

Iranian Beliefs and Realities

Clifford Kupchan

THE SPINES of Western leaders shivered following the election of Tehran's mayor, hardliner Mahmoud Ahmadinejad, as Iran's next president. And for good reason. Ahmadinejad's resume and rhetoric are not pretty. He was a member of the ideological Revolutionary Guards and of the paramilitary Basij. He is a leader of the Abadgaran (Developers) movement, comprised of younger hardliners who feel that their elders have lost their revolutionary fervor. In keeping with someone who looks back to the early 1980s as the golden age of the Islamic revolution, the new president celebrates the revolutionary ideals of the Khomeini era and ardently criticizes the United States.

The election stunned and alarmed the West, which had counted on the more pragmatic "wheeler-dealer" Hashemi Rafsanjani to win and invigorate negotiations with the West over Iran's nuclear program. In response, U.S. policy has already stiffened. Secretary of Defense Donald Rumsfeld has commented disparagingly on Ahmadinejad's track record, while the Europeans are gloomy about the future of negotiations on the nuclear issue, as no compromise is in sight. We are approaching an abyss.

So it is the time to step back, take

stock of today's Iran and make well-informed decisions. Americans know too little about how Iranians think or about political and economic realities in that country. Many academics and policymakers alike are ill acquainted with the central beliefs among the Iranian elite on the nuclear issue and with the key realities on the ground as the Iranian policymaking community sees them.

Now is not the time to rely on ideologies—be they neoconservatives or liberal-democracy devotees—or for them to substitute their beliefs about Iran in place of the facts on the ground. Given our experience in Iraq, now is certainly not the time to rely on "our Iranians" for "inside information" as to what is happening there.

This article, in contrast, is based on discussions held in Tehran with top Iranian leaders, including leading conservatives and key members of the Supreme National Security Council. It also relies on meetings with politically connected academics whose views span the spectrum. Finally, the analysis draws on many discussions with average Iranians from many backgrounds. Accurately reporting what they are saying does not constitute endorsement, but no responsible U.S. policymaker should be charting a course of action *vis-à-vis* Iran without at least taking into account what is being said—and what is believed—by his opposite numbers in Tehran.

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Based on these observations, I believe—in contrast to what others are saying—that Iran is stable and that Supreme Leader Ayatollah Ali Khamenei has consolidated his power. If that is the case, the current deadlock is increasingly likely to become a U.S.-Iranian confrontation. As a result, Washington should pursue a better-informed policy and not throw in the towel on diplomacy unless Tehran forces it to do so.

Iranian Realities

IRAN HAS many power centers, including the presidency, the Majlis, the Guardian Council, the Expediency Council, the Revolutionary Guards, the judiciary and others. Supreme Leader Khamenei was always the *primus inter pares*, and he especially has had the final word on nuclear and foreign policy matters. He has now brought wayward institutions, including the presidency when it was held by reformist Mohamed Khatami, into line. Ahmadinejad is above all else loyal to the leader.

The president-elect will surely offer very hard-line security policy advice, stressing more aggressive policies and tougher negotiating tactics. The views of his new, conservative team will be buttressed by their close connection to the security services. But any Iranian president, including Ahmadinejad, is constrained by a complex, crowded and consensual foreign policy decision-making process. He is a foreign policy and bureaucratic novice and is not in a position to dominate the foreign policy establishment. Moreover, the mayor won on a populist economic platform that appealed to the poor; foreign policy does not appear to have been a prominent issue, and his mandate does not extend to this field.

In any event, U.S. policy should focus not on one individual but instead on the views of the Iranian elite, especially the supreme leader. Khamenei has a hard-line

track record but is also viewed by Iranians as a balancer among different factions and institutions. On nuclear and foreign policy issues, he has a wide range of advisors, including traditional and more pragmatic conservatives such as former Deputy Foreign Minister Ali Akbar Velayati, Commander of the Army Hassan Firouzabadi, chief for relations with Islamic countries Ali Taskhiri and Secretary of the Supreme National Security Council Hassan Rowhani.

So the first reality is this: Yes, the Ahmadinejad team will be more hard-line than Khatami's—but fundamental change in Iranian foreign policy is unlikely.

Washington talking heads must also confront two other Iranian realities that clash with their cherished assumptions about Iran. First, the Iranian economy is not “near collapse.” Certainly, the economy has shown a mixed performance, but for the past five years Iran has experienced growth at 5.5 percent per year.¹ GDP per capita has doubled over the past five years, buttressed by record oil prices that will likely remain high. Iran may not be a booming petro-state, but it has a \$10 billion stabilization fund and other off-budget funds at its disposal to deal with potential bumps in the road.

U.S. sanctions have hurt, but the regime has used second-tier technology from the east (China, India and Malaysia) to help meet the admittedly low consumer expectations of the populace. Automobile production has sextupled over the past five years. A second generation of Islamic Republic managers has emerged and is more efficient than its predecessor. The youth bulge is a threat, but not as dire as sometimes rendered; Tehran is creating about half of the 800,000 new jobs needed per year. Underemployment, a lesser evil,

¹This discussion of the Iranian economy draws on interviews held in Tehran with Bijan Khajehpour and Siamak Namazi of Atieh Bahar Consulting Group.

is as much the problem as unemployment. Ahmadinejad promised to tackle corruption; the problem is entrenched, but he may make some progress.

Structural economic problems are indeed serious. Iran's oil production is flat and will likely drop under Ahmadinejad's populist, foreign-investor-unfriendly approach. Inflation and the deficit are high, corruption is currently rampant, privatization is halting, wasteful subsidies impair efficiency, the private sector is small and high bureaucratic barriers deter new market entrants. The central point, though, is that Iran's economy has a substantial capacity to muddle through.

The second piece of unwelcome news to some in Washington is that Iran is not ripe for revolution. There is no "man in the street", no mass movement with which the United States can side. In the recent elections, turnout was over 60 percent, showing that voters want evolutionary change. Ahmadinejad's victory also indicated that for most ordinary Iranians, economic improvement, not political reform, is the paramount issue.

The democracy movement is dormant and, according to its own members, will remain so for the foreseeable future. Indeed, the movement began to lose steam after Khatami did not stand up to hardliners during the 1999 student protests; the undelivered promises of the Khatami Administration thoroughly dispirited the rank and file. Political apathy is ensconced among the middle class today, while the remaining activists have lost touch with the grassroots. Iran is not Ukraine on the eve of the Orange Revolution, with a mobilized, mass-based opposition.

The fantasy that the Islamic Republic will fold under determined U.S. pressure (just as Castro's government is perpetually "on the verge of collapse") is just that—fantasy. While many Iranians may be disillusioned with the mullahs, they are not going to rise up or accept

regime change from the outside. Average Iranians, from cab drivers to hotel workers, emphasized that most Iranians are extremely nationalistic. Some despise the current regime for its corruption and repression, but a military attack will rally them around the government. Many Iranians estimated that one-third of the adult population—roughly 13 million people—would fight if Iran were invaded by the United States.

Iranian Beliefs

ANY VISITOR to Tehran cannot help but notice the intense craving for international respect on the part of the Iranian elite. Across the political spectrum, Iran's policymakers want the United States to acknowledge that Iran is a regional great power in the Middle East. Iran's leaders believe that the great powers deny Tehran its rightful role in the region and the world; Ahmadinejad himself has stressed that the world must deal with Iran as an equal. The "face factor", a historic concern of Middle Eastern powers, is a key issue for Tehran.

Iranian leaders also feel a sense of victimization.² The Iran-Iraq War was a formative experience for Ahmadinejad and the Abadgaran movement. International treaties banning the use of chemical weapons did not protect Iran from Saddam's gas attacks. Indeed, Washington openly supported Iraq while the U.S.-backed Gulf states poured in funds—facts remembered by Ahmadinejad and his generation. U.S. sanctions, even if warranted, have reinforced the sense of victimization. In addition, Iranian elites believe that throughout the modern era Iran has been manipulated

²The discussions of victimization and insecurity draw on an excellent paper delivered in Tehran in March 2005 by Gholamali Chegnizadeh, professor at Alamah University in Tehran.

by the West; the overthrow of nationalist Prime Minister Mossadeq in 1953 by the CIA and restoration of a repressive shah is not “ancient history” as far as they are concerned.

Both of these beliefs feed into a sense of constant insecurity on the part of Iran’s policymakers. Indeed, both the United States and Israel are viewed as existential threats to the Islamic Republic. This is why “good-faith” offers from the West are reviewed with undue suspicion, dialogue is difficult, and it always seems to be “the wrong time” for Tehran to receive an important American visitor.

Iranian beliefs are magnified when conjoined with the nuclear issue. The issue has become heavily politicized, which increases Tehran’s intransigence. It is very clear that among some segments of the Iranian elite—including in the Abadgaran-dominated Majlis—the acquisition of a nuclear fuel cycle that provides a deterrent against potential attackers is a way to guarantee security and obtain respect from the international community. They adamantly believe that Iran has a right under the Nuclear Non-Proliferation Treaty (NPT) to develop civilian nuclear power and question why the West has singled out Iran in its demands that Tehran give up its right under the NPT to an indigenous fuel cycle (in distinction to Brazil and other regional powers).

Conversations with “ordinary Iranians” give the impression that as long as Iran can produce cheap electricity from its nuclear generators, having an indigenous fuel cycle is not that important. But no one wants Iran to give up its legitimate rights without any sort of guarantees or benefits in return. Indeed, the ruling regime has been able to tap into nationalist sentiment to portray itself as the “defender of the people.” U.S. policymakers are fooling themselves if they believe these deeply felt issues don’t matter in dealing effectively with Tehran.

Policy Implications

THE UNITED States, and its EU allies, are facing a dug-in opponent. Recognizing that, the first step should be a prefatory call for calm. Distressingly, in the days following his victory, Americans were consumed by whether Ahmadinejad had been a hostage taker in 1979, rather than by a sober assessment of where U.S.-Iranian relations are headed. Washington should not pre-judge Ahmadinejad, despite his unsavory past rhetoric and actions. Any U.S. response should be based on what Iran does, not who its leaders are.

Biting sanctions, such as a multilateral ban on new investment in Iran’s energy sector, will certainly face opposition from China and probably from some European countries. Both have entrenched economic interests in Iran. Many non-aligned countries are sympathetic to Iran’s position on the fuel cycle. Building a coalition around sanctions will be tough.

The Bush Administration has concluded that an Iranian fuel cycle would pose unacceptable risks to U.S. vital interests, and it may decide that surgical strikes or other pre-emptive military action to set back Tehran’s program is the only remaining option. But before reaching this conclusion, it behooves policymakers to accurately assess the costs of such an action. We should expect that Iranians will rally around the regime. In addition, Tehran could target U.S. troops in the region, terrorism in Israel could surge, Iran could interfere with tanker traffic in the Persian Gulf and an irreparable split in the transatlantic alliance could occur if the Europeans conclude action was unwarranted.

To decrease the chances of this lose-lose outcome, the U.S.-led West must devise a diplomatic option that puts more on offer and pays more attention to Iranian realities. Washington cannot continue outsourcing its Iran policy to Europe, especially since the incentives Tehran’s

leaders tell me they want are all “wholly owned property” of the U.S. government.

First—and, Iranians stress, most important—Iran wants a respected role in regional security and respect for its legitimate security needs. Second, Tehran wants at least a gradual unfreezing of Iranian assets in the United States and a parallel lifting of sanctions. Third, they want security guarantees, possibly as simple as President Bush stepping up to a microphone and stating that regime change is not U.S. policy. Guarantees would alleviate Iran’s existential sense of insecurity.

Of course, entertaining these steps toward Ahmadinejad will be extremely distasteful for a U.S. administration that was loath to legitimize the Iranian regime even before the elections. But the reality is that Iran is the regional power, and the regime is stable. And all three steps could be taken incrementally and would be reversible if Tehran did not reciprocate. Beginning to put them on the table, either privately with Tehran or through the EU, would at least keep the diplomatic option alive through the rocky road that approaches.

The EU and the United States should also attempt to deal more directly with the supreme leader’s foreign policy advisors, opening a track beyond the hard-line Ahmadinejad regime. We should also use friendly intermediaries to approach the leader’s circle, including Ibrahim Al-Jaafari, Iraq’s prime minister and the head of the Dawa Party. Dawa has long-standing political and financial links to Iran and excellent access to its leaders.

In the past, the United States has been reluctant to engage Iran solely on the nuclear issue, citing Iran’s refusal to endorse the two-state solution to the Israel-Palestine conflict and Iranian support for terrorist groups. During my last visit, very high-level leaders in Tehran stated that Iran has moved on the two-state issue and will accept the decision of the Palestinian Authority. There is

still no immediate solution satisfactory to both parties on the terrorism issue. But the West needs to solve the nuclear issue and cannot reach for all at once.

On the fuel cycle, there are several possible compromise outcomes, but either Tehran or Washington so far has rejected them all. Iran might agree to cessation of its program if guaranteed a constant source of fuel for civilian reactors and the above incentives. Tehran might agree to keep only part of the fuel cycle; for example, the so-called “Russian plan” gives Iran the right to convert raw uranium to gas, which would then be exported to a Russian or multinational facility for enrichment and sent to Iran as needed for its reactors. Iran in return would cease development of its enrichment program. Finally, atomic physicists on both sides might find a scheme under which Iran retains an extremely small enrichment capability, carefully monitored by the West; this scheme could give the West many years of warning time should Iran “break out” and pursue a large fuel cycle. Each outcome would leave Iran a measure of prestige, hopefully enough. Each outcome would leave both sides dissatisfied, but both must squarely face the alternatives.

If diplomacy does fail, the United States having gone the extra mile will significantly increase the chance that Europe and possibly Russia and some non-aligned nations are in lockstep as the crisis unravels. Washington has to close ranks with potential allies; a united Western front could even induce China to abstain from the debate. The lesson from Iraq is clear: If the United States hopes to succeed in Iran it will need more than a cosmetic coalition of the willing.

Diplomacy is a long shot. A lose-lose military conflict is a distinct possibility. But we should not foreclose negotiation so that this becomes the only possible outcome. We cannot be distracted by the setback that is the Ahmadinejad victory; we must play very tough odds. □