A Reset for Iran and the United States
Why an Unpopular Approach Is Washington's Best Option

By Hamid Biglari, FOREIGN AFFAIRS, September 6, 2017

It remains conventional wisdom in many U.S. foreign policy circles that Iran’s government is ineluctably hostile to U.S. interests by virtue of its ideology and thus is impervious to conciliation. According to this school of thought, there are few differences among the competing forces in Iranian politics, and the labels of "moderate" and “hard-line” used by some Western observers are misplaced. Since anyone standing for election must be approved by Iran’s Guardian Council, an unelected body of Shiite jurists, all candidates must support the fundamental revolutionary tenets of the Islamic Republic. Measured by a properly balanced political scale, all Iranian politicians are therefore hard-liners, and the government is monolithic. As such, this thinking runs, Iran’s presidential elections are less an expression of popular will than a mechanism for the supreme leader, Ayatollah Ali Khamenei, to rotate power among loyalists while maintaining control.

Proponents of this line of thinking point to the record of Iranian President Hassan Rouhani, a moderate who overwhelmingly won reelection to a second term in May. Rouhani’s first term, they note, brought few improvements to domestic human rights conditions, nor did it appear to moderate Iran’s foreign policies. They point to Iran’s support for the regime of President Bashar al-Assad in Syria, for Hezbollah in Lebanon, for Houthi forces in Yemen, and for Shiite militias in Iraq, as well as to Tehran’s provocation of U.S. warships in the Persian Gulf. They point to Iran’s Islamic Revolutionary Guard Corp’s (IRGC) continued development of medium-range ballistic missile technology as evidence of the offensive threat that Iran poses to Israel and the region. And they note some Iranian officials’ bellicose rhetoric against Israel and the United States. These facts, it is commonly argued, show that Iran is not ready for responsible international engagement.

Current U.S. policy is therefore built around containing and isolating Iran, using a Sunni cordon sanitaire centered on Saudi Arabia, and a variety of U.S.-led economic and military sanctions. A number of influential observers and officials have also recently expressed at least implicit support for regime change, including Secretary of State Rex Tillerson, who stated in Senate testimony in June that, although Iran policy is still under review, the United States would work with Iranian opposition forces “towards the peaceful transition of that government.” Based on this thinking, the more isolated Iran becomes and the more tightly it is squeezed politically and economically, the more likely Iran’s regime is to capitulate to Western interests or transform its approach to governance.

There are elements of truth that support the conventional wisdom about the nature of Iran’s government. However, the reality of Iran’s character four decades after its 1979 revolution is more nuanced than the charges leveled against it suggest. As has been the case in many other
postrevolutionary states, Tehran’s earlier zeal to export its cause across the region is waning, even if it has not come to an end.

Broadly speaking, the United States will have three options with respect to Iran in the years ahead. The first is to try to contain the country through intensified U.S.-led sanctions and a coalition of regional states led by Saudi Arabia (and separately, Israel). The second option, which is not mutually exclusive to the first, is to seek regime change. The third is to use a variety of behavior-driven inducements to preserve the regional balance of power through détente. The third option is politically unpopular in the United States, would take much longer than the others to show its effects, and would be considerably more difficult to execute. It also offers the best combination of risks and rewards for the United States.

THE TROUBLE WITH CONTAINMENT

The rationale for containing Iran is clear. Washington could kill two birds with one stone by using Sunni states’ fears of Iranian hegemony to gather opposition to Tehran while creating common cause between Israel and Arab states, thus also helping to mitigate the Israeli-Palestinian conflict. But such a policy would work only if three conditions hold. First, a coalition of Sunni states would have to stick together to credibly deter Iran. Second, economic sanctions would have to continue to undermine the growth of Iran’s economy by blocking the business community’s access to badly needed investment and financing. And third, if regional tensions did escalate into outright conflict, the fighting would have to be contained.

All of these conditions are questionable, at best. Saudi officials, for example, appear eager to lead a Sunni coalition, but they already have much on their plate. Under the leadership of Crown Prince Muhammad bin Salman, Saudi Arabia has embarked on an ambitious program of domestic economic reforms that requires substantial changes in the fabric of Saudi society, including its welfare system—actions that will face stiff resistance from the country’s sizeable Wahhabi community. Moreover, the kingdom is bogged down in a war in Yemen that may have no clear resolution, and Riyadh’s authority remains vulnerable in Saudi Arabia’s oil-rich northeast, where its Shiite minority is concentrated, as evidenced by the continued unrest that followed its execution of local Shiite cleric and regime critic Nimr al-Nimr last year. Nor is this all. The ongoing confrontation between Saudi-led Arab states and Qatar has illustrated the limits of Arab solidarity, a prerequisite for any anti–Iran configuration. It is also unlikely that a regional coalition would be credible as a deterrent force without Turkey’s involvement—and that country would have far more to lose than gain by being drawn into such a group, given its greater sense of urgency about aligning with Iran against Kurdish separatists as well as the two countries’ deep economic interdependence. (Iran supplies nearly one-fifth of Turkey’s oil and gas needs, whereas Turkey is critical to Iran’s land-based trade with Europe.)

As for sanctions, they clearly placed enormous pressure on Iran during the negotiations that led to the 2015 nuclear deal. At the time, however, much of the sanctions’ power came from the fact that they enjoyed broad international support—a product of the perception that former President Mahmoud Ahmadinejad had placed Iran on a fast track to developing a nuclear weapon. There is little such support today, mostly because Iran has upheld its side of the nuclear deal, the Rouhani government has been reasonably open to international engagement, and the secondary sanctions
tied to the agreement have already been lifted. This year’s spats between the United States and its European allies have made it even less likely that Europe would follow the lead of the United States to tighten economic sanctions against Iran. Perhaps more important, even if Washington could gather international support for them, harsher economic sanctions would undermine Iran’s reformists to the benefit of its hard-liners, who see opposition to the United States as their raison d’être. Officials from both the reformist and hard-line factions may answer to the supreme leader, but the contention between the two groups is real, as demonstrated by the friction and harsh rhetoric between President Rouhani on the one hand and the supreme leader, the IRGC, and the judiciary on the other during this year’s presidential elections.

Finally, a regional confrontation with Iran could easily lead to accidental clashes and undesired escalations, and those could quickly transform into outright conflict. Such a confrontation could be far more consequential than any other conflict in the Middle East has been so far. Given Iran’s proxies across the region, the effects on the broader Middle East and on the global economy would probably not be contained.

CHANGE BY FORCE

The second option for the United States’ Iran policy would be for Washington to covertly or overtly back the overthrow of the country’s theocratic government and its replacement with a secular democracy. Regime change would rest on three pillars: supporting dissident forces; fomenting popular opposition to the state, especially among young people; and fueling ethnic unrest in Iran’s Sunni-majority provinces.

None of those pillars withstand scrutiny. Consider the question of support for dissident forces. Iran’s only operational dissident group is the Mujahideen-e Khalq, or MEK, a resistance organization with somewhere between 5,000 and 13,500 members. The MEK’s small size and the fact that most of its members are scattered outside of Iran mean that it does not have the power to destabilize Iran’s government. More important, most Iranians disdain the MEK because it sided with Saddam Hussein in the bloody eight-year war between Iraq and Iran and because many believe that it is backed by Israel and Saudi Arabia.

Iran’s youth, meanwhile, are unlikely to seek regime change by force, especially if the pressure for change comes from abroad. Even at the height of the international sanctions against their country, few Iranians saw their situation as desperate: they were prepared to sacrifice to make ends meet. What’s more, Iran’s educated youth understand that, in recent history, attempts at regime change in their region have led to massive civil wars (as in Iraq and Syria) or to domestic chaos (as in Egypt). Only if the regime completely crushes the current reform movement would most Iranians even consider backing change by force. Although Iran’s hard-liners are radical, they are not irrational enough to attempt that, particularly in the aftermath of the 2009 Green Movement, which posed an existential threat to the regime.

As for fomenting an uprising through ethnic dissent, to call for doing so misreads Iran’s history. Iran’s territories are connected neither through imperial conquest (as was the case in the Soviet Union) nor through the drawing of artificial boundaries by outside powers (as in Syria and Iraq) but through thousands of years of shared history. There are about a dozen different ethnic groups
that can trace their histories in Iran back almost three millennia: the country’s Sunni-Shiite differences are insignificant compared to this common bond. And although religion has been a source of tension in Iranian provinces with large Sunni populations, Sunnis’ qualms are generally with the Shiite hard-liners in the judiciary and the IRGC responsible for religious discrimination, not with the Iranian state itself. (It is worth noting that Rouhani won all major Sunni-populated provinces by overwhelming margins in this year’s election, and that in those provinces voter turnout exceeded national averages.)

Finally, the very talk of regime change among American political leaders plays into the hands of Iran’s hard-liners, who use it to undermine reformist policies and Iran’s economic engagement with the West. Such talk ignores the lesson of the United States’ previous intervention in Iran’s domestic affairs in 1953, when the popularly elected Prime Minister Mohammad Mossadegh was overthrown in a CIA-backed coup. Some observers have recently sought to interpret the events leading to Mossadegh’s ouster as primarily domestic initiatives led by the Iranian military and clergy, discounting the role played by the United States. But regardless of which version of events one believes, what matters is that the original narrative of a CIA-led coup is the one broadly accepted inside Iran. Indeed, a quarter century later, in 1979, Iranian revolutionaries cited that grievance more than any other as the motive for their 444-day occupation of the U.S. embassy in Tehran. The embassy takeover was rightly condemned around the world as an egregious breach of international law, but many Iranians viewed it as an acceptable retaliation. What would Iranians consider a proportional response if there were another attempt at regime change today?

TURNING DOWN THE HEAT

That brings us to the third option for the United States: détente with a mix of behavior-based rewards and penalties aimed at maintaining the regional balance of power. Such a policy would seek to turn down the heat of the Saudi-Iranian rivalry and induce Iran to act more responsibly in its neighborhood in exchange for strategic accommodations acceptable to the United States and its allies.

One would have to believe three things to pursue this policy: that reducing tensions between Iran and its rivals would serve the interests of all; that Iran could be convinced to act responsibly given the right accommodations; and that the timing is right for such a course.

When it comes to the first point, it is hard to dispute that the Middle East has entered an unsustainable cycle of conflict and that it is a disproportionately large distraction and drain on U.S. resources. War and the absence of economic opportunity have turned much of the region into a breeding ground for international extremism. Yet a century of Western attempts to impose solutions without understanding the region’s cultural undercurrents has backfired. Stability will come only if there is a regional balance of power, and that balance can develop only if the strategic interests of the region’s major players are respected.

It is also not in Iran’s interests to fear for its security. The country’s reliance on regional Shiite proxies has left it logistically and financially overextended. Perhaps because of the cushion provided by its abundant natural resources, Iran’s economy will probably not enter a crisis
anytime soon. But the opportunity cost of supporting proxies is high and has come at the expense
of the country’s economic health. Indeed, those in Iran’s political elite fearing regime instability
need look no further than the former Soviet Union, whose geopolitical overextension and
misallocation of resources were responsible for its demise. What Iran needs for regime stability
is economic growth. That won’t happen without access to massive international financing, which
will remain severely constrained by the United States unless Iran adopts a more accommodating
regional posture. That, in turn, won’t occur unless Iran feels that it is not militarily threatened. It
is in everyone’s interest to find a path out of this vicious cycle.

As for Iran’s ballistic-missile development program, Tehran is unlikely to curtail it without being
offered a credible alternative security arrangement. The source of the insecurity driving the
missile program goes back to Iran’s experience during the Iran-Iraq war, when Saddam Hussein
bombarded Iranian cities with ballistic missiles in a campaign of mass terror. Iran was initially
unable to get missiles of its own, thanks to U.S.-led sanctions. It eventually secured some from
Libya and North Korea and then launched an indigenous missile research-and-development
effort.

That historical background needs to be considered in today’s environment, in which Iran’s
adversaries far outspend it on military hardware. Saudi Arabia, for example, outspent Iran by a
factor of 6.7 in the years between 2013 and 2016. (Saudi Arabia spent $300 billion; Iran spent
$45 billion.) This context is important. No state would cede its national defense just to overcome
economic sanctions. Pressuring Iran to that end would disillusion those Iranians who have so far
been favorably disposed toward the United States.

Finally, the timing matters. A policy of détente toward Iran during the Ahmadinejad era, for
example, would have been ill timed; neither his rhetoric nor his actions offered the basis for
rapprochement. It may also have been premature to explore détente until the more urgent
question of Iran’s ability to develop nuclear weapons technology had been either significantly
postponed or set aside. Although that issue was a priority during Rouhani’s first term, the
foundation for a transition in the relationship was nonetheless put in place during the Barack
Obama administration, when regular, direct channels of communication between the Iranian and
U.S. foreign ministers were established for the first time in almost four decades. The Donald
Trump administration, however, appears to be reversing that trajectory, just at the moment with
the most potential to seriously explore détente with Iran.

A SEAT AT THE TABLE

A change in relations between the United States and Iran could only come if there is a reset on
both sides. Finding common ground would require direct channels of communication among
high-ranking political and military officials. The United States would need to acknowledge Iran
as a regional power with a seat at the table on all issues of regional security and stability, while
Iran would need to acknowledge an active U.S. presence in the Middle East aimed at preserving
stability. In return for a package of security guarantees and sanctions relief, Iran would need to
rein in its proxies.
There may be too much distrust between Iran and the United States for these issues to be tackled bilaterally. One possible diplomatic arrangement could be a regional security summit, attended by Iran, Saudi Arabia, and Turkey, and sponsored by the P5+1, building on that group’s success in negotiating the 2015 nuclear deal. (At least initially, it could prove too disruptive for Israel to participate in such a forum, in which case its interests would have to be represented by the United States; ultimately, however, it would be in Iran’s own interest for Israel to be a signatory to any regional security agreement.) Regional ballistic missile reduction as well as a ban on nuclear weapons development would be on the agenda. Respect for territorial integrity, mutual non-interference in each other’s affairs, safe shipping passage in the Persian Gulf, and the eradication of terrorism and religious extremism would also need to be negotiated.

None of this would be easy, given the serious grievances each side holds against the other. But consider the alternatives. If the current regional cold war is not addressed, one of two possibilities is likely. In the worst-case scenario, there could be an escalation, perhaps accidental, that could make the Middle East’s conflicts so far look tame by comparison. In the best-case scenario, tensions could continue to simmer unresolved—and soon enough, the ten-year horizon of the nuclear deal will arrive without any constructive developments having occurred in the interim. Then the same tensions that preceded the deal could reemerge and trigger a new crisis. Over the same period, a regional security forum could at least create a mechanism for progress. Its odds of success may be low, but the chance that the nuclear deal could have succeeded were not much greater at a comparable point in time, and the prospects of the alternatives are far worse.

Détente is politically unpopular in the United States and opposed by Iranian hard-liners. Even if it were achieved, profound differences would remain between the United States and Iran, just as there remained disputes between the United States and the Soviet Union after the improvement in their own ties in the 1970s. The regional rivalry among Iran, Turkey, and the Arab states will not go away, and relations between Iran and Israel will remain fraught. The United States, however, is the only power with the influence to ease the Middle East’s four-decade regional Cold War. It would be a serious blunder if Washington forfeited this position by using blunt instruments to seek narrow, ill-defined objectives, such as regime change.

Henry Kissinger once observed that Iran had to decide “whether it is a nation or a cause.” To the extent that Iran continues to see itself as a cause—or insists that it can be both a cause and a nation—there can be little prospect for regional stability. Yet American expectations about the pace of change in Iran need to be tempered. The internal debate around Iran’s future could continue without a clear resolution for another decade or more, and its domestic situation could get worse before it gets better. What is true is that the more Iranian citizens participate in the debate about their country’s destiny and the more Iran is connected to the rest of the world, the greater the prospects for political moderation. A smart U.S. policy would rest on this long-term expectation of change, riding the momentum of a leader who has just been reelected with a mandate to bring Iran into responsible engagement with the rest of the world. Such a policy would require both patience and courage, because it would be politically unpopular. But none of the popular alternatives are in the long-term interests of the United States.