U.S.-Iran Competition: Prospects and Limits of Cooperation

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Brief Analysis

Three experts discuss whether the contentious history of U.S.-Iranian relations stems more from unrealistic American expectations and missed opportunities, or from the Islamic Republic's strategic decision to oppose Washington's interests.

On September 7, Jay Solomon, James Dobbins, and Dennis Ross addressed a Policy Forum at The Washington Institute. Solomon is the chief foreign affairs correspondent for the Wall Street Journal *and author of the new book* The Iran Wars: Spy Games, Bank Battles, and the Secret Deals That Reshaped the Middle East *. Ambassador Dobbins is a former U.S. special envoy for Afghanistan and Pakistan, among other positions. Ambassador Ross, who moderated the event, is the Institute's William Davidson Distinguished Fellow and former special assistant to President Obama. The following is a rapporteur's summary of their remarks.*

JAY SOLOMON

Since the September 11 attacks, U.S.-Iran relations have been cycling between periods of limited coordination (whether outright or behind the scenes) and periods of cooling. The fall of the Taliban in Afghanistan ushered in both limited cooperation and tension, with the United States warning Iran's Islamic Revolutionary Guard Corps (IRGC) not to disrupt field operations there. Later, after the invasion of Iraq, the Bush administration reached out to Iranian proxies, meeting with members of the Badr Corps while U.S. envoy Zalmay Khalilzad and Iranian official Mohammad Javad Zarif discussed avenues for cooperation.

Following last year's nuclear agreement, many believed the two countries could build a broader coalition to end the war in Syria. Yet no strategic cooperation materialized, and hopes for a wider rapprochement have decreased since then, especially given the arrests of dual nationals in Iran and Supreme Leader Ali Khamenei's continuing hardline attitude. Although some have compared the nuclear deal to the normalization of U.S. relations with China in the 1970s, the possibility of future crises is more likely with Iran because the shared bilateral interests do not run as deep.

Currently, U.S. and Iranian interests converge in a few places, notably in Iraq and Syria regarding the fight against the Islamic State and in Afghanistan regarding the Taliban. Yet given the ongoing disagreement over goals and outcomes in Iraq and Syria, coordination in these countries is probably a long shot. Coordination would be much more feasible -- and less difficult from a political standpoint -- in Afghanistan.

As for the implications of infighting within the Iranian regime, while some elements disagree with Khamenei's statements or policies, they must ultimately tow whatever line he draws -- a fact that became evident in the nuclear talks. Iranian negotiators were particularly adept at using Khamenei's demands as a tool in that process, admitting that he was a hardliner but maintaining the need to respect his demands. Likewise, although President Hassan Rouhani would probably favor an opening with the West, Khamenei's desire to limit such engagement significantly affects Rouhani's ability to shape foreign policy.

From an economic perspective, Iranians are more interested in doing business with the United States than with Russia and China. Yet discussions with Iranian executives indicate that the IRGC controls all but 20 percent of the companies with whom U.S. or European firms would be able to conduct business.

JAMES DOBBINS

The United States has missed a number of opportunities to normalize relations with Iran since September 11. A prime opportunity emerged after the Taliban government dissolved in Afghanistan. Although Iran played a particularly important role in working with the opposition Northern Alliance, President Bush chose not to capitalize on that, instead making his "Axis of Evil" speech shortly thereafter. Likewise, Washington never responded after an IRGC general claimed that Iran was willing to cooperate on training Afghan troops (many of whom were already being influenced by Iranian actors in southern Afghanistan). Later, when the Iranians raised yet another opportunity for negotiations, the Bush administration deemed the offer not authoritative, despite having channels of communication -- notably through Khalilzad -- by which to check its sincerity.

Today, Iran is making broader efforts to work with the Taliban, but its efforts pale in comparison to Pakistan's coordination with the group. The same can be said of Iran's role in facilitating the movement of al-Qaeda operatives into Syria, which does not compare to Turkey's role in exacerbating that problem.

When the United States invaded Iraq, the Iranians responded in a similar manner: they reached out with offers of coordination and negotiation because the invasion had effectively eliminated one of their main regional threats, and also because they hoped to contain future threats. Iran was also operating under a reformist government at the time,

so the offers were likely genuine efforts to break the country out of its climate of isolation. Yet when Mahmoud Ahmadinejad's government came to power in 2005, it took a more hostile approach to ensure that Iran was not the next victim of a U.S. invasion. And despite significant internal dissent, especially amid the Green Movement in 2009, the regime has designed a structure that can adapt to changing times.

Regarding the sanctions on Iran, two elements were crucial to their effectiveness: first, that they were implemented on a multilateral basis, particularly by European countries, and second, that these countries agreed with their underlying rationale. Although Europe supported the sanctions partly out of a fear of extraterritorial repercussions from the U.S. Treasury Department, this does not mean they would simply kowtow to any future sanctions if they disagreed with Washington's rationale in imposing them. In the past, for example, when the United States attempted to apply certain sanctions on the Soviet Union and Cuba, Europe disagreed and threatened to respond with its own sanctions against U.S. trade, forcing Washington to back down.

DENNIS ROSS

For some time prior to the implementation of strong multilateral sanctions against Iran, oil was a key reason why Washington and other actors were hesitant about that course of action. Many observers feared that heavy sanctions would spur Tehran and its partners to establish a parallel oil economy, and while this scenario was extreme, the consequences of losing the dollar as the basic currency of the global oil trade were deemed too severe to ignore. The eventual decision to take a more hardline approach was driven in part by former French president Nicolas Sarkozy, who was convinced that the Iranian government would not be affected by sanctions unless they targeted oil.

As for the threat of outright war, although the United States and Iran have not fought each other directly so far, they have arguably engaged in significant proxy conflict. The prospect of being drawn into a potential Israeli war with Iran has also influenced U.S. thinking at times, as seen when the Obama administration increased sanctions on Tehran in 2011-2012 amid concerns that Jerusalem was preparing to take unilateral military action.

Ultimately, however, Khamenei probably fears cultural invasion more than military invasion -- a sentiment that has shaped many of his regime's domestic policies and electoral maneuvers, as well as its response to the nuclear negotiations. Despite the severe limitations on who can run for office, the regime "allowed" Rouhani's election in order to sustain the Islamic Republic. At the same time, the very narrow but powerful segment of Iranian society that relies on revolutionary ideology reacted strongly to the nuclear deal brokered by Rouhani's team. As predicted, systemic pressure to perpetuate that ideology has prompted Khamenei and other hardliners to harshly criticize the deal, and no improvement in bilateral relations has materialized in its aftermath.

This summary was prepared by Emily Burlinghaus. ❖

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