



## Iran: Time for Detente

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The ongoing struggle in Iran between Islamic reformers and Islamic hard-liners, along with struggles within the U.S. foreign policy establishment between hawks and those seeking accommodation, has left U.S.-Iranian relations in a state of flux. A three-way power struggle between popular moderate Islamist President Mohammed Khatami, hard-line clerics, who still wield substantial influence (and control the police and courts), and resistance movements seeking more radical changes has left the future of Iran in question.

Iran—with its strategic location, 60 million inhabitants, and control of 10% of the world's oil reserves—remains a major concern to those who formulate U.S. foreign policy, with myths and misperceptions on both sides continuing to hamper close cooperation. After years of mistaken policies, the ability of the U.S. to influence the future direction of this important country is very limited, and U.S. officials find themselves on the outside looking in. Indeed, there has been no formal diplomatic recognition of each other since late 1979.

Iran and Iraq off against one another—during their bloody war of attrition—by clandestinely sending arms to both sides. American forces also engaged in a series of armed engagements with Iranians. 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.

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 soon emerged regarding Iran, with the U.S. blaming the Islamic Republic for unrest in several Middle Eastern countries. The U.S. 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 engaging in subversion against Arab gulf monarchies.

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 has actually increased, particularly since President Clinton came to office in 1993. The new policy, known as “dual containment,” sought to isolate both Iraq and Iran. In May 1995 the U.S. banned all trade, trade financing, loans, and financial services to Iran. In August 1996 President Clinton signed a law that imposes a secondary boycott on countries investing more than \$40 million in Iran's oil and natural gas industry. This law provides for an array of sanctions, including banning culpable firms from selling their products in the United States. In addition, Congress authorized \$18 million for the budget of U.S. intelligence agencies to be spent on secret actions to undermine the government of Iran, once again making covert activities a major facet of U.S. policy toward Iran.

These escalating efforts to isolate and undermine the Iranian government, despite its increasingly moderate nature and its desire for closer relations with the West, raise serious questions regarding the wisdom of Clinton administration policy, particularly with Khatami's landslide election victory in May 1997. With extremist and militant elements still occupying positions of influence in the government, ongoing hostile and threatening policies and rhetoric have been used by hard-liners to resist forces of moderation. However, in the past year or so, the U.S. appears to be taking a more flexible and less confrontational position toward Iran, suggesting hope for improved relations in the future.

### Key Points

- The strident anti-Americanism of Iran's Islamic regime has been a direct consequence of past U.S. interference in Iranian internal affairs.
- Iran's control by anti-Western elements has been a major obsession for U.S. policymakers, resulting in stringent economic sanctions and other measures.
- Despite recent reforms, the U.S. has been hesitant to forge closer relations with Iran due to lingering hostility to the Islamic government and a fear that supporting moderates would create a backlash against them.

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. Because the secular opposition had largely been eliminated by the shah's repressive apparatus and as there was greater cohe-

sion among the similarly suppressed religious opposition, the revolution took on an Islamic orientation. Within two years of its triumph and after a series of bloody purges, 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. For most of the 1980s, the U.S. tried to play

Although the misdeeds of the Iranian regime are indeed numerous, the first major problem with U.S. policy is that most U.S. accusations against the Iranians seem to be grossly exaggerated. Iran's activities are not substantially worse than those of other nations in the region, including governments considered close allies of the United States. Thus Washington's policy is based on a series of false assumptions, and it compromises U.S. credibility, even when its concerns have a legitimate basis.

Although Iran has certainly trained, financially supported, and funneled arms to extremist Islamic groups and to the repressive government in Sudan, 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 either 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. Indeed, the hierarchical structure of Shi'ism limits the revolution's appeal as a model for other Middle Eastern states.

There is little evidence to suggest aggressive Iranian designs in the Persian Gulf, either. Iran has not threatened—nor does it have any reason for provoking—a confrontation over sea lanes, because it is at least as dependent as its neighbors on unrestricted navigation. In fact, 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, supplementing 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 non-intervention. They run directly counter to the Algiers Declaration of 1981, under which the U.S. unequivocally pledged not to intervene politically or militarily in the internal affairs of Iran. Furthermore, 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.

It seems that U.S. hostility toward Iran is based less on a rational calculation of the threat Teheran poses to U.S. interests than on a reactive stance toward any regime that challenges American hegemony. Iran serves, along with other so-called "rogue" states, as an opportunity for U.S. political leaders to appear tough and as a rationalization for continued high levels of military spending.

Though Iranians as a whole, reflected in key segments of their government, appear willing to support increasing cooperation with the West, U.S. policy has so offended nationalist sentiments that it has had the ironic impact of enhancing the credibility of the hard-line elements. Each escalation in U.S. sanctions, rhetoric, or military presence in the Persian Gulf becomes a self-fulfilling prophecy as Iranians consider themselves increasingly under siege.

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 Latin America and elsewhere lends little credibility to Washington's antiterrorist crusade against Iran. Likewise, U.S. support for Saudi Arabia and Washington's ambivalence toward the Taliban government of Afghanistan lend little credence to American concerns over Iran's notorious human rights record and rigid interpretation of Islamic law.

Fortunately, there are signs of a more enlightened policy emerging in Washington. Since late 1998, U.S. officials have softened some of their harsh rhetoric toward Iran. Indeed, in an unprecedented acknowledgment of past abuses, Clinton stated in April 1999 that Iran "over time has been the subject of quite a lot of abuse from various Western nations."

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## Key Problems

- Accusations regarding Iran's nuclear ambitions, links to terrorism, and aggressive designs against neighbors have been greatly exaggerated.
  - Aspects of U.S. policy are contrary both to international legal norms and to specific international agreements.
  - U.S. policies encouraging the collapse of the Islamic regime are unrealistic, may prove dangerous, and hurt moderate forces within Iran.
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During pro-reformist demonstrations in Iran that were savagely suppressed by rightist elements in July 1999, both the Clinton administration and its congressional critics remained largely silent, with the State Department only making a terse statement in calling for Iranian recognition of international human rights standards. One reason for this quiescence was the fear that more open U.S. support of the students might lead to a hard-line backlash. Supporting efforts at liberalizing the regime rather than overthrowing it entirely would be a

more realistic, legal, and moral option, as well as one more likely to restore American credibility.

Past U.S. actions toward Iran have made it very difficult for Washington to play a constructive role in steering Iran toward greater respect for human rights and a more moderate foreign policy. The best the U.S. can reasonably do at this point is to avoid policies that might encourage more hard-line elements and retard current trends.

There are three major areas where U.S. policy toward Iran could improve. First, a broader coordination in the

formulation of policy is essential. On the domestic level, policy toward Iran should no longer be directed primarily by the Pentagon and national security managers but should include the perspectives of State Department area specialists, Iranian-American intellectuals, and others knowledgeable about the country. On the international level, the U.S. must reverse its unilateralism and should 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.

Similarly, the U.S. should work through the UN and should support other multilateral efforts to create a new security regime for the region rather than simply fueling the arms race and exacerbating the suspicions and belligerent rhetoric between Iran and the Arab gulf states. The U.S. must also seriously consider the perspectives of the democratic opposition in Iran. Although the Iranian opposition—which supports the arms embargo and opposes direct support for the government until moderate forces consolidate their hold and liberalize

further—is somewhat divided, most 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 human rights abuses. 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 resisting that occupation.

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. 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, which sent arms to hard-line elements in the Iranian military. To maximize its policy impact, Washington should let Teheran know just which Iranian policies will result in rewards or punishments.

Similarly, the U.S. must ascertain which of its demands for policy changes in Iran 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 U.S.-brokered Middle East peace process is unrealistic.

Iran 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 end its repression against legitimate dissent. This will require, however, that America reevaluate its policies toward both Iran and the Middle East as a whole. Détente between the U.S. and Iran is necessary if there is to be peace and security in the region. The current antagonistic relationship between the two countries serves neither's long-term interests.

## Key Recommendations

- \* Washington should increase coordination with other governments and should broaden the base of U.S. policy formulation to include those with greater knowledge of Iran.
- 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, letting the Iranians know which policies will result in rewards or punishments.

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### Data Center

<http://www.igc.apc.org/worldviews/wvmet.html>

### Iranian Trade Association (ITA)

<http://www.IranianTrade.org>

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