



Audit of the Conventional Wisdom

Iran-U.S.: The Case for Transformation

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Thirty years of enmity, disruption, and brinksmanship have yielded very little worthwhile in the relationship between Iran and the United States. The policies in both capitals toward the other are essentially bankrupt and dysfunctional. Each clings to their quiver of grievances against the other, letting the past dictate the future to the detriment of both countries. It may be time to turn this animus on its head—seeking a broad accommodation—and an opportunity for transformational diplomacy.

While ample sources of suspicion and distrust have fed this simmering hostility, these sources do not warrant the war footing, attempts at isolation, political violence, and rhetoric of a looming Armageddon that mark the U.S.-Iran tangle. Both countries suffer high costs stemming from the confrontation. These two major states, one far more powerful than the other, are bound to compete and test each other, but in a region rife with instability, they also need each other. Iranians are weary of the cacophony of hatred. In America, the Iraq war is still a nightmare and the public is in no mood for more. A comprehensive concordat instead would serve the U.S. and Iran and help steady a very rickety part of the world.

What the change is and how it is engineered are crucial, however. There is an applicable lesson from diplomatic history: bold and sweeping transformation may be preferable—more successful and, paradoxically, easier to engineer—to small, incremental steps. Whether there is the political acumen in the leadership of either country to initiate such transformative diplomacy is arguable. But the logic of a new concordat is powerful, especially if seen through an unemotional lens of national interests and the security of the United States *and* Iran.

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American Interests

The spur to change in Washington is the region's political topography, altered by this decade's tornado of unpredictability and destruction. From Pakistan to North Africa, the challenge to normal politics, peace, and stability has never been more acute. The U.S., in short, needs powerful allies in the Middle East. Iran is not a model of democracy, but compared with most of its neighbors it is stable and tranquil, with multiple voices and persistent dissent in the political arena. It has a strong national identity and immense resources, including an educated workforce more interested in modernization than religious militancy. It also has historic cultural and economic ties and influence across the region. It is, in short, a state that American leaders should seek to befriend.

While the Iranian state and society have changed dramatically over the past 30 years, the U.S. brief against Iran has remained static. The indictment pivots on development of nuclear weapons, support for terrorism (including groups at odds with Israel), human rights abuses domestically, and involvement in Iraq. While each charge has some validity, the countering arguments are persuasive.¹

Iran's growing uranium enrichment capability and incomplete transparency in its dealings with the IAEA stir concerns. But Iran has repeatedly stated the futility of nuclear weapons and is under no illusion that it could ever use them. To the extent a nuclear weapons program was or is in prospect, it should be seen as a deterrent or an attempt at garnering respect. The U.S. nuclear arsenal ensures that Iran cannot initiate a nuclear attack. On enrichment, Iran asserts its right to develop nuclear energy. It has signaled the acceptability of a multinational uranium enrichment facility located in Iran, with the participation of Iranian technicians alongside others. There is clearly room for negotiation and a mutually acceptable solution.

The support for terrorism is a regrettable gambit of many major powers, including the United States. With the possible exception of alleged involvement in the 1996 Khobar Towers bombing in Saudi Arabia, Iran's apparent activities of this kind rarely challenge U.S. assets directly. It was not involved in the 9/11 attacks and has demonstrated its animus to the Taliban and Al Qaeda. It has indicated a willingness to constrain support for politically violent groups in the region, such as Hezbollah in Lebanon, which is in any event not under Tehran's direct control.

The human rights question also suffers from eye-of-the-beholder bias: it is no worse than many governments that enjoy normal relations with America. While human rights activists in other countries demand sanctions and isolation of their state (Burma, apartheid South Africa), Iran's activists insist that isolation, threats, and U.S. hectoring about freedom diminish them in the eyes of their own public, and U.S. hostility toward Iran has fueled further oppression. If improving human rights were a priority for the U.S., they say, normalization and an end to the strategy of regime change would be a tonic.

The U.S. war in Iraq has created more flux and misunderstanding. Iraq remains broken and traumatized. Many prefer to see Iran as a cause of those maladies, mainly through its support of Shia militias and political groups. But such support can be seen as influence-seeking of the kind one would expect from a neighbor with deep-rooted religious and economic ties. Iran has good relations with the government in Baghdad, houses 100,000 refugees, and promotes trade—actions marking it as a relatively benign (if sometimes erratic) neighbor. Any lasting prospect of stability for Iraq must involve Iran and other neighbors.

The same could be said for Afghanistan. Iran has played a helpful role from the beginning of the U.S. war there. The Afghan muddle—unrealized development, insecurity outside Kabul, a booming opium trade, and the reemergence of the Taliban—might be gainfully addressed, in part, with Iran as a full partner.

Israeli security is a critical sticking point. But a nimble U.S. president can deal with fears in three ways. First, a U.S.-Iran detente would likely include a deal constraining Iran's nuclear

project. Second, detente could ease Israeli-Palestinian tensions by hobbling the role of spoilers among militant Palestinians. Finally, the bitterness that besets U.S.-Iran relations, if resolved, would calm Israeli-Iranian relations, too, reducing the rhetoric that fans the flames of mistrust. Despite the incendiary words of President Ahmadinejad, Iran has consistently stated it will recognize any solution that the Palestinians support to resolve the Mideast conflict.

Other interests are also in play. Oil price stability is the most obvious, and while friendships may have little to do with pricing, animosities cannot help. And American corporations, banned from doing business with Iran, are eager to reenter that market.

It may seem counterintuitive, but Iran's policies most worrying to U.S. politicians would likely be restrained or stop under a new U.S.-Iran understanding. Those that would not—such as Iranian angling for greater influence in the broader Persian Gulf region—do not much threaten U.S. interests. Some issues like nuclear development would require explicit and enforceable agreement. But if there is rapprochement built on mutual interests, there are indications that Iran would be willing to make those firm commitments; in the recent past, it has suggested precisely such ideas.

The alternative to a new understanding—continued belligerency—at a time when the region is in turmoil, and Muslim militancy and anti-American fervor remain troublesome across the region, certainly does not serve U.S. interests.

Iranian Interests

The bedrock concern of the Iranian regime is its own security. For most Iranians, it is the isolation wrought by U.S. sanctions and political pressures. While its oil and gas reserves enable Iran to cope with isolation, U.S. actions are nonetheless costly. But the efforts at isolation signal a deeper grievance in Iran—the persistent and intentional threat of regime change and lack of respect shown by American elites toward the Islamic Republic.

Respect is a vague and malleable notion in international relations. But it is manifestly important to Iranians, apparent in nearly every official comment on bilateral relations, as well as in private conversations with officials and intellectuals, including reformers. It is based on experience—the history of Iran's relations with the West, first the British and then the Americans, who treated it as a colony or a client. It is also a matter of competing narratives. From the CIA's overthrow of Prime Minister Mohammed Mossadegh in 1953, to unqualified support for the Pahlavi monarchy, to aiding Saddam Hussein in the Iran-Iraq War, to the relentless hostility toward the Islamic state since 1980, the Iranian perspective is rarely honored or heard. President Bush's reference to Iran as part of the "axis of evil" is a case in point, coming weeks after Iran helped enormously in the effort to transform Afghanistan right after the 9/11 attacks.

In Tehran's view, the Bush administration has carried on this habit of disrespect in virtually all ways. It insists on preconditions for any talks, some of which—as with the nuclear issue—

presuppose the outcome (i.e., suspension of enrichment). It has blamed Iran repeatedly for instability and violence in Iraq, which has scant evidence and pales before the other sources of violence. Most important, the U.S. has openly set out on a course of regime change in Iran (officially begun under President Clinton). The refusal of the U.S. to provide security guarantees (which would mean, "no regime change") is the starkest reminder of this. Claims by some U.S. officials that they seek not regime change but *behavior* change, signals the "orientalist" and patronizing nature of American attitudes towards Iran.

These signs of disrespect are seen in Iran as a major hurdle, and one that must be removed for relations to progress. In this calculation of interests, Iran seeks some parity in the eyes of the international community, the right to assert its national sovereignty, independence from major powers, and regime legitimacy. In the argot of national interests, these are fundamentals.

The sanctions imposed by Washington throughout the Islamic Republic's lifespan are secondary, but an infuriating injustice in Tehran's view. The costs of these sanctions are estimated to be in the billions of dollars annually. But the toll of the sanctions—hardly the only cause of Iran's economic distress—makes them a high priority in domestic politics and relations with the U.S. They are regarded as costly in relations with other countries, too, illustrated by U.S. actions to block a major gas pipeline from Iran to Pakistan and India.

National interests—security and energy—are at the center of the nuclear imbroglio. Whatever one can claim about Iran's skirting accepted international norms of nuclear development, the U.S. National Intelligence Estimate in 2007 noted that no nuclear weapons program is discernable. It is apparent, too, that the nuclear program is a matter of national pride and a symbol of sovereignty.

As noted, Iran's anti-Israeli stance and support for Hezbollah and Hamas stems from its sympathies towards the Palestinians and Lebanese Shia, hardly an unusual tactic. This support exacts a high price, however, and is negotiable. In general, Iran is pursuing its interests by normal diplomacy, and they have a self-evident desire to see stability come to Afghanistan and Iraq particularly.

Finally, the clergy involved in the state came to power determined to shelter Iran from the depredations of Western influence and culture. That outsiders imposed themselves on Iran time and again is undeniable. In its early days the Islamic Republic was determined to reverse that influence, which it sees as a form of political domination as well as cultural invasion. Actions considered by the West as human rights violations mainly derive from fitful suppression of political dissent and "immoral" behavior that are seen officially in this context of Western influence. There is, nonetheless, a lively political discourse in Iran, and the boundaries of the acceptable are constantly in motion.

This social control in Iran will not readily disappear, but U.S. pressure strengthens this control. Washington's rigidity yields a

corresponding rigidity in Tehran. Many can argue that this paradox is now the core of the bilateral relationship.

Ending the Standoff: Leadership's Moment

Mutual respect and recognizing a compatibility of interests must be part of new leadership's vision for a concordat of any meaning. Where do these compatibilities lurk? As noted they can be found in energy and commerce, most clearly; in quieting the political violence that wracks the Levant; in resolving the nuclear controversy; and most urgently in stabilizing Iraq. While each is fraught, they comprise the foundation for a new relationship.

But how to convert this set of compatibilities into a diplomatic breakthrough? A feature of past attempts to improve the relationship were small steps—a handshake, a speech, a mild loosening of restrictions, a visit by a wrestling team, and the like. Occasionally, these steps were substantial, such as President Rafsanjani's help in getting Lebanese groups to release hostages in the early 1990s; Iran's cooperation on Desert Storm; America's rescission of some trade sanctions in the late '90s; and Tehran's partnership in the defeat of the Taliban and the reconstitution of Afghanistan in 2001. In these and other cases, however, the small steps were either ignored or reciprocated weakly or belatedly. Progress never got traction.

This may be the common fate of “incrementalism,” confidence-building measures, and the rest of the small steps repertoire. Yet it is precisely such small steps—if that—which are proffered in most political discussion about “how to deal” with Iran (those who want a diplomatic approach, that is). Some political leaders offer to talk, or to create some minor incentives to get a nuclear agreement,² or to reduce the cacophony of blaming over Iraq. But such gestures have failed to stir the change needed in the relationship before, and are almost certain to fail again.

One reason small steps fail is because they invariably provide opportunities for spoilers to get into the mix, to reanimate old fears and to impede progress inside the bureaucracy or legislature. With such a strategy, there is a risk of making small steps seem bigger than they are, inflating the importance of, say, a multilateral meeting on Iraq or a government pronouncement that seems slightly accommodating. Increments require reciprocal action of appropriate scale and kind, but if reciprocation comes ambiguously, late, or not at all, then the entire opportunity for detente might be sunk, and mutual distrust heightens.³ All the while, the forces of reaction busy themselves to subvert the process. The news media tend to amplify the spoilers as a story of domestic discord.

The limitations of small steps suggest the obvious alternative—very large, transformative steps. It has occurred before. Sadat's and Begin's breakthrough at Camp David, Nixon's going to China, Gorbachev's and then Reagan's moves to end the Cold War. Each was aided by carefully cultivated diplomatic groundwork, but the leaders' moves were exceptionally bold all the same. Each recognized that the time was ripe for a change, that change could be engineered from mutual self-interest, and that domestic politics could be managed.⁴ Each of these cases, among others, involved confrontations as potentially or more lethal than the U.S.-Iran standoff today. All exhibited a certain “ripeness” for resolution, and leaders recognized the opportunity and acted.⁵

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What would a new initiative on U.S.-Iran relations look like? The precise details are less important than the need for a new leadership style. From the American side, bringing Iran in as a genuine partner in the effort to stabilize Iraq and Afghanistan, providing security guarantees in nuclear negotiations, and lifting sanctions would be three powerful initiatives. Each would require a change in the perceptions, tone, and substance of White House pronouncements on Iran. Reciprocation would not be expected or required, at least at first. The president would, without sentimentality, make the case that the United States, for our own well being, must recreate relations in the region, beginning with Tehran. The large, modern, resource-rich, and educated country of Iran can be, and should be identified as, a good and natural ally in the region.

Iran has an opportunity to be just as courageous. It already mapped out a very plausible and attractive offer in a 2003 letter that was conveyed from President Khatemi—with Supreme Leader Khamenei's assent—through a Swiss diplomat to Washington. This letter—which proposed agreements on the nuclear question and political violence, among others—was secret, however, and that was its undoing.⁶ The Bush administration dismissed it completely. Returning to that set of ideas, openly, would qualify as a transformative move. It could register within the political discourse of Iran as a major step toward securing its major-power status, particularly if the new occupant in the White House acknowledged it as such.

How would the publics, the political opposition, and the spoilers react to such audacity? The publics, we expect, would welcome such a breakthrough. They almost always have in the past. One telling episode was Reagan and Gorbachev's 1987 agreement

The Audit of Conventional Wisdom

In this series of essays, MIT's Center for International Studies tours the horizon of conventional wisdoms that define U.S. foreign policy, and put them to the test of data and history. By subjecting particularly well-accepted ideas to close scrutiny, our aim is to re-engage policy and opinion leaders on topics that are too easily passing such scrutiny. We hope that this will lead to further debate and inquiries, with a result we can all agree on: better foreign policies that lead to a more peaceful and prosperous world. Authors in this series are available to the press and policy community. Contact: Michelle Nhuch (NHUCH@mit.edu, 617.253.1965)

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on removing Euromissiles; it was opposed by many opinion leaders, American conservatives and top Democrats alike, but the popularity of this major step toward ending the Cold War was so powerful that all sides got in line.

Political opponents and potential spoilers can be brought along by another bold stroke—a big-tent, inclusive, multi-party process on both sides.⁷ In this approach, rapprochement would be a success for all sides in Iran. It would limit any group's desire to undermine it, since spoilers frequently act out of jealousy or rent seeking rather than principled resistance. It would also ensure that the U.S. does not ignore the plurality of voices that exist in Iran. Nobel laureate Shirin Ebadi has further suggested a three-tiered approach: meetings at the level of government, legislators and civil society. In the U.S., the presence of Republicans and Democrats together at the table would signal a unity that braces the process. It would also signal to Iran that America is unlikely to reverse course again with a change in party, assuming the détente itself proceeds smoothly. This again is a lesson of the winding down of the Cold War.

The many wars of the region have made Americans justifiably weary, no safer, and certainly poorer. More belligerence would be unpopular. Anti-Americanism, a worrisome trend, is largely absent in Iranian society, but may not be if sanctions continue or war ensues. Reversing its isolation would be a major incentive for Iran and might propel their politics toward a grand bargain. The logic of common interests is potent, and a broad concordat brought about by bold diplomacy may be the easiest route to the “win-win” of regional stability.

footnotes

¹ Another way of framing this is the costs to both countries of the rivalry, well-argued in Vali Nasr and Ray Takeyh, “The Costs of Containing Iran: Washington’s Misguided New Middle East Policy,” *Foreign Affairs* (January/February 2008).

² Among these is a proposed bold stroke of diplomacy, which would place enrichment under international supervision. See William Luers, Thomas Pickering, and James Walsh, “A Solution for the US–Iran Nuclear Standoff,” *New York Review of Books*, 55: 44 (Fall/Winter 2008).

³ This is what occurred in the hostage release of the early ‘90s. See the negotiator’s account: Giandomenico Picco, *Man Without a Gun: One Diplomat’s Secret Struggle to Free the Hostages, Fight Terrorism, and End a War* (New York: Crown, 1999).

⁴ See, among other treatments, Matthew Evangelista, *Unarmed Forces: The Transnational Movement to End the Cold War* (Ithaca, NY: Cornell University Press, 1999); Walter C. Clemens, Jr., “Gorbachev’s Role in International Détente: True GRIT?” *Soviet and Post-Soviet Review*, 20, 1 (1993), pp. 51-76; William B. Quandt, *Camp David: Peacemaking and Politics* (Washington, D.C.: Brookings Institution Press, 1986); Henry Kissinger, *White House Years* (Boston: Little, Brown, 1979).

⁵ William Zartman, *Ripe for Resolution* (New York: Oxford University Press, 1985/1989).

⁶ Glenn Kessler, “In 2003, U.S. Spurned Iran’s Offer of Dialogue Some Officials Lament Lost Opportunity,” *Washington Post* (June 18, 2006); John Richardson, “The Secret History of the Impending War with Iran That the White House Doesn’t Want You to Know,” *Esquire* (November 2006).

⁷ Zahar, Marie-Joelle. “Reframing the Spoiler Debate in Peace Processes”, in J. Darby and R. McGinty, eds., *Contemporary Peacemaking: Conflict, Violence and Peace Processes* (Palgrave Macmillan, 2003), discusses the importance of bringing potential spoilers into the peace process.



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