

Is the Iranian Regime Rational?

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Although some examples suggest rational decisionmaking by Tehran, other Iranian actions seem unencumbered by cost-benefit considerations.

In a recent remark that has stoked considerable controversy, Chairman of the Joint Chiefs of Staff Gen. Martin Dempsey called the Iranian regime a "rational actor." Dempsey underscored the importance of this assertion when he described it as the basis for his belief that the current U.S. approach to Iran "is the most prudent path."

To determine whether Gen. Dempsey is right or wrong, it is important to understand what it means for a government to act rationally. It does not necessarily imply that the government sees the world the way we do, or makes the decisions we would make. Simply put, there are two essential criteria for rationality -- first, that decisions are arrived at through a process of logical reasoning; second, that the decisions made are the best ones given the choices available.

Most discussions of whether the Iranian regime is rational focus on the first criterion. Does the regime make its choices by weighing costs and benefits, or through a capricious process guided by whim and claims of divine revelation? The U.S. intelligence community believes that it is the former: for all of the regime's unhinged rhetoric, the regime is calculating in its decisionmaking. The 2007 National Intelligence Estimate on Iran's nuclear program puts it this way: "Tehran's decisions are guided by a cost-benefit approach rather than a rush to a weapon irrespective of the political, economic, and military costs."

However, this conclusion raises a critical question -- what does the Iranian regime see as costly, and what does it see as beneficial?

This leads to the second criterion for rationality: a rational actor makes the best decision given the choices available. But "best" according to whose interests, and whose values? Whether an action is costly or beneficial, and thus whether a decision is best, depends vitally on the answers to these questions. Our own domestic political experience -- witness the Democrat-Republican divide over the national debt -- demonstrates that two rational actors, faced

with the same sets of facts and circumstances but holding different interests, philosophies, or values, can reach very different conclusions about what to do.

So for a conclusion that the Iranian regime is rational to be useful in predicting its behavior -- not to mention making and judging our own policy -- we must assess how the regime perceives its interests. Otherwise the "costs" we impose may not be viewed as costly by the regime, and the "benefits" we offer may not be seen as beneficial.

All indications are that the regime values its own survival above all. This likely fuels its drive to obtain a nuclear weapon, which it may see as a guarantee against external foes. To the extent the regime defines its interests parochially rather than as national interests, it may also discount the economic suffering of the Iranian people except to the extent it leads to political turmoil. Thus, to be perceived as truly "costly" by the regime, any sanctions or other measures imposed or threatened by the U.S. and our allies must place at risk the regime's interests, including its prospects for survival. What's more, they must threaten those interests so much that the regime is willing to sacrifice something it apparently values greatly -- a nuclear weapon.

Likewise, any benefit offered by the U.S. and our allies, if it is to affect the regime's calculus, must be seen by the regime as advancing its interests. Many things the U.S. sees as "carrots" -- for example, free trade or normal diplomatic relations -- may in fact be seen as threatening to an authoritarian regime that is leery of the West. Conversely, what the regime would see as beneficial -- for example, assurances that the U.S. would cease its support for human rights or democracy in Iran -- we are unlikely to be willing to offer.

There are two other important points to consider about how the regime decides which option facing it is best. First, we must be aware that there are other costs and benefits at play than simply the ones we generate through sanctions or diplomatic appeals. Individuals in the regime face their own incentives -- for example personal wealth generated in the black markets that sanctions give rise to -- as well as disincentives -- for example the possibility of ending up imprisoned or worse for too vocally bucking the regime's line.

Second, we must also be aware that the regime likely lacks complete information or anything close to it. This is where the assumption that Iran acts rationally runs into the most trouble. Decisions in Iran are made by one man -- Ali Khamenei. By all accounts, he has not traveled outside Iran since becoming Supreme Leader in 1989, is likely insulated by his aides from bad news or criticism, and depends on an increasingly narrow and homogenous power base that may not expose him to alternative opinions. One is unlikely to make a good decision if ill-informed or unaware of all the options. Nor can the regime make accurate judgments about U.S. intentions if we do not clearly communicate our policies or red lines.

There are indeed examples that suggest rational cost-benefit decisionmaking by the Iranian regime, including the one cited in the 2007 NIE -- the regime's apparent decision to suspend its nuclear "weaponization" research in 2003 following the U.S. invasion of Iraq. But other Iranian actions seem untethered from cost-benefit considerations. For example, why would Iran try to blow up a restaurant in Washington in an effort to assassinate the Saudi ambassador, when such an action could spark a war that Iran would surely lose? Or, why would Iran not make a show of cooperation with the IAEA delegation that recently visited Iran, if for no other reason than to delay an Israeli military strike that seems increasingly likely?

More importantly, even if we were to conclude that the Iranian regime is a rational actor, we would not necessarily be able to predict its decisions or behavior. We have a poor understanding of how the regime sees its interests, what it perceives as costly and beneficial, what information is available to its leader, and therefore what it would consider the best decision in a given circumstance. And of course, even otherwise rational actors are prone to the occasional -- and sometimes very consequential -- irrational decision. And in an authoritarian state with an aging and increasingly isolated leader, this risk goes up exponentially.

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