

Fear and Loathing in Tehran

Suzanne Maloney

LIKE MOM and apple pie, supporting democracy in Iran has universal appeal in U.S. politics. So it is predictable that the February 2006 surprise request by Secretary of State Condoleezza Rice for \$75 million in supplemental funding to support the democratic aspirations of the Iranian people won ready bipartisan acclaim and the sort of unquestioningly adulatory U.S. media coverage that was all too rare for an administration mired in Iraq and increasingly on the defensive at home. The dramatic new initiative found favor with American pundits and policymakers because it offered something for everyone. It represented a low-cost, feel-good means of leveraging palpable dissatisfaction among Iran's young population and intensifying pressure on the regime—all while bolstering the administration's *bona fides* on its much-hyped "Freedom Agenda" and placating advocates of more aggressive action toward Tehran.

Rice's democracy initiative signaled a subtle but important transformation in America's approach—one that had long relied on isolation as the primary tool for containing the Islamic Republic. For the Bush Administration, the challenges posed by Iran were too urgent and its political

trajectory too unpredictable to wait out its current leadership; moreover, even a more robust form of isolation failed to satisfy the administration's ideological predilections for idealistic interventionism. And so even as Washington reluctantly professed tactical engagement with Tehran on Iraq and the nuclear question, the underlying rationale for American policy shifted in favor of direct U.S. efforts to influence the nature of the regime and the structure of power in Iran. This has not entailed a full-fledged American embrace of regime change—which Rice has disavowed pointedly even as reports of U.S. covert programs have surfaced in the media—but an amateurish array of programs and tactics intended to splinter Iran's political elite and strengthen its opponents. From the Iranian perspective, this may be a distinction without a difference.

Some of the assumptions that inform this new approach to Iran are not particularly controversial. That change in Iran is necessary—advancing both Iranian aspirations and American interests—is self-evident. But if the need for political change in Iran is uncontested, the same cannot be said for the administration's chosen means for advancing it: Its self-imposed constraints on contact with Tehran and a hopelessly flawed, one-size-fits-all approach to democracy promotion.

The United States faces a two-fold problem: The legacy of bungled American involvement in Iran and a misreading

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of Iran's current political dynamics that stems from a worryingly familiar exaggeration of our ability to shape positive outcomes in countries we know nothing about. Our efforts to open political space in Iran are helping to constrict it, exacerbate the persecution complex of Iran's revolutionaries and lessen the prospect for advancing diplomatic solutions to the Iranian challenge. Like other Bush Administration endeavors, a radical new policy that seemed like a "slam dunk" at home is imploding on implementation.

THE NATURE of Iran's Islamic regime is at the heart of Washington's concerns about Iranian policies. Yet until recently the impetus to reshape Tehran was restrained by the humbling U.S. experience in Iran, particularly the U.S. role in the 1953 coup that unseated Prime Minister Mohamed Mossadegh and reinstated the shah to the throne, and the limitations imposed by our lack of presence there. The Mossadegh episode profoundly affected Iran's future leaders, and its principal conclusion—a deep-seated suspicion toward external powers—became internalized within the state they created.

In the aftermath of the 1979 Revolution, this legacy fed intense Iranian fears of an externally orchestrated counter-coup, exacerbated by the unrest facing the post-revolutionary government. As a result, one of the Iranians' primary conditions for ending the 444-day U.S. hostage crisis was a pledge by Washington, incorporated in the 1981 Algiers agreement, "that it is and from now on will be the policy of the United States not to intervene, directly or indirectly, politically or militarily, in Iran's internal affairs." Although the United States appeared to consider the language purely ceremonial, it remains salient for Iranians, who routinely invoke the non-intervention pledge in protesting U.S. actions.

American trepidations about Iran's

internal politics were reinforced in the 1980s by the disastrous consequences of the Iran-Contra affair, which was, in part, an attempt to restore American influence in an anticipated post-Khomeini era. Iran-Contra reminded U.S. policymakers that covert efforts to influence Iran's political future were likely futile and that interacting with any segment of the Iranian political elite was politically risky.

The United States continued to misread, miscalculate and disregard its painful historical experience. By the mid 1990s, partisan wrangling in Washington revived the desire to venture into Iran's treacherous political waters. House Speaker Newt Gingrich called for a comprehensive strategy "designed to force the replacement of the current regime", which he called "the only long range solution that makes any sense." Toward that end, he pushed for an \$18 million appropriation to oust Iran's government and other measures to advance change in Iran. Although the administration diluted its provisions, the "regime change" fund sparked a predictably vituperative response from Tehran, including a reciprocal anti-American fund.

Together with tough new sanctions that banned virtually all U.S. trade with and investment in Iran, these developments helped refuel Iran's enduring suspicions about Washington's intentions. Sadly, this came just as Iranian political dynamics were beginning to shift, thanks to intra-regime competition and the coming of age of Iran's post-revolutionary baby boom. The 1997 election of moderate presidential candidate Mohamed Khatami sparked interest in Washington in engaging with reformers, but a positive outcome was not in the cards. Since the key levers of power remained in the hands of orthodox hardliners, the most egregious dimensions of Iranian foreign policy—its support for terrorism and nuclear ambitions—remained unchanged. Ultimately, the Clinton Administration's efforts to purge some of the historical baggage of

U.S.-Iran relations failed to change Iranian behavior or mend the breach between the two governments.

THE FAILED U.S. forays into Iran's internal politics, coupled with the Clinton Administration's ineffectual kid-gloves approach, paved the way for the Bush Administration's aggressive interventionism. First was President Bush's inclusion of Iran alongside Iraq and North Korea in the "axis of evil." Then came a White House statement on the anniversary of a major student protest, promising that "[a]s Iran's people move towards a future defined by greater freedom, they will have no better friend" than Washington. Sharp rebukes emanated from the Iranian regime, with Tehran depicting the statement as "open interference" and some reformers decrying U.S. rhetoric for compromising their efforts with the taint of American approbation.

The administration used this episode to signal its rejection of the faltering reform movement and its "conscious decision to associate with the aspirations of Iranian people", as one senior official described at the time. An American "dual track" approach emerged: twin focuses on pressuring the regime and consciously embracing the "generic" Iranian people. "U.S. policy is not to impose change on Iran but to support the Iranian people in their quest to decide their own destiny", Zalmay Khalilzad, then-Special Presidential Envoy for Afghanistan, said in August 2002. "Our policy is not about Khatami or Khamenei, reform or hard-line; it is about supporting those who want freedom, human rights, democracy, and economic and educational opportunity for themselves and their fellow countrymen and women."

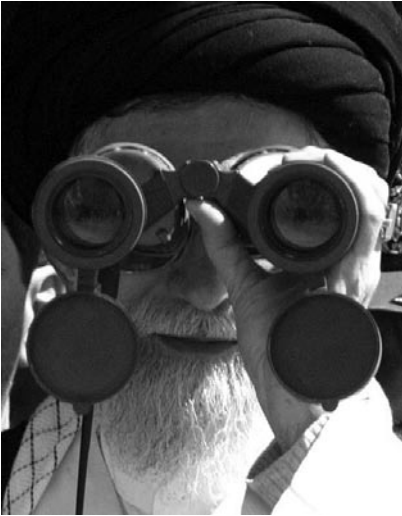
As part of this shift, the administration cut off its successful quiet dialogue with Tehran on regional issues following the initial successes of the Iraq invasion,

which regime-change proponents saw as the death knell for the neighboring government. They scorned the utility as well as the morality of dealing with Tehran on the eve of its presumptive collapse, and events inside Iran, such as the student unrest that erupted in June 2003, appeared to confirm their expectations. Any contact with official Iran was tantamount to "legitimizing" the Iranian regime, a new Washington taboo. As a result, the administration did not even seriously consider a back-channel overture from mid-ranking Iranian officials to explore the possibilities for a "grand bargain."

Meanwhile, many in Washington were pressing for even more robust U.S. action. The atmosphere was something of a free-for-all, with both the erstwhile heir to the Iranian throne, Reza Pahlavi, and the Mujaheddin-e Khalq, a reviled opposition group on the U.S. terrorism list, agitating publicly as the presumptive spokesmen for "the Iranian people." The administration's early efforts to foster political change were mostly comic fumbling, such as the Pentagon's dispatch of several staffers to Europe for renewed contact with discredited Iran-Contra figure Manucher Ghorbanifar.

In 2004, frustrated with the administration's failure to initiate Iran-focused democracy programming, Congress used a soft earmark of \$1.5 million to require the State Department to award grants to NGOs to "support the advancement of democracy and human rights in Iran." State used the funds to support the National Endowment for Democracy and establish a center for documenting Iranian human-rights abuses, along the lines of an initiative by Iraqi exiles before Saddam's removal. Congress doubled the earmarks in 2005 and expanded them to \$10 million in 2006, although the projects and individuals who received this funding were classified out of concern for their safety.

The 2005 election of a provocative new president, Mahmoud Ahmadinejad, only strengthened



I've got my ayatollah on you.

American interest in fostering change in Iran. This served as the backdrop for Rice's February 2006 decision to gain that extra \$75 million to "begin a new effort to support the aspirations of the Iranian people." Ultimately, Congress appropriated \$66.1 million. In the supplemental funding, \$20 million was designated for democracy programs, which in addition to the regular 2006 fiscal-year coinage meant a total of \$31.5 million directed toward civil-society activities in Iran. While the administration continues the protracted work of spending the funds—only about half of the 2006 monies for civil society had been obligated as of June 2007—the appetite for cash appears to be growing quickly. For fiscal year 2008, the State Department has requested an additional \$75 million.

AMONG THE array of U.S. diplomatic, military and financial tools for influencing Iran, democracy promotion is hardly the most consequential. But in its philosophy and implementation, the initiative is emblematic of the misconceptions and fallacies that have undermined the broader American effort to pressure Iran into abandoning its rogue behavior and to persuade its leadership to adopt a more constructive

course. The historical baggage associated with any direct American role in Iranian civil society prompted a crescendo of objections from a range of prominent Iranian activists and dissidents. Only weeks after Rice's \$75 million request, renowned Iranian human-rights lawyer Abdolfattah Soltani told the *Washington Post* that the funding would have a "negative effect", and Nobel laureate Shirin Ebadi described the initiative as "very dangerous to society." Noted dissident Mehrangiz Kar predicted with hard-gained prescience that the U.S. funding "will destroy these newly developed [civil-society] organizations like a storm." These admonitions were echoed by dissident and hunger-striker Akbar Ganji upon his March 2006 release from nearly six years in prison. "Political change in Iran is necessary, but it must not be achieved by foreign intervention", he declared.

The Bush Administration effectively shrugged off these concerns. The combination of congressional zeal, the administration's infatuation with fostering "color revolutions" along the lines of Georgia and Kyrgyzstan, and the sense that "it was about time we did something", as one senior administration official acknowledged, propelled the program forward. The only nod to the potential sensitivities associated with U.S. funding was the decision to continue classifying its recipients, a move that predictably has only intensified the conspiracy theories associated with the program.

The near-term outcome of U.S. democracy promotion has been a fierce backlash from the regime and a corresponding freeze of Iranian civil society, curtailing Iranians' ability to engage with international organizations or accept external support. For Washington, the losses from the current wave of repression are more profound than the new scarcity of Iranian participants for Track II dialogues and other exchanges. By fostering debate and channeling political activism, Iran's

semi-governmental organizations and intellectuals have played a critical role in advancing its political evolution. The ongoing intimidation of Iranian civil society and academia means that these parts of society that had improbably managed to thrive within the fierce political and cultural restrictions of the Islamic Republic are now under siege. This leaves a void in Iran's political life and in the organizational and ideational development of any future opposition movement.

There is some merit in the administration's argument that the current round of repression is a predictable outcome of Iran's dogmatic leadership, particularly Ahmadinejad and his appointees. Still, the U.S. tendency to evade its own responsibility in exacerbating the regime's paranoia and inciting a new crackdown bodes poorly for the prospect that the administration will exercise prudence in navigating the minefields of Iranian politics.

THE U.S. democracy initiative is based on the faulty assumption of the Iranian regime's vulnerability. Although the administration generally concedes that democracy promotion is the work of generations, it is clear from the size of the program and the breathlessness of U.S. appeals to Iranians that a much faster timetable is intended. Anticipating the next revolution is a longtime Washington parlor game, and each new rumble of discontent from Tehran brings a new avalanche of headlines predicting the regime's imminent demise. These expectations, while faulty, are not entirely without foundation. Iran has all of the risk factors for a revolutionary break: a disproportionately young population; restive ethnic minorities; an inefficient, distorted economy; and a regime mired in an obsolescent ideology, riven by factional feuds and reliant on repression.

But the focus on these weaknesses overlooks the unfortunate evidence that

the Iranian regime retains enormous repressive capacity over society and appears to be firmly entrenched in power for the foreseeable future. Its track record is worth noting. The Islamic Republic has survived every calamity short of the plague: war, isolation, instability, terrorist attacks, leadership transition, drought and epic earthquakes. This does not imply that the regime is impregnable, nor that its leaders view it as such. Rather, the endurance of Iran's revolutionary regime through multiple crises is a testament to the adaptive capacity of the system and its leaders as well as to the lack of any viable alternative power center.

The Islamic Republic's persistence can be credited in large part to its resource base. In the short term, the steady stream of oil revenues (an estimated \$60 billion in 2007) provides ample financing for Iran's security apparatus and politically-driven subsidies, as well as a cushion against sanctions and the consequences of the regime's policies. And Ayatollah Khomeini's about-face to embrace family planning in the mid-1980s has produced a dramatic shift in Iran's demographic patterns that will shortly begin to temper the inherent political risks and economic costs posed by its young citizenry. With the last of Iran's "baby boom" generation soon entering the labor market, the strain on resources and competition for jobs will begin to abate.

The regime's longevity also reflects the paucity of credible challengers. Despite rampant popular dissatisfaction with the system, no individual or group has emerged as a focal point for an organized opposition. Iran today has a pantheon of dissidents whose contributions to the cause of political change are momentous, but none has proven willing or capable of navigating a serious movement to take on the regime. The Islamic Republic's critics have slogans but no strategies. And, most of the political operatives who are interested in promoting change continue to channel their energies toward captur-

ing or transforming existing institutions, rather than dismantling a corrupt system.

Proponents of U.S. funding, however, see the endurance of the Iranian regime and the opposition's weakness as a justification for an even more strenuous American investment in Iranian democracy. That remedy presumes that insufficient resources are the primary deterrent to revolutionary change in Iran and that American engagement will boost the prospects of such change. Unfortunately, both assumptions are incorrect.

Iran today appears trapped by revolutionary fatigue and political cynicism. The majority of Iranians may not like their political system, but they are also unwilling to indulge once again in revolutionary passions or even engage in mass boycotts of its rigged elections—not after having their hopes dashed most recently by the reform movement's failure and having witnessed the instability associated with the recent transitions to their east and west.

This is compounded by the generalized antipathy toward external intervention and the specific legacy of U.S. policy. Any association with Washington represents the kiss of death for activists and organizations in Iran—a double whammy that incites regime repression even as it erodes popular perceptions of legitimacy. And yet the United States has remained stunningly oblivious to the disadvantageous ricochet of its generally clumsy attempts to inspire of democracy in Iran.

AT THE root of Washington's democracy-promotion blunders is a simple but startling unfamiliarity with contemporary life in Iran. After a three-decade absence, the U.S. government is singularly uninformed about the country's political culture and day-to-day dynamics. With only a handful of Persian language speakers in the State Department and none involved in the design or implementation of the democracy initiative, the fractious de-

bate of the Iranian press and blogosphere are impenetrable for Washington, as are a wide range of basic facts, such as the identities of influence-makers, composition of factional groupings and history of opposition politics. American capacity to cultivate Iran's future democratic leaders must be weighed against its failure to predict the rise of the reform movement or Ahmadinejad's ascension, and its reliance on an internet search to identify targets for UN sanctions in drafting a December 2006 Security Council resolution.

This dearth of knowledge is not purely a weakness of the Bush Administration. These same deficits are largely shared by American NGOs and the larger purveyors of democracy assistance, which have little direct experience on the ground in post-revolutionary Iran and whose opportunities to interact on a normal basis with Iranian civil-society organizations are fast evaporating. The decision to classify the recipients of the democracy initiative precludes any external effort to evaluate its efficacy or even calculate how much of the funding has been spent in Iran. Moreover, the tortuous effort to spend the 2006 funds raises real doubts about Washington's capacity to spend the next round of funds in a responsible manner.

The tone-deaf U.S. approach highlights a broader inconsistency: the question of strategic trade-offs. The very tools that the United States and its allies utilize to pressure Iran—economic sanctions, diplomatic and cultural isolation, and the threat or use of military force—provoke nationalistic responses. This helps consolidate the regime, mitigate elite competition and rally the population behind the very system Washington wishes to see them confront. Conversely, the sensitivities associated with any external involvement in Iranian internal politics ensure that Tehran would interpret the high-profile American democracy fund as an explicit attempt at regime change, an interpretation that could only complicate efforts to

persuade Iran to bargain away the ultimate deterrent capability—its nuclear program. The program undermines the broader American strategy of trying to pressure and persuade Iran to the negotiating table by reinforcing Tehran's long-held paranoia that the principal U.S. objective is the eradication of the Islamic Republic.

ANY FUTURE administration must come to grips with two unpleasant truths about Iranian politics. First, the regime is here to stay for the foreseeable future, and second, American involvement is far more likely to impair rather than advance Iran's democratic potential. An alternative American approach to democracy promotion in Iran should begin with an eye toward realism and viability. There are no quick fixes.

We need responsible leadership to promote prudent long-term investments rather than high-profile but low-impact initiatives. It will be difficult to abandon altogether the extravagant funding and official U.S. operational role; however, a more sensible approach would redirect funds from direct civil-society support toward the less politicized arena of educational opportunities and exchanges. Subsidizing hundreds of scholarships for Iranians at U.S. colleges and universities would have a vastly greater public-diplomacy benefit inside Iran today, and would expose Iran's best and brightest to American culture and opportunities, helping create a new generation of U.S.-trained intellectuals poised to steer their country in a new direction. In addition, we should move from a U.S. government-centric approach to a more broad-based effort by authorizing all U.S. NGOs to network with Iranian partners and engage in humanitarian projects, capacity building and community development in Iran. Such work is currently barred by U.S. sanctions except for case-by-case licenses. A general license for American non-prof-

its would permit a thousand flowers to bloom and would erode some of the taint of official American approval.

Washington should also endeavor to "re-brand" U.S. outreach, particularly the State Department's new Dubai office, which was unfortunately described by Undersecretary of State Nicholas Burns as a 21st-century version of the "Riga station"—the U.S. listening post along the Soviet border during the Cold War. Rather, the Dubai office should serve as the shadow embassy and launching pad for enhanced diplomatic mechanisms and people-to-people dialogue. In the short term, none of these steps promise a breakthrough, but they can slowly foster conditions conducive to democratic outcomes.

Iran's volatile politics present Washington with a profound dilemma. At minimum, a more democratic political framework would mitigate the most troubling dimensions of Iran's current policies—the regime's nuclear ambitions, its support for Iraqi militias and terrorists across the region, and its treatment of its own people. For legitimate reasons, curtailing these policies ranks high on the administration's agenda, with nearly universal bipartisan support. Unfortunately, though, the Bush Administration has adopted a prescription for Iran's democratic deficit that disregards the fundamental realities of the disease. Recognizing what is truly achievable is axiomatic for success, particularly in countries where our interests vastly outweigh our expertise.

Finally, we should recognize that Iran's internal developments are largely beyond the influence of Washington. This should not imply hopelessness about Iran's political future; a history of semi-competitive politics and a well-educated populace give the country perhaps the strongest platform for democracy in the region. Rather, Iran's persistent unpredictability and unexpected evolution since 1979 only reminds us that we truly don't know what twist Iranian politics may yet take. □