
Policy Brief #2

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U.S. Challenges and Choices in the Gulf: Iran

This policy brief is based on the discussion at the third in a jointly sponsored series of congressional staff briefings on “U.S. Challenges and Choices in the Gulf.” To receive information on future briefings, contact Elaine Schilling, at eschilling@stanleyfoundation.org.

While the United States has, since 1979, pursued a policy of containment vis-à-vis Iran, it has found it all but impossible to ignore a fuel-rich and regionally influential nation of some 65 million people.

In the wake of September 11th, however, it appeared that a new chapter might be opened in the long-running U.S.-Iranian stalemate. The destruction of Taliban rule in Afghanistan was a common goal of the two countries and led to an unprecedented Iranian pledge to help rescue U.S. airmen downed over Iranian territory. Iran played a constructive role in the formation of Afghanistan’s interim government and stood ready to aid Afghan refugees. Just a few months later, however, the Bush administration accused Iran of working to destabilize the fragile Afghan state and placed Iran along side Iraq and North Korea in an “axis of evil.”

To understand the contradictions and vicissitudes of U.S.-Iranian relations, one must first explore the Iranian policies considered “evil” by successive U.S. administrations. Next, one must endeavor to comprehend the motivations behind these policies. Last, it is important to look at both the opportunities for and challenges to a significant improvement in U.S.-Iranian relations.

1. Key Issues

The main sources of friction in U.S.-Iranian relations can be broken down into three categories, roughly in order of importance:

- A. *Iranian Support of Violent Opposition to Israel:* This issue is arguably the most important one in U.S.-Iranian relations. Since the early 1980s, Iran has militarily, economically and politically supported Hezbollah, Hamas and Palestinian Islamic Jihad (PIJ), three of many groups considered terrorist by the United States for their violent anti-Israel operations. Iranians have called for the destruction of the Israeli state and have recently been identified as behind the intercepted Karine-A arms shipment to the Palestinians. U.S. officials worry that Iran-backed Hezbollah forces might open a second front against Israel in northern Galilee if the Palestinian situation continues to deteriorate.
- B. *Weapons Proliferation:* The United States worries that Iran is developing advanced nuclear, chemical and biological weapons and missile delivery systems. In fact, since the beginning of the first Clinton administration, the United States, France, Germany and Great Britain have

believed Iran to be on the cusp of violating its Nuclear Non-Proliferation Treaty obligations (NPT), though they acknowledge that it has not yet done so. The United States reasons that, because Iran enjoys plentiful deposits of oil and gas, its pursuit of nuclear power (allowed under the NPT and being carried out most notably at Bushehr by Russian experts) is tantamount to Iran creating a nuclear option – gathering expertise from civil nuclear projects that might be used for military ends. Iran’s growing weapons capabilities could conceivably be used against Israel or against U.S. forces in the Gulf.

- C. *Regional Hegemony*: It is not the interest of the United States to allow any hostile country to dominate the Gulf and/or access to the Gulf’s energy supplies. Iran is strategically placed to do this. It is not, however, in Iran’s national interest to restrict its exportation of oil or gas resources and Iran has steadily improved relations with most of its Gulf neighbors.

2. The Iranian Context

Iran’s actions, which sometimes seem inconsistent, are partially determined by internal power struggles between the country’s conservative and reformist forces. While the former claim to represent the will of God and hold the reigns of power, the latter represent the will of the people and enjoy the legitimacy of having been popularly elected. It is important to note, however, that the two camps often agree on foreign policy goals, though they may not advocate the same tactics for achieving those goals.

There are several explanations behind the behaviors that the United States and many of its allies consider troublesome.

- A. *Iranian Support of Violent Opposition to Israel*: Both Iranian conservatives and reformists oppose Israel, though reformist President Khatami might well not know the true extent to which Supreme Leader Khamenei’s Revolutionary Guards, Intelligence Service or other independent groups in Iran collaborate with Hezbollah militants. Nonetheless, both camps within Iran view Hezbollah, Hamas and Palestinian Islamic Jihad as groups of freedom fighters, struggling against Israeli occupation and oppression. Iranians therefore argue that their support of the Palestinians and Lebanese against “terrorist” Israel is justified. This Iranian sentiment is unlikely to change without a major change in the Israeli-Palestinian conflict or a shift of opinion in the rest of the Middle East.
- B. *Weapons Proliferation*: The Iranians are quick to point out that they have not formally violated any of their treaty obligations concerning nuclear, biological or chemical weapons and missiles. At the same time, both conservatives and reformists defend Iran’s missile programs as necessary to protect them from a myriad of potential and actual enemies. To Iran’s west lies Iraq. Saddam Hussein’s regime carried on an 8-year war with Iran, during which the Iraqi dictator used chemical weapons and launched large-scale missile attacks on Iranian cities. To Iran’s east are Afghanistan and Pakistan, which are both heavily armed and unstable countries. Iranians view the U.S. troops in the Gulf as an additional serious threat to their security and they believe that a rough nuclear balance should exist between Israel and the Muslim states of the Middle East. As long as Iran feels threatened by any or all of these countries, it is unlikely to voluntarily abandon its weapons programs.

C. *Regional Hegemony*: Iran is seeking to break out of U.S. encirclement. Were the United States to launch new operations against Iraq as part of its war on terrorism, it would have troops on all of Iran's borders. This scenario is viewed as a dangerous possibility by all Iranians, although the reformist camp is amenable to limited cooperation with the United States in conjunction with the war on terrorism. The conservative camp is opposed to such cooperation.

3. The Road Ahead

Both the United States and Iran harbor bad memories of each other. Americans recall the Iran Hostage Crisis of 1979 and Iranians remember the Mossadeq affair of the early 1950s as well as U.S. support for the Shah in the 1970s. Moving beyond the current stalemate will require that both sides agree to live with these difficult memories.

In addition to unresolved historical grievances, the U.S.-Iranian stalemate is perpetuated by the absence of direct government-to-government contact between the two adversaries. Iranians claim that they cannot engage in dialogue as long as coercive economic sanctions are in place. At the same time, the United States will not lift sanctions until the Iranians correct the troublesome behaviors outlined above. A possible way out of this dilemma would be for the United States to pursue its many areas of common interest with Iran, especially those in Afghanistan. Iran was key to the creation of Afghanistan's interim government, and showed its willingness to work toward common goals with the anti-terror coalition in Bonn and in Tokyo. Afghanistan thus represents a new opportunity for U.S.-Iranian coordination.

This new opportunity contrasts with the deadlock apparent in the three major problem areas noted throughout this brief. Of those, improvement in Iran's stance vis-à-vis Israel would be the most important for fostering an overall improvement in U.S.-Iranian relations.

- A. *Iranian Support of Violent Opposition to Israel*: It is highly unlikely that powerful organizations in Iran will soon drop their support for violent anti-Israel groups. Nevertheless, the Palestinian issue is not a high priority for most Iranians. Much will depend on how successful the recently proposed Saudi peace plan is in getting negotiations back on track.
- B. *Weapons Proliferation*: While technically abiding by its treaty obligations, Iran's disclosures regarding its various weapons programs leave a lot to be desired. The United States acting alone, however, cannot prevent Iran from acquiring proscribed weapons. This suggests the need for improving multilateral verification regimes.
- C. *Regional Hegemony*: It is unrealistic to expect that Iran will play no role in structuring security arrangements for its neighbor, Afghanistan, or a post-Saddam Iraq. Given this, the United States should focus on constructive roles for Iran in regional security. In particular, it should seize every opportunity to coordinate with the Iranians on building more stable and durable security in the Gulf.