



# A New Approach to Iran

*The Need for Transformative Diplomacy*

John Tirman

MIT CENTER FOR INTERNATIONAL STUDIES

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## **The Imperative of Change**

The United States and Iran have been trapped in a cycle of hostility and aggression for three decades. President Barack Obama has said several times as a candidate and as president that he seeks to alter that dynamic and create a productive dialogue with Iran, and Iran's leaders have made statements over the last several years along the same lines. Yet both countries find it immensely difficult to take the steps needed to create a productive relationship. The costs of not doing so are enormous.

This paper outlines a new approach that is designed to alter the harmful dynamic of these last 30 years quickly and confidently. It makes the case that America and Iran share common interests and have their own, additional reasons for improving the relationship, a logic that far outweighs continuing animus. To an important degree, the problem between them has been the process itself, the actual mechanics and norms of creating a dialogue—the language, attitudes, conditions, and aims of negotiation and a direct relationship. The United States has relied on a structure of demands-and-rewards, making demands of Iran that will, if satisfied, trigger rewards. It also uses coercion and military threats. Iran has dismissed the U.S. strategy and answers coercion with a mixture of incendiary rhetoric, obstreperousness, and support for militant groups in the region. The two are far apart. And these attitudes have failed to improve security or prosperity in the region—in fact, by almost any measure, they are failures.

To change that process requires a transformative approach, not one that is only incremental or based on fine-tuning coercion. Transforming the relationship means taking very significant actions to alter the fundamental dynamics that have so long impeded progress or caused setbacks. Naturally, one would like to see such actions coming from both sides, and eventually this must be so. But initially, in the coming year, the new approach can be adopted by the United States and put into practice. The risks of doing so are very low—Iran cannot hurt the United States in any significant way. The benefits, should Iran join us on this path, would be enormous: enhanced security for the region, including Iraq, Afghanistan, and Israel; a new partner for the United States in a crucial part of the world; trade expansion; and an improvement more indirectly in American-Muslim relations worldwide. To gain this highly desirable outcome will take political courage at home, a firm commitment to the course of action, flexibility to adapt to Iran's responses, and intensive diplomacy not only with Iran but in the Near East as a whole.

Fortunately, there are precedents for this kind of diplomacy, and there is new

leadership. Iran and the United States have often had their relations altered by the entry of new leaders. We may be in the midst of another leadership-driven change, or prospect of change. But however imperative it seems to be, change is not automatic. The norms of change—of a new form of language, for example, or the intention to create a meaningful dialogue—must be implemented throughout the government, and discussed within society.

What is argued here is the logic of the “big leap,” a bold set of American initiatives that will send a clear signal to Iran about our good intentions, and create the means by which a productive relationship and negotiation can go forward. That includes a new discourse toward Iran, one of due respect and trust building; lifting of most unilateral sanctions; normalizing relations as soon as possible; proposing innovative solutions on nuclear development; addressing regional security concerns in a multilateral forum; and cooperative endeavors on an array of issues.

To undertake such an ambitious set of tasks, President Obama must be constantly involved. Other aspects of management are discussed later, but the clear lesson of other triumphs of transformative diplomacy is the commitment of the president—to take the time to articulate goals, meet with congressional and foreign leaders and other constituencies, provide discipline within the bureaucracy, and make the choices in the day-to-day evolution of the process.

Shorn of the fabricated fears of Iran and the years of unnecessary tensions, and seeing clearly the U.S. interests in a vastly improved relationship, the notion of a big leap is not difficult to imagine. This paper outlines its logic and its mechanisms. It will be for the president to put the machine in motion.

## **The Case for Better Relations**

A general consensus on the need for a more cooperative relationship with Iran animates much of the discussion about new approaches. The logic of mutual interests shared by Iran and the United States rests on five points:<sup>1</sup>

- In the region, Iran is among the most stable and relatively democratic political systems, with reasonably good relations with all its neighbors
- Iran has acted responsibly in attempting to help stabilize Afghanistan, which now needs urgent attention
- While its actions in Iraq since 2003 are controversial, Iran has an

interest in stability there and now is acting accordingly; Iraq's long-term prospects are not assured and Iran's role could be central

- As a major oil and gas producer, Iran has a key role to play in energy security and price stability worldwide
- Iran's well-educated population has the potential to become an economic dynamo and many show strong affinities for America

The U.S. interests in these five areas are to strengthen and expand the favorable potential in each. Stability is one of the key objectives not just of the United States but of the international community. From Pakistan to Israel, stability—a just peace with sustainable economic equity—has been elusive. Iran, with the second largest population in the Middle East and North Africa, its leading position in Islam, its oil and gas wealth, and its educated population, clearly can contribute gainfully.

The United States also has specific national interests that can be served by improved ties to Iran. (a) U.S. interests in the Persian Gulf are not served by a perpetually confrontational stance toward Iran; the Gulf oil producers are building strong ties to the East—China, Japan, Indonesia, and India—which are mainly commercial but inevitably political as well, and there are clear signs of security cooperation with India. U.S. influence there is slipping. (b) Israeli security, often depicted as a U.S. interest, will be greatly strengthened. (c) Russia is a resurgent power and appears to be courting Iran as a strategic ally, an alliance, should it come about, which could be very troublesome for the United States, especially if it is persistently tendentious. (d) In a period of economic distress, the United States cannot afford a war or endlessly sizable military deployments in the Persian Gulf; the Iraq war is already costing the United States \$3 trillion.<sup>2</sup>

Such enormous burdens, when redefinition of interests and diplomacy are viable alternatives, cannot be justified. This plays into concerns about a worldwide diffusion of power: where the United States can seek advantages through new, positive relationships, it should do so in part to strengthen its position globally.

The mutual interests in the region also cannot be overemphasized. The hazardous situation in Afghanistan and Pakistan alike present exceptionally dangerous consequences for peace, stability, and human rights if the challenges from militant “jihadi” groups are not met. Iran has a very significant role to play in Afghanistan particularly, given its long ties to many leaders and its animus to the Taliban. It can provide important economic ties, as well as security cooperation. Joint policies and action are not merely preferable, but possibly indispensable for a satisfactory outcome. Similarly, Iraq's prospects over time remain uncertain, and Iran's singular influence and ties are needed.

The most problematic aspects of Iran's current foreign policies for U.S. elites are its nuclear development and its attitude toward Israel. On both of these issues, Iran has shown willingness to discuss and to restrain its more troubling activities, a topic to which this paper will return. It goes without saying that constraining any Iranian ambitions to pursue nuclear weapons is a key goal of U.S. policy makers.

The political situation in Iran remains contentious, with many different views of human rights, particularly the rights of Baha'is and women, the role of Islam in social organization and norms, the fairness of the judicial system, and the openness of the political system itself. To the extent that the United States consistently supports human rights in the region and the world, a set of values common to both nations, while not wholly congruent, could be articulated.

It is widely assumed that a more cooperative relationship between the United States and Iran would reduce or even reverse some of the impetus of the problematic issues. That is, the repeatedly stated hostility of the United States for the Iranian system and some of its putative actions and goals only have served to solidify the Iranian state's unbending attitudes. Reducing the supposed threat from the United States would likely remove this dynamic—for example, ending the “democratization” program, which was widely and plausibly viewed as a soft power tactic for regime change.

As a result, tangible movement toward better relations is likely to have salutary impacts on some of the more tendentious issues separating the two countries.

From the Iranian point of view, the case for better relations logically rests on three major consequences. First is the ending of U.S. efforts to overthrow the Islamic Republic itself, either through military attack or other kinds of destabilizing actions. Second would be the lifting of economic sanctions. Third would be the treatment of Iran as a major regional player and the appropriate accordance of respect and its own, independent foreign policy. None of these requires American political leaders to do anything contrary to U.S. interests, and therein lays their “mutuality.”

The list of shared concerns and interests is long and consequential, and provide a solid foundation for moving to a normal relationship.

## **The Big Leap: The Necessity of Transformative Diplomacy**

In addition to the recognition of interests and the desirability of improving relations, the case for a “big leap” in U.S. diplomacy toward Iran rests on two observations. First, the 30-year policy of coercion and isolation has obviously failed. Second, the objective of significantly better relations is not likely to be achieved by small steps. A larger, bolder strategy for a breakthrough is a stark necessity.

In brief, the logic of a rapid transformation in the U.S.-Iran relationship is powerful. It avoids the pitfalls of the three alternatives—status quo, coercion, and small steps. It poses no dangers to American security or trade if Iran does not reciprocate. The significant benefits of a dramatically improved relationship with Iran, on the other hand, are apparent—economically, politically, and in terms of security for the region.

The inadequacy of the status quo as it existed at the time of Obama’s inauguration does not need much elaboration. Both the United States and Iran have been disgruntled states, unhappy with the situation and seeking ways out of it. While the status quo had been a jumble of coercion and military threats, with some weak and fitful diplomacy occasionally thrown in, it is not easy to categorize as one thing or the other. For the most part, however, and particularly since 2002 and the “axis of evil” reference by President George W. Bush, the U.S. stance has been one of further coercion and isolation, and very little actual diplomacy. That is changing, but it’s unclear how far the Obama administration will go toward a policy overhaul.

Consider the alternatives before turning to the case for a “big leap.”

### **Coercion as a policy**

The failure of coercion scarcely needs restating, since the results of U.S. policy—largely coercive in nature—are plain to see. Iran today is stronger as a regional player than at any time in the thirty years since the Islamic Revolution. It has strong commercial ties to China, Japan, India, and many in Europe. It is regarded broadly in the Muslim world as a leader. And it has gotten to this point despite the U.S. policies of embargoes, sanctions, military intimidation, and political isolation; a brutal eight-year war instigated by Iraq, which itself received crucial aid from the United States; turbulence in Afghanistan, which sent two million refugees into Iran; the collapse of the Soviet Union and unrest in former Soviet republics along Iran’s borders, and Iran’s own missteps economically, socially, and politically. Despite endless predictions of its imminent demise, the Iranian state appears to be robust, partially democratic, and largely legitimate in the eyes of the population.<sup>3</sup>



Yet coercion remains the preferred instrument of many in Washington. Secretary of Defense Robert Gates said in March that sanctions were preferable to diplomacy in pressuring Iran.<sup>4</sup> Several widely circulated policy papers over the last two years—with many signatories now in the Obama administration—urge the United States to adopt ever-tougher sanctions if Iran does not bend to U.S. demands. To the extent diplomacy is suggested, it's presented as a means of coercion, of pressuring Arab

### U.S. Sanctions on Iran

Nov. 1979	Embargo on oil imports from Iran
Nov. 1979	Aid and mil. Assistance ended
Nov. 1979	\$12 billion in Iranian bank deposits frozen
April 1980	All exports to Iran banned (except food and medicine)
Jan. 1982	Reagan lifts trade restrictions
Jan. 1984	US prohibits transfer of aid, credit, and weapons
April 1984	US export of aircraft and parts banned
Feb. 1987	OPIC and Ex-Im loans banned
Fall 1987	More high-tech banned and imports of Iran oil
1989-91	Materials relevant to CWs and BWs prohibited
Oct. 1992	Export of dual-use items to Iran is banned
May 1995	Comprehensive sanctions on trade and investment
Aug. 1996	Iran-Libya Sanctions Act, penalizes foreign firms
Aug. 2000	Sanctions eased on purchases of carpets and some food
Aug. 2001	ILSA extended for five years
Sep. 2006	Iran Sanctions Act enacted
Dec. 2006	UN broadly prohibits cooperation with those working on nuclear or missile programs in Iran (UNSC Res. 1737)
Mar. 2007	UN expands sanctions, freezes more assets, bans arms exports (Res. 1747)
Oct. 2007	US financial sanctions on 3 banks, IRGC, 8 individuals
Mar. 2008	UN further tightens nuclear-related activities (Res. 1803)
Nov. 2008	Restrictions tightened on financial transfers through non-Iran banks

Economic restrictions have been placed on Iran for specific acts (hostage taking, 1979), alleged acts (Khobar Towers bombing, 1995), nuclear development, funding Hizbollah, and more general reasons.

The 1995 sanctions were renewed by the Obama administration in March.

A full list of sanctions is available from the US Treasury web site,  
<http://treas.gov/offices/enforcement/ofac/programs/iran/iran.shtml>

states in particular to add their weight to the U.S. initiative. The demands on Iran, moreover, derive not principally from U.S. security concerns, but from perceptions about the security of oil states, nuclear ambitions, and Israel. As is argued elsewhere in this paper, those are miscalculations.

But the larger point here is that coercion itself has failed to yield satisfactory results *for thirty years*. The failures of this approach have been persuasively presented by several scholars over a number of years, and events continue to prove them right.<sup>5</sup>

The proponents of coercion typically include a tandem of sticks and carrots, the latter being rewards for Iran to cooperate on Washington's terms or else feel the sting of the big stick. The approach is thus presented as a reasonable mix of incentives and disincentives, which puts the ball in Iran's court. During the Bush administration and in the formulation of many today, the framework for this approach is entirely Washington's—that is, no carrots without satisfying the American imperatives first. Vice President Joe Biden made this carrots-and-sticks comment in February: "We'll be willing to talk to Iran and to offer a very clear choice: continue down the current course and there will be continued pressure and isolation; abandon the illicit nuclear program and your support for terrorism, and there will be meaningful incentives."<sup>6</sup>

This is not diplomacy properly understood. This is a set of demands and conditions backed by the threat of and continuing enforcement of coercive measures. "Iranians bristle at the use of the phrase 'carrots and sticks,'" write three prominent experts, "which they associate with the treatment of donkeys and which in any case suggests that they can be either bought off or beaten into submission."<sup>7</sup>

Most tellingly, Iranian democrats and reformers who are supposedly the object of U.S. Government admiration speak nearly unanimously in favor of ending coercive actions and normalizing relations (even as many of them denounce Iran's human rights situation). For example, the outspoken opponent of the regime, Akbar Ganji, in a letter to the U.N. Secretary General, notes that "even speaking about 'the possibility' of a military attack on Iran makes things extremely difficult for human rights and pro-democracy activists in Iran. No Iranian wants to see what happened to Iraq or Afghanistan repeated in Iran." He also writes that "the outbreak of a new war . . . [against Iran] would destabilize the region and the world. And it would deprive us of the chance to found a peaceful and democratic political order. We are also against policies, such as economic sanctions, that bring extraordinary hardship to the lives of ordinary Iranians."<sup>8</sup> A similar view was recently articulated at a Carnegie Endowment talk by Shirin Ebadi, the Iranian human rights champion: "I have said numerous times that I not only do not accept an attack on Iran – a military attack on Iran – I don't even accept the *threat* of a military attack on Iran. And also, with all economic sanctions on Iran, because any economic sanction will deteriorate the situation of people, but does not hurt the government."<sup>9</sup> These among others also speak out strongly against the so-called democratization program.

The nuclear issue is perhaps the most vexing for Americans, and here the mix of diplomacy (mainly by the Europeans), sanctions (U.N. as well as U.S.), and threats of military force (Israeli and American) have mixed unproductively as well. One major reason for this was the long-held supposition by the United States that it can dictate

the terms of talks (*i.e.*, suspension of enrichment) and the outcome (zero enrichment), which may now be softening. Iranian security concerns have long been misread in Washington: a country that has been under siege by a WMD-armed neighbor and in fact had chemical weapons used against its forces; lives in a neighborhood that includes nuclear-armed Israel, Russia, Pakistan, India, and U.S. strategic bases; has been threatened with military attacks and regime change, and so on, is a country that can understandably opt for nuclear weapons development. Iran does have a right to the nuclear fuel cycle it is building, and the existence of a nuclear weapons program is was discounted by the 2007 National Intelligence Estimate and reiterated by U.S. intelligence this year; a long history of overestimating Iran's capabilities, moreover, colors any such accusations today.

Iran has not cooperated consistently with governing institutions on this issue, however, and this is the nub of the current imbroglio. The lack of transparency and living up to treaty obligations has put Iran at odds with the International Atomic Energy Agency and the U.N. Security Council. Clearly, Iran must do better by its legal obligations. But how will that come about? Coercion and sanctions, and an endless stream of military threats and planning has not yet brought the kind of behavior that the world's original five nuclear powers, and Israel, find acceptable. While even a nuclear-armed Iran does not present a lethal threat to U.S. security nor of those in the region, given the authority of U.S. deterrence, the nuclear issue remains the touchstone of better relations for many in America and Europe, and must be dealt with more creatively.

As a number of historians, political scientists and practitioners have pointed out, coercive diplomacy or compellence works in only a small fraction of cases, and it shows little prospect of doing so in support of U.S. objectives toward Iran. (One scholarly assessment judges that compellence works in only one-fifth of cases.<sup>10</sup>) Among the empirical failings of compellence is the way it is used domestically in the target country to brace the regime. Cuba is perhaps the most vivid illustration of this, where Fidel Castro used the U.S. embargo, hostility, attempts at assassination and overthrow, et cetera, to his political advantage for fifty years. This is true in Iran as well. The tactics employed to encircle Iran for thirty years are numerous, and generally without reward. Yet the effort to punish Iran, for unwarranted reasons in the eyes of many Iranians, is used as the proverbial "bloody shirt" in Iranian politics and helps to justify the pursuit of independent nuclear development in particular.

The economic sanctions have a mixed record, but even a favorable assessment of the economic impacts on Iran do not account for the political consequences. It can also

## Have Sanctions Worked?

The long history of economic sanctions and embargoes on Iran has elicited considerable attention from economists to judge their effectiveness. While opinion is not uniform on this topic, it is fair to say that the most any analyst claims for economic impacts from this form of pressure is quite modest, and several scholars find no discernible impact, particularly on political behavior.

The collective judgment of scholars on the economic pain suffered by Iranians ranges from 1 to 2 percent of GDP annually, with most at the lower end of that range.<sup>11</sup> The lower end translates into about \$12 per capita (for a country whose per capita income is well over \$3,000). The type of sanction that has had the greatest economic effect is financial, which has made it more difficult to borrow money for development, including upgrading the energy sector, and letting contracts on terms that are less favorable than they would be without sanctions.

The failure of sanctions is unsurprising, as they generally have been ineffective. They fail for four main reasons:<sup>12</sup>

- they are inadequate to the task
- they “may unify the target country both in support of its government and in search of commercial alternatives”
- friends of the target country may compensate for the effect of the sanctions
- they alienate allies of the sanctions imposer abroad and businesses at home, and almost surely earn a backlash from allies if sanctions are enforced extraterritorially

The effects of sanctions thus far are difficult to discern when looking at overall economic performance in Iran. This is a difficult economy to measure, given its reliance on petroleum exports and its inefficient system. But a few statistics from the IMF are indicative. From 1994 to 2007, GDP rose nearly 400 percent (after adjusting for inflation). Purchasing power per capita rose by 240 percent in that time period. This growth would have been greater without sanctions, but even the 1-2 percent annual impact of sanctions that economists estimate would have reduced growth in that period by 20 percentage points.

Between 1999 and 2006, Iran signed multi-billion-dollar oil and gas deals with Italy, France, South Korea, Norway, China, and India, a total of \$80 billion worth.<sup>13</sup> More recently, Iran has signed such deals with Austria (€22 billion, April 2007), Switzerland (€18 billion, March 2008), Malaysia (\$14 billion, Dec. 2008), and China (\$1.7 billion, Jan. 2009). According to Iran’s oil minister, the country will invest \$140 billion in its oil and gas industry in the decade that began in 2005, with about half generated from revenues.

A more stringent sanctions regime, multilateral in origin and implementation, might have more impact. But imposing more sanctions on a country that has many allies and produces an essential commodity, and whose violations of international comity are at least debatable, is exceptionally difficult.<sup>14</sup>

There is a final irony, apart from the costs to American farmers, airplane manufacturers, banks, power generation makers, and the others most likely to do business with Iran: Sanctions, however imperfect and permeable, not only have political repercussions—the claims of unjust persecution on the part of Iranian leaders and its inevitable anti-American sentiments—but economic effects that spill over to political development. By “retarding the growth of the private sector and competition, the disproportionately large public sector, kept afloat by state subsidies, will continue to prevail in the economy.”<sup>15</sup> Notably, Iran’s trade has shifted in recent years: once mainly with market economies, it is now largely with authoritarian states. For those who see a vital link between economic structure and political outcomes, these trends are particularly damning arguments against sanctions.

be said that much of the Iranian public, particularly its sizable educated classes, are remarkably pro-American, and further sanctions might alienate them in ways that would have very serious repercussions for the United States.

A fair judgment on more severe forms of coercion—military pressure, threats, covert operations, and larger-scale attacks—is that these, too, are a poor prospect. Apart from moral considerations, the scale of military pressure, already been quite considerable, indicates how useless the tactic is. Widespread reports of covert action in Iran by U.S. forces have been in circulation for several years, and they are apparently credible.<sup>16</sup> The number of times American political leaders have solemnly proclaimed that “all options are on the table,” a kind of totemic code for military strikes, are too numerous to count. (Think tanks, members of Congress, opinion page writers, and other talking heads have replicated this language routinely.) Aircraft carriers appear in unusual numbers in the Persian Gulf, a “showing the flag” routine without any plausible strategic content. The reported request by Israel for access to Iraqi airspace, controlled by the U.S. military, in order to attack Iran’s nuclear facilities is telling for its articulation of Israeli intentions. But it is, more significantly, a “natural experiment” that reveals the limitations of coercion, as indeed the covert ops and incessant verbal taunts also verify. The reluctance of President Bush to go that far, to allow Israel to set back Iran’s enrichment program with air strikes in late 2007, is remarkable given his administration’s hostile attitudes toward Iran and his vow not to allow Iran to produce a nuclear weapon. He demurred, in all likelihood, because either the evidence for a weapons program is strongly unconvincing, as his own NIE indicated, or the blowback from such an attack would not be worth the supposed benefits. One can readily imagine the reasons—enraging the Muslim world; boosting oil prices; activating anti-American militias in Iraq; activating political violence against Israel, possibly a sizable war; and a permanent rift with Iran that in the long run would not serve U.S. interests.

Whatever the combination of reasons for denying Israel permission to use Iraqi airspace, the episode underscores just how difficult and unpromising coercion is, and has been. That is the history of coercion in 1979-2009, and it is likely to remain as ineffective if pursued in the future.

### **The Obstacles to Gradualism**

Most diplomacy relies on small steps. With such steps—sometimes called confidence-building measures, sometimes more indirect signals—progress can be steady and beneficial. Some long-estranged relationships, however, are completely stuck in hostility, mutual recrimination, and conflict. Normal diplomacy, when anchored to narrow concepts of national security, ethnic lobbies, and public opinion, may be

unable to alter the relationship, even when honestly and earnestly pursued. The leaders of each country may see no opportunity to gainfully alter the dynamics of the relationship, and the two antagonists are riven by conflicting interests, ideologies, and perceptions.

It is in such hard cases that incremental, gradual, or evolutionary approaches very often cannot work sufficiently well. Such approaches, which we will call gradualism, involve small steps that typically require reciprocation; may persist with unilateral perceptions of what the relationship is and where it should go; are explained to their respective publics in terms of national interests and strategic goals; are often depicted as a “last resort” before armed force is threatened or deployed; may implicitly or explicitly involve other coercive means, such as economic or political sanctions; and are relentlessly under attack by spoilers—those who do not want the bilateral relationship to improve. Let’s briefly look at each of these factors.

*Small steps* comprise a useful mechanism. They are necessary in nearly any diplomatic initiative at its outset. Small steps can range from opening up commercial opportunities for each country’s businesses, to lightening visa procedures, to cultural and athletic exchanges, and the like. They can be used as signaling maneuvers in which, for example, Country A declines to criticize Country B for an action that would previously have earned a rebuke. Including Iran in regional forums on Afghanistan and Iraq, which has been occurring, is another small but progressive step.<sup>17</sup> The problem with many types of small steps is that they can be misunderstood or overlooked, and a long series of small steps (particularly if they are not instantly recognized as such and reciprocated) can provide additional ammunition for spoilers.

The U.S.-Iran relationship is replete with small steps that turned into missed opportunities. Consider this partial list:

- The signal from President George H.W. Bush in 1989-90 that Tehran’s help in getting American hostages in Lebanon released would be reciprocated was either never a quid pro quo and was misunderstood in Tehran, or was indeed a signal that the United States then reneged on when Iran used its influence to facilitate the hostages’ release.
- In 1998, President Clinton sent a personal message to President Khatami intended to signal interest in dialogue, but which was interpreted in Tehran as a hostile set of accusations about the bombing of a U.S. military facility in Saudi Arabia in 1996.
- In 2000, Secretary Albright made remarks intended to open a dialogue, but Iran saw Albright’s speech in particular as fraught with harsh accusations.
- In 2001, Iran was very helpful working with the United States to stabilize

Afghanistan after the Taliban was ousted. A conversation was begun between U.S. and Iranian diplomats more broadly, but fell on deaf ears in Washington. The “axis of evil” speech followed two months later.

- In 2003, President Khatami (apparently with Supreme Leader Khamanei’s approval) sent a letter proposing a grand bargain on many outstanding issues; it was delivered by a Swiss diplomat to the U.S. Government and was ignored, for reasons that remain murky.

These episodes (which will be explored again later), among others, were undertaken in concert with other, smaller signals, but were insufficient to overcome the years of mistrust. They also came at times in which the leaders for which the signals were intended were unreceptive at that time to such overtures. In the first case, the demands of the end of the Soviet Union and the aftermath of Desert Storm may have overwhelmed the U.S. capacity to respond. In the second case, the Iranian state was locked in a debate about “accommodationism” and wasn’t ready for a dialogue. The 2003 letter came on the heels of the overthrow of Saddam Hussein, when Washington was not interested in diplomacy, even one that offered favorable terms on all outstanding issues.

In each case, the lack of reciprocation fueled the spoilers and made the next gesture all the more difficult to undertake. So while small steps and CBEs can be useful, their utility lies in a bolder strategy of engagement. By themselves, they are unlikely to be sufficient to carry the relationship to a new place.

*Unilateral perceptions* are a hindrance to any effort to start and sustain serious dialogue. Typically, each country’s political culture has developed a narrative about the relationship or the adversary that serves as a lens through which the current impasse is viewed. Such a narrative may be framed as an ideological struggle, as was the U.S.-Soviet rivalry, or more simply as a bumptious, even violent, history. Competing narratives bedevil many current standoffs, including those between India and Pakistan, Israel and Palestine, Turkey and Greece, and numerous others. Unless dealt with openly, they can easily overwhelm gradualism in diplomacy.

Iran’s narrative stems mainly from the U.S. role in the ouster of Prime Minister Mohammed Mossadegh in 1953 and the ensuing support for the Pahlavi regime. Such U.S. machinations to control Iran and its oil and gas resources, and what the current Iranian state regards as America’s morally corrupting influence, remain active concerns in any attempt to improve bilateral ties. Threats against Iran, usually implicit, sometimes via support for enemies (*e.g.*, U.S. “tilt” to Iraq in their 1980-88 war) feed this sense of insecurity and the uselessness of good relations. In the United States, the narrative begins with the embassy takeover and 444-day hostage crisis in

1979-81. It continues with the establishment of the Islamic Republic and the depiction of America as the “Great Satan.” Significantly, Iran’s frequent hostility toward the state of Israel and its support of militant groups like Hizbollah complete the narrative of an irrationally anti-Western regime, barely legitimate within its own country, that will use every means possible to confront the United States and its main regional ally, Israel.

Competing narratives and ideologies need not stop progress, as U.S.-China and U.S.-Soviet détente demonstrated, but they remain powerful impediments that can be called upon by doubters and spoilers. Diasporas can be especially effective as victims (the Miami Cubans come to mind) when there is no countervailing group in domestic politics, and the national narratives go hand-in-hand with such politics. If the public is not ready for new diplomacy, seeing no pressing need to change a relationship in a positive direction, then the narratives—if remaining static—are difficult to overcome. Gradualism is ill-equipped to alter these deeply rooted perceptions.

*National interests* are central to diplomatic endeavors and the terms of inter-state relations. No politician can risk appearing not to have his or her nation’s interests uppermost in all calculations. Presenting any diplomatic initiative in the context of national interests is smart politics, and essential to domestic political support.

At times, however, a focused appeal to national interests can be taken too far. Describing a diplomatic approach *only* as a way to further U.S. interests is unlikely to resonate well in Iran. Diplomacy should encompass other countries’ perceptions of what is important to them, to produce a win-win outcome and a mutually beneficial process to improve the relationship. U.S.-Iran relations have not been mindful of this dynamic of fostering cooperation. The sore points in the history of the relationship translate into high levels of mistrust.

So describing new initiatives exclusively in terms of U.S. interests—the typical argot of gradualism—is unlikely to earn adequate reciprocation from Tehran. As long as American politicians frame overtures to Iran solely in terms of how it benefits the United States (or Israel or post-Saddam Iraq, for example), the possibilities for genuine advance are dim.

*Last resort.* Diplomacy with Iran is sometimes described as an option of “last resort” before military force or other forms of intensive coercion is used. This was also the attitude toward Iraq in 1990-91 and 2002-03 before armed force was used, and U.S. diplomacy at those times had the feel of a shadow play mounted for the benefit of the international community. Last resort diplomacy is unlikely to offer anything but pre-existing positions and conditions. At best, it would only yield incremental changes in



positions to placate that international community—the major industrial powers that would seek to restrain the application of U.S. military power, not least because of its probable impact on energy prices—and not create any discernible movement toward problem solving or a new relationship.

**Coercion.** Coercion, too, is marked by a form of gradualism, namely, a gradual application of more and more pressure, using a series of coercive means, to achieve some objective. The belief animating this approach is that over time, the application of such pressures—when combined with incentives to cooperate—will simply compel the adversary to change behavior. As argued, coercion either as a “last resort” or as a primary initiative works rarely and may provoke unintended consequences, as the U.S. actions in Afghanistan and Iraq in this decade demonstrate, to say nothing of the 30-year failure with respect to Iran.

The preference for using a combination of small incentives and graduated coercion is based erroneously on the notion that incentives and rewards can be calibrated with such precision that Iran would respond favorably if it is a rational actor, and that if they do not respond as we wish, they are by definition irrational or hell bent on a destructive course in the region. As we have seen, and as ample historical evidence attests, small steps and CBEs may not be seen that way by the other side, may not be responded to immediately, may be blocked by domestic politics, and so on. As argued by Flynt Leverett and Hillary Mann Leverett, former NSC staffers on Iran, “every U.S. administration since 1979 has sought . . . issue-specific cooperation . . . : by the Reagan and George H. W. Bush administrations in Lebanon, the Clinton administration in Bosnia, and the [George W.] Bush administration in Afghanistan. In all of these cases, Iran delivered much—not all, but much—of what Washington asked,” they wrote last autumn. “A number of Iranian officials . . . have told us that they anticipated that tactical cooperation with the United States would lead to a broader, strategic opening between the two nations. But this never happened.”<sup>18</sup> It did not happen for several reasons, not least domestic opposition or intervening events, all of which underscore the essential fragility of the small steps approach.

The poor prospects for gradualism do not mean that none of its tools are employed. But the reliance on graduated steps backed by force on a path so perilous with pitfalls is not the best way forward.

### **The Task of Trust-building**

So far, the logic of better relations and a big leap to get there has been argued on the basis of interests, which is the coin of the realm in American political discourse. Not every dimension of U.S. foreign policy should be framed by interests, however.

Emotions and values play central roles in international politics, so they cannot be simply discarded for rationalist formulae. Part of the logic of the big leap is the relatively illogical matter of trust.

Creating a largely new relationship between two major countries with a recent history of searing animosity cannot come from a calculation of interests alone; it must, to be successful and durable, eventually involve growing trust. If one regards it as a strengthening agent, trust can be seen as an integral part of the structure of the new relationship. Two prominent scholars arguing the importance of trust, Ken Booth and Nicholas Wheeler, make the point that leaders operating by the mode of rational choice “can never give up the chance to exploit others if their utility will be benefitted by such action; trust requires actors to be prepared to eschew the satisfaction of their own utilities – something that is contrary to the nature of rational egoism.”<sup>19</sup> Agreements that are solely and explicitly based on rational interests (essentially the calculus of carrots and sticks) lack the binding energy of trust. And the small steps that most commentators favor to move the bilateral relationship is all about that calculus: if you do such and such, we will reward you with another step. This mechanistic approach is not only prone to failure for the reasons listed earlier, but is devoid of the *bona fides* that are imperative for substantial cooperation.

This is especially central to the U.S.-Iran relationship, because the sense of foreign betrayal, interference, and dishonesty is so strong in Iranian political culture, and is present in U.S. views of Iran as well. It is noteworthy in this regard that a principal adviser to the Iranian president said last year that international relations should be based in part on “friendships, kindness and affection between human beings. [The] Islamic Republic believes relations should be based on friendships and brotherhood.”<sup>20</sup> The frequency with which Iran articulates grievances about foreign domination or bullying also speaks to an emotionally grounded view that shapes its foreign policy.

The cohering material of trust is not the work of gradualism or coercion; it is achieved by a significant demonstration of changes in attitude, behavior, and policy. Booth and Wheeler identify four dyads as the topography of trust: (1) leap in the dark/uncertainty; (2) empathy/bonding; (3) dependence/ vulnerability; and (4) integrity/reliability. In the first, they point out that the fundamental security dilemma of uncertainty about others’ intentions can be never be completely laid to rest, but that the act of the leap—the initiation of transforming the relationship toward trust—is likely a necessity to secure the benefits of that improved relationship. The other three of what they consider to be trust building are perhaps more obvious, but all contribute toward a relationship of trust. They point out how this dynamic has played out in several important historical examples—Northern Ireland, Sadat’s speech

to the Knesset, détente between Argentina and Brazil, among others—and note the presence of each of the four in building a new relationship.

To these should be added a tacit or explicit agreement on norms as the *modus vivendi*, or set of guideposts, in the relationship. Norms affect state behavior, and those norms can be derived from national and cultural sources as well as global and universal sources. Building a bilateral relationship implies or requires agreement on norms of behavior, and to an important degree this is an expectation built on trust—seeing the other’s different interpretation of norms as being supportive of, or at least not fatally contradicting, the norms needed to proceed cooperatively. The very act and processes of trust and relationship building involves an accretion of norms. It is in this process that issues of human rights, for example, can be most helpfully brought along. Note that agreement or partial agreement on norms does not mean convergence on “metavalues,” the defining values of a society or state. But norms—rules of behavior—can be agreed to, and with such agreement trust building can proceed.

Of course, the flip side of trust is the possibility of betrayal. The U.S.-Iran relationship is so fraught with suspicion that this possibility will invariably be a worry. But the United States is not at risk from such a setback, apart from losing face. Iran has no military capabilities or other tools that can harm the United States, and a “surprise attack” is the least of their arsenal—far more likely would be simple withdrawal from the process or more of the same behavior that has already been troubling. (Regional allies might argue otherwise, but they have more to gain from a new Iran-U.S. relationship and can absorb some of the subsidiary risks.) In fact, the lack of risk for the United States comprises one of the strongest reasons to go forward with the leap and trust building.

### **The Logic of Leaping**

The case for transformative diplomacy—the big leap—toward Iran is not only because other approaches don’t appear promising, although that could be reason enough. Rather, it contains a dynamic character that can move many issues at once and that speak to U.S. and Iranian interests. It is quicker, more decisive, more sincere, less easily reversible, and focused on action over symbolic gestures, whether positive or negative. A legitimate question, however, is a leap to where? What is the landing? Two objectives should be uppermost. First is normalization of relations. Second is a productive and active cooperation on regional security.

Normalization is an oddly elusive goal, not much discussed and yet an obvious need. Much of what has transpired in U.S.-Iran relations since at least 1989 has fumbled over misperceptions about intent, communications, and the like. The level of

miscommunication or lack of communication on a very broad range of issues is astonishing, and leads to more corrosive results than just the missed opportunities of improving relations. They can and do affect everything from security in the region, to oil and gas development and pricing, to nuclear nonproliferation, to environmental management in the Gulf, and so on.

A very high price comes with the refusal to talk normally. *In current discourse, normalization is held out as a reward; it should instead be viewed as an instrument of sensible statecraft.*

The goal of productive relations to enhance regional security could proceed without normalization, though normal relations would enhance any such effort. The most immediate need for active cooperation is on Afghanistan, where Iran has considerable influence. On Iraq, too, the cooperation of Iran as well as other regional players is essential to long-term stability. This would involve much more than withholding the rote accusations by the U.S. military that Iran is responsible for instability and violence. It would instead speak to a common understanding of a path to stability and what stability looks like, with the key stakeholders in Iraq as well as other neighbors. Eventually, one can imagine a process for regional security and development that draws on the experience of European institutions and involves the Persian Gulf countries in a forum and institutions to enhance security and sustainable development.

Once we know where we're going (itself a rich topic of discussion between and within the two countries), the logic of acting decisively to get there is all the more persuasive. We want normalcy, stability, adherence to international norms by both countries, and a clear path to cooperation on a broad array of endeavors. Of course, we need a way to get there, too, which will be taken up later in this paper.

## **Precedents for Action**

### **Nixon goes to China**

President Nixon's opening to China in 1970-72 is the standard of bold diplomacy in recent American history. It is also shopworn. Many advocates of better relations with Iran avoid this comparison, in part because it has so many obvious differences from the current U.S.-Iran situation. But the episode is worth exploring briefly because it still yields useful insights.

The differences are mainly two. First, the opening was an act of balancing the Soviet

Union at a time when Sino-Soviet relations were poor. China and the United States both had this common reason to improve their relationship. Second, China was simply too big to be ignored indefinitely. While it was then far from the economic dynamo it became in the 1980s and '90s, it was the world's most populous nation, and by virtue of that, its sizable military, and its longstanding ties to many Asian countries, it was clearly a regional power.

Some similarities to Iran today are apparent, however, including the long period of hostility that marked what was essentially a confrontational—though nonviolent—relationship. The communist revolution had brought Mao and his comrades to power just 20 years before Nixon became president, and the “who lost China” argument in American politics was heated for nearly that entire period. China was viewed, for good reason, to be an implacable foe of Western capitalism and the United States in particular. The U.S. military was active on its border in Southeast Asia. And a key ally of the United States, Taiwan, then the home of Chiang Kai-shek and the nationalists who had ruled China for the 20 years prior to Mao's triumph in 1949, was a bitter point of contention with powerful friends in America.

The opening was begun by Nixon early in his presidency and was a closely held



enterprise, mainly involving a very small cohort in the National Security Council staff led by Henry Kissinger. China had probed for better relations during and after the Quemoy and Matsu crisis in 1958, but was rebuffed. In February 1969, Nixon asked for a broad policy review under Kissinger. On trade, the reassessment described two paths to easing trade restrictions—the “fell swoop” approach, a

sweeping change to ease restrictions, or the “artichoke” approach, a gradual peeling away of barriers, which was adopted in July. It proceeded from there to more easing of trade sanctions while Nixon and Kissinger were searching for a back channel intermediary. They found that link in Pakistani prime minister Yayha Khan. The process was earnestly put in motion by a series of signals sent from Nixon to China: removal of two warships patrolling the Taiwan Straits; more easing of “needless barriers” to “create broader opportunities for contacts,” as Nixon put it in a 1971 speech, including changes in visa availability, shipping, and exports; articulating a desire for improved relations, culminating in Nixon's April 1971 statement that normalization was the goal.<sup>21</sup> Nixon taking the lead on these signals, his own repeated interest in engaging China (which began before he became president), his use of Kissinger as the primary emissary, all reassured the Chinese that this was a major move.

China was responding, also at high levels. Much of the response was secret, and this secrecy—including trips to Beijing by Kissinger—became a problem within the Nixon administration. The State Department was largely in the dark and unable to coordinate with the rapidly developing changes wrought in the back channels. Taiwan was particularly nettlesome in this regard, as U.S. diplomats were publicly defending Taiwan's seat in the U.N., for example, while Nixon and Kissinger were telling Chinese premier Zhou Enlai that Taiwan was in certain ways dispensable. This problem of secrecy and bureaucratic infighting was never resolved to everyone's satisfaction. It was overcome as an obstacle only because of Nixon's intense personal involvement. One could say the same on the Chinese side, where severe opposition to the opening by factions in the communist leadership sent out contradictory comments and signals to the West, and finally led to a serious coup attempt.<sup>22</sup>

There was a more public effort at improving relations in addition to Nixon's occasional statements. For example, the Commerce Department had been instrumental in preparing the lists for lifting trade sanctions. Other bridges were being built as well—the ping-pong team exchanges, for example, and an important interview of Mao by Edgar Snow that was published in *Life*. So there was a fairly rapid change not only in how the president was framing Sino-American relations, but within the broader culture as well.

Importantly, both sides recognized that in addition to the manifold benefits of a better relationship, there were also costs of cooperation. Much of this hinged on the status of Taiwan, where both sides were required to step back from their ideal stance. “The underlying issue requiring negotiation in all cooperative relationships is how to distribute the burden of cooperation,” writes Robert Ross in one of the best treatments of Sino-American détente. “The outcome of any negotiation is primarily determined by the relative resolve between two sides to incur the cost of reduced cooperation. The side that has the most to offer and the least to lose is said to have the greater leverage in the negotiations.”<sup>23</sup>

This very brief review cannot capture what was a complex undertaking over three years, culminating first in Nixon's visit to China in February 1972, and then further negotiations and full normalization in 1979. But we do have a number of striking notions to draw from the experience:

- Presidential involvement is crucial. Without it, the Chinese would not have considered the signals to be as important, and the opportunities for spoilers within the administration would have been greater.
- Extreme secrecy stirs intra-governmental fights. This could have been fatal to the initiative, if Nixon's personal commitment were not so great. Where there

was some inter-agency cooperation, as with developing policy options on trade barriers, it was productive.

- Signaling from the U.S. to China was rapid, steady, unambiguous, and positive. There were no threatened “sticks” in this. The constructive tone and substance reassured the Chinese leadership and never put into jeopardy U.S. security interests.
- Normalization was a primary goal. This was articulated by Nixon from an early stage, and there was little if any equivocation about it.
- The Taiwan issue, long considered intractable, was handled carefully by both sides and did not present insuperable obstacles in domestic U.S. politics.
- The movement toward normalization was not free; both sides realized there were costs to cooperation, and they incorporated those costs into their calculations.

### **Reagan-Gorbachev Détente**

The peaceful conclusion of the Cold War offers a few lessons for U.S.-Iran diplomacy. While not as dramatic as the Nixon breakthrough to China, the Reagan-Gorbachev surge toward détente in the late 1980s was remarkable in many respects, not least the rapid de-escalation of a rivalry forty years or more in duration. The nuclear arms race was as perilous a confrontation as has ever existed in international relations, and the proxy wars in Asia, Africa, and Latin America were devastating to the local societies, some of which are still reeling. So while very sharp differences from current U.S.-Iran hostilities are evident, the very rapid demise of the superpower standoff is worth a close look.

In the differences lie some lessons. Among the most significant is that it was a very formal conflict. Entire bureaucracies were dedicated to it: not only the militaries and intelligence agencies of each country, but new institutions—alliances and their bureaucracies, arms control agencies, treaty regimes, and so on—vast and seemingly permanent. The defense intelligentsia, the news media, programs in universities, and civil society organizations, among others, buttressed the official focus on the rivalry. It was altogether a colossus. One can argue that it was that very scale, and the intellectual commitment entailed, which informed the public and the policy debate, devised innovative solutions, and helped forge a path to détente.

By the 1980s, U.S.-Soviet relations had been normalized for fifty years. At no time were diplomatic ties severed. Even in the midst of confrontations that plausibly could have resulted in a nuclear exchange (Korea, Cuba, Vietnam), Washington and Moscow maintained normal relations. Efforts to manage the rivalry were very active, if fitful, especially in the nuclear arena. By the time Ronald Reagan became president

in 1981, several major treaties had been signed and for the most part implemented—the ABM Treaty, SALT I and SALT II, the Partial Test Ban Treaty, the Helsinki Accords, etc. Military-to-military contacts were institutionalized. Reagan honored all these advances, as did a succession of Soviet leaders. There was, in short, a process based on mutual interests and verifiable arms control, trade, and other agreements. Each could in effect build on the next. Even when relations were soured by events, the process lived on. A web of norms had been spun, norms that included the emphasis on active diplomatic relations and the eventual goals of nuclear disarmament and peace coexistence.

The process of engagement itself was so large that new initiatives could emerge from many quarters, and did. Science advisors played a significant role with Eisenhower and Kennedy. The national security adviser was especially significant to Nixon and Carter. The State Department, which of course managed the relationship diplomatically, was particularly prominent in Reagan's second term (as it was after the Cold War in the Clinton administration). Security cooperation and the needs of the arms control process brought the intelligence and defense communities regularly into play. The numbers of actionable ideas that came from these official agencies were matched by those that came from the universities, the disarmament activists, and their counterparts in Europe—the “policy entrepreneurs” who developed and energized transnational networks, conveyed information, and helped nurture common norms.<sup>24</sup> There were vast numbers of spoilers, too: for example, the Team B intelligence exercise in the mid-1970s, a deeply erroneous overestimate of Soviet power, stalled action on arms reductions for several years and nearly sank the decisive Helsinki Accords.



Reagan's embrace of Gorbachev came after the two had met through the traditional summitry, and had let loose their visionary instincts at Reykjavik in 1986. By 1987, with expectations mounting, especially among European allies, and with the American public, which was educated and mobilized by the peace movement to demand détente and arms reductions, the winding down of the Cold War gained momentum. The INF Treaty, eliminating most nuclear weapons from Europe, and the deep cuts agreed to in the START treaties, came in rapid succession. Both leaders seemed to sense a Cold War fatigue and also recognized that changes were afoot for the USSR and Eastern Europe. They saw, to their equal credit, strategic advantages in ending the destructive, dangerous, and costly rivalry as it had been, but also a sense that they shared responsibility for reducing the danger of superpower conflict.

What enabled their vision, or their sense of opportunity, was in part the intellectual



depth of the enterprise—there were many Sovietologists, many people who had spent time in Moscow, many who had studied the technical and political parameters of disarmament—as well as the public’s demand for an end to the nuclear peril. When it came time, the knowledge to make détente happen was available. This was equally true in Western and Eastern Europe and in the Soviet Union. In Moscow, the nature of the political system meant that Gorbachev’s authority was nearly enough to carry the day, though he also had to gain support of key Soviet players. The Soviets had to overcome the sense of insecurity forged by the Nazi invasion of 1941, still a living memory for many, and the encirclement they felt from the U.S. policy of containment.

Reagan and Gorbachev’s personal relationship was a key to success. They had five summits and exchanged numerous notes and proposals. The communications were aided significantly—perhaps decisively—by the presence of skilled ambassadors in each capital, who served as interlocutors, and close cooperation between Secretary of State George Shultz and Foreign Minister Eduard Shevardnadze.<sup>25</sup> The bureaucracies were able to provide technical assistance, and of course at times were the combatants in turf battles, opposition to the speed with which the leaders moved, and so on. Indeed, some rhetorical criticisms of each other’s behavior in the international arena remained heated, but never seemed to interfere with progress in détente.

With the personal diplomacy, the frequent meetings and contacts, the intellectual backup, mobilized public opinion, and increasingly articulated and shared norms, the relationship improved markedly between 1986 and 1988. The major barriers that had blocked closer cooperation in the past—rigid interpretations of ideology and interests particularly—were in this process laid to rest.<sup>26</sup> The spoilers were kept at bay in that period, though they reappeared in both countries after Reagan left office.

The relevant points of this détente, then, are five:

- Formal diplomatic relations existed for many years, and this mode of communication was crucial in enabling constructive dialogue.
- A sizable commitment to understanding each other was established over a period of years, including extensive contact through scientific, educational, and cultural exchanges.
- A web of interlocking institutions and norms were part of the long-term engagement.
- From 1986 to 1991, progress toward a winding down of the Cold War was fairly steady, with obstacles—events, residual policies, and spoilers—slowing but not reversing this progress.
- The personal involvement of Reagan and Gorbachev were crucial to forward

movement.

It is often said that only conservative American politicians can take the political risks associated with transformative diplomacy. One can argue that exhaustively—there are examples, like Kennedy’s unilateral nuclear test ban, which point in the other direction—but one consequence of Nixon and Reagan’s actions in this regard is that they serve as models for the wisdom of this approach precisely for those most likely to oppose it. Virtually no one today argues that Nixon’s opening to China and Reagan’s embrace of Gorbachev and détente were mistakes, or put the United States at risk.

Other bold steps elsewhere—Sadat’s dramatic concordat with Israel, for example—also diminished the risk of war and built an enduring agreement, but were viewed as nearly unthinkable at the time, with unlikely partners and a profound shift in the terms of negotiating strategies. Bold initiatives that did not work—perhaps most importantly, Jimmy Carter’s broad proposals for nuclear arms reductions in March 1977, quickly rejected by the Soviets—also did not risk national security. (Carter’s failure is generally attributed to a lack of preparation, and taking the proposals public before discussing them with the Soviets, and his eagerness on human rights.<sup>27</sup>) The clear conclusion of these episodes is that bold diplomacy, carefully thought out, can produce enormous benefits without undue risk.

The guidelines for the Obama administration are easy to see, and are included in the next section on how to implement a new approach. Presidential involvement is perhaps the most obvious. Personalities are not—less likely breakthrough artists than Nixon and Reagan would be difficult to imagine—and so assumptions should not be made on that basis. Bold thinking and bold actions clearly were part of the package in each successful case. Keeping eyes on the prize also was essential: there are setbacks, events that provoke criticism, misunderstandings, and the like along the way, but the leaders must be focused on the ultimate goals and not let minor scrapes so wound the process that it dies. Even under the best of circumstances, the new approach takes time, and that permits many new obstacles to appear. A mutual commitment to success is the first and most indispensable condition.

## **The New Approach**

The mutual interests of Iran and the United States for an improved relationship are plain and compelling. The benefits for the region are apparent. The new administration in Washington has articulated its willingness to search for a new approach to Iran. The table is set. How, then, does it actually happen?

The precedents and the history of the relationship both provide us with some ideas about how President Obama can take a bold approach, one that is not dependent on the old thinking—“carrots and sticks,” coercion, isolation—but forges its own path and does so with major initiatives.

### **Governance of the Approach**

The way a diplomatic initiative is governed or organized within an administration is crucial to its success. The first “rule” is the commitment and direction of the president, the *sine qua non* of transformative diplomacy. That direction would then necessitate inter-agency coordination that includes principals from the NSC, the State Department, the Defense Department, the CIA, and the Treasury Department. This group (assistant secretary and equivalents) would be asked to develop a reassessment and a presidential decision memorandum mapping the new approach. This arrangement implicitly argues against the kind of secrecy that characterized the China opening. Secrecy has its place, and not every jot and tittle of the new approach needs to be made public. But hiding back channels and major undertakings from the secretary of state or other major players, including congressional leaders and some key journalists, is a recipe for failure. Kissinger and Nixon were lucky in this regard.

This inter-agency process of principals from State, Defense, CIA, and NSC must be fortified against internal spoilers. The Nixon-China and the Reagan-Gorbachev experiences both had spoilers lurking in the shadows of this or that nook of government, sometimes outspoken, sometimes much quietly determined to stop the process. (They largely failed because of presidential commitment.) The U.S. Government is so large and there are so many people with at least a plausible link to Iran policy that spoiling can become a constant threat, typically done through bureaucratic means—slowing down, sowing confusing, throwing out red herrings, etc. Leaking damaging comments to ever-eager journalists is another tried-and-true means of ruination. This suggests two remedies. First, the president and close advisors need to keep a tight rein on the inter-agency group responsible, with clear lines of authority, agreed direction, and timely action. Second, the pronouncements on Iran should come only from a designated number of officials—the president, secretary of state, national security adviser, and perhaps one or two others. Anyone else speaking on Iran policy would thereby be considered as unauthorized, something to be made clear to reporters and within the bureaucracy. Any reported dissent or damaging comments coming from within the bureaucracy should be disavowed to the Iranians and perhaps publicly. It should be made clear to Tehran from the outset that only messages with the president’s imprimatur are genuine.

This does not mean that there cannot or should not be a spirited debate within the government about the direction of policy. The principals' meetings, the Policy Planning Staff at State, and the NSC staff are all proper venues for free-wheeling discussion. But the general direction, once set and proceeding well, and the messages beyond the proverbial four walls, must be closely held.

Congressional leaders should be consulted and informed of progress through regular briefings and discussions, and testimony. While Congress tends to be in the grip of special interests more than the executive branch typically is, open debate about changing the course about Iran-U.S. relations is necessary and prudent. Some action from Congress could be necessary to make a new approach work.

Governance also means coordination with international organizations to which the United States and Iran belong, most obviously the United Nations. A number of U.N. agencies are active in or with Iran, such as the International Atomic Energy Agency (IAEA), the World Bank, and the U.N. Development Program. These forums provide ready opportunities to communicate directly to each other, something avoided for many years even at the working level. Several other international organizations provide similar platforms for cooperation and signaling, and no matter how small in scale, each can be employed to move the relationship in the same direction. The assistant secretary of state for international organizations can coordinate this effort, with participation from relevant bureaus.

Foreign consultation is a pivotal part of managing a new initiative. Three reasons apart from good manners suggest this. First, other countries can state their concerns about their relationship with Iran, and the possible effects of a breakthrough in U.S.- Iran diplomacy. One wants to be sure that the general terms of a new relationship will not disturb some key allies, such as Saudi Arabia, Egypt, Jordan, or Turkey, for example (Israel is discussed later). There is little reason to think that it would disturb them, but their anxieties need to be taken into account, and they doubtlessly would have some insights into the approach itself. Second, the major trading partners of Iran can encourage cooperation in Tehran, and also provide diplomatic backup. Russia, China, Japan, Europeans, and others will benefit from lowered tensions and an open Iran. This "win-win" can create favorable momentum. Third, some U.S.-Iran issues clearly involve other states directly, as with the nuclear issue and E3/EU and Russian involvement. Cooperation can and should involve Afghanistan, Iraq, and possibly



other countries in Central Asia and the Caucasus.

Again, the approach should be consultation, not lecturing or demands. The United States and Russia, for example, need not agree on every aspect of the U.S.-Iran relationship, but their views must be fully considered and if possible integrated into the American approach. Success in this broad and ambitious initiative needs broad agreement, not least to diminish the possibility of spoilers, but also to gain the widest possible benefits from the change, which would include favorable outcomes with other countries. This is a sizable diplomatic endeavor, to be coordinated by the secretary of state and the undersecretary for political affairs.

### **Necessary Actions: the New Language of Dialogue**

The actions needed to change the bilateral relationship begin with a new tone and sensibility in public and private pronouncements. As has been widely noted, the United States has for many years used patronizing and even demeaning language with reference to Iran, almost without exception. It has described Iran as a rogue state, a terrorist state, non-democratic, abusive to its own citizens, fanatical about developing nuclear weapons, aggressive toward its neighbors, anti-Semitic, the primary cause of violence in Iraq, and worthy therefore of economic strangulation and military invasion to overthrow the Islamic Republic. With only minor modifications, the rhetoric has not changed for years. It is time it did.

The sensibilities of the Iranians are only one reason to alter our speech. The charges are significantly exaggerated in many cases. The United States has diplomatic relations and open trade with Pakistan, Saudi Arabia, Egypt, Russia, China, and others who could be criticized along the same lines, and as a result the language and actions reserved for Iran are particular and in this sense hypocritical. The constant references to “all options are on the table” and the longstanding policy of regime change (the latter now suspended) are more than insulting and alienating, they are likely illegal and certainly counterproductive.

A change in how the president and all others in the Obama administration speak about Iran is a simple, no-cost, and necessary step that can be accomplished through signaling as well as actual speech. While it seems evident that this is now occurring in many ways—particularly with the president’s refreshing Nowruz video message on March 19—some have slipped into patronizing phrasing and the language of intimidation. It is long past time to recognize in public discourse the fact of the Islamic Republic, that most Iranians and others in the region consider it to be legitimate, that this is an ancient civilization that expects its due.

## Apologies Needed?

Iran's set of grievances against the United States is lengthy and in many respects hard to refute, and these grievances routinely spur Iranian leaders to demand an apology for these past wrongs, as President Ahmadinejad did once again in January 2009. Most persistent in the list are the U.S. role in ousting the democratically elected prime minister of Iran, Mohammed Mossadegh, in 1953, and then backing the repressive Pahlavi regime for 25 years; the strong support of Saddam Hussein's regime during the Iran-Iraq war; the shootdown of an Iranian airliner during that war by a U.S. warship, killing 290 civilians; the economic sanctions over 30 years; and the policy of regime change. America has its list, too, topped by the embassy hostage-taking of 1979-81.

The role of contrition and acknowledgement in international relations has recently earned ample attention. The extent to which a state apologizes to another state for bad behavior in the past is a calculation about (as ever) national interests, legal dimensions (*e.g.*, reparations), and domestic and world opinion, among other things.<sup>28</sup> Perhaps the more important of these factors for our purposes is what kind of relationship the government of a culpable state wants to have with the "victim." A relationship as troubled as that of America and Iran is fraught with so many emotional scars and open wounds that proceeding with a productive diplomatic approach seems inconceivable without coming to terms with this sensitive history.

The power of apology should not be underestimated. A recent study of Palestinians and Israelis shows that simple apologies and acknowledgements would go far in repairing the relationship.<sup>29</sup> One can imagine the potency of an Iranian apology for the hostage taking in particular, which was a trauma not only for the American people but the U.S. diplomatic corps. Iranians would also react favorably to such a gesture.

**But how to do so?** Secretary of State Madeleine Albright took up the challenge in a speech in 2000, drawing from remarks by President Clinton that acknowledged past U.S. mistakes. It was done in very general language of "regrets"—no actual apology—which was accompanied by the U.S. list of Iranian misdeeds past and current, altogether angering the Iranians.<sup>30</sup> Albright, perhaps, was concerned about a domestic political backlash if the gesture were not accompanied by the usual litany of American charges against Tehran. And this frames the quandary of international apologies in general.

Apologies need to be sincere and substantive, or it will be perceived as a stratagem by the victim. It should earn broad agreement in the society of the apologizing state, or it will be excoriated by domestic political opponents as an unnecessary and perhaps humiliating capitulation. Already, we see the difficulties a president faces when apologizing: Clinton was roundly ridiculed by conservatives in particular for several expressions of regret (to Hawaiians, Rwandans, Guatemalans, and Chinese for the bombing of their embassy in Belgrade, etc.). Backlash is there for all to see, including the intended recipient of the apology; it is, indeed, part of the repertoire of spoilers.

The better approach is to move toward a discussion and statement of mutual recognition and acknowledgement of errors, misperceptions, and poor judgment. This can be pursued, with careful preparation, in the early stages of comprehensive bilateral talks. At the same time, the U.S. Government and the Islamic Republic should both encourage civil society organizations to engage in efforts that fully explore the divisive history of the last six decades. A robust effort at that level can accomplish as much as official contrition and avoid the missteps that often beset apologies. This is one of the best uses of unofficial or "track two" diplomacy. The processes of societal and official acknowledgement will heal some wounds and, most important, reduce the sense of threat that each side perceives in the other.

This is particularly important with respect to Iran's security interests. In language,

certainly, American references and pronouncements about Iranian security interests, and those of the region that affect Iran, requires an immediate and thoroughgoing revision. The “all options are on the table” nonsense needs instant discarding—it is fiction and it is insulting. Acknowledgement of Iran’s contributions to regional security, its interests, and a future role in security all can go a long way toward reassurance and opening further opportunities for concrete bargaining.

In this light, a change in American language is warranted immediately. This would include actions that:

- Express respect for Iran’s civilization and its sovereignty
- End patronizing language
- Acknowledge Iran’s security interests and end threatening language
- Engage in discussion of past U.S. mistakes

The last can be a formal apology or something less (see box), but given the repeated mentions of apology in recent Iranian statements, even a formal apology could be a relatively painless way of moving forward quickly. (It may prompt Iran to do something similar for the embassy hostage taking.) Coupled with an absence of threatening or demeaning language, an apology would transform the atmospherics of the relationship.

### **Necessary Action: Lifting Sanctions**

The economic sanctions imposed on Iran have taken many forms over three decades. They have not worked and are counterproductive. The biggest, tangible step President Obama could take is to suspend the sanctions that are unilateral. U.N. sanctions should remain in place until a satisfactory result is found for the nuclear development issue. But much can be done by American action alone.

The mechanics of this are not difficult. Lifting sanctions under the Iran-Libya Sanctions Act would require a presidential finding or certification, as occurred with respect to Libya; in the case of Iran, it would require certification that Iran is not pursuing development of weapons of mass destruction, and also removal from the list of state sponsors of terrorism.<sup>31</sup> Selectively lifting the sanctions and other restrictions on trade and investment, unfreezing assets (mentioned often by Iran), and other such actions would constitute the major step in transforming the relationship, given how important the sanctions are symbolically and to some extent tangibly.

Such action would back the new language of dialogue with consequential measures that have genuine significance for the ordinary citizen of Iran. The precise way this is

done will depend on circumstances to some degree, but the wisdom of proceeding is apparent and logical. The president would announce this in a major speech, perhaps to the United Nations, that would explain the action not as a reward to Iran (thereby denying triumphalism in Tehran) but as a tangible gesture of good will and the expectation that Iran will reciprocate in some suitable manner. It should not be a quid pro quo, however. The point of the gesture is to demonstrate unambiguously that the United States wants to change the relationship.

Lifting sanctions would encourage business to establish new ties and start the kinds of trade linkages that frequently promote better relationships across societies, industrial sectors, and the like globally. Iranians are justly wary of dependence on U.S. goods and services, however, a sentiment born in the Pahlavi era and one of the principal reasons that some in Iran oppose better ties. How to follow the lifting of sanctions—how, in short, to promote fair trade—needs further thinking, both to avoid a gold rush mentality on the part of some American business sectors, which could create a backlash, and to take a measured approach that signals good intentions apart from money making. Too much too fast can upset the relationship as much as too little too slowly. This calculation should be drawn with broad consultation within the U.S. Government and business sectors, as well as with major trading partners eager to reengage in Iran.

The emphasis on good intentions would likely involve more than investments in the energy industry or in aircraft and the like. It could, importantly, include activities and services like health care and related professions, which have direct benefits for populations.<sup>32</sup> Increased citizen-to-citizen contact might also accrue with lowered barriers for visas. As it is, Iranian students in significant numbers—about 2,000—are still coming to American universities, although this number has dropped since the early 1990s. International NGOs in environmental management and sustainability, health awareness, consumer protection, and similar public-goods activism may be another network of linkages between Iran and global civil society, with broadly distributed benefits. Among these is connecting Iranian scholars and other professionals to the global epistemic networks that can enhance their work in Iran.

The point here is not to lay out a blueprint for increased global involvement of Iran or the specifics of non-governmental American-Iranian ties, but merely to indicate that the lowering or elimination of sanctions involves more than just direct foreign investment, oil and gas development, and other obvious needs and ventures.

So the opportunity on sanctions can be summarized as action to:

- Lift all unilateral sanctions and other restrictions, apart from those governing nuclear technology



- Release Iran's frozen assets
- Create standards of conduct for American businesses seeking trade with Iran, in consultation with the business sector, major trading partners, and Iran
- Promote non-governmental contacts by reducing visa barriers and other restrictions impeding cultural, civic, and other exchanges

### **Necessary Action: Normalizing Relations**

The absence of formal diplomatic ties to Iran is an absurdity. This huffy response to the Islamic Revolution undercuts U.S. interests and general comity every day through the lack of a reliable channel of communications. (The Swiss have acted admirably since 1990 as the U.S. representative in Tehran, and the Pakistanis have done the same for Iran, but their good offices are not adequate no matter how competent and earnest.) Normalization could proceed quickly in concert with the lifting of sanctions and other gestures of a new relationship.

The U.S.-Iran relationship is replete with missed opportunities, and many of these can be traced to the lack of normal communications. This paper will return to some of these in discussing Iran's possible response to a new overture, but a few are worth noting here to illustrate why this opaqueness is a foolish pose. The history of U.S.-Soviet relations also demonstrates the central significance of open and constant diplomatic relations.

Two cases, among others, illustrate this in the Iran-U.S. case. First was a letter sent from President Clinton to President Khatami in 1998, meant to open the possibility for dialogue. Because there were so many would-be private diplomats—people claiming to be able to act as go-betweens, but not considered reliable—the Clinton team decided to create a channel through the Sultan of Oman. A letter was delivered by Martin Indyk, Assistant Secretary for Near East Affairs, and Bruce Riedel, a Special Assistant in the White House, the NSC's main expert on Iran. They traveled to the sultan's chateau outside Paris to give the letter to the sultan and his foreign minister. The latter took it directly to Khatami, although when delivered, Foreign Minister Kharrazi was also there. The letter, in the words of an Iranian diplomat some years later, was "filled with accusations" over the 1996 bombing of Khobar Towers, a housing complex in Saudi Arabia being used by the U.S. military, which cost the lives of 19 American servicemen. (Iran continues to deny a role in the incident.) A response, some weeks later, was guarded and uncooperative. Had there been diplomatic relations, the entire episode would have been unnecessary. Other foibles during Clinton's presidency were equally revealing in this respect—a missed handshake at the U.N. between presidents, a hoped-for meeting between top

diplomats turning into a farce of mistaken identity.

Another case is the 2003 letter from Khatami, possibly approved by Supreme Leader Ali Khamenei, to the Bush administration and conveyed by Swiss diplomat Tim Guldimann.<sup>33</sup> The letter offered a “grand bargain” on all outstanding issues—*i.e.*, Iraq, nuclear development, support for Hamas and Hizbollah—in return for security guarantees. It was completely ignored, likely scuppered by American hardliners believing that they could intimidate Iran further via the invasion of Iraq. Whatever the letter’s fate, its proposals now look very attractive and should have then as well. Needless to say, diplomatic relations at that time would have obviated the need for the Swiss channel and the “confusion” about the letter’s status.

There are other incidents of these kinds. The animus driving the withdrawal of diplomats three decades ago surely is not commensurate with the damage this lack of ordinary communication exacts. It is astonishing, in fact, that the simple conveyance of a letter is so fraught. But that’s the penalty for believing that normalization should be a reward rather than an instrument. And it is a considerable penalty, for progress on the issue most important to Americans—nuclear restraint—would be served tangibly by having full diplomatic relations.

Normalization can proceed along with the other initiatives perhaps along a separate but simultaneous negotiating track. The Libya example of ending its diplomatic isolation in 2003 does not really apply here, as normalization was linked to certain other measures that do not apply in this case—the nuclear issue, for example, which was at the center of the Libyan case, needs to be handled discretely and would benefit from normalization. The long period preceding formal normalization in the U.S.-China case was occasioned by the status of Taiwan; no such issue should slow down U.S.-Iran normalization. It should be done quickly.

### **Necessary Actions: Ending Threats**

The encirclement of Iran by nuclear states and deployments, the covert actions on Iranian soil, and the threats of further military action all feed a sense of siege. Iran’s history is one of repeated dominance by outside powers, and the encirclement sets off historical memories and grievances. Even more tangible is the enormous costs of the war Iraq began by invading Iran in 1980, a war lasting eight years and costing hundreds of thousands of Iranian lives. The international community was largely unresponsive to Iran’s plight, and the United States actively aided Saddam Hussein’s regime during the war with \$5 billion in credits, real-time intelligence, high-tech, diplomatic cover (and indifference on chemical weapons use), and naval escorts.

So the sense of unfair treatment and insecurity is very much alive and deeply embedded in Iran's political culture. It has been exacerbated in recent years by Americans relentlessly blaming Iran for violence in Iraq, a peculiar refrain from the country that invaded Iraq, and ignoring the positive role Iran played in Afghanistan—housing two million Afghan refugees in the 1980s-90s, helping defeat the Taliban and cooperating further in the Bonn conference in 2001, all rewarded with the “axis of evil” speech.

The neglect or intentional disrespecting of Iran's security interests is more than a matter of rhetorical missteps. It amounts to a misunderstanding of Iran's intentions and expectations, a very poor basis for U.S. strategy. Iran's calculations about its own security are such that the repeated threats and actions—*e.g.*, covert action during the Bush administration and by Israel—may be driving it to a maximalist response.

As a result, and as a foundation of a new relationship, conveying security guarantees is an urgent priority. Holding onto the threat of regime change via military force, or military strikes against nuclear facilities, is not a bargaining position of equality or respect. This change is often alluded to but needs actual demonstration by American officials. Military threats should be disavowed. Soft power attempts to change the regime should be stoutly resisted by ending all “democratization” programs and the like with regard to Iran.<sup>34</sup> No sturdy relationship can be built with one side—the much more powerful side—constantly referring to, enacting, or covertly attempting an overthrow of the other's state. Even during the Cold War, the goal of peaceful coexistence was prominent, and neither side had the ability to militarily bring down the other. Institutionalized coexistence can and should be the goal for the U.S.-Iran relationship as well. To that end:

- Forego military threats in any form
- End all military action and covert action
- Foreswear regime change, including “democratization” funding

### **Making the Case**

This paper is not the first to outline a logic for transformation of the U.S.-Iran relationship. Several others have made similar appeals. The Leveretts' article cited earlier is perhaps the strongest. Consider, too, the articulate presentation by Michael McFaul, Abbas Milani, and Larry Diamond two years ago: “Washington should propose to end the economic embargo, unfreeze all Iranian assets, restore full diplomatic relations, support Iran's entry into the WTO, encourage foreign investment, and otherwise move toward a normal relationship with the Iranian government.”<sup>35</sup> They place this in the context of Iran reciprocating directly,

including nuclear program restraint, protection of human rights in Iran, and other conditions. However helpful, this formulation puts too much stress at the front end of a new relationship, loading up the process with expectations and conditions that can, if not delivered efficiently, upset the entire process. (A number of human rights activists in Iran, argue for letting them handle that matter, that outside interference does not help their cause.<sup>36</sup>) Nonetheless, it is an important document given the breadth of their argument and the prominence of the authors.

Similarly, a policy brief by Kurt M. Campbell, James N. Miller, and Christine Parthemore of the Center for a New American Security outlines what they call “game changing diplomacy,” essentially a negotiating strategy without preconditions. While built on a rewards structure—*i.e.*, if Iran does A, it will receive Y in return—it makes several valuable points. On normalization, they say in this November 2008 document, “The need for direct talks can be understood by considering a hypothetical: If Iran achieves a nuclear weapons capability, it will be essential for the United States to have direct communications with the regime as it does with Russia and China, and for that matter with North Korea. If the United States would do so for a nuclear Iran, why should it not do so for a non-nuclear Iran?”<sup>37</sup>



Afghan refugee camp in Iran

These among other useful policy discussions go well beyond where the center of gravity has been on Iran policy for several years. Still, they place too much emphasis on specific Iranian reciprocation. That certainly would be welcome and eventually expected for a cooperative relationship. But setting up a mechanical process in which the United States offers incentives that Iran must accept in order to proceed to the next step is likely to pose too many hazards: a misstep, a delayed step, a misinterpretation, throws the entire mechanism out of sync. If, for example, the Iranians believe they are being dictated to—these are the American terms, after all—then the entire prospect for cooperation is jeopardized.

Most every independent study of U.S.-Iran relations recognizes that long-term security considerations for the region should be part of an ongoing discussion. One ambitious but feasible proposal is to pursue the creation of a regional security forum to increase transparency, discuss intentions and capabilities, and lower the level of suspicion. Such measures would be reassuring to Iran and provide one of their basic needs to move forward. It would also be reassuring to other states in the region.

The U.S. approach can also engage Iran in joint regional or even global development projects, possibly humanitarian in nature, that provide a platform for the two countries to work together. The projects can involve immediate and urgent regional issues like Afghanistan and Iraq. They could involve matters like disease prevention or environmental protection. A series of such joint endeavors takes the onus off of the needs of one side or the other and yet builds cooperative relations that can affect the more obvious issues of bilateral concern.

By going beyond the rewards structure, the “we demand and you must respond for us to proceed” mechanism—the United States *with* Iran can recreate their relationship rather quickly and productively.

An open-ended quality of U.S. actions—expecting but not demanding reciprocation—would comprise truly transformative diplomacy: reducing or eliminating the major sources of division, accounting for the difficult history of the two countries’ interaction, forging normal diplomatic channels of communication, and building trust. The process unfolds over many months, with plenty of opportunities to gauge Iran’s response and the evolution of its interests. It immediately sets in motion other social and economic processes that can build links and provide forward movement. It brings in the key players of the international community to reinforce the advances.

There are other obstacles to deal with, formidable in potential, not least Iran’s response. But the tenets of transformative diplomacy, if deftly put in place, provide maximum flexibility and momentum.

## **The Challenges**

Naturally, a task of this scale and importance has many obstacles to hurdle. Several, no doubt, are difficult to foresee. Others are the usual suspects in the camp of ceaseless hostility toward Iran and indeed toward much of the Muslim world. Some Americans would find it difficult to overcome their distress at certain actions or statements of Iranians, such as the 1979-81 U.S. embassy hostage taking. The most significant challenges, apart from what is discussed below, will come from those seeking political advantage against the president. Transformative diplomacy takes courage, precisely because one is politically vulnerable to attacks that readily play on longstanding American cultural tropes about strength, going it alone, civilizational superiority, and the like. In a political atmosphere that has many nodes of opinion-hyping and fear-mongering, keeping a steady course requires discipline, intelligence, and clear articulation of the goals and benefits of the new approach. President

Obama has those qualities, as do most of his most senior appointments. Notably, the certainty of vehement and well-orchestrated opposition provides additional impetus to the logic of quick and decisive action.

The other main obstacles can be dealt with and would, if pursued nimbly, quiet some of the opposition's cacophony. Like so many elements of this new approach, the coordination tasks are considerable—staging the different moves and having the agility to adjust to setbacks or the unexpected. Coping with the different challenges requires a strategy—a game plan—in which coordinators are communicating with each other constantly, with outside advisors, with key foreign leaders, and so on. Its very complexity is one of its greatest vulnerabilities.

The complexity is magnified not only by the history of relationship and the political opposition inside Washington, but by three other principal obstacles: Iran's reaction, the nuclear issue, and Israel.

### **Iran and the New Approach**

While it is hardly easy to predict how Iran would react to the set of significant actions outlined in the last section, we have a reasonable gauge of their sensibilities and interests. As noted earlier, their interests are quite clearly favorable to rapprochement. They have demonstrated on a number of occasions their willingness to engage with the United States, and the goals of such engagement seem to be generally compatible with the United States. What is far less clear is how a very broad and rapid détente would be viewed, and whether the forces within Iran that are leery or stoutly opposed to engagement are able and willing to block progress. It is a near certainty that if the language of an approach does not change from the last eight years, Iran's reaction will also be the same—essentially dismissive as unserious.

President Ahmadinejad has expressed a willingness to talk. As is often noted, the Supreme Leader, Ayatollah Khamenei, has in more reserved language expressed a willingness to engage. At the level of political pronouncements, the table is set.

What is more problematic is responsiveness to specific issues, even by those willing to negotiate with the United States, particularly on the two most nettlesome questions—Iran's nuclear development and its support for Hamas and Hizbollah. These issues will also provide the grounds of opposition from those in Iran who oppose any rapprochement.

As several scholars note, however, Iran's foreign policy has been guided more by pragmatism than ideology.<sup>38</sup> This is perhaps more evident in dealings with regional

states, with which it is primarily concerned. Its posture is described as “defensive realist foreign policy.” As one prominent Iranian analyst, Kayhan Barzegar, explains:

The greater the number of foreign threats made against Tehran and its overall political-security system, the more likely Iran will be to assert and employ the Shia ideological element inter alia in its own security approach to foreign policy. A diminution in foreign threats will, conversely, lead Iran to stay in its immediate circle of security, exerting lesser arguments of ideological elements as well as focusing on the economic and integrative approach in its foreign policy regulations.<sup>39</sup>

With the United States, the deep sense of grievances, as noted, color Iran’s approach and response. They can and do act “rationally” and with their own interests uppermost, but the rhetoric and the barriers to typical interest-based diplomacy are sometimes extraordinary, due significantly to threat perceptions and the difficult history. As a result, Barzegar suggests, “a real change by Obama’s administration, as expressed by Iranian officials like Speaker of the Majlis Ali Larijani, should be fundamental and based on redefining Iran’s role in U.S. regional policies.”<sup>40</sup> If this is accurate, then big leap diplomacy may not only be acceptable to Tehran, it may be the only means to alter the relationship.

Recently, too, a number of signals have been coming from Iran that they want negotiations on a grand scale. Consider the March 5 *Financial Times* article by former diplomat Sadegh Kharrazi: “Mr. Obama’s team needs to initiate a comprehensive dialogue with Iran. The U.S. should look at Iran as a partner on equal terms, which will not be achieved by using failed strategies of ‘containment,’ ‘sanctions’ and ‘regime change’ but rather by opening new horizons for both countries.” Foreign minister Manouchehr Mottaki said in mid-March that if “President Barack Obama ‘puts words into actions’ then Iran ‘will give an appropriate response.’”<sup>41</sup>

Of course, there are those in Iran who see the United States as a power not amenable to a relationship of equality. “The ‘principled’ opponents really believe that the United States is an imperial power and cannot have a relationship with Iran which is anything but patron-client,” writes another Iranian scholar, Farideh Farhi. “The question for them is whether the U.S. can have relations with Iran, while still having differences on significant issues. They doubt it and are mistrusting of any U.S. moves precisely because of this.”<sup>42</sup> The reassurances that should stem from this observation are that these potential “spoilers” will act against rapprochement if the United States dictates terms, continues threats, and otherwise persists with the old thinking. Perhaps nothing will satisfy them, but the standard tropes of U.S. discourse and carrots-and-sticks posturing do nothing to bring this powerful group along.

U.S. policy and opinion elites also misjudge Iran’s view of the United States. The

errant invasion of Iraq and current declining position in Afghanistan, among other regional setbacks, convinces some leaders in Tehran that the United States “is not so strong to present a threat,” in the words of a former official. “Iran knows now how to deal with challenges.”<sup>43</sup> Rapprochement is not viewed as an absolute necessity.

What virtually all analysts emphasize is the element of respect, including the acknowledgement of an important role for Iran in regional security. Making sure Iran is a partner in stabilizing Iraq and Afghanistan in practice as well as in speeches, may go further than conventional wisdom expects in opening Iran to further productive discussions on even harder issues.

### **Nuclear Weapons**

The issue of nuclear development in Iran has become the pivot point of the relationship. It is a hard case, to be sure. The occasionally cooperative, often opaque and diffident and sometimes defiant attitudes of Tehran have frustrated friends and foes alike. To the puzzle of Iranian intentions, one must add both the U.S. National Intelligence Estimate in 2007 concluding that Iran has no nuclear weapons program and Iran’s risky dismissal of global concerns and its oft-repeated assertions that it has no weapons program or aspiration, echoed in Khamaneh’s 2004 sermon declaring that “developing, producing, or stockpiling nuclear weapons is forbidden under Islam.”<sup>44</sup>

At the same time, nothing demonstrates the futility of coercion and supposed carrots-and-sticks tactics more than the U.S. and E3 approach. The imminent breakout to nuclear weapons has been predicted for Iran for nearly 30 years, and for that time increasing pressure has been applied, to little or no avail. The question is, what can change this desultory dynamic?



U.N. Security Council, 1948

Consider first what has *not* been tried. If Iranians are pursuing nuclear weapons, why are they doing so? The reasons could be many, but among them are security concerns. Nuclear weapons are an equalizer, or better. Until 2003, Iran must have acted on the possibility that Saddam Hussein was moving toward nuclear capability. It is surrounded by nuclear states or U.S. deployments. As with India and Pakistan, the seeming logic of nuclear development was powerful when one sees the main adversary as moving toward nuclear capability. Once Saddam’s regime was overrun



and no weapons were discovered, Iran ended its weapons program (according to the NIE). Some argue that the “demonstration effect” of the quick undoing of Saddam led Iranian leaders to sue for peace and end the program; that interpretation is plausible, but since the Iraq war has gone awry, such a military option is not plausible.

Still, security concerns are likely at the core of nuclear development, and as a result the emphasis on providing security guarantees to Iran’s leadership is one of the easiest and potentially most rewarding actions the United States can take. Once made, they can markedly change perceptions and actions.

The offering of security guarantees is a diplomatic move, of course—removing a failed tactic of coercion—and would need to be part of a broader diplomatic effort on the nuclear issue. While it is popular to depict the E3 and U.S. engagement as serious diplomacy wrongly rebuffed, it is far from certain that this is accurate. American statements and bargaining positions have not had the ring of a serious undertaking, instead offering demands and preconditions that assume an outcome (the suspension of enrichment), and couched in relentlessly hostile language that continually imply military strikes are actively considered. As recently as March 3, 2009, Secretary of State Hillary Clinton stated in a press conference with the Israeli foreign minister that “We intend to do all that we can to deter and to prevent Iran from obtaining nuclear weapons. That is our stated policy. That is the goal of any tactic that we employ.”<sup>45</sup> The statement, one of several on the same trip, reflects little if anything different from the Bush administration. Alarms are rising about the nuclear material Iran has accumulated through enrichment—from none other than the chairman of the joint chiefs of staff—with misleading statements about Iran having enough to build a bomb: it must purify the enriched uranium, fabricate it into a deliverable weapon, and fashion a delivery vehicle, all done reliably—a daunting set of tasks that place it years away from weaponizing, if indeed that is the path they’re on. The IAEA reported in March that no uranium had been diverted, and the director of national intelligence corrected that impression a few days later, telling the Senate that “the overall situation – and the intelligence community agrees on this – [is] that Iran has not decided to press forward . . . to have a nuclear weapon.”<sup>46</sup>

More broadly, the United States remains committed to a politically weak course by insisting on a tight interpretation of the Nuclear Nonproliferation Treaty (NPT) for some nuclear have-nots, but a loose reading for nuclear haves. Article VI of the NPT commits the nuclear states to disarmament, which they neglect. Worse, of course, is the absence of sustained rebuke for the newer nuclear powers, Israel, Pakistan, and India, which is the sort of hypocrisy that is ignored in American politics but is taken seriously elsewhere. Ridding U.S. policy of this inconsistency would reassure the global community that we’re willing to be held to the same standards as others, a key

tenet of successful foreign relations.

Even if the United States removes the provocative policies that have contributed to Iran's sense of insecurity, other factors—domestic politics, the rewards of nuclear development to certain strong constituencies, and national pride—could hinder attempts to make sure Iran's nuclear program remains dedicated to energy production alone. As a result, the prospect for eliminating the enrichment program altogether is poor. The plain fact is that Iran is going to retain centrifuges for enrichment for the foreseeable future. This narrows options, but also presents a more realistic picture of what is possible and advisable.

One option that has been developed by three prominent analysts—former ambassadors Thomas Pickering and William Luers, and security specialist Jim Walsh—demonstrates how an innovative set of proposals, combined with adroit diplomacy, could defuse the nuclear issue. Their proposal, simply put, “internationalizes” the enrichment process to ensure diversion does not occur, but provides Iran with the pride of ownership and the actual benefits for energy production. Their proposal would, in their words, turn

Iran's national enrichment efforts into a multinational program. Under this approach, the Iranian government would agree to allow two or more additional governments (for example, France and Germany) to participate in the management and operation of those activities within Iran . . . the multinational partners would contribute financially to the establishment and operation of the program and would also share in any revenues coming from the sale of the fuel.<sup>47</sup>

The plan can be a win-win for all sides: the United States and Europe satisfy their desire to prevent Iran from using the enrichment facilities in a weapons program. Iran keeps its enrichment facilities, and only partially sacrifices an element of autonomy on this issue, with benefits accruing from a broadly acceptable solution to the nuclear standoff. One of the major concerns of neighboring states is vitiated. Luers, Pickering, and Walsh, among others, have aired this proposal not only to technical and policy audiences in the United States, but in a longstanding, unofficial dialogue with Iranians. Some Iranian officials, including the president, have spoken approvingly of multilateral solutions. This may be the one most achievable.

The Bush administration was unwilling to consider such a creative plan that, in effect, gave Iran a victory, however partial, and its reward for its attitude is evident—nothing came of nothing. The Obama administration may tack differently. But the grip of old thinking on arms control must give way to innovation, compromise, and “facts on the ground.” That is what the Luers, Pickering, Walsh proposal offers. Whether the United States and Iran can reach an accommodation is not dependent on

accepting precisely that proposal; others could come to the fore and relieve the crisis—not least, continuing and strengthening evidence that Iran does not have a nuclear weapons program. Obama’s proposals to Russia on nuclear reductions demonstrate a new seriousness about our own responsibilities that might resonate in other capitals. For any solution to work, each side must realize that their old positions are dysfunctional. Iran must recognize that the ambiguity and assertiveness of their current program is intolerable to a very significant number of states with which they want to do business, and that their behavior only sows mistrust. The United States and the EU must adopt more innovative approaches, must not allow Israel to dictate the terms of engagement, and must open a broad channel of communication and trust building with Iran.

The proposals earlier in this paper—ending unilateral U.S. sanctions, normalizing relations, providing security guarantees, changing the language of the discourse, et cetera—may be necessary to earn the trust and to forge the modalities of diplomacy to gainfully address the nuclear issue. That is a risk-free approach, and one that can reap enormous benefits for all.

## **Israel**

U.S. concerns about Israel should lead to the diplomatic approach detailed in this paper. Israeli security would be vastly enhanced through U.S.-Iran détente.

A number of Israelis recognize this. Trita Parsi, in his admirable book about the U.S., Iran, and Israel, quotes Shlomo Ben-Ami, the former foreign minister of Israel:

The question today is not when Iran will have nuclear power, but how to integrate it into a policy of regional stability before it obtains such power. Iran is not driven by an obsession to destroy Israel, but by its determination to preserve its regime and establish itself as a strategic regional power, vis-a-vis both Israel and the Sunni Arab States . . . The answer to the Iranian threat is a policy of detente, which would change the Iranian elite’s pattern of conduct.<sup>48</sup>

Another leading Israeli analyst, Yossi Alpher, points mainly to anxieties about the United States not fully appreciating Israel’s perspective. “Neither the Israeli security establishment nor the political establishment is of one mind regarding Obama and Iran,” he writes. “There is concern that an American-Iranian ‘deal’ could somehow be made at Israel’s expense, *e.g.*, Iran gets to keep its nuclear program but gives up Hamas and Hezbollah, or the reverse; or Iran denuclearizes in return for an American demand that Israel denuclearize.” While the latter is extremely improbable, the notion of a partial agreement between the United States and Israel that does not satisfy Israeli concerns is precisely the kind of gradualism that runs into problems. He goes on: “At the same time, there are grave reservations as to whether military action

against Iran, by us or the U.S. or both, could really be useful. Hence there is a readiness to work with Obama regarding a dialogue with Iran.”<sup>49</sup>

The animus of some in Iran’s leadership toward Israel is rooted significantly in the U.S.-Israel strategic partnership. They regard Israel as an instrument of U.S. hegemonic ambitions and hoped-for dominance of the Persian Gulf. Naturally, they also sympathize with the Palestinians, whose mistreatment by Israel is regarded widely in the Muslim world as part of the long narrative of the West’s hostile and interventionist behavior toward Muslims. The more incendiary language used by Ahmadinejad toward Israel is likely a play to the Arab street and a thumb in the eye of the Arab states that have been more accommodating toward Israel.

So, too, with support for Hamas and Hizbollah, though that support is typically overstated by U.S. and Israeli officials. The support for Hizbollah is tethered to a different political dynamic than that for Hamas. Hizbollah was formed in resistance to Israeli occupation of Lebanon in 1982, and has grown to become a legitimate political player in Lebanon. It is Shi’ite and thereby identifies with the Islamic Republic. Hamas is Sunni and Palestinian, also seeing itself as fighting occupiers, and it won a measure of legitimacy through its electoral victories in 2006, in Gaza particularly. Like Hizbollah, it has built support not only through armed resistance, including political violence, but through the provision of social services. Both, in that sense and through growing political traction, are players who can not simply be defeated militarily or dismissed politically, as hard as the Bush administration tried. Needless to say, a just solution to the Israeli-Palestinian problem would do more than anything else to remove Iran from the Levant. That decision rests with Israel. A leading international relations scholar, Harvard’s Stephen Walt, puts it this way:

Obama says he wants to make progress on the Israel-Palestine conflict, and he also wants to pursue a diplomatic engagement with Iran. If this is done right, those initiatives can reinforce each other. Engaging in a serious and non-confrontational effort to reach a modus vivendi with Iran would reduce Tehran's incentive to play spoiler on the Israeli-Palestinian issue, which will in turn encourage Hamas and other radical groups to rethink their own positions. By contrast, opening discussions with Iran by listing a lot of demands and refusing to address Iran's legitimate security concerns will make them look for ways to increase their own leverage, and that means more help to hardliners in Hamas or Islamic Jihad. So who is going to see to it that we approach both problems in a way that makes sense?<sup>50</sup>

Iran’s support for these groups is no different in kind from American support of the contras in Nicaragua, the mujaheddin in Afghanistan, UNITA in Angola, the KLA in the former Yugoslavia, and similar episodes. Such leverage is not admirable but is commonly used. (Iran has also supported some militias in post-invasion Iraq,

although again an involvement exaggerated by U.S. officials, but there Iran's interests are quite palpable; one can call it their Monroe Doctrine.) Iran could use some of its influence to push Hamas in serious negotiations—if Hamas were at the table. But the leader on this matter is clearly Israel, with a strong role for American pressure. Blaming Iran for Hamas' and Hizbollah's aggressive activities is a red herring: it is at most a secondary player.

At the same time, the United States must demonstrate seriousness about a two-state solution in Israel/Palestine, needs to exert leverage on destructive Israeli behavior there, and must disavow approval of and indeed obstruct Israeli military action against Iran. There is a troubling tendency in the last decade or more to act as though Israeli policy must be matched in Washington. Apparently, the Israeli government believes it can set the contours of U.S.-Iran diplomacy, and many in Washington believe that American policy in the region requires very close consultation with (or even approval by) Israel.<sup>51</sup> This is unhealthy for many reasons, not least for Israel, as the longstanding trends in the region demonstrate.

Iran had until the 1990s a working relationship with Israel (occasioned in part by their mutual distrust of Iraq) and has a large Jewish population. There is no reason that a tolerant relationship could not be reconstructed. Its offer in the 2003 letter to use its influence to restrain acts of terror against Israel is an indication of how readily it can walk away. On the Middle East, the Iranian letter states: “1) stop of any material support to Palestinian opposition groups (Hamas, Jihad etc.) from Iranian territory, pressure on these organizations to stop violent action against civilians within borders of 1967; 2) action on Hizbollah to become a mere political organization within Lebanon; 3) acceptance of the Arab League Beirut declaration (Saudi initiative, two states-approach).”

Remove the nuclear issue and the dishonorable treatment of Palestinians from the equation and one has at least the prospect of peaceful coexistence. Most important, however, is to recognize the persuasive logic of U.S.-Iran détente for Israeli security. A new relationship that lowers or eliminates threats, normalizes diplomacy and builds cooperation, and possibly ushers in a new security architecture or forum for the region will greatly benefit Israeli security. As indicated, Israel must do its part to reap fully these benefits, as must Iran, not least by ending its incendiary rhetoric. But the logic of regional stability flowing from a new U.S.-Iranian concordat should allay fears in the global Jewish community that somehow détente is inimical to Israel's interests. The opposite is the case: Israel will be a principal beneficiary of the new approach suggested herein. On that basis, the new approach should earn the enthusiastic backing of all who wish to see the Israeli state thrive.

## **American politics**

Much of the American discourse on Iran is framed by concerns about Israel and nuclear weapons, which are obviously linked, and the residual bad feelings about the bumptious relationship that has existed for three decades. President Obama should therefore speak directly to Americans about these concerns as he moves forward toward a rapprochement. He should:

- Articulate the logic of how Israel's security will be enhanced by a new U.S.-Iran relationship.
- Indicate his determination, *through a new relationship*, to make sure Iran's nuclear development is peaceful.
- Begin a process of regional security and sustainable development that includes Afghanistan, the GCC countries, Iraq, and Iran, in a forum or organization that addresses core concerns of all.

The president's message to Iran on the occasion of the Iranian new year in mid-March was a marked improvement on the language U.S. leaders have ever used openly. Most significant was his statement that expressed respect and a willingness to end threats: "My administration is now committed to diplomacy that addresses the full range of issues before us, and to pursuing constructive ties among the United States, Iran and the international community. This process will not be advanced by threats. We seek instead engagement that is honest and grounded in mutual respect."

Similarly, his speech to the Turkish parliament in April, the president seemed to step back slightly on the nuclear issue. The Iranian response to both speeches was muted and asked for concrete policy changes, not surprisingly, in part because the actual actions in March were to renew sanctions, among other signals that former policies were not being altered. Indeed, high officials in Iran have repeated the same message back to Obama: back up the nice rhetoric with actual steps toward reconciliation.<sup>52</sup> Because apart from the new year's message—which is undeniably a significant step forward on the matter of language—the strategy visible thus far in the Obama administration does not indicate any major changes are afoot. The words of most officials have echoed the Bush administration's approach, apart from expressions of a greater willingness to talk.

It remains early in the life of this presidency, of course, but some signs are worrisome. Secretary Clinton's statement in Jerusalem signals the strategy of

encirclement—prodding other regional powers to line up behind a coercive approach—is in play. Little if anything beyond ending Iran’s nuclear program and support for Hamas and Hizbollah was stated as a goal, an exceptionally narrow agenda and one that hardly appeals to Iran. The hoary “carrots and sticks” formula continues to be used, as was the threat of armed force until Obama’s March message; it will be revealing if other officials continue to use the “all options are on the table” rhetoric for certain audiences when the president seemed to take the threat of force off the table. The most worrisome course might be to believe that the gentler rhetoric from President Obama is somehow enough to transform the relationship alone, and that more sanctions and implicit military options will in fact be put back in play if Iran does not instantly respond to Washington and Israeli concerns. Within days of the Noruz message, for example, there was defense secretary Robert Gates’ saying that he preferred sanctions as a means of dealing with Iran, which received very little attention. As to the small gestures, already a kind of comical flap was stirred by the U.S. claim that a meeting had taken place at the Hague Afghanistan conference between Ambassador Holbrooke and an Iranian diplomat, which apparently was not so.<sup>53</sup>

Again: the problems of small steps can be, among others, ones of interpretation, intentionally or accidentally missed signals, inadequate rigor, contradictory statements coming from a government, and so on—all of which has already occurred in the three months of the Obama presidency. Obvious tension and internal contradictions are visible in the administration—tension or intentional ambiguity, that is, neither of which is an intelligent and promising approach, to say nothing of internal battles.

This could change as the “facts on the ground” become more apparent, including the absence of military options and the inadequate tools of other forms of coercion. The Iranian elections could change calculations. It is possible that the State Department regards Iran as a dispensable concern and that reformatting the old belligerency will somehow yield a positive outcome on the Israeli-Palestinian issue—a long shot, to be sure. Most likely, the coercion-rewards or “hybrid” structure favored by many in the administration will fail, and new approaches will then be sought. The most urgent question, then, is whether a second attempt to reach Iran will be possible. In the meantime, a lack of tangible steps by the United States may merely strengthen Tehran’s hardliners.

The dangers of reusing the old thinking are, potentially, the weaponization of the nuclear program, further tensions between Israel and Iran, radicalization of Iraqi leadership, or non-cooperation on Afghanistan. It is also the growing

alienation of the Iranian public—many of whom are generally friendly to America—if the screws are tightened and the rhetoric returns to hostile, accusatory levels. So time is of the essence.

A new relationship and a more stable region is in the offing, with minimal risks to the security of U.S. allies and even less to the United States itself. Rarely has a moment to change course appeared riper. Like Kennedy and Nixon and Reagan before him, President Obama has an opportunity to be diplomatically bold and innovative, with enormous, historic benefits to accrue to national security and global peace.



## Notes

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<sup>1</sup> On mutual interests, see William Luers, Thomas Pickering, and James Walsh, “How to Deal with Iran,” *New York Review of Books*, Vol. 56, No. 2 (February 12, 2009); Karim Sadjadpour, “Iran: Is Productive Engagement Possible?” Carnegie Endowment for International Peace, October 2008; Ali M. Ansari, *Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East*, Basic Books, 2006; Sanam Anderlini and John Tirman, “Iran-U.S.: The Case for Transformation,” *Audit of the Conventional Wisdom*, MIT Center for International Studies, Sept. 2008; *Iran-U.S. Relations: Imagining a New Paradigm, Conference Report*, Center for Dialogues, New York University, March 2009, [http://www.centerfordialogues.org/events/Islam\\_and\\_the\\_West/Iran-US-relations/Iran-US-Relations.pdf](http://www.centerfordialogues.org/events/Islam_and_the_West/Iran-US-relations/Iran-US-Relations.pdf)

<sup>2</sup> Linda J. Bilmes and Joseph E. Stiglitz, *The Three Trillion Dollar War: The True Cost of the Iraq Conflict* (W.W. Norton, 2008)

<sup>3</sup> “Iranian Public Opinion on Governance, Nuclear Weapons and Relations with the United States,” August 27, 2008, online, <http://www.worldpublicopinion.org/pipa/articles/brmiddleeastnafrica/527.php?lb=brme&pnt=527&nid=&id=>

<sup>4</sup> Agence France Press, March 29, 2009, [http://www.google.com/hostednews/afp/article/ALeqM5i\\_EI0u67-t0bamzWQ3ZZ24tE5yoQ](http://www.google.com/hostednews/afp/article/ALeqM5i_EI0u67-t0bamzWQ3ZZ24tE5yoQ)

<sup>5</sup> Vali Nasr and Ray Takeyh, “The Costs of Containing Iran: Washington's Misguided New Middle East Policy,” *Foreign Affairs*, January/February 2008, is an excellent analysis

<sup>6</sup> “Iran Sanctions Renewed,” *Voice of America*, March 24, 2009, <http://www.voanews.com/uspolicy/2009-03-24-voa5.cfm>

<sup>7</sup> William Luers, Thomas R. Pickering, Jim Walsh, “How to Deal with Iran,” *New York Review of Books*, Vol. 56, No. 2, February 12, 2009

<sup>8</sup> “Open Letter from Akbar Ganji,” to Secretary General, published in the *Boston Review* on-line: <http://bostonreview.net/BR32.5/ganji.php>. “The outbreak of . . .,” from “Letter to America,” *Washington Post*, September 21, 2006

<sup>9</sup> “A Conversation with Nobel Laureate Shirin Ebadi,” February 2, 2009, p. 9 [http://carnegieendowment.org/files/020209\\_shirin\\_ebadi\\_transcript\\_proofed.pdf](http://carnegieendowment.org/files/020209_shirin_ebadi_transcript_proofed.pdf)

<sup>10</sup> Robert J. Art and Patrick M. Cronin, eds., *The United States And Coercive Diplomacy*, U.S. Institute of Peace Press, 2003; see especially the introduction and conclusion by Robert Art

<sup>11</sup> Akar E. Torbat, “Impacts of the US Trade and Financial Sanctions on Iran,” *The World Economy*, 28:3 (2005): 408-434

<sup>12</sup> From Elliott, Kimberly Ann, Gary Clyde Hufbauer, Jeffrey J. Schott, *Economic Sanctions Reconsidered: History and Current Policy*, Peterson Institute, 1990

<sup>13</sup> Kenneth Katzman, “The Iran Sanctions Act,” CRS Report for Congress, Congressional Research Service, Oct. 12, 2007. Subsequent figures from news reports.

<sup>14</sup> George Lopez, “Effective Sanctions: Incentives and UN-US Dynamics,” *Harvard International Review*, v 29, no 3 (Fall 2007); for a rebuttal of sorts from the Iranian perspective, see Mohammad Javad Zarif, “Tackling the Iran-U.S. Crisis: The Need for a Paradigm Shift,” *Journal of International Affairs*, vol. 60 no. 2 (Spring/Summer 2007). Zarif was then Iran’s U.N. envoy.

<sup>15</sup> Merhdad Valibeigi, “Law of Unintended Consequences: US Sanctions and Iran’s Hardliners,” *Middle East Report Online*, January 28, 2004; [www.merip.org/mero/mero12804.html](http://www.merip.org/mero/mero12804.html)

<sup>16</sup> David E. Sanger, “U.S. Rejected Aid for Israeli Raid on Iranian Nuclear Site,” *New York Times*, Jan. 11, 2009, on-line: [http://www.nytimes.com/2009/01/11/washington/11iran.html?\\_r=1&scp=1&sq=david%20sanger,%20is](http://www.nytimes.com/2009/01/11/washington/11iran.html?_r=1&scp=1&sq=david%20sanger,%20is)

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[rael%20attack%20iran&st=cse](#); Seymour Hersh has several articles in the *New Yorker* that report U.S. covert action inside Iran.

<sup>17</sup> Sadjadpour, op. cit., p. 7-8: “Given the widespread mutual mistrust between Washington and Tehran, confidence will be easier to build by starting to negotiate in areas of relative common interest, such as Iraq and Afghanistan, rather than those of little or no common interest, such as the Palestinian–Israeli conflict or the nuclear issue.”

<sup>18</sup> “The Grand Bargain,” *Washington Monthly*, August/September/October 2008; on-line:

<http://www.washingtonmonthly.com/features/2008/0808.leverett.html>

<sup>19</sup> Ken Booth and Nicholas J. Wheeler, *The Security Dilemma: Fear, Cooperation and Trust in World Politics*, Palgrave, 2008, p. 233. They are drawing from the philosopher Martin Hollis.

<sup>20</sup> Mojtaba Samareh-Hashemi, *Financial Times*, May 30, 2008, quoted in Anoush Ehteshami, “Iran’s International Relations: Pragmatism in a Revolutionary Bottle,” *The Iranian Revolution at 30*, Middle East Institute, 2009, p. 128. Online [http://www.mideasti.org/files/Iran\\_Final.pdf](http://www.mideasti.org/files/Iran_Final.pdf).

<sup>21</sup> Raymond Garthoff, *Détente and Confrontation*, pp. 216–230. Nixon quotation, White House document, April 14, 1971. On normalization, remarks to American Society of Newspaper Editors, April 16, 1971

<sup>22</sup> Patrick Tyler, *A Great Wall: Six Presidents and China*, Public Affairs, 1999, provides a good narrative of events

<sup>23</sup> Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969–1989*, Stanford University Press, 1995: 2–3

<sup>24</sup> Matthew Evangelista, *Unarmed Forces: The Transnational Movement to end the Cold War*, Cornell University Press, 1999

<sup>25</sup> This is apparent in the detailed histories of the relationship in that period. See, for example, Raymond Garthoff, *The Great Transformation: American Soviet Relations and the end of the Cold War*, Brookings Institution, 1994, interalia.

<sup>26</sup> Booth and Wheeler, op. cit., 145–170.

<sup>27</sup> Erwin C. Hargrove and James Sterling Young, *Jimmy Carter as President: Leadership and the Politics of the Public Good*, LSU Press, 1988

<sup>28</sup> See especially Richard Bilder, “The Role of Apology in International Law and Diplomacy,” *Virginia Journal of International Law*, Vol. 46, No. 3, Spring 2006; and Jennifer M. Lind, *Sorry States: Apologies in International Politics*, Cornell University Press, 2008

<sup>29</sup> Scott Atran and Jeremy Ginges, “How Words Can End a War,” *New York Times*, Jan. 25, 2009, WK12;

[http://www.nytimes.com/2009/01/25/opinion/25atran.html?\\_r=1&scp=1&sq=scott%20atran&st=cse](http://www.nytimes.com/2009/01/25/opinion/25atran.html?_r=1&scp=1&sq=scott%20atran&st=cse)

<sup>30</sup> Secretary of State Madeleine K. Albright, Remarks before the American-Iranian Council, March 17, 2000, Washington, D.C., <http://www.fas.org/news/iran/2000/000317.htm>

<sup>31</sup> Kenneth Katzman, “The Iran-Libya Sanctions Act,” Congressional Research Service, April 2006

<sup>32</sup> Nick Drager and David P. Fidler, “Foreign policy, trade and health: at the cutting edge of global health diplomacy,” *Bulletin of the World Health Organization*, March 2007. On-line:

<http://www.who.int/bulletin/volumes/85/3/07-041079/en/index.html>

<sup>33</sup> There continues to be considerable controversy over the origin of the letter. Iranians now say it was a reply to a note from Richard Armitage, then Deputy Secretary of State, and that Khamanei never saw it. Other Iranians insist that Khamanei did read and indeed edited it. Khamanei’s participation (which, on balance, seems likely) is important in that Obama must deal with him for a breakthrough.

<sup>34</sup> The “Iran project” in the State Department, begun under Pres. George W. Bush, purported to fund civil society organizations in Iran, but very few would take funding because it became so onerous. Democratization as a goal of U.S. foreign policy remains a controversial topic, due in part to its

unproven nature and the explicit interventionist spirit behind it. In countries with which we have adversarial relations, it is considered—not surprisingly—as overtly hostile and destabilizing.

<sup>35</sup> “A Win-Win U.S. Strategy For Dealing With Iran,” *The Washington Quarterly* (Winter 2006-07): 126. On-line: <http://www.mitpressjournals.org/doi/pdf/10.1162/Wash.2006-07.30.1.121?cookieset=1>

<sup>36</sup> Based on conversations with Iranian activists and an unpublished survey of human rights activists in Iran, June 2008.

<sup>37</sup> “The Case for Game-Changing Diplomacy with Iran,” Policy Brief, Center for New American Security, September 2008, 2.

<sup>38</sup> See the excellent series of essays presented in the Middle East Institute report, *The Iranian Revolution at 30*, op. cit.

<sup>39</sup> Kayhan Barzegar, “Iran’s Rise to Power: Debating Facts v. Fiction,” Summer 2008, typescript, pp. 14-15

<sup>40</sup> Kayhan Barzegar, “Iran and Obama: The Grand Bargain on Roles.” *Tabnak*, December 8, 2008

<sup>41</sup> Associated Press report, March 13, 2009

<sup>42</sup> Personal communication, March 6, 2009

<sup>43</sup> Personal communication, March 17, 2009

<sup>44</sup> “Seyed Ali Khamenei,” Encarta on-line. The sermon was an elaboration of a fatwa.

[http://encarta.msn.com/encyclopedia/761584225/khamenei\\_seyed\\_ali.html](http://encarta.msn.com/encyclopedia/761584225/khamenei_seyed_ali.html).

<sup>45</sup> “Remarks with Foreign Minister Tzipi Livni,” March 3, 2009, State Dept. web site,

<http://www.state.gov/secretary/rm/2009a/03/119956.htm>. Clinton also said: “When we talk about engagement with Iran, do not be in any way confused. Our goal remains the same: to dissuade and prevent Iran from acquiring nuclear weapons and continuing to fund terrorism. It happens to be a goal that is shared not only with Israel, but with many countries that view Iran through the same prism that we do. And as President Obama has said in his inaugural address, we will stretch out our hand to any country that unclenches its fist. But that is yet to be seen. Whatever we do will be done thoughtfully, in consultation with our friends and allies—most particularly Israel.”

<sup>46</sup> Peter Finn, “U.S., Israel Disagree on Iran Arms Threat: Senate Panel Told Tehran Has Not Made Decision to Pursue Nuclear Weapons,” *Washington Post*, March 11, 2009, p. A4, detailed the intelligence community’s assessment—essentially unchanged since the 2007 NIE. The IAEA report states, “the Agency has been able to continue to verify the non-diversion of declared nuclear material in Iran, including all declared low enriched uranium.” It does note again the non-cooperation by Iran in implemented more transparency through the Additional Protocol. See

<http://www.iaea.org/NewsCenter/Statements/2009/ebsp2009n002.html>

<sup>47</sup> William Luers, Thomas R. Pickering, Jim Walsh, “A Solution for the US–Iran Nuclear Standoff,” *New York Review of Books*, V. 55, No. 4 (March 20, 2008). Walsh, who is a Research Associate at the MIT Center for International Studies, has cooperated with another MIT-led effort, that of Geoffrey Forden, who has devised technical approaches for a similar arrangement. See, for example, Forden, Geoffrey and Thomson, John, “Multinational Nuclear Facilities May Solve Iranian Nuclear Stalemate,” *Janes Intelligence Review*, April 2006, pp. 32-34; and a March 2008 paper for the Stanley Foundation, “Multilateralism as a Dual-Use Technique: Encouraging Nuclear Energy and Avoiding Proliferation,” on-line at <http://www.stanleyfoundation.org/publications/pab/ThomForPAB308.pdf>

<sup>48</sup> Trita Parsi, *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the U.S.*, Yale University Press, 2007, 281

<sup>49</sup> Personal communication, January-February 2009. The former director of the Jaffee Center for Strategic Studies at Tel Aviv University, Yossi Alpher is coeditor of the [bitterlemons.org](http://bitterlemons.org) family of internet publications

<sup>50</sup> “Who’s in charge of grand strategy?” *Foreign Policy* Web site, February 2, 2009,

<http://walt.foreignpolicy.com/?page=1>

<sup>51</sup> See the article in Ha'aretz, March 2, 2009, describing Israel's red lines for U.S. diplomacy. On Washington reflection of that attitude, see the 2008 report from the Washington Institute for Near East Policy, *Strengthening the Partnership: How to Deepen U.S.-Israel Cooperation on the Iranian Nuclear Challenge*, which concluded that Israel should be a partner in shaping U.S. policy toward Iran. Several members of that study group are now in the Obama administration and have some (or major) responsibility for policy making on Iran

<sup>52</sup> See especially Ahmadinejad's interview with Der Spiegel in April:

<http://www.spiegel.de/international/world/0,1518,618559,00.html>

<sup>53</sup> Massoumeh Torfeh, "The U.S.-Iran meeting that never was," *The Guardian*, April 4, 2009, <http://www.guardian.co.uk/commentisfree/2009/apr/03/afghanistan-us-iran-hillary-clinton>

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**John Tirman** is Executive Director and Principal Research Scientist at the MIT Center for International Studies, where he also directs the Persian Gulf Initiative. Previously, he was Program Director at the Social Science Research Council and SSRC's Washington office director. For twelve years he directed the Winston Foundation, a grant-making foundation. He has been a Fulbright Senior Scholar, and a trustee of International Alert and the Institute for War & Peace Reporting. He is author or coauthor of ten books on international affairs, with two more forthcoming, and has published in a wide variety of periodicals and journals.

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John Tirman  
Center for International Studies  
Massachusetts Institute of Technology  
Cambridge MA 02139  
617.253.9861  
tirman@MIT.edu