslims that arcs from the Levant, above Saudi Arabia, and down to Bahrain.

Keeping at bay external pressures directed at weakening Iran and thwarting its mission is a principal animus in Iran’s foreign policy that will not change. With some justification, Iran sees the United States and Israel, and to a lesser extent certain European powers, as real and present threats to its core interests. Its default position is to respond to both deterrence and containment with defiance. In an address to representatives of the government, parliament, and judiciary on August 7, 2011, Supreme Leader Ayatollah Khamenei emphasized this recurrent theme: “Whenever the Islamic regime has made concessions to the United States and Europe, they have become more insolent. Whenever the regime has insisted upon the slogans and foundations of the revolution, the honor of the Islamic Republic has grown.”²

Foreign policy is also conducted to advance the national interest, and revolutionary Iran is no exception: It is Iran’s duty to use foreign policy to gain influence and thus promote the prosperity, the progress, and the welfare of its people. Maneuvering in the international arena to avoid dangers and gain advantage is the logic of all states’ roles in the international system, Iran

1. Mehran Kamrava, “Iran and the Gulf Cooperation Council,” in *The Iranian Revolution at 30, Viewpoints*, Special Edition (Washington, DC: Middle East Institute, 2009), 158, <http://www.mei.edu/sites/default/files/publications/2009.01.The%20Iranian%20Revolution%20at%2030.pdf>.

2. Supreme Leader Ali Khamenei, quoted in Ali Alfoneh, Ahmad Majidiyar, and Michael Rubin, “Iran News Round Up August 8, 2011,” *AEI Iran Tracker*, August 8, 2011, <http://www.irantracker.org/roundup/iran-news-round-august-8-2011>.

included. Yet the Islamic Republic must balance the national interest against its revolutionary goals to protect the gains of the revolution. This balance is also a recurrent theme in Iran's foreign policy. During Khatami's eight years in office as president, from 1997 to 2005, the tenor of Iran's relations with both Persian Gulf and European states improved, although the substance remained much the same. President Mahmoud Ahmadinejad has reciprocated Turkey's overtures to the Islamic Republic, conceding major points to Turkey and Brazil in the May 2010 "Tehran Declaration" on export of low-enriched uranium from Iran in return for the supply of fuel for the Tehran Research Reactor.³

To be sure, despite its general resistance to conform to the will and dictates of the "comity of nations," in terms of regional and international security understandings Iran is not an irrational actor on the world stage. Its revolutionary goals throughout the region may put it at odds with the United States and Europe—and particularly with the West's allies and partners in the broader Middle East—and with international law. Yet the Islamic Republic has not lashed out with unpredictable and irrational moves in its conduct of a revolutionary *and* pragmatic foreign policy.

Perhaps what fills Western policymakers with the most fear about Iran is that it is difficult to ascribe any predictability to its foreign policy, regardless of its content. If it is unclear who is in charge, it is difficult to confirm whether today's pragmatist pronouncement will be followed by a violent revolutionary blast tomorrow. Put another way, the obscurantism surrounding Iranian politics in general—and its foreign-policy making in particular—perhaps sustains among Western powers and their regional allies a general defensive reaction to the Islamic Republic.

The purpose of this chapter is to assess how Iran might respond in the next few years to more explicit military deterrence, extra containment measures, and more—or more appropriate—engagement initiatives. It will assess likely Iranian responses to all three strategies given current Iranian political dynamics.⁴

Factions and Cohesion

How Iran makes its choices on foreign and security policy is really less of a mystery than is often suggested. Parallel, and sometimes rival, institutions and political leaders advocate new approaches or criticize publicly and privately the choices of others, as is the case with practically every other political system in the world. The Iranian political system is subject to the same kinds of bureaucratic turf battles, the refinement of basic arguments through debate, and, eventually, the coalescing of various political elites around a basic foreign policy position—a process that characterizes most other governments.

Various agencies and ministries in Tehran act on their own authority in limited areas delegated to them, but on matters affecting the nation and its ruling system as a whole, policy coordination takes place in high-level committees and councils. However, on the most important questions

3. Celso Amorim, "Brazil and the Middle East," *Cairo Review of Global Affairs*, n.d., <http://www.aucegypt.edu/gapp/cairoreview/Pages/articleDetails.aspx?aid=64>. Amorim was Brazil's foreign minister from 2003 to 2010 and also served as Brazil's ambassador to the United Nations and to the United Kingdom.

4. The perspectives in this chapter are shaped by the author's experiences as a student of Middle East politics for most of his professional career, and from the period from 2003 to 2006 when he served as British ambassador to Iran.

of policy, including the country's security and foreign-policy orientation, the president (as chief executive) will authorize government action only if he believes he has the backing of the Supreme Leader; else the decision will be reserved for the Ayatollah himself to take.⁵

Yet the question that has much more relevance for the purposes of this chapter is whether the Iranian system has the flexibility to offer unorthodox advice to Supreme Leader Ayatollah Khamenei, even if that advice supports the Islamic Republic's adopting a new and different foreign policy course. The colorful and bitter language of Iranian politics conveys the willingness of politicians belonging to various political factions to accuse others of abandoning revolutionary ideals in order to advance their own faction's policy preferences—much like what happens in any other governmental setting. Yet in the current Iranian political milieu, one effect of the rivalry between various politico-religious factions and leaders is to inhibit the mutual trust and sense of common purpose needed to develop new approaches to and new policies for a rapidly changing international and regional strategic environment.

That kind of political cohesion last exhibited by President Khatami and his foreign policy team regarding tactical concessions on nuclear matters after 2002 (with the backing of former president and Assembly of Experts member Ayatollah Akbar Hashemi Rafsanjani) is missing now. If it were to return, what we might see now is a general willingness of Iranian politicians to overcome their differences and unite in defiance (at least at the outset) of increasingly tougher economic sanctions, until the full costs to Iran had become apparent.

In such a cohesive political environment, these politicians would also be capable of conducting a policy reassessment without introducing political divisions so serious as to destabilize or paralyze the political system. For example, in the long term, they might conclude that the country could not live with the reduced oil revenue resulting from additional financial sanctions proposed by a group of U.S. senators to President Obama in August 2011.⁶ These Iranian politicians might decide that opening negotiations with the P5+1 on the nuclear issues in return for the suspension of some the sanctions would be better for Iran's national interest *and* the "foundations of the revolution," as Ayatollah Khamenei put it in his August 2011 speech. In such a case, after a likely prolonged and difficult (and acrimonious) debate, negotiators would be empowered by Khamenei on the recommendation of the president, acting with the concurrence of the Supreme National Security Council.

However, there is reason to doubt whether Ayatollah Khamenei is close to seeking, or is even willing to accept, any such advice at present. He appears to believe that Iran's domestic and international positions, though far from ideal, are basically sound and potentially improving. President Ahmadinejad's domestic energy and food subsidy reduction program has gone well, and oil prices are looking reasonable in the near term. At the same time, though, Khamenei's strategy comes with increasingly high stakes. Inflation has risen to over 20 percent per year, forcing Iran to ease

5. Mehran Kamrava, "Iranian Foreign and Security Policies in the Persian Gulf," in *The International Politics of the Persian Gulf*, ed. Mehran Kamrava (Syracuse, NY: Syracuse University Press, 2011), 187.

6. Barbara Slavin, "New Iran Sanctions Could Bring Unintended Blowback," Inter Press Service, August 11, 2011, <http://ipsnews.net/news.asp?idnews=56828>.

regulations on foreign currency exchange.⁷ Oil exports are dropping dramatically,⁸ and could drop by nearly one million barrels a day when the European Union is expected to stop buying Iranian oil in July 2012.⁹ Moreover, U.S. pressure is rising on Iran's central bank and the companies that deal with it,¹⁰ and recent sanctions by a major international banking network could make it harder for Iranian banks to sell oil and transfer money abroad.¹¹

Regionally, the wave of unrest sweeping the Middle East presents both opportunities and risks. On August 8, 2011, Khamenei made the following observation: "Such unprecedented events in the region and in the world have provided the Islamic regime with great opportunities, but if there is no realistic assessment of the conditions of the state, those opportunities may be wasted or even become threats... In the political, economic, and cultural fields, there have been some weaknesses, shortcomings, and problems, most of which are due to not living up to responsibilities."¹² Nonetheless, the uprising in Syria has exerted tremendous pressure on the Assad regime, Iran's only Arab ally. The fall of the Assad regime could have dramatic repercussions for Iran's strategic interests as well as its ability to influence its non-state allies Hezbollah and Hamas. At the same time, the uprisings have facilitated a more assertive Gulf Cooperation Council in Bahrain as well as shaped events further afield such as Libya.

The cautionary note about certain parties not living up to their responsibilities refers to the disputes of the middle months of 2011 regarding Ahmadinejad's conduct of affairs and suggests the second main reason why Khamenei is not ready to reconsider Iran's refusal to negotiate in response to external pressures: He will not permit his subordinates, particularly the government under the increasingly discredited Ahmadinejad, to gain credit in the near term by changing any of their main current strategies in foreign relations and defense. If he were to decide to change, it would be at a time, and with people at the helm, of his choosing.

Strategies and Policies

If Khamenei's cautionary note reflected a criticism of President Ahmadinejad's neglect of the Islamic Republic's goals among coreligionists in the turbulent Arab world, observers can readily conclude that the Supreme Leader confines his foreign policy purview mostly to broader, longer-term, *revolutionary* goals. And if we accept that working assumption, the observation prompts

7. Rick Gladstone, "Strained by Sanctions, Iran Eases Money Policy," *New York Times*, March 19, 2012, <http://www.nytimes.com/2012/03/20/world/middleeast/iran-eases-its-currency-exchange-policy.html?adxnnl=1&gwh=18507FA56B63768284445F9905CC9469&adxnnlx=1334955889-kte/%20MxJcaFcTJahmFMkEQ&pagewanted=print>.

8. Tom Gjelten, "Sanctions' Squeeze on Iran Tightens," National Public Radio, March 19, 2012, <http://www.npr.org/2012/03/19/148902758/sanctions-squeeze-on-iran-tightens>.

9. Isaac Arnsdorf and Grant Smith, "Iran's Crude Oil Exports to Fall 50% on Embargo, IEA Says," *Bloomberg Businessweek*, March 14, 2012, <http://www.businessweek.com/news/2012-03-14/iran-s-crude-oil-exports-to-fall-50-percent-on-embargo-iea-says>.

10. Gladstone, "Strained by Sanctions."

11. Corey Flintoff, "New Sanction Severely Limits Iran's Global Commerce," National Public Radio, March 19, 2012, <http://www.npr.org/2012/03/19/148917208/without-swift-iran-adrift-in-global-banking-world>.

12. Khamenei, quoted in Alfoneh, Majidiyar and Rubin, "Iran News Round Up August 8, 2011."

more salient questions for the purposes of this chapter: How effective are Iran's chief foreign-policy making bodies in the pragmatic realm of regional and international security policies, and how attached are they to the short- and medium-term policies or approaches they develop?

Specifically, again for the purposes of this chapter, the questions are: Will Iran become more flexible, more assertive, or even more belligerent if containment pressures increase and deterrence becomes more explicit? Or would it negotiate once more, as it did in 2003–2004, if presented with different terms and conditions for the negotiations? These types of questions are harder to answer, but we can supply at least some informed speculation by examining a number of strategic policies that Iran has employed in the recent past in three related foreign policy issue-areas and briefly reviewing the outcomes of those decisions.

Conventional and Unconventional Weapons

Iran believes that it faces serious military threats. In response, it will continue to retain the option to develop nuclear weapons, deploy new conventional weapons and missile systems, and develop its asymmetric capabilities, especially in the waters of the Persian Gulf. As much as Iran would like to replace the United States and Saudi Arabia as the Gulf's hegemon, it is aware that its limited resources mean that its deployments must be defensive in nature. By reminding its Arab neighbors of its power to retaliate, Iran intends to maintain the current reluctance of GCC states to assist the United States in mounting an attack on Iran. Yet it is well aware of how exposed its land-based military assets are to the superior firepower of any potential adversary.

Regarding Iran's power projections (or lack thereof), it is worth noting that Hezbollah stayed quiet during the Israeli invasion of Gaza in 2008–2009. Despite some close approaches to show off readiness, Iranian naval forces have kept clear of U.S. and other naval units in the Persian Gulf and the Arabian Sea. The passage of two Iranian warships through the Suez Canal in the spring of 2011 was a political gesture but did nothing to alter the balance of power.

Nuclear Research and Development

Iran appears not to have taken a final decision to develop nuclear weapons, so far as external analysis of its intentions extends.¹³ Yet Iranian leaders believe that defending their Nuclear Non-Proliferation Treaty rights successfully will be a significant defeat for their enemies. It sees mastery and successful use of nuclear technology as essential for its security in general terms: Such mastery would project strength by boosting national scientific and industrial progress, demonstrating that Islamic Iran can achieve what its neighbors have pioneered and showing that Iran is a full member of the nuclear club. Moreover, it would strengthen Iran's international bargaining position and create an option for assembling nuclear weapons.

The Iranians have the technical capability, the equipment (i.e., centrifuges), and a supply of the necessary material such that they could probably produce a weapon within one to three years from

13. International Institute of Strategic Studies, *Iran's Nuclear, Chemical, and Biological Capabilities—A Net Assessment*, IISS Strategic Dossier (London: IISS, February 2011).

the decision being taken to do so.¹⁴ So far, Iran's progress has been achieved at the price of sanctions and other measures that Iranian leaders believe the country can absorb and emerge stronger as a result. There is no visible or viable domestic agitation to change course at present.

Forward Defense

In a rare public appearance to commemorate the martyrs of the Haqqani Theological Seminary on May 24, 2011, Qods Force commander Major General Qassem Suleimani made the following observation:

Yesterday there were Palestinians with stones, but today there is Palestine armed with missiles. This is why [U.S. secretary of state] Clinton advised [Israeli prime minister] Netanyahu to appreciate the passage of time. She knows well that, in the future, winning over Palestine will be impossible.... Such events provide our revolution with the greatest opportunities. Today, Iran's victory or defeat no longer takes place in Mehran and Khorramshahr. Our boundaries have expanded and we must witness victory in Egypt, Iraq, Lebanon, and Syria. This is the fruit of the Islamic revolution.¹⁵

Hence there will be no going back on Iranian support for Hezbollah and Hamas, or the alliance with Syria, so long as Iran believes itself exposed to the danger of attack by the United States and Israel. It will seek new relationships with key countries affected by the Arab uprisings, notably Egypt. It will foster its new and vital position of influence in the new and much weakened Iraq.

External Economic Relations

Iran cannot maintain economic growth *and* popular support for the regime on the basis of hydrocarbon exploitation alone. The devaluation of the rial in June 2011 showed how important continued development of non-oil exports and trade in general are for the Iranians. To give but one example, Iran has a huge and essential stake in the UAE: mutual trade is in excess of \$14 billion annually, making the UAE Iran's largest trading partner.¹⁶

A lack of the very self-sufficiency it so desires means that Iran cannot insulate itself from its neighbors and the world economy. Its economic limitations reinforce both its pragmatic inclination and its defensive posture. Hence it has not sought to alienate the GCC still further by exporting its Islamic Revolution to Bahrain or Saudi Arabia. Iran maintains close contact with and dispatches funds to co-religionists, it seeks to uphold rights overseas that it does not accord to all

14. "The totality of the evidence indicates beyond reasonable doubt that Iran ... seeks a capability to produce nuclear weapons should its leaders choose to take this momentous step." Mark Fitzpatrick, "Iran's Nuclear, Chemical, and Biological Capabilities—Executive Summary," International Institute for Strategic Studies, February 3, 2011, <http://www.iiss.org/publications/strategic-dossiers/irans-nuclear-chemical-and-biological-capabilities/press-statement/>.

15. Major General Qassem Suleimani, quoted in Ali Alfoneh, Ahmad Majidiyar, and Michael Rubin, "Iran News Roundup May 25, 2011," *AEI Iran Tracker*, May 25, 2011, <http://www.irantracker.org/roundup/iran-news-round-may-25-2011>.

16. Will Fulton, Ariel Farra-Wellman, and Robert Frasco, "United Arab Emirates-Iran Foreign Relations," *AEI Iran Tracker*, August 2, 2011, <http://www.irantracker.org/foreign-relations/united-arab-emirates-iran-foreign-relations>.

in Iran, and it criticizes heavy-handed suppression of demands for reform, but it is not plotting to overthrow regimes by force.

The conclusion is that Iran is ambitious in terms of its revolutionary goals, but it is also pragmatic (and thus cautious), based on a tacit admission of the limits of its power in relation to that of its adversaries. The four branches of its foreign and security policy discussed above show why: They are considered vital, but they are also perceived to be exposed and not to be put at risk unnecessarily.

Iranian Responses

A More Explicit Deterrence Strategy

Iran does not accept that the countries surrounding it should need defense commitments by the United States and U.S. deployments on their territories, but it is clearly aware of the force that the United States could use against it. While Iran is publicly defiant, it is privately fearful. The determination of the United States to defend its vital interests in the region, and the mantra of successive U.S. presidents that all options to prevent Iran from obtaining a nuclear weapon are on the table, are not lost on Iran's political leaders—despite high-level doubts cast in the United States against military action and Iranian public claims that the United States cannot do anything militarily effective against Iran.

Deterrence and containment are the opposite faces of the same coin. Military deterrence is an essential feature of a containment strategy. And given the uncertainties of a deterrence-based strategy, it should be accompanied by a range of counterforce and economic restrictions designed to check any power projections of the Iranian adversary, as was the case with the U.S. containment strategy against the Soviet Union. Iran's declared policy against such pressures is clear. Khamenei said in Bandar Abbas on July 24, 2011: "We have never urged any country to conflict and will not do so, and to the best of our ability, we will abstain from any confrontation, be it accidental or calculated. But those who secure their advance by force and bullying [others] should feel [the presence of] a mighty nation in front of them."¹⁷ This statement is credible with respect to the past, but can it serve as a guide to how Iran would likely respond to additional military and containment constraints in the future?

Regarding military measures appropriate to deterring Iran, Michael O'Hanlon has already cited the three explicit "no's" referred to by James Lindsay and Ray Takeyh in their April/May 2010 *Foreign Affairs* article: no initiation of conventional warfare against another state; no transfer of nuclear weapons, materials, or technologies; and no increase in support for terrorists. In O'Hanlon's deterrence scenarios, a harsh U.S. response would be promised if Iran were to transgress any of these "no's," to wit: an aerial bombardment campaign or naval blockade. Iran has not publicly challenged these possible responses by building up its air defense or naval forces in anticipation of such actions, suggesting that credible military response options in the future as part of a deterrence strategy would not provoke Iran into taking aggressive measures to break out of such constraints.

17. Ali Alfoneh, Ahmad Majidiyar, and Michael Rubin, "Iran News Round Up July 25, 2011," *AEI Iran Tracker*, July 25, 2011, <http://www.irantracker.org/roundup/iran-news-round-july-25-2011>.

The United States and its partners also believe that missile defense against Iran is essential. Not only are U.S. missile defense assets on board naval vessels in the Gulf, but the UAE, Saudi Arabia, and Kuwait are taking delivery of various U.S. missile defense systems to give them some measure of protection against Iranian missile strikes. Once more, apart from pursuing its own defensive weapons and missile development programs, Iran has not demonstrated an ability to counter such an upgrade in the defense capability of its neighbors, or that it regards such proximal upgrades as an intolerable provocation. Iran has not undertaken any threatening action in response, nor has it undertaken the kind of subversion that the Iraqi experience shows it is capable of as a way of warning its GCC neighbors against taking steps that alter the military balance.

Similarly, Iran would have to live with the consequences of any explicit guarantee by the United States to use nuclear weapons to defend its allies in the region—the so-called nuclear umbrella—for it would have no way of challenging such a deterrence policy.¹⁸ Then again, the announcement of such a deterrent policy could spur the Iranians to focus their efforts on developing nuclear weapons without delay. Much would depend on the actual U.S. nuclear force deployments and whether Iran detected any aggressive intent behind them.

The fear that a nuclear-capable state would hand weapons technology to terrorist movements was one of the drivers of anti-Iraq arguments in 2002–2003, and the same fears typically arise in connection with Iran. Arguments for and against such a possibility cannot be settled conclusively. Yet it is likely that Iran’s leaders harbor a different set of related fears regarding the consequences of such transfers: the fear that, once out of their control, the technology and materials could be passed on again, or stolen, to the benefit of Iran’s enemies; the likelihood of Iran’s hand in the transfer being detected, with highly damaging international measures, to say the least, taken against Iran in consequence; the certainty of wider nuclear proliferation in the future, leaving Iran relatively no better off than it is today.

Iran has, of course, been able to exploit the failures and mistakes of others, including the United States in Iraq, Israel in the occupied territories, and the GCC in its internal and regional disputes. The pattern that best fits Iran’s observed actions across the region is *opportunism*, extending Iranian influence to effect outcomes in its favor and using money, limited and targeted military assistance, and political persuasion and cultural links, but being sensitive “to crossing certain ‘red-lines,’ i.e., giving the United States an unequivocal pretext to attack Iran or provoking an intolerable anti-Iranian backlash among Arab audiences....”¹⁹

In short, Iran—nuclear capable or not—can be deterred. The extra military measures that could be adopted in the future to ensure the effectiveness of a deterrence strategy would be likely to confirm rather than weaken existing pressures on Iran not to move beyond the steps it is taking to protect its own interests in the region.

18. Iran may consider, however, that it would be unlikely that the U.S. Congress would allow such an absolute guarantee, in which an attack on any of the countries covered was considered to be tantamount to an attack on the United States, given the potential consequences for the United States of being unable to control the buildup to a situation in which the guarantee had to be invoked and the evident concern in the United States about being dragged into such a conflict against its own interests.

19. Frederic Wehrey, Dalia Dassa Kaye, Jessica Watkins, Jeffrey Martini, and Robert A. Guffey, *The Iraq Effect: The Middle East after the Iraq War* (Santa Monica, CA: RAND Corporation, 2010), xviii.

Increased Containment Pressures

“Containment... simply attempts to prevent Iran from causing trouble beyond its borders—both directly and indirectly by trying to keep Iran weak... [I]t is effectively what the [United States] has pursued for most of the past thirty years.”²⁰ According to this definition, the Iranians have had plenty of experience with containment measures from the United States. Most recently, the assassination of Iranian scientists and the dispatch of computer viruses by a power hostile to Iran, probably Israel, have been added to the tally of such measures.²¹

The economic effects of successive rounds of multilateral and U.S. sanctions have slowed Iranian growth and complicated the structural problems that beset Iran’s economy. There has been impact in that sense but as yet no effect on Iran’s policy other than to harden its resistance. This was fully apparent at the Istanbul meeting between the P5+1 and Iran in January 2011, at which Iran maintained its insistence that sanctions be withdrawn and Iran’s right to enrich uranium be conceded as preconditions for a negotiation.

There is no doubt that sanctions have increased the potential for leverage by the P5+1 and the United States in particular, but it would require Iran to acknowledge this potential for leverage to be used in practice by those negotiating with Iran to help create new common ground. It is highly unlikely that additional measures on their own would bludgeon Iran into accepting the UN Security Council resolutions as they stand.

Analytical opinion is divided between those who consider that Iran will not negotiate from a position of weakness, which if valid would make sanctions self-defeating, and those who believe that Iran negotiates only under serious pressure. Neither approach is true for all time; it depends what is on offer to Iran in the putative negotiation. Pressure—in the form of a threat to take Iran to the Security Council in 2002–2003—helped when Britain, France, and Germany offered an alternative way for Iran to resolve the dispute over its past and present nuclear activities via negotiations and thus avert the uncertainties and potential damage to Iranian interests from transferring the question from Vienna’s IAEA headquarters to New York’s UN Security Council. Pressure—in the form of successive rounds of economic sanctions—is no help now in inducing a change of policy, as there is nothing on the table that Iran wants or values sufficiently, such as enrichment rights, additional security measures (what the Iranians term “respect,” meaning acceptance of their role in regional decisionmaking in general), and cooperation based on unwinding sanctions regimes.

More Appropriate Engagement Initiatives

It is hard to imagine a doctrine of renewed engagement between the United States and Iran in the near future. Distrust is such that neither side is willing to meet the other on terms the other would accept. This may change, however. The P5+1 (even the United States and France) may come to see the reliance on sanctions, with military action in reserve, as potentially less effective in the long term than the prevention of a nuclear-armed Iran through internationally endorsed measures to limit, monitor, and inspect Iranian enrichment and greater assurances that Iran will not

20. Kenneth M. Pollack, *Which Path To Persia? Options for a New American Strategy Toward Iran* (Washington, DC: Brookings Institution Press, 2009), 184, 189.

21. Richard Clarke, “Signs of a Covert War Between the U.S. and Iran,” ABC News, December 17, 2011, <http://abcnews.go.com/Blotter/covert-war-us-iran/story?id=15174919>.

divert nuclear material to bomb-making. Iran is obstructing the alternative, step-by-step approach preferred currently by the P5+1. Iran does not trust the hints it has apparently been given that enrichment rights might be negotiable in due course, provided Iran addresses first the accumulated concerns of the IAEA and its negotiating partners about certain aspects of its nuclear programs.²²

Whether or not Iran has a fundamental interest in finding a *modus vivendi* with the United States, including on the nuclear question, continues to be debated in the country.²³ It is likely that in time underlying anxiety will reassert itself about the accumulated harmful effects of structural problems in the economy, sanctions, and years of low growth, including a slow rate of investment in the country's oil and gas resources.²⁴ Regardless of whether the negative effects of sanctions on Iran remain as serious as they are now or get worse with increasingly international pressure, sooner or later Iran is likely to explore measures to improve accommodation—provided the country can do so without a total loss of face. Hence, any shift toward a more accommodating posture will likely be limited. However, that does not change the fact that Iran will likely move closer to the posture it adopted from 2003 to 2005.

In the short term, however, Iran's leaders are unlikely to conclude that there would be anything to gain by seeking an accommodation with the United States, as they see little difference between hostile policies pursued under previous Republican administrations and hostile policies pursued by the current Democratic one. An early agreement would require what they consider to be surrender—a worse evil, they appear to think, than the ones they face now.²⁵ A shift could be signaled after the next Iranian presidential elections in mid-2013, when Iran's leaders will believe the country to be in a relatively stronger position in that the United States will have reduced its footprint in Afghanistan and Iraq, and Iran's nuclear development program will be even more ambiguous.

If Khamenei were to decide to respond constructively to offers of engagement on fresh terms, again it would be at a time, and with people at the helm, of his choosing. Khamenei would not decide to see through any new diplomatic process to a set of agreements, come what may. He would probably authorize a step-by-step approach that he could terminate if it did not appear likely to deliver substantial benefits to the Islamic Republic in return for any concessions.

Engagement should not be posited on Iran's being a "natural hegemon" in the region. The prerequisite for a stable Gulf is not domination by one power, but balancing different powers in

22. Private interview with an official of a P5+1 member government. For an explanation of Iran's adherence to its position and a scenario in which Iran would return to the negotiating table, see the interview with Seyed Hossein Mousavian, former spokesperson of Iran's nuclear negotiation team (2003–2005) and former head of the Foreign Relations Committee of Iran's National Security Council (1997–2005) in Semira Nikou, "Hossein Mousavian: Iran is Ready to Negotiate—If," *Semira Nikou's Blog, The Iran Primer*, U.S. Institute of Peace, August 15, 2011, <http://iranprimer.usip.org/blog/2011/aug/15/hossein-mousavian-iran-ready-negotiate-if>.

23. For references to the debate, including the view of presidential candidate Mohammad Bagher Ghalibaf that Iran's foreign policy must take into consideration the reality of the presence of other powers in the region, see Kamrava, "Iranian Foreign and Security Policies in the Persian Gulf," 193.

24. Chinese companies have disappointed in their intended role as a replacement for Western oil majors. According to *Mehr News* on August 9, 2011, two years after Iran entered a \$5 billion project with China's CNPCI company to develop the South Pars oil and gas field, the gas project has not yet begun. "Iran suspends gas deal with China's CNPCI," *Tehran Times*, October 11, 2011, <http://www.tehrantimes.com/index.php/economy-and-business/3443-iran-suspends-gas-deal-with-chinas-cnpci>.

25. "Iran ready for nuclear talks but not to yield to pressures: president," *Xinhua*, February 11, 2012, http://news.xinhuanet.com/english/world/2012-02/11/c_131404800.htm.

recognition of the legitimate interests of all in promoting their internal and external security. Practical cooperation will be achieved only if recognition of Iranian power and Iran's right to be involved in regional decisionmaking does not require other states to accept hegemony.

Conclusion

Iran recognizes the obvious: that it is already exposed to its enemies' containment and deterrent power, and has been for decades. Its watchword will remain *resistance*. Nevertheless, Iran has no interest in provoking interstate warfare. The state of the Iranian economy and armed forces, along with the country's historical experiences since the 1979 revolution, predispose it to maintaining the maximum defensive capability. At the same time, these factors also leave Iran averse to the risk of exposing its weaknesses and entering a war that it could not be sure of winning.²⁶

Leaving aside the impact of unforeseeable events, Iranian policy will be characterized by more continuity than change under any combination of the three strategies under examination in this volume. The regime will hold together and surmount the tensions between different factions of the elite. Ayatollah Khamenei has clear aims and is both cautious and conservative.

Iran's revolutionary goals require the nation to project strength. Yet such power projection is tempered by a pragmatism that Iran relies on at crucial times. Iran believes that it faces serious military threats. In response, it will continue to support regional allies, retain the option of nuclear weapons, deploy new weapons systems, develop its asymmetric capabilities, and counter what it calls "Iranophobia," adapting to constraints as far as it can. Iran's leaders are aware that the nation's resources are limited.

Under any U.S. doctrinal strategy involving containment, deterrence, and/or engagement, Iran will remain active and assertive in the Gulf and the broader Middle East. Iran's leaders consider such a policy response to be the best way of protecting Iran's revolutionary goals, influencing regional councils, supporting friends, promoting its material interests, and preventing harmful change inside and outside its borders. More elaborate, better-defined U.S. military commitments, alliances, and deployments intended to deter Iran would have little effect on Iran's external policy.

Containment as part of a policy of persuasion that is heavy on pressures and light on incentives will not bring Iran to the negotiating table. Attempting to answer the Iranian nuclear challenge, U.S. policymakers must overcome the current resistance of the P5+1 to modify its position to include conditional acceptance at the outset of Iran's right to enrich uranium. If the conclusion is reached that Iran can no longer be prevented from achieving a weapons capability and the powers fall back to a full-blown deterrence and containment strategy in preference to trying the military option, they will find that Iran will still seek the greatest degree of power that it can achieve in the region. It will vary its tactics depending on the challenges it faces in attaining real influence over the outcome of events.

As of now, though, Iran will not risk taking action that would bring on a military attack on its homeland by its enemies; Iranian security officials know that there are decided advantages in

26. For a fuller discussion, see Anthony H. Cordesman, "Iran: Weakling or Hegemon?" in *Arabian Gulf Security: Internal and External Challenges* (Abu Dhabi: Emirates Center for Strategic Studies and Research, 2008).

provocative actions, but they also fear that they would not be able to control the outcome of such a war. Iran is a rational actor and will be deterred from attacking others, from engaging in large-scale subversion or terrorism, and from taking hostile action (other than in self-defense) against international assets such as the Strait of Hormuz. Ayatollah Khamenei may be willing to endorse a more constructive policy after the next Iranian presidential election. The P5+1 should be ready with a more flexible approach.