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Iran's dilemma: looking back to see forward

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OVER TWO DECADES after the end of the Cold War, Iran and the West continue struggling to find their way out of their cold relationship. Iran is the world's fourth-largest oil producer, holding 12,7% of OPEC reserves and the second-largest holder of natural gas reserves. Yet, Iran although a powerful regional player is a country governed by a repressive theocratic regime, developing an unpredictable nuclear programme, accusing the West, and especially the United States of America, for a world order of fear and domination. Iran sees the United States as a power that seeks to expand its influence in the Middle East at the expense of Iran. Its side, however, though is getting prepared to avoid and as well as to respond to a military strike by the other by all means.

So far though, at a time when world is struggling out of recession, the Arab world is in revolt, Afghanistan and Iraq are still striving to gain peace and stability, and Asia is ascending fast, avoiding a crisis with Iran is more crucial than provoking one.

Meanwhile, any approach has to take on seriously the unique domestic and foreign policy characteristic of Iranian's quest for power.

**A multifaceted strategy of dogma and interest**

Today's Islamic Republic of Iran was formed in 1979 after a revolution inspired mainly by conservative/anti-liberal clerics overthrown the Western-backed king of Iran, Mohammad Reza Shah Pahlavi. After the Pahlavi dynasty collapsed, Iran approved a theocratic constitution and Ruhollah Musavi Khomeini became the original Supreme Leader and founder of the Islamic Republic of Iran. After his death in 1989 the leadership of the country passed to the hands of Ayatollah Ali Khamenei. Khamenei's leadership has been declared to be against "deviation, liberalism, and American-influenced leftists" since his inaugural address in 1981.

The Iranian revolution is at large tied to the Shia view of history and society. Shiites (centred on Persia)

have, since the early sixteenth century, searched for recognition and predominance in the Muslim world. Yet, the overwhelming majority of Muslim countries are Sunni that fear or despise Shiism. And although many Sunni Muslims share Iran's hostility towards the West, they do not seem disposed to enter into a coordinate foreign policy with Iran. Iran, on the other hand, has never been only a force of Islamic revolution.

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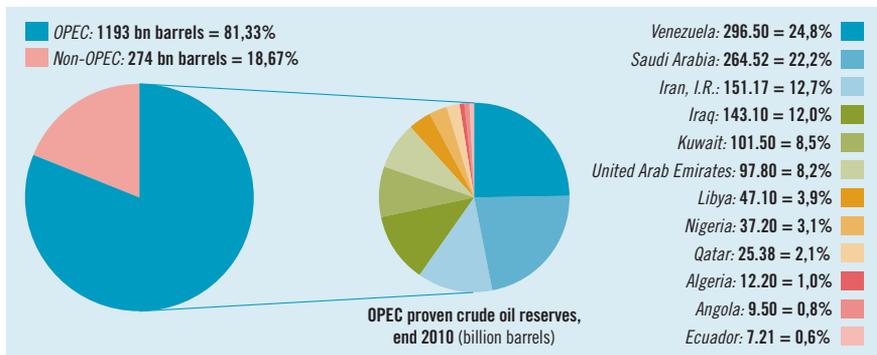
Iran has pursued a multifaceted foreign policy strategy that is a response to dogma as well as to national interest concerns. Iran's long alliance with Sunni Syria is one of the most practical examples of this reality. This alliance has been the most enduring coalition between Middle Eastern Muslim countries since the end of World War II. Commonly, since 1979, Iran has become the dominant arms supplier and patron to Hezbollah in Lebanon, and Hamas and Palestinian Islamic Jihad in the West Bank and Gaza Strip. By this way, Iran gains a strategic advantage in Israel's backyard. Its position in its negotiations with the West and Israel is strengthened and the importance of some Sunni forces in the Middle East, as Egypt and Saudi Arabia, is weakened. Indeed, Iran's dilemma has never been only a matter of Islamic revolution. Iran's quest for power in the region and its readiness to assert its interests defines its political choices. For instance, Iran has asserted its interests by force in 1992, when seized the islands of Abu Musa and the Tumbs claimed also by the United Arab Emirates. The islands are vital to control the Straits of Hormuz, through which nearly one-fifth of the world's oil supplies are shipped.

In the post-Cold War period, Iran saw an unprecedented opportunity to revise the balance of power in the Middle East. The unpopular conflicts, that followed 9/11 terrorist attacks in New York and Washington, along with the chaos in Afghanistan and Iraq have also convinced the Iranian leaders that a new order is emerging in the Middle East. This reality offers a unique opportunity for Iran to ascend its status in the region. Having a limited connection to Al Qaeda, Iran enjoys close relations with the Afghan President Hamid Karzai government and is dynamically involved in the reconstruction of the country, funding projects for infrastructure, education, agriculture, power generation, and telecommunications. Similarly, Iran was the first country in the region to recognize the post-Saddam government of Prime Minister Nouri al-Maliki, supporting the rebuilding of the Iraqi state. These involvements allowed Iran to create a sphere of growing economic influence in its backyard. This strategy is also directly linked to Iran's perception of the threat posed by the United States and the obligation to eliminate that threat and his allies from the regional arena.

The former United States President George W. Bush in his State of the Union Address on January 29th, 2002 described as the "axis of evil" the governments that were helping terrorism and seeking weapons of mass destruction, labelling as such, Iran, Iraq and North Korea. Iran seeks to diminish the American power in the Gulf so that he can extend its own influence. The main players in Iran's political arena have long been opposed to America's predominance in the region and in the world. President Khatami declared the necessity for the evacuation of alien forces in the Persian Gulf. The current Iranian President Mahmoud Ahmadinejad, during his presidency, has also made some of the most severe belligerent anti-Israel and Holocaust-denying statements.

**The nuclear dilemma**

Since its near defeat in the Iran-Iraq War, Iran has embarked on an extensive program of strengthening its military forces. But where has been more speculation is about the nature and pace of its nuclear programme. According to the International Atomic Energy Agency report, of August 2012, Iran stocked 91,4 kg with 20% nuclear grade, which could be processed further to high grade uranium, getting closer to an amount sufficient for a nuclear weapon to be build. Is also worth noting that in the same report the Agency reiterates its request for access to the Parchin Military Complex where various nuclear activities have taken place since February 2012, without further delay. Iran has stated, though, that access to the Parchin site would not be possible before agreement had been reached on a structured approach.



OPEC Share of World Crude Oil Reserves, 2010 (billion barrels).

Source: Organization of the Petroleum Exporting Countries Official Site, [http://www.opec.org/opec\\_web/en/data\\_graphs/330.htm](http://www.opec.org/opec_web/en/data_graphs/330.htm)

Moreover, Iran's nuclear program has been a real urgent issue for Israel too. The possibility of Israel launching a pre-emptive strike cannot be ruled out. Israel has launched pre-emptive strikes before as in 1981 against Iraq. Such an outcome could be disastrous for the region and consequently, for the world. The situation has become particularly tense especially since the July 2012 suicide attack against a tour bus carrying Israeli tourists in the city of Burgas, Bulgaria. Israel quickly blamed Hezbollah, the Iran-backed militia in Lebanon, and promised a firm response.

The escalating sanctions by the United States and the European Union, the buyer of the 20% of Iran's oil exports, have put some significant pressure on Iran. Meanwhile, world oil prices in 2011 increased Iran's oil export revenue by roughly \$28 billion over 2010. Yet, the sanctions and the depreciating currency are fuelling inflation and GDP growth remains stagnant. According to International Monetary Fund, GDP growth was down in 2011 to 2,0% and is forecast to reach only 0,4% in 2012. Inflation has also grown radically in recent years up from 12,4% in 2010 to 21,3% in 2011.

### Today's challenges

Revolts of the Arab Spring in 2011 are posing additional pressure on Iran's strategic arrangements. First of all, the revolts have been upsetting a "revolutionary" regime that has repressed its own people for decades. In the 2009 elections when the Green Movement launched an open challenge to the political status quo, the Revolutionary Guard of Iran crashed it decisively. The Iranian regime got rid of the threat pretty easily. However, the people of Iran cannot but loath the reality of a regime that restricts civil liberties, tortures and executes. Even if a new more popular and legitimate government not necessary means the end of Iran's nuclear plans, does mean a different dynamic in the country's foreign affairs strategy. Apparently, Arab Spring has shed light not only to Iran's nuclear programme but to the severe human rights violations as well.

The uprising in Syria made things even worse, posing a threat to Iran's firm Arab ally, a nation that borders the Mediterranean and Lebanon and has provided a channel for Iran's support to Hezbollah and Hamas. Iran has increased its support to the Syrian president, Bashar al-Assad, even as the pressure from the international community to stop the bloodshed has increased.

Conversely, the Iranian President Ahmadinejad has repeatedly claimed that he will do anything in



**Oil prices (dollars).** Source: Decressin, Jorg, Energy Analysis 2012. "Global Economy Learns to Absorb Oil Price Hikes". IMF Research Department May 25th.



**Iran.** Source: US Energy Information Administration, Country Analysis Briefs, Iran, last updated 17.02.2012, <http://www.eia.gov/EMEU/cabs/Iran/pdf.pdf>

his power to create stability, peace and understanding in Syria. Iran's proposal to the Non-Aligned Movement meeting in Teheran on August 28th to solve the Syrian crisis was part of this effort. Ahmadinejad speaking to the Associated Press, in a wide-ranging interview on the sidelines of the 67th U.N. General Assembly, also proposed forming a new group of ten or twelve countries to work to end the Syrian conflict.

The most interesting part of the President's recent affirmations, though, has been the need for a new world order to emerge. A new world order away from what he called American "bullying and domination".

Indeed the West has not shown any innovation to its actions any change to its policies whatsoever. So far the heavy sanctions have failed in their central goal of forcing Iran's clergy to stop enriching uranium. In reality, decades of UN resolutions and sanctions against Iran, did not prevent it from building approximately 8,000 more centrifuges and increase the degree of enrichment by 20%. Furthermore, Iran was not prevented from signing contracts with the Chinese company Sinopec and granting Russia major concessions and access to the Azadegan oil field. These developments are likely to distance Russia and China from further supporting U.N. Security Council sanctions against their business partner, Iran. Iran also threatened to shut down the Strait of Hormuz. If sanctions continue penalize the country beyond limits, Iran may have no choice but to put its word into action.

This cycle of distrust, tension, and military buildup has been around for too long with no results.

Waging war would be catastrophic for both sides and for the rest of the world. Yet, the problem that remains is not really Iran's nuclear power ambitions as such, but rather the threat posed by a repressive theocratic regime with a clear ambition to change the current world order.

The complexities of the Iranian policy and the necessity for the change to come from the inside are undeniable. However, time is running out. ■

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