

# The U.S.-Iran Confrontation: Dissecting Tehran's Strategy

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## Brief Analysis

**T**his week's announcement of the cancellation of Iran's participation in the Azerbaijan oil consortium -- partly as a result of U.S. pressure on both Azerbaijan and U.S. oil companies -- is the latest result of U.S. efforts to strengthen the "containment" of Iran's Islamic regime. So far, Iran has responded warily to this stepped-up U.S. effort, apparently devising a strategy which may include engaging or even baiting Washington -- watching for any favorable tactical opening which might occur -- but, if possible, avoiding direct military confrontation.

### U.S. Pressure

Heightened U.S. pressure on Iran in recent weeks has taken several forms, both direct and indirect:

• Economically, the United States surprised Iran by blocking the Conoco oil contract and keeping Iran locked out of the Azerbaijan oil consortium. Also, Washington appears to have succeeded in convincing Japan to suspend indefinitely plans to release the second tranche of a loan for hydroelectric power generation on the Karun River.

• Militarily, Defense Secretary Perry secured greater prepositioning access in the Arabian Peninsula for U.S. forces during a mid-March trip to the Gulf. He also warned Iran against any attempt to use its military deployments on three disputed islands in the southern Persian Gulf "to interfere with shipping" through the Strait of Hormuz, stating unequivocally that such action would "become a regional and indeed a world problem." The implication is that the United States would react forcefully to any such Iranian "interference."

• Politically, the United States has taken a more assertive position in support of the United Arab Emirates in its territorial struggle with Iran over the disputed Gulf islands. In a little noted development, Washington for the first time apparently has adopted a position supporting UAE sovereignty of the islands when it endorsed a joint GCC-U.S. communique issued at the end of Secretary Christopher's visit to the area in March. (The communique stated that "the ministers expressed their deep appreciation for the United Arab Emirates' efforts to peacefully resolve the issue of the Iranian occupation of the three islands -- the Greater Tumb, the Lesser Tumb, and Abu Musa -- which belong to the UAE.") While the United States had previously criticized Iran's military deployments on the islands, Washington had never before adopted a position on the sovereignty question; now the United States seems to squarely oppose Iran and support the UAE.

### Tehran's Thinking...

Tehran's approach to the growing confrontation appears to be shaped, at least in part, by the memory of its confrontation with Washington during the Kuwaiti reflagging operation of 1987-88. That operation involved the reflagging and U.S. naval escort of Kuwaiti oil tankers which had become Iranian military targets. When Iran subsequently attacked some of the reflagged tankers, U.S. forces responded by bombarding several Iranian off-shore oil facilities and by sinking numerous Iranian naval vessels.

While seemingly aware that there are significant differences between the situation today and that of 1987/88,

nonetheless, Tehran shows signs of understanding how the political/strategic environment of the late 1980s worked to its disadvantage. At that time, Iran was perceived by the international community as a threat to international oil shipping in the Gulf and was isolated politically and diplomatically at both the regional and international levels. That meant that there were virtually no political or military costs for Washington to pay in order to operate militarily against Iran. This time, Tehran's evolving strategy would appear to be based on preventing a similar strategic situation from developing today.

At the same time, Iran gives every sign of looking for ways to profit from the current round of tension with the United States. It will try to demonstrate not only that it can withstand U.S. pressure but that Washington's containment strategy -- not Iran's international position -- will suffer from erosion and derision. Given America's overwhelming military might in the Persian Gulf, Tehran wants to show that it can successfully shadow box with the United States but not box for real. Thus, at least for now, its preferred arenas of conflict will be in the rhetorical, political and even psychological realms. Specifically, Iran appears to be developing a strategy which focuses on:

• Keeping diplomatic lines of communication open: This is an obvious response to the "lessons learned" from the reflagging experience. Iran can be expected to cultivate key relationships in Europe (particularly Russia), Asia, and even in the Gulf. In late March, for example, Iranian Foreign Minister Velayati began an Asian tour, stopping first in China. Earlier last month, Iranian Foreign and Defense Ministry officials met with Gulf counterparts, including the UAE, and in mid-March Iran hosted a Russian parliamentary delegation.

• Assuming the role of "responsible" international citizen: The recent U.S. pressure has the effect of reinforcing a previous Iranian predisposition to support extension of the Nuclear Nonproliferation Treaty, for example. Thus, with great fanfare, Tehran is likely to announce that it favors extension, although it will still complain bitterly about all the injustices that the United States, as leader of the nuclear "haves," perpetrates on the nuclear "have nots." For Iran, the key point will be an effort to assume positions in international fora and elsewhere that protect the regime's perceived "dignity" and interests but which deny to the United States the ability to depict Iranian behavior as provocative and, thus, would serve as ammunition in building a case against Iran.

• Mocking U.S. statements with the goal of demonstrating to others the "holes and inconsistencies" in U.S. policy. Thus, Tehran has challenged the idea that its fortification of disputed islands could signal an intention to block the Strait. Instead, Iran argues that given its dire economic circumstances and its total dependence on the Strait of Hormuz for oil exports, the last option it would want to exercise would be a shutdown of that vital waterway. (At the same, this argument is also presumably an attempt to convey the idea that Iran is a responsible international actor.)

...And Its Sense of Success

As Washington defines the next phase of its containment strategy, it is important to keep in mind how Tehran itself is likely to measure the "success" of its own efforts to withstand increased U.S. pressure. For Iran, three areas seem paramount:

• Finding other international partners to replace lost partnerships with Conoco and other U.S. trade relationships that might be unilaterally cut off.

• Implementing the contract to purchase Russian nuclear plants in the face of intense U.S. pressure.

• Maintaining the status quo on the three disputed Gulf islands, i.e., Iran's full occupation of the islands including military deployments.

As the confrontation between Iran and the United States evolves, competing with Tehran on each of these three areas will be critical to maintaining U.S. "containment" policy.

Dr. Stephen Grummon is scholar-in-residence at The Washington Institute. ❖

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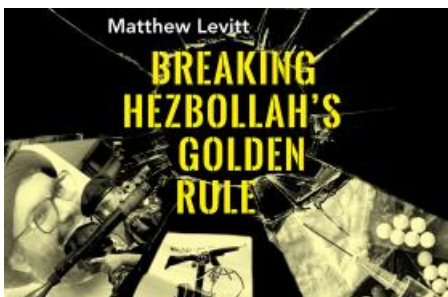
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