July 14-15, 2009

Iran's Quest for Regional Preeminence:
Implications for Middle East Security

A SABAN CENTER AT BROOKINGS-UNITED STATES CENTRAL COMMAND CONFERENCE

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A LETTER FROM KENNETH M. POLLACK

On July 14-15, 2009, the Saban Center at Brookings and the United States Central Command partnered for the first time to convene a joint conference on "Iran's Quest for Regional Preeminence: Implications for Middle East Security." Over one-hundred-and-fifty experts from the policymaking and academic communities came together to analyze developments in Iran, including its support of terrorist groups, its foreign policy, and its nuclear program. We were particularly grateful to have CENTCOM Commander General David Petraeus, CENTCOM Deputy Commander Lieutenant General John Allen, former Ambassador to Iraq Ryan Crocker, former Assistant Secretary of State for Near Eastern Affairs Martin Indyk, and current Assistant Secretary of State for Near Eastern Affairs Jeffrey Feltman as active participants.

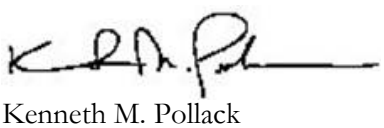
Iran has been at the forefront of U.S. national security concerns for the past thirty years. Yet, for the past three decades the United States has had limited contact with Iran's leaders and has found it difficult to discern the opaque workings of the regime. The momentous events since June 12, 2009 have compounded the challenge and have made clear the importance of understanding better the Iranian landscape. The conference therefore aimed to foster discussion on the implications of the dramatic developments of the past sixty days in the context of the past thirty years and assess the impact on U.S. national security priorities.

One participant remarked that "while the conference provided important information, it didn't provide answers." This of course is the challenge of U.S. policy toward Iran—there are no easy, or even good, answers. Much of the conference focused on discussing "tradeoffs"—what the United States should and should not be willing to give up in order to gain something in return. Most of these tradeoffs are distasteful. As testament to this, a particular point of disagreement in the conference was between those who felt the United States should halt engagement with Iran so as not to legitimize the Ahmadinejad regime and undercut the opposition. Others felt the "nuclear clock" was ticking too quickly to press the pause button on the policy of engagement.

What follows is the Proceedings of the conference, including summaries of the sessions and a pair of analysis pieces derived from the conversations at the conference. Please note that the discussions at the conference were held under the Chatham House Rule, meaning that the content of the dialogue can be made public but not attributed to any person. Because of the sensitivity of events in Iran, we have not made public the names of the participants.

We would like to express our sincere thanks to the staffs of the Saban Center and of CENTCOM for putting together this conference and the Proceedings. Lieutenant General John Allen was instrumental in forging the partnership with the Saban Center at Brookings, and we offer our gratitude to him.

We hope the Proceedings provides insight as the Obama Administration addresses the difficult challenge that is Iran.



Kenneth M. Pollack
Acting Director, Saban Center for Middle East Policy at Brookings

CONFERENCE AGENDA

Day One: July 14, 2009

Welcome and Introductory Remarks
General David Petraeus, Commander, U.S. Central Command

Opening Address
Ambassador Ryan Crocker

Panel One: Iran's Post-Election Internal Balance of Power
Moderator: Kenneth Pollack, Acting Director, Saban Center at Brookings

Panel Two: The Iranian Economy
Moderator: Daniel Byman, Senior Fellow, Saban Center at Brookings

Panel Three: Impact of Internal Developments on Iran's Foreign Policy
Moderator: Bruce Riedel, Senior Fellow, Saban Center at Brookings

Day Two: July 15, 2009

Day Two Introductory Remarks
General David Petraeus, Commander, U.S. Central Command

Panel Four: Iran's Nuclear Program
Moderator: Kenneth Pollack, Acting Director, Saban Center at Brookings

Panel Five: Iranian Support of Extremist Groups
Moderator: Suzanne Maloney, Senior Fellow, Saban Center at Brookings

Panel Six: U.S. Strategy toward Iran and Prospects for Regional Stability
Moderator: Martin Indyk, Acting Vice President and Director of Foreign Policy, Brookings

IRAN'S QUEST FOR REGIONAL PREEMINENCE: THE CHALLENGE OF THE ISLAMIC REPUBLIC

SUZANNE MALONEY

When it comes to U.S. policy toward the Middle East, Iran has always cast a long shadow. Before the 1979 Islamic Revolution, Iran's monarchy served as the pillar of the United States' strategy of retaining the country as a critical ally and securing the region. Over the course of the three decades that have passed since that turning point, a generation of American policymakers has wrestled with the challenges posed by Tehran's post-revolutionary regime. Today, thanks to an extraordinary crisis of its domestic politics and the continuing U.S. involvement along both its eastern and western frontiers, Iran has perhaps never been as relevant to Washington as it is today.

The July 2009 conference, "Iran's Quest for Regional Preeminence: Implications for Middle East Security," reflects the joint efforts of the United States Central Command and the Saban Center for Middle East Policy at Brookings to take stock of Iran's dynamics, capabilities, and ambitions in the region. Taking place in the wake of dramatic upheaval within Iran that followed the June 2009 presidential election, the conference included six panels of expert commentators who reviewed Iran's political and economic developments as well as the nuclear issue, Iranian support for extremists, and Tehran's regional reach. The conference offered a vivid, often first-hand depiction of recent developments within Iran and their potential impact on Tehran's effort to assert its influence across the region. In particular, the presentations highlighted four themes that are central to understanding Iran and formulating an effective strategy for dealing with the challenges posed by its current leadership.

The first characteristic is the sheer *complexity* of the Iranian challenge. Internally, Iran has always been riven by institutional redundancy and fierce competition among its elites for political sway. Authority in the Islamic Republic has been bifurcated between the theocratic and republican institutions, an uneasy equilibrium that, until the outright manipulation of the recent presidential election, suggested the continuing salience of Iran's century-old constitutional legacy. Decision-making was traditionally consensual, and Iran's jockeying political factions and semi-autonomous institutions created a kind of natural bulwark to the regime's authoritarian proclivities.

In the aftermath of the rigged election and the subsequent turmoil on the streets and in the corridors of power, the legitimacy of the regime's rule and the scope of its authority have eroded considerably. Among the narrower array of relevant decision-makers, the command structure of the Islamic Revolutionary Guard Corps features more prominently than ever before. Still, even in a simplified and polarized post-election Iran, the contours of the new situation remain amorphous, as evidenced by the fact that the primary leaders of the nascent opposition movement are a quartet of veteran revolutionaries who continue to back the Islamic system.

The byzantine internal edifice of the Iranian regime has been matched by its multi-faceted and often contradictory external

behavior. Tehran has long been the region's chief troublemaker, subverting neighboring governments, funding violent proxies, and seeking to maximize its own sway far beyond its borders. However, Iran has also proven capable of nuance and rational cost-benefit assessments of its interests and opportunities. In Lebanon, Tehran's relationship with Hizballah has evolved to the point that the patron at times defers to the domestic political interests of its proxy. In Iraq and Afghanistan, Tehran has restrained itself, working to bolster the stability of both post-conflict governments even as it invests in and encourages the destructive capabilities of militants in both countries. These inconsistent policies reflect Iran's countervailing imperatives—an interest in asserting itself in what it perceives to be its natural sphere of influence by either countering American involvement in the region or hedging so that it can capitalize on unexpected changes. Similar to Iran's internal intricacies, the complexities of Iranian foreign policy compound the difficulties for Washington in crafting an effective U.S. policy. There simply are no easy answers or silver bullets to Iran's manifold challenges.

Iran's propensity for surprise reflects at least in part the profound limitations on information and first-hand exposure to its internal dynamics

The second central factor in understanding and dealing with Iran is *unpredictability*, particularly with respect to the country's internal dynamics. Iran's politics routinely defy expectations. The 1979 revolution itself came as a shock to much of the Western policy community as well as to many Iranians. No serious analyst anticipated the election of a moderate cleric, Mohammad Khatami, to the presidency in 1997 or the ascendance of a movement for political reform that that election heralded. Even fewer foresaw Mahmoud Ahmadinejad's emergence eight years later, or anticipated the turbulence that has engulfed Iran since his supposed landslide election to a second term in June 2009.

For many external observers of its politics, Iran's propensity for surprise reflects at least in part the profound limitations on information and first-hand exposure to its internal dynamics. Despite recent efforts to build official capacity on the country, Washington has operated with an inherent deficit of information because it has tried to interpret Iran from a distance and after such a prolonged absence. As a result, American policymakers and analysts must incorporate a considerable factor of ambiguity into their assessments of Iran.

Beyond the information limitations, however, even Iranians routinely acknowledge the fluidity of their politics and policies. In this respect, Iran has repeatedly evolved in an incongruous fashion and its volatility demonstrates the power of unintended consequences in shaping its outcome. Who could have predicted a generation ago that its diverse and largely peaceful revolution would beget a vicious theocracy? Or, that the regime's attempt to push through a post-war program of economic liberalization would inadvertently spawn a political reform movement? And presumably, no one—not even the protagonists of the power grab—anticipated that the blatant manipulation of the June election would spark a historic crisis and shake the foundations of the revolutionary state. However way the current situation develops, chances are that Iran will yet again defy expectations.

The third issue is the *durability* of the Iranian challenge. Despite its proclivity for volatility, as discussed above, the Islamic state and many of its central policies have proven far more durable than anyone would have predicted thirty years ago. Even in the wake of the election turmoil, it is still possible—perhaps even probable—that

Iran's leadership and ruling ideology will survive this crisis intact, thanks to its reliance on making deals behind the scenes and cracking heads on the streets.

The Iranian system has endured a variety of shocks and crises over the span of its thirty-year rule, including economic sanctions, internal unrest, invasion, and a protracted and costly war. In fact, the severity of Iran's challenges in its earliest and most precarious years helped consolidate the state's authority, and correspondingly forged its leadership's distrustful worldview and their commitment to retaining power at almost any cost. Recent developments have shaken the Islamic regime to its core, and yet few conference participants foresaw a quick or easy transition to a new political order in Tehran.

The severity of Iran's challenges in its earliest and most precarious years helped consolidate the state's authority, and correspondingly forged its leadership's distrustful worldview

Just as the state itself has persisted, so too have many of its most important policies, even in the face of internal efforts and/or external pressures to alter them. In several cases, the revolutionary state has demonstrated remarkable consistency with its predecessors. Iran's quest for regional primacy can be traced to the glories achieved by its pre-Islamic dynasties, and emulating that influence certainly featured prominently in the Shah's aspirations and regional approach. The monarchy initiated Iran's nuclear program, which the current regime has retained and passionately defended for more than two decades, even in defiance of its treaty obligations and the profound concerns of the international community. It is entirely plausible to suggest that Tehran's nuclear ambitions might well endure beyond its current leadership.

In addition, Tehran's alliance with Syria, a seemingly utilitarian arrangement between two regional outcasts, has nonetheless survived the divergence in their ideologies and interests as well as the recurrent international efforts to disengage them from each other. The deep suspicions and resentments toward Washington that Supreme Leader 'Ali Khamene'i and other powerful hardliners harbor predates the revolution itself and has shown little sign of abating even as the global context for the relationship has been transformed. To be sure, Iran has certainly experienced considerable change, and its leadership has reversed itself on strategically significant issues, but any understanding of Iran must take into account its core consistency in many areas.

Finally, a critical element of the Iranian challenge is its *reach*—Tehran's capacity to influence debates and developments far beyond its borders. Its support for extremists, rejectionist rhetoric, nuclear aspirations, and cultural outreach endow Iran with profound sway across the broader Middle East. Through its patronage of Hizballah, Hamas, and Palestine Islamic Jihad, Iran has inserted itself directly into Lebanese affairs, the peace process, and the future evolution of a Palestinian state. Additionally, no government, with the distinct exception of Washington, bears greater influence on the future of the two key battlegrounds in the war on terror—Afghanistan and Iraq.

Iran is not an expansionist power in the traditional sense; Tehran does not seek to eradicate borders or annex territory. Rather, Iran has an almost instinctive need to assert its sway that is born of a fundamental opportunism and manifests itself through efforts to maximize its levers and exploit its adversaries' vulnerabilities. This relates to the insecurity and distrust that is deeply engrained within the political culture and the strategic framework of the Islamic Republic. The upheavals of its early history

appear to have persuaded Iranian leaders that the world is irreversibly hostile to Iran, that compromise only invites further coercion, and that the exigencies of regime survival justify any effort to assert itself. Today, with Iran once again experiencing internal unrest and increasingly isolated from the rest of the world, the argument that turmoil only hardens the regime's approach to the world is a truly sobering thought.

SUMMARIES OF CONFERENCE DISCUSSIONS

OPENING ADDRESS

The opening speaker, Ambassador Ryan Crocker, discussed the complexity of Iran's domestic political culture, arguing that U.S. policymakers must be extremely modest about the United States' capacity to analyze and predict accurately Iranian politics. He outlined two intertwined themes in Iranian history—continuity and persistence—that are useful to bear in mind when attempting to interpret Iran. Part of that continuity is Iran's perpetual quest for regional preeminence both directly, by means of conventional forces, and indirectly, by means of proxies and surrogates, such as extremist militant groups Hizballah and Hamas. Ambassador Crocker argued that regardless of who is in power in Tehran, Iranian leaders will seek regional preeminence. According to Ambassador Crocker, Iran's quest for domination is ultimately rooted in the country's national security principles that are shaped by the threat perceptions of Iran's leaders. He contended that the logic of continuity also explains the development of Iran's nuclear program.

A manifestation of persistence in Iranian politics, according to Ambassador Crocker, is Iran's alliance with Syria—Syria has played a central role in Iran's post-revolutionary projection of power. The Iran-Syria relationship dates back to the 1980s, particularly to the Iran-Iraq war of 1980-1988, during which Syria supported Iran, and to the 1982 Israel Defense Forces' intervention (called Operation Peace for Galilee) in the Lebanese civil war. Ambassador Crocker argued that Israel's invasion of Lebanon exacerbated Iran's and Syria's perceptions of a U.S. and Israeli threat to their regional interests and national security. The Iran-Syria alliance has endured beyond the conclusion of the Lebanese civil war and was reinvigorated after the 2003 U.S. invasion of Iraq. The Iran-Syria alliance is now so strong, in Ambassador Crocker's view, that it can withstand even a future accord between Syria and Israel.

The Ambassador suggested that the Lebanese and Iraqi civil wars had different impacts on the Iranian-Syrian perception of Israel and the United States: Israel's 2000 withdrawal from Lebanon convinced Tehran and Damascus that while they could not prevail conventionally, they could prevail by engaging their superior adversaries in unconventional warfare; protracted unconventional wars inevitably damage the adversary's domestic public opinion and erode the nation's will to fight. By contrast, the United States' continued presence in Iraq—and, of greater significance, the 2007 surge in American forces that dramatically reduced violence—has forced Tehran and Damascus to reevaluate the United States' staying power, and have forced the two countries to recalculate their means and objectives. This lesson confounded Iran and Syria because of their previous assumption—based on the 1984 U.S. withdrawal from Lebanon and the 2000 Israel withdrawal from Lebanon—that neither Israel, and in particular the United States, have staying power in the region.

Ambassador Crocker concluded his remarks by putting forth a number of policy recommendations. First, he suggested that there are no quick solutions to the Iranian problem and all of the existing policy options are imperfect. Second, he stressed that the United States must engage the international community in dealing with Iran. Specifically, the United States must cooperate with the United Nations Security Council, individual members of the Security

Council, and European nations. On a regional level, the United States must continue to work closely with its allies in the Middle East, especially because many of these countries have long-standing relations and complex experiences with Iran. Third, the United States must deal with Iran directly, by talking to the Iranians representing various spheres of Iranian politics and society.

Ambassador Crocker acknowledged that his recommendations would not produce immediate results, particularly due to the persistence of Iran's revolutionary fervor. Iran's leadership sees its ideological mobilization of the population as central to the regime's survival, and equates the abandonment of its anti-Americanism with surrender. Instead, engagement will require patience and prudence on the part of the United States and its European allies. He emphasized that American leaders must meaningfully try engagement before resorting to more dramatic measures.

Iran's leadership sees its ideological mobilization of the population as central to the regime's survival, and equates the abandonment of its anti-Americanism with surrender

In the questions-and-answer period, Ambassador Crocker was asked about his experience in 2001-2003 engaging in direct diplomacy with the Iranians on Afghanistan. A participant pressed him to identify any opportunities that were missed by the Bush Administration that could have helped repair the U.S.-Iranian relationship and resolve differences with Tehran. He indicated that there may have been a possibility early during the talks, but that after the "Axis of Evil" speech and a switch in Iranian interlocutors, the talks became less constructive. Another participant asked him about the politics of engaging Iran in the aftermath of the June upheaval. He insisted that talks do not, in-and-of-themselves, bestow a seal of approval or legitimacy, but acknowledged that this would be a difficult time to initiate discussions.

PANEL ONE: IRAN'S POST-ELECTION INTERNAL BALANCE OF POWER

The conference's first panel analyzed the disputed presidential election of June 12, 2009 that Iranian officials say gave Ahmadinejad 63 percent of the vote. The discussion examined the internal dynamics of the hotly contested campaign, the suspicions of fraud, the motivations for manipulation, and the outlook for the future in a fractious Iran.

There was widespread agreement among the speakers—two of whom had been in Iran before, during and after the election—and those in the audience—who included at least another half-dozen who had also been in Tehran—that many Iranians viewed the 2009 elections as a referendum on President Ahmadinejad's policies. As a participant noted, one of the most notable trends in the lead-up to Election Day was the expression of dissatisfaction with the incumbent, even among many of the poorer Iranians who had viewed him as a "savior" of Iran's economy when he took office four years earlier. The primary issue of importance to voters was believed to be the economy, but foreign policy and other issues were prominently featured during the campaign as well. One speaker noted that he met many pro-reform Iranian voters in the lead-up to the election who had previously distanced themselves from electoral participation because they had become disaffected during Mohammad Khatami's presidency. In the recent campaign period, however, the speaker said, these same people had become extremely eager to vote because, as one of them mentioned, Iran under Ahmadinejad is

"worse than ever." Another participant noted that this election represented the latest incarnation in the long-running political battle between Supreme Leader 'Ali Khamene'i and former president Ali Akbar Hashemi Rafsanjani, which had intensified after the Supreme Leader implicitly backed Ahmadinejad in his 2005 victory over Rafsanjani.

The speakers concurred that the official election result released by Iran's Interior Ministry was fraudulent. One speaker described the vote as the culmination of a longstanding project to eliminate the reform movement and lock in permanent conservative control. Several participants pointed to an intense fear that was prevalent within Ahmadinejad's executive branch and among the new leadership of the Islamic Revolutionary Guard Corps (IRGC) of internal subversion and a "velvet revolution." The arrests of dual-national scholars since 2007 can now be understood within this light and can be seen as harbingers of the electoral "coup."

Several of the panelists who had been in Iran during the elections and their aftermath were adamant that the burgeoning opposition is not simply a Tehran-based or an elite-oriented phenomenon

Another participant stated that there were clear signs of potential fraud in advance of the vote. For example, the IRGC's weekly publication, *Sobh-e Sadegh*, announced in an article a week before the election that the Corps would not allow a "green revolution" in Iran, referring to the color associated with the campaign of presidential candidate Mir Hossein Mousavi. Also, defeated reformist candidate Mehdi Karroubi alleged before the vote that the IRGC possessed five million fraudulent identity cards that could be used in polling places, and that fifteen million extra votes had been printed. Furthermore, another participant stated that Hossein Shariatmadari, editor of the hard-line newspaper *Kayhan* and a close associate of Khamene'i, told him last year that Ahmadinejad would no doubt win the election. A participant who had recently returned from Iran suggested that numerous visas provided to foreign journalists for the polls indicated that the electoral manipulation was intended to be concealed.

The speakers also addressed Iran's current political landscape. One panelist recalled the prediction that a former aide to Ahmadinejad made a year ago that the president's "failed politics would shake the pillars of the Islamic Republic." The panelist suggested that, despite the perceived failure of former president Khatami's reformist agenda, the civil society fostered by his government facilitated the opposition movement's rapid organization and mobilization of established groups, such as guilds, student groups, and women's organizations. The speaker observed that the remarkable diversity within the coalescing opposition movement—coupled with the boldness of participants shouting "death to the dictator!"—would have been unthinkable in Iran a few months ago. One of the speakers asserted that prior to the election, public acceptance of the regime's failings constituted an important component of the social contract in Iran, but that Khamene'i had misjudged society's forbearance and willingness to countenance massive electoral manipulation. Another speaker noted that the opposition's ability to muster supporters to protest in the streets is a powerful new tactic for the reformists and represents a stark contrast with the calm political appeals for change made during the Khatami era. Several of the panelists who had been in Iran during the elections and their aftermath were adamant that despite some external skepticism, the burgeoning opposition is not simply a Tehran-based or an elite-oriented phenomenon.

Regarding the unprecedented nature of the events, a participant emphasized that what distinguishes the current crisis from all other previous tensions in the Islamic Republic is that it has challenged the legitimacy of Iran's Supreme Leader whose authority has always been absolute. The challenge to the Supreme Leader emanates not only from political veterans like Mousavi and Karroubi, but also from many senior clerics, including Ayatollahs Montazeri, Taheri, Saanei, and Bayat-Zanjani. In the participant's view, Khamene'i compromised his authority by abandoning the veneer of being a neutral arbiter; Khamen'i was vocal in his support of the hard-line faction, evidenced by his Friday sermon on June 19—an event which one participant called "the biggest political mistake of Khamene'i 's life." One of the speakers suggested that *velayet-e faqih* as it was previously understood is now over for all practical purposes.

One speaker assessed that Iranians do not want the removal of the regime, but a change in its nature that would include "defanging" the unchecked authority of the Supreme Leader

In forecasting the road ahead for Iranian politics, one speaker described Iran as in a state of "political purgatory," adding that the status quo ante is dead but the future is still unclear. Most participants agreed that the opposition does not appear likely to disappear under pressure. The consensus among the speakers was that the opposition will continue to confront the Ahmadinejad government by any means available. One speaker suggested that the Iranian government recognizes this reality, and views the opposition as a significant threat—a threat that must be dealt with publicly rather than ignored or erased from public consciousness. Still, one of the key uncertainties about where Iran goes from here concerns what the opposition is seeking; one speaker assessed that Iranians do not want the removal of the regime, but a change in its nature that would include "defanging" the unchecked authority of the Supreme Leader.

All the participants stressed that the repressive capacity of the regime is significant, but it has limitations. One participant observed that while the IRGC enables the government to consolidate power, monolithic IRGC support may not be sustainable. The Corps' former commander, Mohsen Rezai, has publicly criticized the election results, albeit less vociferously than the other two opposition candidates. The strategy of the regime, this participant said, is to buy time by co-opting as many critics and imprisoning as many opposition leaders as possible. Yet divisions within Iran are so profound that cooptation and repression may not eliminate the challenge to the system. While the demands of the opposition vary—some members of the opposition want a re-vote whereas others seek complete abolition of the Islamic Republic—most participants agreed that Iranians will be wary of any all-out revolution. Instead, Iranians want to change the nature of their current system. While the timeframe for any fundamental change in Iran appears uncertain, several participants concurred that in the long-term Iran is likely to become a more republican state with a less powerful but more symbolic *vali-e faqih* in place of Khamene'i.

PANEL TWO: THE IRANIAN ECONOMY

The second panel session focused on some of the structural problems of Iran's economy and the relationship between the economy and Iran's political dynamics. In particular, the panel addressed the impact that Iranians' dissatisfaction with their economic predicament has had on the recent political turmoil. While statistics suggest that Iran has experienced a

respectable level of development since the revolution, a number of factors have stoked public expectations and contributed to popular agitation when those expectations have not been met.

Some participants argued that Iran's economy is not as troubled as media reports often suggest, even though Iran suffers from deep distortions, such as a bloated state sector, unsustainable subsidies on staple goods, and a lack of transparency and accountability. Still, the standard of living has increased significantly since the revolution, and infrastructure, healthcare, and education are better than they were thirty years ago. Many participants voiced the opinion that Iran's economic performance has been extremely poor and pointed to the fact that the Iranian public remains concerned about the ramifications of wide-spread unemployment, poverty, and cronyism. As one participant detailed, although an influx of oil revenue over the last decade has propped up the Iranian economy, the economy has not performed as well as it could have, and has not grown as much as the economies of other OPEC countries.

Iran failed to exploit the epic spike in oil prices during the first eight years of this decade and, of far greater importance, the Iranian economy has consistently failed to meet the expectations of the Iranian people themselves

Compared to other oil-producing states in the Middle East, Iran failed to exploit the epic spike in oil prices during the first eight years of this decade and, of far greater importance, the Iranian economy has consistently failed to meet the expectations of the Iranian people themselves. This situation is compounded by the fact that there is a great degree of income inequality in Iran; any increase in oil wealth exacerbates the inequality because the oil wealth flows to the top earners.

One speaker detailed the issue of female employment in Iran, noting that while current rates of female participation in the labor force lag behind rates in many other ountries, in some respects, the trend is in the right direction. Universities currently have more women enrolled than men, and education at the high school level for women has also increased. Regardless of this improvement, however, the problem of unemployment for women persists. The same speaker said that unemployment is a particular problem for Iran's youth. While adult Iranian males have relatively little difficulty finding jobs, for those under thirty, it is a daunting challenge. This situation has created significant socio-economic problems for the country as a whole.

Despite the problems with employment, the speaker noted that overall poverty in Iran has been low for a while. The liberalization and reform policies enacted under President Rafsanjani enhanced the Iranian economy and alleviated poverty throughout the country. Yet, poverty has not declined further under President Mahmoud Ahmadinejad. Hoping to fix the economic system that he inherited, and increase executive control, Ahmadinejad dissolved the organization that was partly responsible for the dispersion of oil revenue and moved the control of oil revenue into the president's office.

Summarizing a point agreed upon by many, one participant said that Ahmadinejad has pursued economic policies that have been both counterproductive and unpopular. In particular, Ahmadinejad's inefficient economic policies have led to inflation and multiple socio-economic problems that ensue from these high inflation rates. However, one participant noted that regardless of intention, Ahmadinejad has faced real structural limitations to improving the economy.

One participant emphasized that Iran today boasts a large middle class, which is typically overlooked in discussions that superficially contrast dueling stereotypes of the hard-line militant poor vs. the decadent wealthy Iranians. The participant argued that the middle class has clear economic interests—for instance the lower classes would like oil money to be redistributed, but the middle class would not. The middle class prefers private investment because they fear that Ahmadinejad's redistribution of oil revenues directly to the lower classes will create inflation and destroy their savings. Moreover, the middle class is most adversely affected by Iran's structural problems—unemployment is worse for educated women than it is for illiterate men. Furthermore, Ahmadinejad has effectively suppressed the middle class in order to prevent this group from gaining economic power that could challenge his political power base.

A participant argued that given the current fractures within the political elite, Iranians might become more sensitive to economic pressures

Participants discussed the relationship between the economy and politics, focusing both on the Iranian Revolution and the current political crisis. One participant described several paradoxes of Iran's political economy since the revolution. The revolution was not necessarily about economic issues yet the economy became a unifying issue for the many disparate forces pushing for a revolution. In addition, the revolution modernized Iran economically, even though the primary objectives were not oriented around economic development. One participant argued that as was the case thirty years ago, today discontent in Iran is driven more by political concerns than by the economy.

Regarding economic sanctions, one participant argued that they have undoubtedly hurt Iran's economy but the political impact of the sanctions is difficult to measure. In the 1980s, when Iran was at war with Iraq, the country was facing major economic troubles, but Iranians chose to keep to an austerity budget rather than give up the war. The participant noted, however, that given the current fractures within the political elite, Iranians might become more sensitive to economic pressures. This participant also emphasized that as long as the Iranian regime can sell oil around the world, sanctions will not produce any substantive effects.

In a sign that Iran's economic situation may have few prospects for improving, one participant noted that in the June 2009 election none of Ahmadinejad's rivals presented an economic program that was significantly different from his or that dealt with the structural problems plaguing Iran's economy.

PANEL THREE: IMPACT OF INTERNAL DEVELOPMENTS ON IRAN'S FOREIGN POLICY

A speaker opened the third panel discussion by detailing the impact of the recent election on Iran's foreign policy and analyzed the prospects of nuclear negotiations. The post-election turmoil that has engulfed Iran is one of the most significant events in Iran's history since the revolution of 1979. In the speaker's opinion, no other historical event has challenged the legitimacy of Iran's office of the Supreme Leader to the extent that the recent developments have. Because of the unprecedented nature of recent events, the participant argued, it is uncertain how Iranian foreign policy will evolve. What is evident, however, is that in the short term, the regime will exercise more repression against the opposition and its supporters. In broader terms, the loss of domestic legitimacy and continued internal unrest are likely to tarnish Iran's image internationally and weaken its bargaining position on the

nuclear program. However, in spite of these repercussions, the Iranian regime is unlikely to moderate its foreign policy and instead will likely pursue a more audacious foreign policy intended to deflect international attention from the election debacle.

The speaker said that Iranian leaders have strongly believed that negotiations over the country's nuclear program should be conducted from a position of strength. According to the speaker, the turmoil of the election has clearly damaged Iran's actual and perceived strength. As a result, Iran's leaders have worked hard to demonstrate a firm national consensus on the nuclear issue by linking the nuclear program to Iran's sovereignty, history, and national pride. However, the speaker argued that the post-election turmoil has undercut Iran's argument that the nuclear program is based on national unity and sovereignty. Consequently, Iran's bargaining position on the nuclear issue has weakened.

The unrest in Iran complicates any future for engagement with Washington on the nuclear issue. In particular, Ahmadinejad had made the nuclear program a central issue for his presidency, and had succeeded in persuading many Iranians that he was a patriot and protector of Iran's national interests. By pursuing aggressive foreign policies, Ahmadinejad helped make domestic politicking and external confrontation interdependent: hardliners believe that an aggressive foreign policy strengthens their domestic legitimacy. A participant argued that the recent election turmoil exacerbated the paranoid and confrontational tendencies of Iran's hardliners, and ultimately it is difficult to envision how the regime would abandon its aggressive foreign policies.

Another speaker analyzed the impact of Iran's internal unrest on the regime's ability to govern. Clearly, the incumbent regime and the Supreme Leader are losing their credibility, the speaker stated. Simultaneously, Iranian society is becoming more and more polarized. These developments, nonetheless, do not necessarily indicate that the legitimacy of the Islamic state has completely collapsed. The speaker felt that there still are legitimate actors, including former president Rafsanjani, who are capable of restoring the system. The speaker said that one of the important uncertainties at this time is whether the schism among the elite is permanent; and speculated about whether Iran today resembles 1963, when the opposition went into exile and hardened against the monarchy, or 1988, when the political elite ousted the appointed successor to Ayatollah Khomeini but managed to maintain a firm grip on the reins of power.

Consequently, the post-election unrest will not produce dramatic shifts in Iran's regional interests, the speaker argued. While Iran has clearly lost some legitimacy domestically, the country's leaders will attempt to restore their credibility by exploiting a nationalistic foreign policy. Furthermore, because the incumbent faction has not changed, it is likely to continue implementing the same policies toward Iran's neighbors as it had before the election.

Regarding Iraq, one speaker said that as American troops continue withdrawing from Iraq, and Iraq gradually stabilizes, Iran might modify its regional goals. The speaker contended that without western barriers to Iranian expansion, Iran would most likely attempt to increase its influence in the region by building strong relations with the two Shi'i states in the region: Iraq and Lebanon. In the end, however, Iran's policy toward Iraq will largely depend on how the U.S.-Iran relationship develops. The speaker argued that Iran's policy toward Iraq will be shaped by Iran's threat perceptions; the more threatened Iran feels by the United States, the more mischief it will cause in Iraq. Conversely, a breakthrough on the nuclear issue would bring new legitimacy to

the regime, and perhaps less of a reason to cause problems in Iraq. Overall, the speaker said, there are several interconnected goals that Iran will likely pursue in Iraq. One is to ensure a friendly Shi'i government that is stable but not sufficiently powerful as to overshadow Iran's dominance in the region. To that end, Iran will support Iraq's territorial integrity because a stable and unified Iraq will contribute to Iran's stability by precluding a spillover of ethno-sectarian strife. However, as the recent tensions between the Iraqi and Iranian governments have demonstrated, Iran will also face challenges in Iraq, including clashing interests of other regional powers and the unresolved issue of Iraqi refugees.

Another speaker conveyed his thoughts on the impact of Iran's internal turmoil on American foreign policy. In the speaker's view, Iran's Supreme Leader is deeply ambivalent of, if not fully opposed to, any normalization of relations with Washington. He believes that continued confrontation with the United States and antagonism toward the West are necessary elements of preserving the spirit of the Islamic Revolution, and help Iran's current leaders maintain legitimacy and authority. Therefore, the speaker said that Tehran may want to create a greater sense of tumult and alienation in the region; Iran thrives under these conditions. Because of this, the speaker felt that the prospects for negotiations with the United States and Western powers are modest at best.

The speaker noted that the Obama Administration's policy of engagement with Iran places Iran in an uncomfortable position because Iranian leaders have less obvious justification for harboring enmity toward the United States. In this sense, Tehran misses the Bush Administration because Iranians and the international community see the obstacles to engagement as now created by Tehran, not Washington.

One speaker felt that if the president now engages Iran as if nothing has happened since June 12, he will delegitimize and betray Iran's opposition movement

In light of this, the speaker argued that the benefits of engagement do not outweigh the costs for the United States. President Obama judiciously refused to interfere in Iran's post-election drama. However, if the president now engages Iran as if nothing has happened since June 12, he will delegitimize and betray Iran's opposition movement. Thus, in the current context, the speaker recommended that the Obama Administration suspend its policy of engagement toward Iran, at least until the situation is clarified further. The speaker stressed that this should be the uniform approach of the international community, and said that the more attention the regime receives, the more of a recalcitrant posture it tends to assume, especially on the nuclear issue. The speaker also emphasized that the military option should not be considered, and warned that Iran might want to provoke some sort of skirmish to rally its population. Instead, the speaker suggested that the United States should work with Europe, Russia, China, and Saudi Arabia to pressure Tehran.

PANEL FOUR: IRAN'S NUCLEAR PROGRAM

The panel discussion on Iran's nuclear program began with an analysis of Iranian domestic opinion toward the Islamic Republic's continued push for nuclear power. A speaker stated that there is a pronounced schism between the regime's aspirations for nuclear capabilities and the actual desires of some government officials and the greater public. According to the speaker, many Iranians fear alienation from the international community and therefore do not support the nuclear program. The current regime, however, has suppressed formal debate in the Iranian press about its nuclear ambitions. Because the state controls the media and permits only

government-approved propaganda, there is a portrayal of Iran in the media both as a victim of the United States and as a powerful regional actor asserting its right to a nuclear program.

According to the speaker, the debate surrounding Iran's nuclear capabilities has served as a major political platform in Iranian politics. The speaker pointed to events during the Khatami presidency to illustrate this point: The 2002 disclosure of nuclear activities at the Natanz nuclear facility forced Tehran to suspend enrichment due to fears of a military strike and a realization that noncompliance with safeguards would deeply anger the international community. A moderate Iranian politician and cleric, Hassan Rouhani, negotiated Iran's suspension of enrichment with Britain, France, and Germany through 2004. Conservatives criticized him personally, and the Khatami presidency more broadly, for concessions made to international demands, accusing them of forfeiting Iran's right to develop nuclear technology. The campaign to discredit the reformist government succeeded and helped the conservative recapture of the parliament and presidency in 2004-2005.

One speaker said that within the context of Iran's post-election political turmoil, the Islamic Republic's belligerence may only increase

The speaker observed that since Ahmadinejad's 2005 election victory, Tehran has consistently ignored domestic and foreign criticisms of Iran's nuclear ambitions, thus further factionalizing domestic opinion on nuclear development. However, domestic dissent has been restrained by the fact the United Nations Security Council sanctions have had only modest impact and by the receding of any serious expectation of military action against Iran. Therefore, in a sense, Ahmadinejad's persistence was vindicated. As such, he denounced his detractors during the recent campaign as puppets of the West who would be willing to bargain away Iran's national rights.

According to the speaker, Iran is well on its way to realizing its goal of becoming a nuclear power. Military threats from the West lack credibility, international sanctions are in disarray, and the international community is still defining what qualifies as a nuclear program. The speaker went on to say that within the context of Iran's post-election political turmoil, the Islamic Republic's belligerence may only increase. Normalization of relations with the West would compromise the regime's revolutionary zeal and tarnish its carefully crafted image as a unified and dominant power in the Middle East. The speaker argued that the Iranian question can only be solved through a grand bargain by all involved parties. Therefore, the social unrest in Iran may actually produce a favorable environment for smart diplomacy between the West and those Iranians who desire normal relations with the international community.

The second speaker began his analysis of Iran's nuclear program by pointing out that even though the country has not yet made a political decision to produce weapons, it has the capability to make one bomb within six months. Its continuing efforts to stockpile low-enriched uranium (LEU) will enable Iran to produce more weapons in the future. The speaker stressed that Iran's violations of the Non-Proliferation Treaty relate to the fundamental ambiguity over the nature of its activities. The speaker argued that because Iran will likely try to draw out diplomatic talks in order to gain enough time to boost its LEU reserves, the international community should exert pressure on the regime. The only way to convince Iran to agree to a negotiated resolution, the speaker said, is to "bring it to the brink." There are two ways to achieve

this: a military strike to disrupt the nuclear program or severe economic sanctions. The speaker noted that even though economic sanctions are more difficult to coordinate and implement, they are preferable to military actions. However, in order for sanctions to have teeth, as well as credibility, they have to be backed by unanimous international support. If sanctions are endorsed only by European countries, they might simply reignite revolutionary ideology within Iran. Therefore, the speaker stressed the criticality of Chinese and Russian cooperation in implementing sanctions.

The speaker suggested that the best strategy for negotiating with Iran is to develop "specific, transparent, and compelling red lines" for nuclear activities that are universally applied. Clearly delineated boundaries will leave less room for bargaining and at the same time provide an option for the acquisition of peaceful nuclear technologies. The speaker said that because there are three levels of nuclear production—peaceful, weapons related, and dual intent—and no agreed-upon definition for these levels, there is a great deal of ambiguity. Therefore, renewed negotiations must include unambiguous descriptions of all activities that are weapons related and thus prohibited. Moreover, the definition of any proscribed activities would have to be tied to pre-agreed penalties that would be enacted should red lines be crossed. Dual intent activities must be accompanied by confidence building measures and additional protocols to ensure that nuclear objectives remain peaceful.

A speaker noted that if Iran were to acquire nuclear weapons, the rules of deterrence would still be applicable and Iran would likely prove deterrable

The third panelist addressed some major questions and issues that dominate the debate on Iran's nuclear program. The speaker noted that presently it is impossible to answer the question of whether Iran intends to build nuclear weapons because Iran has not yet made the decision itself since it is not yet at the point where it needs to make the decision. The speaker asserted that of greater significance is the issue of timing, that is, how much time it would take for Iran to produce a weapon once the country's leadership chooses the weaponization path.

The speaker pointed to the tendency among experts of analyzing Iran's motives for building a nuclear bomb as mono-causal. On the contrary, the speaker argued, Iran's motives are multifaceted and include aspirations of prestige, deterrence, regional dominance, and domestic politics. The speaker concluded the presentation by addressing the implications for the broader Middle East if Iran were to develop nuclear weapons. Although nuclear capability will, indeed, embolden the Iranian regime, the threat of weaponization alone makes Iran a dominant force in the Middle East. The speaker noted that if Iran were to acquire nuclear weapons, the rules of deterrence would still be applicable and Iran would likely prove deterrable. Therefore, the United States should not jump to unnecessary, extreme courses of action.

PANEL FIVE: IRAN'S SUPPORT OF EXTREMIST GROUPS

The first speaker of the session on Iran's support of extremist groups began by asking whether, in reaction to the post-election domestic turmoil, Iran would intensify its confrontational role in Afghanistan. What better place, the speaker hypothesized, for an irascible Iranian leadership to strive to give the United States a "black eye" than in Afghanistan and Pakistan, which President Obama has designated as the central front in the fight against terrorism? In the end,

however, the speaker argued that Iran would not alter its policies toward Afghanistan because the costs of policy shifts would outweigh the benefits. Ultimately, however, Iran's policies will depend on its leaders' threat perceptions.

The speaker reviewed Iran's three decades of involvement in Afghanistan, which has evolved from support of the Shi'a and Ismail Khan in the 1980s into considerable Iranian backing for the Northern Alliance throughout the 1990s. The speaker stressed that Hazarajat and Herat, where Iran has a de facto sphere of influence, have constituted the focus of Iranian attention. Unlike Saudi Arabia, Iran's support of the jihadists and other extremist groups has never been extensive and only served the country's short- and medium-term objectives.

The speaker further analyzed the relationship between Iran and the Taliban. Iran, the speaker said, has been accused of supplying weapons to Taliban rebels who operate along the Afghanistan-Pakistan border. Although these allegations have recently been tempered, the speaker said that American officials still see a number of reasons why a strong Taliban could serve Iran's interests, including, most notably, keeping U.S. forces in Afghanistan off balance.

The speaker then addressed the issue of al-Qa'ida and Iran, arguing that it is a complex relationship that fluctuates between hostility and cooperation. For instance, at times al-Qa'ida operatives have moved freely through Iran, whereas at other times they have been detained. Additionally, while the leaders of al-Qa'ida may have ignored Iran in their past statements, recently they have fiercely denounced Iranian leaders for participating in the July 2008 Madrid Inter-Faith Conference organized by Saudi Arabia. While the speaker predicted Iran will not seek to intensify its linkages with the Taliban as a means of keeping the United States off guard, the speaker said it is more likely that Tehran would open its doors to a greater level of al-Qa'ida activity.

In terms of addressing the challenge, the speaker concluded by emphasizing the importance of engaging the Afghans to deal actively with Iran's influence in their country. The United States should assume a supporting role, helping the Afghan central government protect its sovereignty and territorial integrity.

Another speaker discussed Iran's use of terrorism as a means of advancing its foreign policy goals. After the 1979 Islamic Revolution, Tehran used a wide range of terrorist organizations to export its revolution and to assassinate Iranian dissidents around the world. Tehran played a major role in forming Hizballah and helping it conduct attacks in Lebanon. On the surface, not much seems to have changed over the past several years regarding Iran's support of terrorism. However, in examining Iranian activity in greater detail, one can see that while Iran's support of anti-Israel violence has grown in recent years, Iran has curtailed its interference in other parts of the world. Attacks on Iranian expatriate dissidents have similarly decreased significantly since the mid 1990s. Likewise, Tehran appears to have tempered its zeal for exporting revolution. Of greater significance, Iran has not attacked the United States directly in the last decade.

The speaker explained that Iran uses terrorism as a tool to deter Washington. In addition, its support of a wide variety of Iraqi groups and actors reflects its leadership's deep-seated sense of vulnerability about Iraq's uncertain future; Iran wants options so it hedges by investing in relationship with multiple players. The speaker noted that Iranian intelligence officials are active throughout Iraq but so far they have caused only limited problems for the United States. Hence, Washington

has recognized the possibility that if it puts pressure on Iran's leaders, they could retaliate through terrorism. Therefore, terrorism complicates U.S. policy options for halting Iran's nuclear program and for curtailing other Iranian behavior.

The speaker then elaborated on Iran's connections with Sunni terrorist groups. The extent and nature of Iran's contacts with Sunni jihadist groups linked to al-Qa'ida is unclear, the speaker said. Immediately after 9/11, Iran appeared to be cooperating with the United States and its allies, transferring many jihadists to their home countries to face justice. However, after the Untied States' invasion of Iraq and as a result of American officials' refusal to turn over anti-Iranian terrorists of the Mujahedin-e Khalq Organization, Tehran has become more recalcitrant.

The speaker argued that Iran's support of terrorism gives Iranian leaders what they value most—a variety of options to deal with numerous foreign policy challenges and the ability to exert some influence in distant arenas that would otherwise be beyond the country's reach. Today's Iran is at best a second-rate economic power with mediocre conventional military capabilities. Terrorism, however, enables Iran in a number of ways: it strengthens Iran's position vis-à-vis Israel, it allows Iran to interfere in Iraq's affairs, and it deters the United States and the West from removing the Iranian regime. Iran may or may not continue to support terrorism as a tool of its foreign policy, but since the United States' track record of predicting Iranian moves remains poor at best, the speaker cautioned that Washington must remain cognizant of the fact that Iran might use terrorist groups to escalate conflicts.

Another speaker provided insight into the nature of the Hizballah-Iran relationship, noting that this relationship is the product of deep historical, cultural, and religious contacts between Shi'as in Iran and Lebanon. For Iran, it has been relatively easy to project its influence into Lebanon due to the receptive Lebanese Shi'a community and the overall open environment in that country. The speaker further argued that Hizballah can technically be viewed as a branch of the Iranian Revolutionary Guard Corps struggle against Israel and the United States. In particular, the historic confrontation between Hizballah on one side and the United States and Israel on the other, dating back to the 1980s, and which culminated in a direct war between Hizballah and Israel in 2006, can be viewed as a proxy war between Iran and the United States on Lebanese soil.

The speaker then analyzed Hizballah's power in Lebanon, arguing that the organization is both strong and weak. It derives its strength from its ability to operate outside the Lebanese political and legal systems. Yet, it is weak because, as part of the Lebanese state, it is forced to abide by the rules of confessional politics, in which no single actor can dominate the others. The Israel-Lebanon war of 2006 enhanced Hizballah's legitimacy in Lebanon because it demonstrated to the Lebanese people that the international community was unwilling and incapable of defending their country against Israeli aggression.

PANEL SIX: U.S. STRATEGY TOWARD IRAN AND PROSPECTS FOR REGIONAL STABILITY

The concluding session focused on the United States' strategic options toward Iran and prospects for stabilizing the broader Middle East. One speaker analyzed the reasons for Iran's determination to acquire nuclear weapons. First, Iranian leaders believe that nuclear weapons will deter an attack against Iran as well as counter the possibility of foreign-sponsored regime change attempts in Iran. Second, the Iranian regime believes that because other countries and religions are

allowed to possess nuclear weapons, Iran should be too. The speaker proceeded with an analysis of possible courses of action toward Iran, emphasizing the primacy of engaging Russia in dealing with Iran.

Russia is a critical element in forging a U.S. policy toward Iran because of its close political and economic ties to Iran. In addition, if Russia partners with the United States, it will likely encourage China and India to do so as well. By contrast, if Russia, China, and India fail to support American and European policies toward Iran and continue expanding their economic cooperation with Iran, European countries would likely be discouraged from initiating sanctions against Iran and foregoing lucrative oil contracts.

The international community must set clear and exacting definitions relating to enrichment while articulating the consequences for Iran if it were to proceed toward weaponization

The speaker argued that it was highly important to deny Iran the right to enrich uranium, but that such a course would likely deadlock negotiations. Such a deadlock would, in turn, require the use of harsher measures, ranging from banning Iranian oil exports to military strikes to prevent Iran from developing a full capability to manufacture nuclear weapons. Thus, if the international community is going to allow Iran to enrich uranium, it must place strict conditions on it. To that end, the speaker emphasized that the United States and Europe must create a solid international front—one that includes our Middle Eastern allies—and must pursue policies that are widely supported on both sides of the Atlantic. Furthermore, the international community must set clear and exacting definitions relating to enrichment while articulating the consequences for Iran if it were to proceed toward weaponization.

The second speaker laid out two policy options for the United States toward Iran: a preventive war either by Israel or the United States, and a combination of containment and deterrence. The speaker observed that diplomacy is the optimal option, but should diplomacy fail, the United States must consider military strikes. In discussing the military option, the speaker outlined two varieties of aerial attacks: a limited set of targeted strikes versus an intense raid. The speaker pointed out that limited strikes would not be strategically effective because they would only set Iran's nuclear program back marginally and would still enable the regime to mobilize the population against an external threat. At the other end of the spectrum are heavy attacks. According to the speaker, the effectiveness of heavy military strikes is not clear either because Iran would likely retaliate by attacking oil supply routes in the Gulf, launching rocket attacks on oil installations across the Gulf, and directly targeting Americans in Iraq and Afghanistan. Hence, heavy military attacks would inevitably incur considerable costs.

The speaker also analyzed the political consequences of a military confrontation. Even though political costs are more difficult to measure, the speaker raised a few important questions that must be considered before opting for military strikes: Would there be a military strategy for ending the resulting war? How and when would a military confrontation end? In addition, the speaker noted that any consideration of the military option must include the acknowledgement that a war in the Gulf would destabilize the oil markets and inflict significant material costs on the United States and the international community at a time of economic crisis.

In analyzing the policy option of containment-deterrence, the speaker argued that Iran's goals are not clear. Even though the international community believes that Iran is determined to increase its influence

in the region, the country is not well positioned to materialize this objective. The speaker argued that even though Iran is a dominant actor in the region, paradoxically, its dominance may weaken its ability to exert regional influence. According to international relations theories, strong states precipitate fear among weaker nations who seek to balance the stronger state's power. Furthermore, the speaker observed that Iran's capacity for regional dominance is constrained by the Middle East's confessional politics. The speaker noted that Iranians (Persians) are attempting to increase their influence in a region dominated by Arab nations that are known for their strong nationalism. Within this framework, the speaker argued that the United States could exploit Arab fear and nationalism against Iran. However, should the United States and its allies consider a military option, they must be extremely cautious not to turn Arab nationalism against the West.

The speaker laid out the challenges Iran faces and the way in which these weaknesses can aid U.S. policy. Iran is a majority Persian state in an Arab region and it is predominantly Shi'a in a region with a considerable Sunni population. These disadvantages, in the speaker's evaluation, weaken Iran's position in the region and strengthen the prospects for containment and deterrence. The speaker noted, however, that a containment policy toward Iran must be tailored to the region, even though it is tempting to use classic Cold War containment tactics. In particular, the United States must muster a large coalition and share burdens and responsibilities in dealing with Iran, especially because Iran causes problems not only to the United States but to many other countries in the region and in the world.

A speaker stressed that the United States must make every effort to explain to Iranian leaders and the Iranian public the consequences of a nuclear exchange and the tragedy that would ensue from a nuclear war—namely, Iran would cease to exist as a working state

The speaker concluded by analyzing a few objections to a containment-deterrence policy, pointing out that critics contend that Iran would engage in conventional warfare in response to containment. The speaker argued that Iran is not a great power and its conventional capabilities are not strong. Skeptics of containment also believe that Iran would retaliate by intensifying its support of terrorism and subversion both regionally and internationally. The speaker argued that even though an increase in Iranian-sponsored terrorism would be bloody, it could be dealt with. Finally, some critics of a containment-deterrence approach argue that Iran would engage in nuclear coercion. The speaker stressed that the United States must make every effort to explain to Iranian leaders and the Iranian public the consequences of a nuclear exchange and the tragedy that would ensue from a nuclear war—namely, Iran would cease to exist as a working state and Shi'a Islam would cease to exist as a working religion.

The third panelist argued against engagement with Iran, contending that the United States and European nations must confront Iran instead of appeasing it. In the speaker's opinion, Iran will not compromise on its nuclear program because Iranian political and spiritual leaders view the development of the nuclear program as their divine mission—a non-negotiable, religious pursuit. The speaker felt that American and Western policymakers who advocate engagement underestimate the religious dimension within Iranian politics. Therefore, according to the speaker, even though engagement has a moral value, politics of intimidation will be more effective in terms of achieving desired outcomes in Iran. The speaker argued for direct military measures over covert action because covert action would be useful for

intelligence but would not produce meaningful policy changes in Iran. By contrast, military defeat compels an adversary to reevaluate its policy, strategy, and tactics.

PERSIAN PARADOXES: REFLECTIONS ON THE SABAN CENTER-CENTCOM CONFERENCE

KENNETH M. POLLACK

Over the course of the conference, the word "paradox" was invoked over and over again to describe developments in Iran since June 12, 2009. At some level, this should not be surprising; Iran is a land of ironies and contradictions. However, since Iran's disputed presidential election, the paradoxes that characterize this enigmatic country have become seemingly more poignant than at any other time in recent memory.

For the Iranian regime itself, the most salient paradox is that by becoming obsessed with the threat of a "velvet revolution," Supreme Leader 'Ali Khamene'i caused the very thing that he so ardently sought to prevent. In the days before the election, even the most optimistic observers of Iran scoffed at the notion of the Iranian people rising up against the regime en masse. The regime was viewed as unpopular, but firmly in control, and the people seemed unhappy but not so desperate that they would risk their lives to bring about radical change. After the events of June 12, all of that was turned upside down. Today, there is a legitimate, indigenous, widespread opposition movement to the regime where none existed before, and it was Khamene'i's own paranoia that created it. It is too soon to know if this will be a true velvet revolution that culminates in the regime's demise, but by his own foolish overreactions, Khamene'i lit a fire that may consume his own palace.

Nevertheless, the election and its aftermath have created equally painful paradoxes for the United States. As speaker after speaker grimly intoned, the remarkable outburst of democratic insurrection, of popular struggle, and of the downtrodden rising up against their oppressors has not overthrown the regime—at least not yet—but instead has made it clamp down harder. The protests sparked a draconian purge by the Supreme Leader, the president, and the Revolutionary Guard, who have imprisoned or effectively muzzled the less radical elements of the regime. All those we have typically considered "pragmatists" or even "moderates" (at least by the standards of the Islamic Republic) have now been shut out from their positions of influence. As one speaker put it, the voices of restraint that the Supreme Leader once heard and that once balanced the shrill demands of the regime's radicals are no longer present in his counsels. The regime had its reckoning and the side that the United States loathes has prevailed, at least temporarily. Paradoxically, the movement for greater democracy and moderation has produced greater autocracy and a regime more inclined toward belligerence.

The greatest danger for the United States and its allies in the region, as the panels on the second day of the conference warned, is that with the hardliners more firmly in charge, the Iranian regime may become far more aggressive, far less interested in preserving international goodwill, and far more willing to pursue what it believes to be its interests, regardless of the consequences. As many of the speakers pointed out, at some level, those now more fully in charge in Tehran truly believe that Britain, the United States, and other Western nations contributed to the uprisings, although the

extent to which they suspect that likely varies from person to person. It is widely believed that the Supreme Leader was himself deeply (perhaps irrationally) suspicious of the United States even before the presidential election, and so it seems reasonable to assume that his insistence on a foreign hand behind the protests reflects his true convictions. The regime's hardliners always argued that it was necessary for Iran to pursue an aggressive, anti-status quo, anti-Israeli, and anti-American policy abroad in part to prevent the United States and its allies from meddling in Iranian internal affairs. As several of the conference speakers suggested, the hardliners may well believe that the internal protests are proof that they were held back by the regime's "moderates" from executing this strategy properly and so will amp up their regional aggression accordingly. Other hardliners may see another rationale for adopting a more aggressive regional foreign policy—helping to distract both internal and external constituencies from Iran's own problems at home. One speaker speculated that the consolidated hard-line regime in Tehran may see an Arab-Israeli war as a useful diversion, and an opportunity to rebuild Iran's credibility as the leader of the rejectionist camp in the Middle East.

This remarkable explosion of democracy in Iran may have made an Iranian nuclear weapons capability a certainty

Shifting to Iran's nuclear program, another paradox emerges. The United States' public offer to have direct negotiations with any authoritative representative of the Iranian regime on the full range of differences that lie between the two countries seems to have come at a most inauspicious time. For the first time since the Iranian Revolution, the United States now has an administration willing to engage, at just the moment when those in Tehran who would be most willing to accept that offer have been shut out of power more completely than at any other time during the history of the Islamic Republic.

Moreover, a handful of conference speakers pointed to a worse paradox—that this remarkable explosion of democracy in Iran may have made an Iranian nuclear weapons capability a certainty. The hard-line elements in the regime, those now more fully in control than at any time since the very early 1980s, have always opposed negotiations with the international community and have always been the most virulent supporters of the Iranian nuclear program. There has always been reason to suspect that many of them desire an arsenal itself, and not merely the theoretical capability to build one. With the voices of restraint silenced, it seems much less likely that those in control in Tehran will agree to negotiate the dismantling of that program, or even ways of limiting it. It seems distressingly likely that the re-configured regime will ignore all international overtures or pressure and take their nuclear program to whatever end-state they have in mind. It may be that some day we will look back on June 12 as the moment when a nuclear Iran became inevitable.

Most of the speakers suggested that it would be unlikely for even this regime to openly abrogate the nuclear Non-Proliferation Treaty. However, given how much Iran's political calculus has been turned on its head by the internal unrest, we need to consider the possibility that the regime's perspective on the world and on what would best serve its internal control may have changed so much that it would seek open possession of a nuclear weapon or only mildly transparent possession of such a clandestine arsenal, like Israel.

Still another paradox concerns long-term timelines. Speaker after speaker assured the conference that the silver lining in the

terrible crackdowns was that they have sealed the fate of the Islamic Republic. Our speakers compellingly argued that the disputed election result and the violent repression that followed had thoroughly delegitimized the regime and turned the vast majority of the Iranian people staunchly against it. For that reason, they stipulated, over the long term, the regime was destined for the "ash heap of history."

But the critical question that the conference raised, but could not answer, is how Iran will go from the short term, in which the worst elements in the regime are more firmly in control, to that hoped-for long term—a post-Islamic Republic Iran. There is little that scholars have been able to offer about the triggers, course or likelihood of success of revolutions. However, the one thing about which they are certain is that revolutions can only succeed when the government loses its capacity or willingness to employ violent repression. As our speakers all noted, the Iranian regime does not appear to have lost either the capacity or the willingness to employ repressive violence. Given this cold reality, I would suggest with great reluctance that we ought to reserve some degree of skepticism about the certainty that this regime is finished in the long term, even as we hope that that proves true.

There are still many drawbacks to the United States pursuing a policy of full-blown regime change in Iran, but the absence of a legitimate, viable, indigenous opposition is no longer one of them

The last paradox I will raise is the one most surprising to me. When we wrote *Which Path to Persia*, a new book written collectively by the scholars of the Saban Center at the Brookings Institution that explores nine different policy options toward Iran, we concluded that the three regime change options we considered were deeply problematic. At the time, we concluded that helping to foster internal change in Iran, whether by velvet revolution, military coup, or insurgency, faced daunting hurdles because there simply was no legitimate, viable, indigenous opposition to the regime.

After June 12, that is one more fact about Iran that has been not just erased, but reversed.

There are still many drawbacks to the United States pursuing a policy of full-blown regime change in Iran, but the absence of a legitimate, viable, indigenous opposition is no longer one of them.

In addition, when we wrote *Which Path to Persia* many of the authors felt that regime change should be put on the back burner because the diplomatic options were far more attractive—in large measure because there was the expectation that if the United States handled its Iran policy properly, it could strengthen the hand of those Iranian officials arguing for a negotiated settlement with the United States. Unfortunately, as noted above and as the conference made clear, the diplomatic options look much poorer today than they did on June 11, and for that reason as well, the regime change options look better by comparison.

It still seems likely that the United States would be better off pursuing an option other than regime change, at least as its principal approach. But as many of the conference speakers implored, Washington should now seriously explore how the United States can furnish assistance of some kind to the legitimate voices of the Iranian people struggling for change in their society. This does not mean Washington should continue to do what it has done in the past in the hope that its actions will pay off in the future in a way they have not before. Many of the conference speakers also insisted that the efforts the United States

has employed to date, particularly the effort to directly fund Iranian opposition movements, has hurt more than it has helped. Thus, it means finding new ways to help the struggle of the Iranian people in a manner that helps them without undermining their legitimacy with their own countrymen. And so, paradoxically, the options for American policy toward Iran that looked least palatable before the election suddenly seem much more plausible, perhaps even desirable.

In our book, *Which Path to Persia*, one of the very last sections is titled "Expecting the Unexpected." In it, we warn readers that Iran is frustratingly unpredictable, and that U.S. policy has to be ready to adjust to potentially dramatic changes. Indeed, this was one reason why we decided to stress the importance of considering nine different policy options toward Iran; those that might seem least feasible today might seem eminently reasonable tomorrow. The events since June 12 have proven the wisdom of these caveats beyond any expectation we had at the time. But they remain a warning for the future as well: Iran will keep changing in unpredictable ways, and the United States may have to confront many more Persian paradoxes before the last chapter in our history with the Islamic Republic is written.

The Saban Center for Middle East Policy

The Saban Center for Middle East Policy was established on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center's central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Senior Fellow in Foreign Policy, is the Director of the Saban Center. Kenneth M. Pollack is the center's Director of Research. Joining them is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers in the Middle East. They include Tamara Cofman Wittes, a specialist on political reform in the Arab world who directs the Project on Middle East Democracy and Development; Bruce Riedel, who served as a senior advisor to three Presidents on the Middle East and South Asia at the National Security Council during a twenty-nine year career in the CIA, a specialist on counterterrorism; Suzanne Maloney, a former senior State Department official who focuses on Iran and economic development; Stephen R. Grand, Fellow and Director of the Project on U.S. Relations with the Islamic World; Hady Amr, Fellow and Director of the Brookings Doha Center; Shibley Telhami, who holds the Sadat Chair at the University of Maryland; and Daniel L. Byman, a Middle East terrorism expert from Georgetown University. The center is located in the Foreign Policy Program at Brookings, led by Brookings Vice President Carlos Pascual.

The Saban Center is undertaking path-breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Persian Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state sponsorship of terrorism; and political and economic change in the Arab world, and the methods required to promote democratization.

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1775 Massachusetts Avenue, NW • Washington, DC 20036 • PHONE: 202-797-6462 • FAX: 202-797-2481
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1775 Massachusetts Ave., NW
Washington, D.C. 20036-2103
www.brookings.edu