

Foreign Policy In Focus



Volume 2, Number 42
August 1997

Iran

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Iran—with its strategic location, 60 million inhabitants, and control of 10% of the world's oil reserves—continues to be a major concern to those who formulate U.S. foreign policy. The U.S. government has had contacts in Iran since early in the century, and major U.S. involvement dates back to 1953 when the CIA organized the overthrow of the country's constitutional government. Over the next 25 years, the U.S. armed and trained the military and secret police of Shah Muhammad Reza Pahlavi, one of the most brutal dictators of his era.

The revolution that finally overthrew the monarchy in 1979 was (not surprisingly) stridently anti-American.

Key Points

- The strident anti-Americanism of Iran's Islamic regime is a direct consequence of past U.S. interference in Iranian internal affairs.
- Ironically, U.S. policy toward the Islamic Republic has hardened as the regime has become increasingly moderate.
- Iran has become a major obsession for U.S. policymakers, resulting in stringent economic sanctions and other measures.

With the secular opposition having largely been eliminated by the Shah's repressive apparatus and the greater cohesion of the similarly suppressed religious opposition, the revolution took on an Islamic orientation. Within two years of its triumph, the revolution had assumed a brutal and reactionary character.

Radical students, backed by the government, seized more than fifty American hostages at the U.S. embassy in late 1979 and held

them for 444 days, creating a major crisis in U.S.-Iranian relations that has yet to heal. Ironically, U.S. strategic cooperation with Iran was highest in the years that followed the hostage crisis, during the time when the revolutionary government reached its most radical and repressive stage. In 1981-86, the U.S. shipped arms clandestinely to the country. By helping to shore up the Iranian military, these shipments were part of the U.S. policy to promote the mutual destruction of Iran and Iraq. The secret arms transfers were also channeled to anti-Soviet Afghan Mujahadin. The U.S. also passed on names of Iranian leftists to government authorities, resulting in the deaths of hundreds of dissidents.

Despite this limited cooperation, the U.S. generally sided with Iraq during the eight-year war that began in 1980 when Saddam Hussein's forces invaded western

Iran. While the U.S. tolerated widespread attacks by Iraq against Iranian oil tankers during the war, the U.S. Navy intervened to protect Iraqi and Kuwaiti oil shipments from Iranian retaliation. This led to a series of armed engagements between the U.S. and Iran. Following one such encounter in 1988, a U.S. missile shot down an Iranian airliner on a regularly scheduled flight over international waters, killing 280 people.

The U.S. policy of playing Iran and Iraq off against one another in the 1980s resulted in a series of revelations embarrassing to successive administrations. Though Iran has moderated both its foreign and domestic policies considerably since the death of Ayatollah Ruhollah Khomeini in 1989, U.S. hostility toward the Islamic Republic continues. Since 1993 U.S. policy has shifted to that of "dual containment," seeking to isolate both Iran and Iraq.

Throughout the cold war, the U.S. sought to place the blame for violence and internal unrest in the Middle East (and in the third world in general) on the Soviet Union rather than on the failures of its own allies to govern fairly. This same pattern is emerging regarding Iran, with the U.S. now blaming the Islamic Republic for unrest in several Middle Eastern countries. The U.S. has also sought to link Iran with acts of terrorism throughout the region and beyond, both through its own agents and through local groups, and has accused Iran of launching military threats and acts of subversion against Arab Gulf monarchies.

Since May 1995, the U.S. has used its economic clout to isolate Iran, prohibiting all trade, trade financing, loans, and financial services to Iran. In August 1996, President Clinton signed a law that imposes a secondary boycott on foreign countries investing more than \$40 million in Iran's oil and natural gas industry. This law provides for an array of sanctions, including banning the sale of products of culpable firms in the United States. In addition, Congress has authorized \$18 million for the budget of U.S. intelligence agencies to be spent on covert actions to undermine the government of Iran, once again making covert action a major facet of U.S. policy toward Iran.

The first major problem with U.S. policy is that, although the misdeeds of the Iranian regime are indeed numerous, most U.S. accusations against the Iranians seem to be grossly exaggerated and not substantially worse than the policies against some other nations in the region, including governments considered close allies of the United States. The result is a policy that is not only based on a series of false assumptions but one that also compromises U.S. credibility, even where the concerns have a legitimate basis.

The Clinton administration has shown no evidence to suggest an upsurge in Iranian-backed terrorism to justify its increased efforts at isolating Iran. Although Iran has certainly trained, funneled arms, and offered financial support to extremist Islamic groups and to the repressive government in Sudan, recent U.S. charges of direct Iranian responsibility for specific terrorist acts against Israeli and American targets are highly dubious. Indeed, Iranian support for such groups has declined significantly in recent years. Iran's terrorism beyond its borders has always been primarily directed at exiled dissidents, not against the U.S. or Israel.

Similarly, Iran's potential as a nuclear power has been greatly exaggerated, with the Clinton administration even overruling the more modest conclusions of its own agencies. The foreign diplomatic community in Teheran and the president of the International Atomic Energy Agency appear to agree that Iran's motivations in building a nuclear reactor are entirely peaceful.

Iran's immediate post-revolutionary zeal to export its ideology was short-lived as internal problems and outside threats deflected the attention of its leadership. In addition, Iranians are culturally and religiously very different from the Sunni Arabs that dominate the Middle East, particularly regarding the hierarchical structure of Shi'ism, which limits the revolution's appeal as a model for other Middle Eastern states.

There is little evidence to suggest aggressive Iranian designs in the Gulf, either. Iran has not threatened—nor does it have any reason for provoking—a confrontation over sea lanes, and it is at least as dependent as its neighbors on unrestricted navigation. Instead, Iran has been dramatically reducing its military spending due to financial problems. Additionally, despite increased Iranian procurement of sophisticated missiles, Arab Gulf States have similar missile capabilities, serving with the U.S. Navy as an effective deterrent force.

The second major problem with U.S. policy is that efforts to isolate and overthrow the Iranian government are not based on legal grounds. The U.S. has avoided urging the UN to support its sanctions, because Washington knows there is no legal basis for such actions and it would thus fail to get any support. Unlike international sanctions against the former apartheid government of South Africa or the current military

junta in Burma, sanctions against Iran are not predicated on significant legal or moral imperatives. As with similar extraterritorial efforts regarding Cuba, U.S. attempts to pressure other nations to get tough with Iran have alienated even America's strongest allies, who consider such efforts to be in violation of World Trade Organization principles.

Similarly, U.S. efforts to subvert the Iranian government are contrary to international legal conventions that recognize sovereign rights and principles of nonintervention. They also directly counter the Algiers Declaration of 1981, under which the U.S. unequivocally pledged not to intervene politically or militarily in the internal affairs of Iran. In addition, the U.S. is obligated under the Nuclear Nonproliferation Treaty to allow signatory states in good standing (like Iran) to have access to peaceful nuclear technology.

The third major problem is that current U.S. policy fails to make the Iranian regime act more in accord with international standards of human rights. The idea that U.S. sanctions can create sufficient economic pressure on Iran to topple the regime has never been realistic, because European and Japanese allies hold most of Iran's foreign debt and would never cooperate in such a self-defeating policy. Clinton's 1995 executive order banning trade with Iran took place without any prior consultation with other countries, who simply absorbed the trade to the detriment of American businesses.

Though popular support for the Iranian regime is meager and declining, U.S. policy has so offended nationalist sentiments that it has had the ironic impact of enhancing the credibility of the Iranian government. Each escalation in U.S. sanctions, rhetoric, or military presence in the Gulf becomes a self-fulfilling prophecy as Iranians consider themselves increasingly under siege. Political trends in Iran, such as the recent election of a relative moderate as the new president, appear to be going in a direction that should please U.S. policymakers. Yet U.S. policy has become increasingly anti-Iranian, to the detriment of the very forces Washington wishes to encourage.

The double standards in U.S. policy are also a major factor behind the policy's failure. The history of U.S. support for terrorist groups in Lebanon, Latin America, and elsewhere lends little credibility to Washington's antiterrorist crusade against Iran. Likewise, U.S. support for Saudi Arabia, Morocco, Turkey, and other repressive countries in the region gives little credence to American concerns over Iran's notorious human rights record.

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| <h3 style="text-align: center;">Key Problems</h3> <ul style="list-style-type: none">• U.S. accusations regarding Iran's nuclear ambitions, links to terrorism, and aggressive designs against its neighbors have been greatly exaggerated.• Certain aspects of U.S. policy are contrary both to international legal norms and to specific international agreements.• U.S. policy has yet to result in any of the desired changes in Iranian practices and is actually retarding moderate forces within Iran. |
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Given the nature of the Iranian regime, U.S. capability to affect Iranian government policies is quite limited. There are some changes in U.S. policy, however, that could still make a positive difference. The recent landslide election victory by Mohammed Khatemi (a leading moderate) to the Iranian presidency may force the Clinton administration to reevaluate its hard-line policy.

First, a broader coordination in the formulation of policy is essential. On a domestic level, Iran policy should no longer be directed primarily by the Pentagon and national security managers. Events in Iran over the

decades have often been labeled surprising and unpredictable. Yet this is largely because U.S. policymakers have not taken the effort to learn about the country. Ironically, U.S.-imposed trade restrictions have made it difficult for Americans to learn more about Iran. U.S. foreign policy would benefit from greater consultation with the thousands of Iranian intellectuals now living in the U.S. and with Iranian experts in the State Department and among the nongovernmental community.

On an international level, the U.S. must reverse its unilateralism and coordinate policy with the Europeans and others who share U.S. concerns. Enforcing already-

existing safeguards against nuclear proliferation would be one particularly important area for such efforts.

The U.S. must also seriously consider the perspectives of the democratic opposition in Iran. Although the Iranian opposition is somewhat divided, most—while supporting the arms embargo and opposing direct support for the government—strenuously oppose the U.S.-led economic embargo against Iran.

Second, the U.S. must scrap its double standards. Rather than targeting only Iran, the Clinton administration must pressure Saudi Arabia and other allied regimes in the Middle East to end their support of terrorism as well. Once the need for evenhandedness is recognized, there are a number of potential agreements that could be solidified between the U.S. and Iran. For example, Washington could propose ending its support

for Israeli occupation forces in southern Lebanon in return for an end to Iranian support of the Lebanese Hezbollah.

Similarly, the best way to stop any potential procurement of nuclear weapons by Iran is to support the establishment of a nuclear weapons free zone in the Middle East. Such a move would require both the withdrawal of U.S. nuclear forces from the region and a pledge by Washington to pressure Israel to dismantle its nuclear arsenal. Iran has long supported such a nuclear-free zone agreement.

Third, U.S. policy must include a carrot as well as a stick. Unfortunately, there has been a great reluctance to reward Iran for good behavior, in part as a reaction to the misguided policies of the Reagan administration. Indeed, recently, the U.S. has sounded as shrill, intransigent, and ideologically driven as the most radical ayatollahs. Instead, the U.S. should let the Iranians know just which policies of theirs will result in certain rewards and punishments.

Similarly, the U.S. must ascertain which demands for policy changes are reasonable and realistic. For example, given both the widespread support among Iranians for the Palestinians and the growing realization that the current framework of the negotiations are to the Palestinians' disadvantage, insisting upon Iranian governmental support of the peace process is unrealistic. Likewise, U.S. insistence that Iran revoke its death sentence against Salman Rushdie may also be unreasonable, as the Iranian government claims that the notorious *fatwa* against the British author was made by an independent religious body that it cannot control.

Iran—due to its geography, the role of Shi'ite Islam, and its close cultural and religious links to neighboring states—will continue to play an important and unique role in the politics of the region based on its own perceived self-interests. Despite persistent efforts to isolate Iran, the U.S. cannot change that reality. It is important that Washington find a way to encourage Iran to become a more responsible member of the community of nations and to persuade it to end its internal repression against legitimate dissent. This will require, however, that the U.S. reevaluate its policies toward Iran and toward the region as a whole.

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Key Recommendations

- Washington should broaden the base of U.S. policy formulation to include those with greater knowledge of the country and should increase coordination with other governments.
- The U.S. should craft more consistent policies regarding terrorism, nuclear proliferation, and human rights so as to regain credibility in challenging Iran on these issues.
- The U.S. should use both carrot and stick to support reasonable and realistic demands for change, apprising the Iranians of the policies that will result in certain rewards and punishments.

Foreign Policy in Focus is a joint project of the Interhemispheric Resource Center (IRC) and the Institute for Policy Studies (IPS). It is supported by subscriptions, by financial support from the John D. and Catherine T. MacArthur Foundation, and by various church organizations. *In Focus* internships are available.

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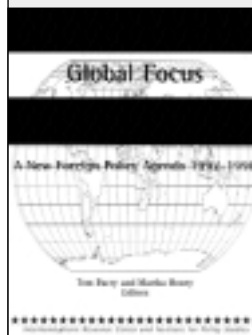
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