



American Iranian Council
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شورای امریکاییان و ایرانیان
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Iraq in U.S. – Iranian Relations

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The pattern of Iraq in US-Iranian relations is that of a pendulum: In the 1960s and 1970s, the US supported Iran in the Cold War. The so-called Socialist Iraq was a problem for Iran and the US. From the perspective of the USSR and the Arab World, Iraq was the “balancer” to Iran. From 1980 to 1990, particularly during the horrific and costly Iran-Iraq War, Iraq was a problem for Iran. The US was, tactically perhaps, on the side of Saddam Hussein’s Iraq. From 1990 to 2003, Iraq became a problem for the U.S. with the beginning with Hussein’s war with Kuwait. The US had already initiated a policy of dual containment against both Iran and Iraq after the Oslo Accord between the Arabs and Israelis. From 2003 to the present, Iraq became even a larger problem for the US. The new Shi’a Iraqi government is on Iran’s side, while the US has few friends in Iraq. What is the explanation for this Iraqi pendulum?

Iraq did not have to be what it is today if, in my view, the United States had taken a better approach to the country in the 1950s and beyond. Above all, Iraq is a product of the 1953 coup that overthrow the democratically elected Prime Minister Mohammad Mosadeq and imposed a dictatorship on Iran that was overthrown by the 1979 Islamic revolution. The coup also made the US, for the first time, perceived of as an imperialist power as it sought to serve its own interests in fundamental opposition to those of Iran. No wonder that the revolution was both against the dictatorship of the Shah Mohammad Reza Pahlavi and against “American imperialism.” Today’s US-Iran spiral conflict must be understood in light of the 1953 coup. The key question is why did the US make this initial mistake in 1953? Why did it support a coup against a democratically elected government?

As important as this event is, there are other factors, some old, some new, which also need to be addressed. One such episode is the taking of Americans as hostages in Tehran following the revolution in 1979. That illegal and inhumane act further estranged the two nations, led to a break in relations, and caused US sanctions and containment approaches to Iran, further complicating the spiral conflict. A spiral conflict is a relationship in which both parties escalate each other’s extreme positions to new heights, based on a mixture of fact and fiction, misperceptions and misunderstandings, distrust and demonization. In order for this spiral conflict to be reversed, careful analysis of the issues involved is necessary. This analysis should also help to indicate what should be done. Perhaps then it might be possible to convert this relationship into one of spiral cooperation.

The Old Cliché: Iran is a “Dangerous” Nation!

Though Iraq is very much a product of the 1953 coup, it is also a product of two other old factors: (1) a longstanding Western pattern of misperception and mistrust of Iran’s intentions (given its capabilities); and (2) the US belief, originally a British idea, that Iran is a “dangerous” country when it is strong – a weaker Iran is a better Iran. Of the many US policies toward Iran,



one very particular policy has been deeply destructive of the relationship, namely, the 1953 coup. This Western coup had a domino effect across the region. It was initiated under the pretext of preventing Iran from nationalizing its oil. The coup eventually led to the Islamic Revolution in 1979. The 1979 Revolution led to the US-Iran spiral conflict, to Israeli-Iranian animosity, to the 1980 Iraqi invasion of Iran, to the 1982 Israeli invasion of Lebanon, and to the rise of radical Islam in the Middle East. After eight years of war with Iran, Iraq was virtually bankrupt. So it invaded Kuwait to acquire treasure (1990) which was, of course, followed by the costly and bloody 1991 and 2003 US wars with Iraq.

These wars led to the removal of Saddam Hussein and to a gradual Shi'a takeover of Iraq. These and other developments (e.g., the removal of the Taliban in Afghanistan, 2001, the rise of Hezbollah and Hamas as powerful forces in the region, and Iran's insistence to enrich uranium) have created the perception that Iran is a "rising power." This perception of Iran has in turn led the Bush Administration to overweight the importance of Iran in the Iraqi problem. This overweighting now appears ready to lead to yet a new phase of the spiral conflict. Yet, a careful analysis of Iran's domestic developments and international standing will clearly demonstrate that Iran is not a rising power and that the real problem is that the country is weak and feels weak in the face of threats to both the nation and regime. It is this weakness that is indeed the source of many problems in the region, and in Iraq in particular. The fact is, Iran did not create the Iraqi problem, nor can it help resolve it. Iran can, at best, help on the margins of the problem.

The US came relatively late to Iran. The American understanding of the country was deeply infused with British perceptions. In this sense, the Americans did not come to Iran with a new and clean approach. Mistrust and misperceptions were endemic to the U.S. understanding of the region from the very beginning. What of the perception that a strong Iran may be a cost to the US? What of the perception that a weak Iran may be a benefit to it? The fact is that over the last 100 or so years, whenever the Iranians have tried to move in the direction of development and democracy, the West has considered it dangerous. When the Iranians staged the 1906 Constitutional Revolution, the British and Russians tried to destroy it and, in the end, had success in doing so by ending the movement through a coup that brought Reza Shah to power in 1921. In the 1930s, the British refused to help Iran develop its railways, alleging that it would help Russia to access the "warm waters" of the Persian Gulf. Yet, after Iran built the railways with little outside help, the Allies used them to move soldiers and war material to Moscow in order to defeat the Nazis. Iran was then declared the "Bridge to Victory."

In 1953, when the Iranians wanted to nationalize their oil, the British intelligence service, with support from the CIA, overthrew Dr. Mosadeq alleging that the Iranian nationalists would allow the communist penetration of Iran through the pro-Russian Tudeh Party. In the 1960s, the West refused to help Iran build its steel industry. The capitalist Iran under the Western-friendly Mohammad Reza Shah had then to turn to the Communist USSR for this industrial support. In 1979, when the Iranians overthrew the Shah, hoping to establish a democratic republic, the US tried to change its path through a series of attempted coups. The Iran-Iraq war in the 1980s appeared to confirm Iranian suspicions about US intentions. Few states came to Iran's aid even though it was clear that Iraq was the aggressor. Even Saddam Hussein's use of weapons of mass destruction against Iranian civilians did not bring the international community around to



helping Iran. Today, the Iranians seek to develop their nuclear energy industry and the Bush Administration wonders why an oil producing state would need to develop this industry. Iran is, quite obviously, not the first oil-producing state to seek energy diversification.

Before turning to the new factors influencing the US-Iranian relationship, it is helpful to explore certain aspects and assumptions of these old factors, especially the factors of mistrust and misperception. Is Iran a country not to be trusted, especially as a strong state? Is Iran, as a weak state, better for the region, the world and for the US? In the last 250 years, Iran has not invaded any country in the neighborhood or beyond. Even when Iran has been strong, it has not invaded another state as in the 1970s. However, whenever Iran has been weak, it has been subjected to invasions from foreign aggressors. Whenever Iran has been strong, it has contributed to regional stability. The assumption that “a weak Iran is a better Iran” is one which lies at the heart of the intellectual basis for sanctions and containment. While the ultimate result of these sanctions has been a weaker Iran, they have also created a more assertive and less democratic Iran as well as a very unstable Middle East. This in turn feeds into the assumption that Iran simply cannot be trusted!

In the US, hard power advocates hold that military attacks on Iranian nuclear and military installations are logical and appropriate. These advocates hold that, in the absence of balancing regional forces, the destruction of Iran’s power by the US is the best option to check Iran’s regional ambitions or its rising power. These same advocates ignore many of the region’s complicating facts, such as the nuclear energy and weapons programs of India, Pakistan, and Israel. A weaker Iran is not necessarily a better Iran. Had the 1979 Revolution not weakened Iran, Saddam Hussein would not have initiated the 1980 invasion of the country. The aftermath of this war has put the whole region into an unstable condition. A stronger Iran may well be a better Iran. The Nixon Doctrine tested the accuracy of this proposition in the 1970s. A stronger, friendlier, more democratic and more secure Iran is surely to be preferred over a weaker and more dictatorial Iran.

The New Global, Regional and National Realities

Although these old factors present serious problems for the US-Iranian relationship, it is now true that a series of new factors is causing further complications. What was already a complex problem is now more complex. Though certainly not intractable, it is one that requires deep and cautious reflection. For example, Iraq has become a problem in many new ways for the US-Iranian relationship. The new realities include global, regional and national factors of varying strength and significance. What is more troubling is the fact that some of these problems, global in nature, have become crystallized in US-Iran relations, making their resolution far more difficult.

Issues of global significance include: nuclear proliferation, terrorism, the Middle East peace process, human rights, democratization and modernization. These are global issues that have become crystallized in US-Iran relations. Yet the most critical factor is perhaps the situation of world’s energy resources. While supply is declining, demand for oil and gas is rising with China and India in the consumer markets as never before. This raises serious concerns in the US, as the only world superpower. The US is now being increasingly challenged by new powers. While



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India and Russia work to improve their positions within the international system, the rise of Chinese hard and soft power is perhaps the greatest surprise. Many of these states may interpret the US failure in Iraq as a sign of the superpower's weakness. If Iran and, by extension, Iraq were to side with China against the U.S., what would this say about US hard and soft power? The fact is the Islamic Republic is on the side of the rivals to the American power. Add this to the theocratic nature of the Iranian state at a time of rising radical Islam; it then becomes easier to appreciate the serious American concern regarding Iran.

At the regional level, the issues of the Middle East peace process and the new "rising power" of Iran are critical. The peace process has been structured along the fault line of an Arab-Israeli divide. Over the past two decades, the Arabs have moved away from a political-military focus upon this conflict toward one that is more economic and diplomatic. Meanwhile, Iran has moved from economic and diplomatic considerations (as under the late Shah) to a more political-military focus. Thus, while the Arab world has integrated, at least economically, with the US, Europe and Israel, Iran has divested itself from Western economic systems and has, in effect, become more isolated. The reliance of Iran upon political-military power has been harmful to the country in many respects. The fault line is no longer along Arab-Israeli lines but along Iran-Israeli or, by extension, Iran-US lines. This transformation is more a consequence of the Islamic Revolution than of US sanctions upon Iran.

Wanting to become the leader of the Islamic world, the new Islamic regime was more than happy to fill in for the position that the "defeated" Arab nations had vacated. The opportunity, the new leaders thought, could also elevate Iran to its historic position as "the representative of the East." Complicating this militaristic gesture are the words that come out of Iran (e.g., "The Holocaust is a myth", "...to wipe out Israel"), all of which give an external perception of the country as both powerful and unruly. The July 2006 Israeli-Hezbollah war in Lebanon is the first proxy US-Iran war in the region. Because Israel does not wish to confront Iran alone or directly, it has increasingly relied upon the US to check Iran's so called "rising power." With the Democratic Party now in control of the US Congress, many may think that a softer US line can emerge vis-à-vis Iran. This may not be true. The Iranian problem for the US is not one which is of a simply partisan nature. Traditionally, Democrats have supported the Israeli position more than have the Republicans. Democrats have opposed the Islamic regime in Tehran. The religious dimension to this problem, though not one that many want to recognize, must be recognized as present and significant. The hard power logic seems clear: the solution to the Iraqi problem, perhaps even the key to the Middle East peace process, lies in negating Iranian power.

At the national level, the issues are mostly Iranian. The fact that Iran has prioritized its foreign policy goals according to the following order or significance – i.e., Islamic nations, neighboring countries, regional states (minus Israel), and extra-regional states – is maladaptive. Yet, Iran's main enemies in the region are "Islamic" while some of its key friends are "non-Islamic." As a consequence of this prioritization, improving Iran's relationship with the US is not viewed as a central Iranian goal. It must be noted that by 2025, Iran will have over 100 million citizens. Such a young and restive population will put great stress upon Iranian political and economic institutions. For example, without a change in the domestic price of oil, Iranian oil production will not be sufficient to keep up with domestic consumption rates. Without such a change, Iran



will need to import oil. How will the Iranian regime deal with the shock of raising oil prices? How will the regime deal with the shock of becoming an oil importer? Neither possibility is likely to be especially pleasant. The Iranians have accordingly sought to develop a civilian nuclear energy industry which will help them to alleviate some of these pressures. In fact, nuclear energy is becoming a critical key throughout the world (e.g., US, Russia, Britain, and Brazil) to the answer for the issues of global warming and carbon energy consumption.

Given that many of these issues are significant throughout the world, it is unclear why certain of these issues have crystallized within the US-Iranian relationship. In particular, many automatically consider issues of nuclear proliferation, terrorism, human rights and military nuclearization issues as basic to Iran. They are not. Why they have crystallized around Iran requires reconsideration. With respect to Iraq, it should now be clear that older historical factors have combined with newer factors to produce today's Iraqi problem. On the positive side, while global and regional in scope, the issues standing between Iran and the US today are all negotiable issues. There is not a single issue that cannot be negotiated. Unfortunately, procedural matters have taken control over the substantive problems, preventing a serious engagement between the two nations, an engagement that will eventually benefit not just Iran and the US, but also Israel and other regional states.

The Myth of Iran's "Rising Power"

For reasons both old and new, it is an increasingly common argument that Iran is a "rising power." In fact, it is argued, one of the main reasons Iraq is such a problem is because of Iran's new "ascendancy." The evidence of Iran being a rising power is, furthermore, shown in Iran's nuclear energy and military programs. Advocates of hard power in the US, already opposed to Iran, are the primary supporters of this thesis. This argument is reminiscent of the "grave and gathering danger" pretext supplied by President Bush in his 2002 address to the United Nation's General Assembly. Enemies of Iran are not, however, alone. There are "friends" of Iran who also make the argument that Iran is a "rising power." Before assuming this thesis to be true, it should be examined: Is Iran a rising power? If it is true, is this good or bad? If it is not true, then why is the thesis so often advocated?

There are many kinds of power. Military power is only one form of it, but there is also economic, technological, political, cultural and social, to name only a few. In the 1980s, the USSR had military power, but its other forms of power – the foundations of military power – were very weak. North Korea has a similar mixture of power, an outward appearance of military power with little to no foundation beneath it. Can Iran be compared to these two countries? Yes, I would argue. It cannot be denied that Iran is an important and strategic nation with a long and imperial history, a great culture, significant amounts of natural resources, an incredible geography in the midst of world energy resources, and a large and talented population. Yet, with these resources, Iran is one of the lowest achieving states in the world. The gap between its resources and achievements is tremendously wide. Why should the population accept this?

In international relations, power is also relative. Is Iran powerful relative to Kuwait? Yes! Is Iran powerful relative to the US? Certainly not! Iran's power, whether hard or soft, is negligible when compared to all forms of US power. The US could very easily destroy the country and



topple the regime. That does not mean that the US will gain from that destruction. It will indeed loose as well. What if Iran is compared to other regional powers? While Iranian hard power is not greater than that of India or that of Pakistan, it is greater than those of most GCC and surrounding states. Yet, it is often overlooked that these other states have very strong friends, one might even call such friends “owners.” Western governments are deeply invested and involved in these smaller states. With this important point considered, it makes questionable sense to compare too simply Iran’s hard power with the hard power of smaller states.

Iran’s military may be strong, in a relative sense to smaller local states, but it is very weak when compared to the power of other Western states. It is weak compared to these smaller local states when their Western relationships are considered. Iran is also weak when it is understood that Iran’s soft power is underdeveloped. Military power must be founded upon other forms of power and it is these very forms that are so very weak in Iran. The thesis that Iran is a “rising power” is not borne out by the evidence. At best Iran may be a “stagnant power” while at worst Iran may be a “falling” or “weakening” power. This is not to say that Iran has no potential to become “strong.” Indeed it could become strong, but Iran’s so called “strength” is not at present much more than a useful myth. Should the US help make Iran stronger or design acts to cripple the nation? Iranian people are the friendliest to the US of any people in the region. If only for the sake of this friendly Iranian people, the US should consider helping Iran rather than hurting it.

Would it be good or bad for Iran to be a “rising power?” Even if we assume, contrary to the previous argument, that Iran is, in fact, a “rising power,” then we cannot simply assume that this fact would be a “bad thing.” The historical accounting from the previous section provides evidence that, on the contrary, it would not be bad. A stronger Iran would be more secure, friendlier, and more willing to integrate itself into the international system. Iran would be a more stable state and the Middle East as a whole would be a more stable region. Historical evidence points, furthermore, to the fact that Iran is a problem only when it is weak. Iran is an important country in the Middle East with a critical role to play as always it has. It has legitimate national interests and the state requires a certain amount of power in order to secure those interests. The US must indeed be realistic about this Iranian national requirement.

Why then is the “rising power” thesis so commonly argued if it is not true? Iran has many friends and enemies. Both groups have their own reasons for advocating this thesis. Iran’s friends may believe that by presenting Iran as a “rising power,” Iran might be able to gain a larger basket of carrots at the negotiating table with the US. Yet, what these “friends” fail to realize is that they are helping Iran’s enemies in their support of a false thesis, a thesis that puts Iran into much greater danger than perhaps they these “friends” realize. Iran’s enemies, and these enemies may be found in many places, especially in the Middle East, have various motives for presenting Iran as a “rising power.” Some of these countries seek to keep the US involved in the region. Some of these countries may even want the US to attack Iran. The motives of Israel, Turkey, Pakistan and Saudi Arabia should be explored more fully.

In the US, the “rising power” thesis is advocated by many who are enemies of Iran, especially conservative Christian and Jewish groups and neoconservatives. This thesis, along with the argument that Iran is pursuing nuclear weapons, are being constructed as pretexts for future actions against Iran. It is important to understand the nature of this pretext: It is argued that the



US is, quite naturally, upset with Iran because Iran is on the side of its rivals, such as China. Iran is, furthermore, supporting radical Muslims, such as Hezbollah and Hamas. Additionally, Iran has a radical “Islamic-fascist” regime with a president akin to an “Adolph Hitler” who is seeking nuclear bombs. Pretexts are dangerous for many reasons, including the fact that they help form the linguistic groundwork necessary for future policy actions (ones which have already been determined). The Iraqi problem and the Iranian nuclear enrichment are powerful pretexts. While Iran controls the enrichment side, the US is in control of the Iraqi pretext against Iran.

For all of these reasons, the US has been looking for ways (and pretexts) to: (1) bring Iran to its side; (2) reduce its power; and/or (3) change its regime. Hard power advocates in the US, including Vice President Dick Cheney, President George W. Bush, and their neoconservative allies, believe a reduction in Iranian power would be a minimal goal while regime change would be an optimal outcome. The State Department with Condoleezza Rice at the helm, and the Defense Department with Robert Gate in charge, take a less confrontational approach but do emphasize that Iran must be contained and isolated before it can be brought to the negotiation table. Advocates of soft power, including Henry Kissinger, Brent Scowcroft, Zbigniew Brzezinski, James Baker, Madeline Albright, and Senator Chuck Hagel argue that bringing Iran to the US side would be best and that this could be better done through unconditional negotiation but from a position of strength. These advocates hold that normalization of relations would be the optimal outcome.

The Cross Road of War or Peace!

The US and Iran have been able to maintain a state of “No war, No peace” in the last 27 years. It is increasingly evident that this state of affairs may not be sustainable in the future. There are indications that the relationship is increasingly moving in the direction of a confrontation or a peaceful resolution. Both options have a chance to materialize. Whereas there are hard and soft power advocates in both the US and Iran, it is not the case that it is equally important for soft power advocates to win in both countries. Naturally, if the soft power advocates were to win the debates in their respective countries, the chances for a new era of US-Iranian cooperation to emerge would be greatly enhanced. Evidence indicates that a normalization of relations, with Iran brought around to the US side would be the best way for this relationship to go forward. Yet, the hard power advocates in both countries are strong and they may well win their respective debates.

The key to the outcome is less the US debate than the one in Iran. It is critical that the soft power advocates there win so that Iran can begin to demonstrate why it is worthy of trust. This may not be fair, given the history of this relationship, but it may simply be necessary. The moderates, seeking normalization, must win in Iran. They can take actions that help US leaders and policy makers to achieve a new understanding of Iran. They will need to be courageous in their leadership. At a minimum, Iran will need to: (1) temporarily suspend enrichment activities; (2) work with the US over stabilizing Iraq; and (3) accept to negotiate bilaterally with the US on issues such as Israel and nuclear proliferation. There should be no preconditions on either side. The current position of the Bush Administration is not productive in this regard.



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For US policy makers, it will be helpful to reconsider the issues raised in this analysis, especially issues of perception and trust. Given the nature of the spiral conflict that has characterized this relationship and the dynamics which accompany it, policy makers need to be wary of the line between fact and fiction. The historical evidence supports the case that Iran is a nonbelligerent state which, when more secure with power proportionate to its regional role and national security, can provide a useful and stabilizing role in the Middle East. It need not be an enemy; it is not a dangerous state! It can, in fact, be a good friend to the US. Recognizing the old patterns of misperception and mistrust as well as understanding how new issues (global, regional, and national) influence the US-Iranian relationship, are critical to moving forward into a new era of spiral cooperation. Let us all hope that the voice of reason will prevail on both sides, and indeed on all sides in the US, Iran, and the Middle East.

Thank you.