

Iran: Is Productive Engagement Possible?

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SUMMARY

- Although Tehran and Washington appear hopelessly divided, issues of broad mutual concern reveal important overlapping interests.
- The United States can more effectively support democracy and human rights in Iran with policies that facilitate, rather than impede, Iran's modernization and reintegration in the global economy.
- The next U.S. president should not immediately seek comprehensive engagement with Tehran, as this might enhance Mahmoud Ahmadinejad's chances of reelection in Iran's June 2009 presidential elections.
- The United States must deal with those who hold power in Tehran, namely Supreme Leader Ayatollah Ali Khamenei.
- Given the widespread mutual mistrust between Washington and Tehran, confidence should be built with negotiations on areas of common interest, such as Iraq and Afghanistan, rather than those of little or no common interest, such as the Palestinian–Israeli conflict or the nuclear issue.
- When it comes to U.S.–Iranian interaction, the record shows that “secret” or “private” discussions out of public earshot have a greater success rate. Building confidence in the public realm will be difficult, as politicians on both sides will likely feel the need to use harsh rhetoric to maintain appearances.
- It is imperative that Washington maintain a multilateral approach toward Iran, especially regarding the nuclear issue. Tehran is highly adept at exploiting rifts in the international community and diplomatic efforts to check Iran's nuclear ambitions will unravel if key countries approach Iran with divergent redlines.
- Powerful spoilers—both within Iran and among Iran's Arab allies—have entrenched economic and political interests in preventing U.S.–Iranian reconciliation.



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A key challenge for the next U.S. administration will be devising an effective policy toward Iran. The long-standing debate over whether to engage Tehran (Senator Barack Obama is generally supportive, while Senator John McCain is generally opposed) completely sidesteps America's natural interests. Iran is integral to half a dozen issues of critical importance to the United States: the future of Iraq, Afghanistan, Arab–Israeli peace, nuclear proliferation, terrorism, and energy security. Continuing to shun Iran will not ameliorate any of them. Attacking Iran would exacerbate all of them. The relevant question is not *whether* to talk to Iran, but *how* to do so.

The fact that Iran continues to be a primary national security concern is evidence that Washington's decades-long effort to change Tehran's behavior by isolating the country politically and economically have not borne fruit. Nearly thirty years after the 1979 revolution, Iran remains the State Department's "most active" state sponsor of terrorism, fervently opposes Israel's existence, continues to move forward with its nuclear ambitions, and represses its own population. More than any previous U.S. administration, that of President George W. Bush has redoubled efforts to counter Iranian regional influence and weaken its government. Yet Iran's international influence is greater today than ever, and hard-liners have a virtual monopoly over power in Tehran.

Dialogue with Tehran would be neither a concession nor an acceptance of troubling Iranian behavior. Nor would it preclude simultaneous U.S. efforts to counter destructive Iranian influence and policies. Finally, engagement does not mean that Washington must choose to deal with the regime at the expense of the Iranian people. The United States can more effectively expedite democracy and human rights with policies that facilitate, rather than impede, Iran's mod-

ernization and reintegration in the global economy. Moreover, there are no short-term alternatives: The Islamic Republic is not on the verge of collapse, and an abrupt political upheaval could well produce an even worse result. The only groups in Iran that are both organized and armed are the Islamic Revolutionary Guard Corps (IRGC) and the Bassij militia.

Although mutual mistrust and animosity have reached alarming proportions, paradoxically there have never been more voices calling for U.S.–Iranian dialogue in both capitals. In Tehran, the long-standing taboo about talking to America has seemingly been broken. Only five years ago Iranians could be imprisoned for advocating dialogue with the United States; today the country's Supreme Leader, Ayatollah Ali Khamenei, has publicly authorized it. In Washington there is a growing bipartisan recognition that precisely because of Iran's troubling nuclear ambitions and its outsized presence in the Middle East, shunning Tehran is no longer prudent.

The next U.S. administration's first steps vis-à-vis Iran are critical, for they will set the tenor for the next four years. As recent history has shown, an approach that focuses solely on punishing and weakening Tehran would be the best guarantor of hostile Iranian policies aimed at counterbalancing the United States. Instead, the next administration should formulate an overarching strategy that simultaneously aims to moderate Iranian policies while creating more fertile ground for political reform in Tehran. Talking to Iran is the first step in this strategy.

Common Interests and Points of Contention

The next U.S. administration should attempt to answer two fundamental questions. Are Iran's objectionable foreign policies rooted in an immutable ideological opposition to America,

or are they held in place by America’s punitive line toward Iran? Could a different U.S. approach beget a positive Iranian response?

Although Tehran and Washington appear to be hopelessly at odds, a survey of the issues of broad concern between the two countries—Iraq, Afghanistan, nuclear proliferation, the Arab–Israeli conflict, energy, and terrorism—underscores the fact that they share more common ground than first meets the eye (table 1).

IRAQ

Although U.S. and Iranian interests in Iraq are certainly not identical, Washington has in fact more overlapping interests with Tehran in Iraq than with any of Iraq’s other neighbors.

- **Stability.** Instability and carnage provide more fertile ground for radical Salafist

groups—such as al-Qaeda—that are violently opposed to American, Iranian, and Shi’i influences. State failure would likely create an influx of Iraqi refugees to Iran.

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- **Territorial integrity.** The implications of a partitioned Iraq—namely, an independent Iraqi Kurdistan—would be serious for Iran, which has its own disaffected Kurdish community. At the same time, both Washington and Tehran can live with a degree of Kurdish autonomy.

- **Sectarian harmony.** Given Iran’s quest to be the vanguard of the largely Sunni Arab Middle East, it is inimical to its interests

Table 1 Iranian and U.S. Common Interests

ISSUE	Iranian Interests	Common Interests	U.S. Interests
Iraq	<ul style="list-style-type: none"> ■ Democratically elected ■ Shi’i-led, Iran-friendly government 	<ul style="list-style-type: none"> ■ Stability and territorial integrity ■ No sectarian strife 	<ul style="list-style-type: none"> ■ Democratically elected, U.S.-friendly government
Afghanistan	<ul style="list-style-type: none"> ■ Reduce U.S. influence 	<ul style="list-style-type: none"> ■ Stability and reconstruction ■ Oppose Taliban ■ Stop drug trafficking ■ Support President Hamid Karzai 	<ul style="list-style-type: none"> ■ Reduce Iranian influence
Nuclear proliferation	<ul style="list-style-type: none"> ■ Right to develop the full fuel cycle 	<ul style="list-style-type: none"> ■ Avoid nuclear arms race in the Middle East 	<ul style="list-style-type: none"> ■ Iran should immediately suspend the enrichment of uranium
Arab–Israeli conflict	<ul style="list-style-type: none"> ■ Advocates popular referendum as a prelude to a one-state solution 		<ul style="list-style-type: none"> ■ Negotiated settlement as a prelude to a two-state solution based broadly on 1967 borders
Energy	<ul style="list-style-type: none"> ■ Wants Organization of the Petroleum Exporting Countries (OPEC) to decrease output and raise prices 	<ul style="list-style-type: none"> ■ Exploit Iran’s liquefied natural gas resources to challenge Russia’s energy leverage over Europe 	<ul style="list-style-type: none"> ■ Wants OPEC to increase output in order to reduce price
Terrorism	<ul style="list-style-type: none"> ■ Supports Hamas and Hizbollah as popularly elected freedom fighters and social justice organizations 	<ul style="list-style-type: none"> ■ Oppose al-Qaeda 	<ul style="list-style-type: none"> ■ Considers Hizbollah and Hamas terrorist organizations—the main reason it considers Iran the “most active” state sponsor of terrorism

to project Shi'i power, foment sectarian unrest, or stir Sunni resentment throughout the region.

- **Democracy.** Given Iraq's Shi'i majority, Iran feels confident that elections in Iraq are the best vehicle to further its interests. Fearing Shi'i ascendancy in Baghdad, U.S. allies such as Saudi Arabia, Jordan, and Kuwait are far less supportive of a democratic Iraq.

Are Iran's objectionable foreign policies rooted in an immutable ideological opposition to America, or are they held in place by America's punitive line toward Iran?

Despite these overlapping interests, Iran's role in Iraq has been at best schizophrenic and at worst nefarious. Given the nebulosity of postwar Iraq, and the stealth with which Iran operates via Iraqi proxies, the precise scope of Iranian involvement is impossible to know. Nevertheless, U.S. military personnel and Iraqi officials have regularly accused Tehran of financing, arming, and training militia groups—such as those of Moqtada al-Sadr and the *Jaish al-Mahdi*—that have targeted both U.S. soldiers and Iraqi civilians.

From Tehran's perspective, given that one of Washington's declared purposes of the Iraq war was to change the political culture of the Middle East, Iran had little reason to work in concert with the United States or to play a passive role in Iraq. On the contrary, Tehran believed that Washington sought to install a pro-American puppet regime in Baghdad that would be sympathetic to Israel and hostile to Iran, and then possibly shift its regime change ambitions eastward to Tehran. For this reason, Iran felt compelled to simultaneously teach America an expensive lesson in Iraq and ensure that its allies secured positions of power there.

However, a different U.S. approach could conceivably persuade Tehran to work broadly in concert with, rather than in opposition to, the United States in Iraq. In private, Iranian officials acknowledge that the two countries share interests in Iraq. This would not require a full withdrawal of U.S. troops, but it would require a change in the nature of the relationship between the two countries. U.S.–Iranian dialogue in Iraq cannot succeed in the context of the current deeply adversarial relationship.

Continued enmity could ensure that the U.S.–Iranian rivalry in Iraq remains a vicious dynamic for years to come. Iran would continue to view the U.S. presence in Iraq as a fundamental threat to its national security and would see it in its interest to make life difficult for Washington. Continued Iranian disruptiveness would in turn make it more difficult for a U.S. administration to fully withdraw troops from Iraq, for fear of handing the country over to Iran.

AFGHANISTAN

Likewise in Afghanistan, Washington has more overlapping interests with Tehran than it does with its allies Pakistan and Saudi Arabia.

- **Stability and economic reconstruction.** Having accommodated over 2 million Afghan refugees, Tehran does not stand to gain from continued strife in Afghanistan. It has sought to play a leading role in the country's reconstruction, ranking among the top ten aid donors.
- **Counter-narcotics.** With one of the highest incidences of drug addiction in the world and a strict penal code prohibiting drug use, Iran has been highly vigilant in policing drug trafficking along the Afghan border.
- **Support for the Karzai government.** Though it has not abandoned its support for other allies in Afghanistan, Iran has

been supportive of the Karzai government and made numerous pledges of security and economic cooperation.

- **Opposition to the Taliban.** Iran nearly fought a war against the inherently anti-Shi'i Taliban in 1998 and supported the opposition Northern Alliance long before September 11, 2001.

Yet, similar to its approach in Iraq, in an effort to frustrate the United States, Tehran's behavior toward Afghanistan has been at times schizophrenic and counter to its own national interests. At the same time when Iranian officials have publicly avowed support for the Karzai government, Iranian state radio programs broadcast to Afghanistan have simultaneously referred to him as the "stooge of the United States." Most troubling, however, are widespread allegations from both U.S. and European intelligence agencies that Iran has provided arms to the "enemy of its enemy," its old nemesis the Taliban.

In the context of an improved U.S.–Iranian relationship, Afghanistan presents even more fertile ground for U.S.–Iranian cooperation than Iraq. According to the account of U.S. officials who worked closely with their Iranian counterparts in Afghanistan, Iran played a crucial role in helping to assemble the post-Taliban government and military. From the U.S. perspective, a greater Iranian role could be an important factor in reducing Pakistani influence and reversing the growing role of the Taliban.

NUCLEAR PROLIFERATION

Outside of a small coterie of nuclear decision makers in Tehran, the precise impetus for Iran's nuclear ambitions remains unclear. Is the country's clerical leadership set on acquiring a nuclear weapons capability to dominate the Middle East and threaten Israel? Or is Iran a misunderstood, vulner-

able nation driven by a need to protect itself from unstable neighbors and a hostile U.S. government? Or is Iran simply moving forward with its nuclear program to gain leverage with the United States?

Although threat perception, geopolitics, and national pride are important facets of Iran's nuclear ambitions, the nuclear issue is

The nuclear issue will never be fully resolved without a broader diplomatic accommodation between the two sides, whereby the United States reaches a modus vivendi with Iran, and Tehran ceases its opposition to Israel.

more a symptom of the deep mistrust between Washington and Tehran rather than the underlying cause of tension. The United States has no confidence that Iran's intentions are peaceful and believes that in light of Tehran's lack of nuclear transparency, hostility toward Israel, and support for extremist groups, it should not be permitted to enrich uranium (the process required for both a civilian nuclear energy program and a weapons program). Iran is equally convinced that Washington is using the nuclear issue as a pretext to stifle its technological advancement, economic development, and political autonomy.

The nuclear issue will never be fully resolved without a broader diplomatic accommodation between the two sides, whereby the United States reaches a modus vivendi with Iran, and Tehran ceases its opposition to Israel. And if there is one goal both countries share, it is to avoid a nuclear arms race in the Middle East.

THE ARAB–ISRAELI CONFLICT

The greatest impediment to an improvement in U.S.–Iranian relations is Tehran's position toward Israel. Though Iranian leaders have sometimes spoken favorably

about the prospect of normalized relations with the United States, since the revolution Tehran's public rejection of the Jewish state has always been vociferous and unequivocal.

Iran's policy is to support armed resistance as a prelude to a "popular referendum." Reasoning that "the Zionists have not pulled out of even a single square meter of occupied territories as a result of negotiation," Tehran openly supports militant groups such as Hamas and Islamic Jihad. But rather than seek Israel's physical destruction, Iran's proposed solution is a scenario whereby all inhabitants of Israel and the occupied ter-

reinforcing. Just as progress toward Israeli-Palestinian peace would be more likely with Iran's acquiescence, prospects for U.S.-Iranian diplomatic accommodation would be enhanced if advancements were made toward a two-state solution and an end of occupation.

ENERGY

With the world's second-largest oil and natural gas reserves, Iran's importance to the global energy market is self-evident. Yet a variety of factors—mismanagement, sanctions, and political tension—have made Iran a perennial energy underperformer. Its oil output—around 4.2 million barrels per day—is far below the 6 million barrels it produced before the revolution, and though it has 15 percent of the world's natural gas reserves, it accounts only 2 percent of world output.

A U.S.-Iranian energy relationship would be mutually advantageous. Energy cooperation between the two countries would decrease the political risk premium currently built into the price of oil. Increased Iranian supply to the market would also likely reduce the price; and the development of Iranian national gas reserves and pipelines would weaken the tremendous leverage Russia currently holds over Europe.

From Tehran's perspective, there are economic imperatives to commence an energy relationship with the United States. Given the combination of heavily subsidized gasoline, rising domestic consumption, and stagnating or decreasing production due to infrastructure deterioration, Iran's oil exports are projected to drop. If this trend continues—increased consumption and decreased output—Iran could conceivably become a net oil *importer*.

Such a situation will eventually force painful decisions. The regime will have to cut gasoline subsidies—a difficult task, given its populist economic agenda—or will need to

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ritories—Jewish, Muslim, and Christian—be given a vote to determine the country's future. Given that Palestinians—including those in refugee camps—now constitute a demographic majority, Iran believes that a popular referendum would lead to the Jewish state's political dissolution.

Even in the event of a new U.S. approach toward Tehran, getting Iran to recognize Israel is unrealistic. Nonetheless, given that Tehran's leaders have long made it clear that they will accept any territorial solution agreed upon by the Palestinians themselves, Iran does not need to have relations with Israel or play a cooperative role in the peace process—it only needs to refrain from playing a disruptive one.

If deftly managed, parallel Palestinian-Israeli and U.S.-Iranian dialogue could create new opportunities for success on each of the respective tracks and be mutually

change its policies and start attracting rather than repelling outside investment. Most likely it will need to do both. In this context, the foreign direct investment and technical expertise of U.S. energy companies—which are currently prohibited from doing business with Iran—would prove invaluable.

TERRORISM

For more than a decade, Iran has been atop the State Department's list of "state sponsors of terror," due mainly to its support for Lebanese Hizbollah and Palestinian militant groups Hamas and Islamic Jihad. Absent either a Palestinian–Israeli settlement or a U.S.–Iranian diplomatic accommodation, this support will likely continue. From Iran's perspective, Hizbollah and Hamas are not terrorist groups but legitimate freedom fighting organizations that have the legitimacy and support of their respective populations.

At the same time, however, Iran and the United States share a common enemy in inherently anti-Shi'i Salafi groups like al-Qaeda, whose threat to U.S. national security is far greater than that of Hamas or Hizbollah. Because Iran is wary of stoking sectarian tension, it will not take a strong public stance against al-Qaeda, but it could be a silent partner in preventing its potential rise in places like Iraq, Lebanon, and Afghanistan.

Guidelines for Engagement

To increase the likelihood of success in engaging with Iran, the next U.S. administration should adhere to seven prescriptions in framing a process of engagement. Let us briefly examine each.

GET THE TIMING RIGHT

It would be inadvisable for the next U.S. president to immediately seek comprehensive engagement as this might enhance Mahmoud Ahmadinejad's chances of reelection in Iran's June 2009 presiden-

tial elections. If there is one thing that Ahmadinejad's tenure has proven, it is that the institution of the president in Iran has real power, influence, and responsibilities. Since his term began in August 2005, he has used this influence to amplify objectionable Iranian foreign practices while curtailing domestic political and social freedoms and flagrantly disregarding human rights. Although his reelection would not entirely preclude the prospect of a U.S.–Iranian diplomatic breakthrough, it would certainly make it much more difficult.

To be clear, even without a major U.S. overture there is a reasonable likelihood that Ahmadinejad could be given a renewed mandate. A combination of political inertia and name recognition has helped incumbents in Iran win every presidential election in which they have competed. More important, elections in Iran are not free and open, and this particular (s)election will be strongly influenced by the wishes of Supreme Leader Khamenei—who has been generally supportive of Ahmadinejad.

Nonetheless, just as Ahmadinejad's election in 2005 shocked most seasoned observers, his defeat in 2009 is certainly a possibility. Given his considerable mismanagement of the economy, it will be difficult for him to run on the platform of economic justice and populism that got him elected in 2005. A major overture from the United States before the elections could redeem his management style and increase his popularity, in both the eyes of the public and political elites, particularly Khamenei. For this reason, it is better for Washington to begin with cautious, limited engagement with Tehran until June 2009, when Iran's domestic situation will be clearer.

BUILD CONFIDENCE ON ISSUES OF COMMON INTEREST

Given the widespread mutual mistrust between Washington and Tehran, confidence

will be easier to build by starting to negotiate in areas of relative common interest, such as Iraq and Afghanistan, rather than those of little or no common interest, such as the Palestinian–Israeli conflict or the nuclear issue. Having first established a new tone and context for the relationship, the next U.S. administration should seek to resume the U.S.–Iranian discussions that the Bush administration initiated in Baghdad, while opening a similar channel of discussion in Kabul. Washington should make it clear to Tehran that the United States is interested in a fundamental change in its relationship

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with Iran, but forward progress in these talks is essential to gradually, quietly expand the discussions to encompass the broader areas of contention.

DEAL WITH THOSE WHO HOLD POWER

Although it is often difficult to discern why and how important decisions are made in Tehran, the United States must deal with those who hold power, and Ayatollah Khamenei is unquestionably Iran’s most powerful man. He may not make decisions unilaterally, but no major decisions can be made without his consent. As Supreme Leader he has constitutional authority over the main levers of state, namely the judiciary, military, and media. He also effectively controls the country’s second most powerful institution, the Guardian Council, a body consisting of twelve members (all of whom are directly or indirectly appointed by him) with the authority to vet all electoral candidates and veto any parliamentary decisions.

A confluence of factors has made Khamenei more powerful than ever. Externally, soaring oil prices, together with Iranian leverage in Iraq, Lebanon, and Palestine, have given him and Iran’s hard-liners a newfound confidence. Internally, the country’s most important institutions—the Revolutionary Guards, Guardian Council, presidency, and parliament—are currently led by individuals who were either directly appointed by Khamenei or unfailingly obsequious to him. For this reason, successful engagement with Iran will require a direct channel of communication with the Supreme Leader’s office—such as former foreign minister Ali Akbar Velayati, one of Khamenei’s chief foreign policy advisers—or, ideally, with the leader himself.

Khamenei has long believed that Iran’s strategic location and energy resources are too valuable for Washington to “allow” it to be controlled by an independent-minded Islamic government, hence Washington aspires to go back to the “patron-client” relationship existing at the time of the shah. Khamenei must be convinced that Washington is prepared to recognize and respect the legitimacy of the Islamic Republic and must be disabused of his conviction that U.S. policy is to bring about regime change, not negotiate behavior change. Moreover, he will never agree to any arrangement in which Iran is expected to publicly retreat or admit defeat; nor can he be forced to compromise through pressure alone. Besides the issue of saving face, he believes deeply that compromise in the face of pressure is counterproductive, because it projects weakness and only encourages greater pressure.

SPEAK SOFTLY

Although threatening violence against Iran has become a way for American politicians to appear tough on national security, in the last five years such rhetoric has empowered

Tehran's hard-liners and enhanced Iran's stature on the streets of Cairo, Amman, and even Jakarta as the Muslim world's only brave, anti-imperialist nation that speaks truth to power. Additionally, when oil prices jump with each threat against Iran, Iran's nuclear program and its financial patronage of Hizbollah and Hamas become more affordable.

With its weekly "death to America" diatribes, the Iranian government is certainly complicit in engaging in bellicose rhetoric. Yet the United States should not take its behavioral cues from an insecure, repressive, and undemocratic regime. Instead of reciprocating threats and name calling, the next U.S. administration should project the dignity and poise of a superpower. A hostile U.S. rhetorical line allows Iran's leadership to paint the United States as an aggressor—both internationally and domestically—and absolve itself from responsibility for its largely self-inflicted isolation and soiled international reputation.

DO NOT LET THE SPOILERS SET THE TENOR

Though small in number, powerful cliques—both within Iran and among Iran's Arab allies—have entrenched economic and political interests in preventing U.S.–Iranian reconciliation. Domestically, these actors recognize that improved Iranian ties with Washington would likely induce political and economic reforms and competition that would undermine the quasi-monopolies they enjoy with the country in isolation.

Among Iran's Arab allies such as Hizbollah and Hamas, the prospect of U.S.–Iranian accommodation could mean an end to their primary source of funding. For this reason, when and if a serious dialogue commences, the spoilers will likely attempt to torpedo it.

The spoilers' tactics will vary. They may issue belligerent rhetoric, target U.S. soldiers and interests in Iraq or Afghanistan, or see to

it that a shipment of arms originating from Iran on its way to south Lebanon or Gaza is "discovered." Their intention is to leave fingerprints in order to sabotage any chance of a diplomatic breakthrough.

Though staying the course will require heavy expenditures of both personal leadership and political capital, if Washington

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pulls back from confidence building with Tehran in retaliation for an egregious act committed by the spoilers, the spoilers will have achieved their goal.

BE DISCREET

When it comes to U.S.–Iranian interaction, the record shows that "secret" or "private" discussions out of public earshot have a greater success rate. Building confidence in the public realm will be difficult, as politicians on both sides will likely feel the need to use harsh rhetoric to maintain appearances. Moreover, the likelihood that spoilers can torpedo the process either through words or actions is more limited if they do not know what is going on.

Recognizing that its regional influence derives in large measure from its defiance of the United States, Iran would likely prefer not to publicly advertise its discussions with the United States unless or until real progress has been made.

MAINTAIN AN INTERNATIONAL APPROACH

More than any other actor, the United States has the capability to influence Iranian behavior, both for better and worse. To the extent possible, Washington must seek to maintain a multilateral approach toward

Iran, especially regarding the nuclear issue. Like Iraq under Saddam Hussein, Tehran is highly adept at identifying and exploiting rifts in the international community, and diplomatic efforts to check Iran's nuclear ambitions will unravel if key countries approach Iran with competing redlines.

A common approach by the European Union and the United States is imperative. Given their divergent national interests,

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it may not be possible to unite China and Russia behind the U.S. position, although Moscow certainly has an interest in avoiding the prospect of a nuclear-armed Iran within missile range. A more robust U.S. effort at direct dialogue with Tehran will assuage international concerns about U.S. intentions and send the signal to the European Union, Moscow, and Beijing that the United States is serious about reaching a diplomatic resolution to this dispute, which over time should strengthen the coalition.

What Is the Realistic Goal of Engagement?

Around the same time the next U.S. president is inaugurated, the Iranian revolution will mark its thirtieth anniversary. Given

three decades of compounded mistrust and ill will, the results of any process of engagement will not be quick; such antagonism will not melt away after one, two, or even many meetings. The initial pace will likely be painfully slow, as each side ascertains whether the other truly has good intentions. Furthermore, given the potentially enormous implications that a changed relationship with Washington would have for the Islamic Republic's future, there are a variety of reasons why even a sincere, sustained American attempt at dialogue may not initially bear fruit.

On a structural level, the competing ambitions of various factions and institutions in Tehran may render the regime incapable of reaching an internal agreement that would break with the past. Because of this factionalism, the Islamic Republic has historically tended to make difficult decisions only under duress; today, intoxicated by their newfound standing, Iran's hard-liners may not feel compelled to make any compromises. The inertia of entrenched policies and slogans may prevail, despite Washington's best efforts.

Iran's hard-liners—perhaps including Khamenei—might also perceive reconciliation with Washington as a threat to their interests and even survival, given the unpredictable domestic changes it might catalyze. Khamenei's writings and speeches suggest that he agrees with Western advocates who argue that Iran's opening up to the United

States would spur major cultural, political, and economic reform. What ideological foundation would the Islamic Republic be left with if it abandoned its opposition to the United States and Israel, two of the three remaining ideological pillars of the revolution (the other being the mandatory *hejab* for women)?

At the same time, an outright rejection of a U.S. overture could prove costly for Iran's leadership. Behind the scenes, a sizable portion of the country's political and military elite recognize that the "death to America" culture of 1979 is no longer constructive today. They know that, despite its enormous natural and human resources, Iran will never be able to achieve its full potential as long as its relationship with the United States remains adversarial. At the moment, many of them believe that America, not Iran, opposes the prospect of improving relations. When and if it becomes evident that a small clique of hard-liners in Tehran is the chief impediment, internal opposition will build, and potentially large, unpredictable cleavages could be created.

The pressure could also build on a popular level. Two-thirds of Iranians are under thirty-three years of age, and few have any inherent enmity toward the United States or any special affinity for the Islamic revolution. This political moderation is coupled with widespread economic discontent; Iran is perhaps the only major oil-producing country whose population claims a worsening of

economic conditions despite the recent tripling of oil prices. Though the Iranian street has seemingly put the onus of U.S.–Iranian antagonism on the shoulders of the Bush administration, if it were to become obvious that their own government is the obstacle, it could well spark renewed political activism.

Ultimately, with the correct timing, the United States has much to gain and little to lose by reversing its policies of the past three decades and beginning an effort to establish working relations with the Islamic Republic. The process will be slow, difficult, and irritating, and it will require a deep commitment and tremendous patience. It will also require a major effort to explain at home and to maintain public support in the face of near-certain Iranian difficulty committing to a new approach for its part. It is nonetheless necessary to try. No realistic alternative would serve U.S. national security imperatives. A successful approach could bring about a change in Iranian foreign policy behavior, but even an unsuccessful attempt could have important domestic ramifications in Tehran. ■

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Reading Khamenei: The World View of Iran's Most Powerful Leader, Karim Sadjadpour (Carnegie Endowment for International Peace, 2008) http://www.carnegieendowment.org/files/sadjadpour_iran_final2.pdf.

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Iran Says "No"—Now What? George Perkovich (Policy Brief 63, Carnegie Endowment for International Peace, 2008) http://www.carnegieendowment.org/files/pb63_perkovich_iran_final.pdf.

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