

Iran after Khatemi's Elections: Whither U.S. 'Containment' Policy?

Jun 20, 1997



Brief Analysis

Mid-course corrections are necessary to maintain the viability of Washington's Gulf policy and to secure U.S. interests, including those in Central Asia. Sanctions have not worked in the past to hasten the downfall of leaders such as Castro, Qaddafi, or Saddam. Although sanctions have slowed down Iran's development of a nuclear weapons capability, current U.S. policy will not cripple Iran's long-term program to develop weapons of mass destruction (WMD) because WMDs are a cheap alternative to a conventional weapons build-up.

U.S. economic pressure has had an effect but only on the margins; it has merely made a bad economic situation worse. In the process, sanctions have alienated America's Western allies and further isolated the United States, rather than their intended target. With Washington's current opposition to foreign investment in Iran, the Islamic Republic will still increase its oil production from 3.6 million barrels per day (bpd) to 4 million bpd by the year 2000. However, even if the sanctions regime was ended immediately, Iran could not produce more than 4 million bpd.

Dialogue with Iran. Iran and the United States should engage in a "critical dialogue" to address America's concerns with Tehran's sponsorship of terrorism, its disruption of the Arab-Israeli peace process and its pursuit of a nuclear capability. Yet a dialogue that begins with the charge of Iranian terrorism would prompt an immediate denial and a demand from Tehran for evidence, which would require that the United States divulge intelligence sources and methods. Similarly, the peace process could be more effectively handled after decent relations are established between America and Iran since Tehran's hostility to the peace process is largely a function of its animosity to the United States. Washington should therefore begin its discussions with Iran on the issue of nuclear weapons. Although there is no UN Security Council consensus for a monitoring program as intrusive as the Iraqi nuclear inspections, Tehran has publicly stated that it will allow inspections. At the same time, the United States should secure an international mandate for an increased role in Iran for the International Atomic Energy Association (IAEA).

Since Tehran will not send a representative merely to listen to a litany of American prerequisites for a dialogue, Washington should provide incentives to encourage Iran to begin discussions. The United States could address Iran's repeated calls for the return of frozen assets and the return of money paid by the Shah for undelivered weapons. However, Congressional or White House approval for such a move would be difficult to obtain, due to the likely public condemnation for "paying billions to the mullahs." Another possible incentive to Tehran would be the discussion of Iranian participation in Gulf security arrangements. The Gulf states acknowledge the value of a U.S.-Iranian rapprochement, though careful consultation with the Gulf Cooperation Council would be necessary, since those states are reluctant to invite a nation that continually "smiles and subverts" to achieve an important step towards its goal of hegemony in the Gulf. Additionally, the United States must maintain its strategic interests and make it clear that the U.S. military presence in the Gulf is non-negotiable.

Khatemi's Election. Although Washington's policy of containment should have been reviewed long before Iran's May 23 presidential elections, Khatemi's victory—which surprised U.S. experts—illuminates the depth of American

ignorance about internal Iranian politics and further illustrates the necessity of reevaluating U.S.-Iranian relations. Khatemi's election has given President Clinton the opportunity to change his rhetoric, as evidenced by his May 29 statement that characterized the bilateral conflict as a problem between respective governments, not between the American and Iranian peoples.

Within the next few months, Khatemi will assemble his cabinet. This will reveal both the president-elect's vision of the future and the amount of control held by Ayatollah Khomeini, Iran's supreme spiritual guide. Until these ministers are selected, the United States should refrain from further public comment about Khatemi and consider gestures it can make if Tehran shows an interest in a rapprochement. Because neither Iran nor the United States can afford to openly court each other, they should agree on gestures that are acceptable to their respective constituencies but that also indicate their willingness to begin a dialogue.

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Washington's policies with regard to Iran have worked to preclude Iranian hegemony in the Gulf, ensure the free flow of oil, deter (or at least delay) Iran's acquisition of WMDs, limit the effect of its opposition to the peace process, and make Iran pay a price for its sponsorship of terrorism. Current U.S. policy—its military presence in the Gulf, economic sanctions, political pressure on the Iranian regime, and international cooperation to limit Iran's nuclear capability—is more successful than most observers give it credit for. For example, America's military posture in the region deters Iranian aggression and overt attacks, even though the United States cannot stop indirect subversion. The military presence ensures regional stability and allows for the free flow of oil at reasonable prices. Additionally, the sanctions regime has contributed to Iran's economic difficulties and forced the Iranian government to make tougher choices, especially regarding the military. Washington's strategy has increased the cost of Iran's military modernization, including its acquisition of WMDs and nuclear capability. Khatemi's election is, in part, a reaction to the deepening economic problems of the Islamic Republic.

The Alternatives. Iran's presidential elections represent a positive step in the Iranian public's demand for change. Still, the background and policy views of Khatemi as well as the degree of freedom he will have are still unknown; U.S. experts also believed that the campaigns of Presidents Rafsanjani and Bani-Sadr presaged more pragmatic and Western-oriented policies. The recent elections, therefore, present the United States with several options. The United States could move to embrace Khatemi and ease into a dialogue with Iran by settling the issue of frozen assets or canceling the sanctions legislation. However, this alternative is premature and counter-productive, since U.S. friendship with Khatemi would place him at great internal risk at a time when he needs to consolidate his rule. Moreover, should Khatemi fail to establish Iran's integration into the global community, Washington will have invested massive resources to the benefit of a hostile regime.

Instead, the United States should wait patiently and make minimal adjustments as a way to increase the pressure on Iran. Although Washington should react positively to Khatemi's election through rhetoric, the United States should wait for a change in Iranian behavior before altering American strategy. The United States should also focus its attentions on the dissatisfied elements within Iran, who want to affect change. Meanwhile, the United States can minimally alter its strategy to alleviate the negative repercussions of the sanctions regime. The Central Asian republics are suffering as the debates over pipeline routes remain unresolved. The solution may be to construct the pipeline through Turkey, Turkmenistan, or Pakistan, thereby avoiding both Russia and Iran. Additionally, the U.S. military presence has had a negative political impact on Gulf allies, namely Saudi Arabia, and has exposed U.S. forces to terrorism. Nonetheless, the U.S. military presence is sustainable, and there are ways to distribute the forces in order to diminish their political ramifications to the Gulf states.

The Special Policy Forum Report was prepared by Rachel Ingber.

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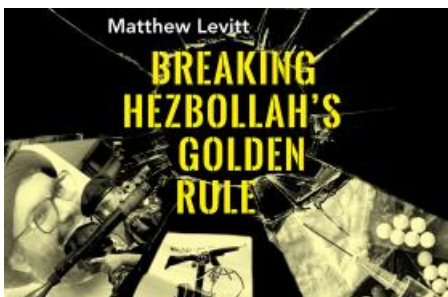
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