

## **IRAN'S POLITICS AND REGIONAL RELATIONS: POST-DETENTE**

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With the overwhelming victory of Mahmoud Ahmadinejad in June 2005's presidential election, Iran can be said to have entered new and uncharted waters in both its domestic politics and foreign relations. Elected on an anti-corruption and religio-populist platform, Ahmadinejad's second round success in the ballot enabled him to take office on August 3<sup>rd</sup> as the clear champion of the conservative tendencies in Iran – indeed articulating a neoconservative position. President Ahmadinejad began following policies consistent with his new priorities, and struggled to move beyond the established interests of the state as drawn by the two previous administrations of Rafsanjani and Khatami. Ahmadinejad's policy pronouncements have unsettled nerves at home and abroad, and have again raised suspicions of Iran's motives and strategic objectives in the region. Iran, it can be claimed, entered a new era of post-détente after August 2005.

Ahmadinejad's election victory, however, has not changed the structure of power, nor the relationship between the institutions of power. The Leader's role remains paramount and the factional nature of Iranian politics has not been overcome, but the president's political base is new. He draws considerable support from the Revolutionary Guards (Sepah) and the large paramilitary Basij force and in this his administration is different from all previous ones. His election, one can argue, has for the first time brought into the political mix the powerful Sepah and has given them a strong political voice in both domestic and external affairs of the republic. The Ahmadinejad administration, therefore, as will be shown, marks a break in both policy terms and outlook from its predecessors.

### **Iran's Foreign Relations in the 1990s**

By 1988 military and political developments in the region had forced a reassessment of the rejectionist strategy of the republic that had guided its policies since 1980. This re-orientation phase, which is characterized by the transition from radicalism to accommodation started in earnest in June 1988 and lasted until August 1990, by which time we see

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the end of the transition to pragmatism and the establishment of the pragmatist line in Iran's foreign policy. For Iran, the main test of its new pragmatism came with the Iraqi invasion of Kuwait in August 1990, which marked a new watershed in its own right.<sup>1</sup> The invasion immediately raised Iran's profile and highlighted its significance as a regional player. At the same time, however, the invasion also raised regional tensions and provided the catalyst for the return of Western powers to the Gulf sub-region, thus weakening Tehran's ability to shape the policies of the Gulf Cooperation Council (GCC) states and its efforts to forge ties with the Gulf sheikhdoms based on collective action. While Iran's position during this crisis was in sharp contrast to its interventionist and adventurist policies of the eight-year long Iran-Iraq War period (1980-88), nonetheless the fact that the GCC states had already lined up with the US camp meant that Tehran was unable to form a joint platform with them. In 1990, thus, Iran might have stood on the side of the West in demanding the return of Kuwait's sovereignty, but it was not one with the West in the campaign to remove the Iraqis. Nevertheless, as the first test of its pragmatism, Iran's reaction to the invasion did give it scope to deal with Iraq as well as the anti-war Arab forces, while its insistence on the reversal of the aggression and an unconditional Iraqi pull out brought it closer to the anti-Iraq Gulf monarchies. Its restraint and neutrality brought Iran further diplomatic gains too, in terms of renewed diplomatic relations with Jordan, Tunisia and Saudi Arabia, and some constructive contacts with Egypt and Morocco.

Isolation of Iraq in the region and the active role of Arab armies in defense of Kuwait, however, brought other pressures. With its victory in the Kuwait war, the US responded to renewed pressure from Europe and its Arab allies to address the Middle East's most serious problem, the Arab-Israeli conflict. For Iranian diplomacy, the Madrid process was a minefield for not only it threatened to subsume its ally, Syria, in a Western-oriented peace agreement with Israel, but also because Iran was dangerously close to being frozen out of the unfolding post-Kuwait war regional order. Tehran was rather concerned that the emergence of new agendas between Israel and the Arab states and the Palestinians had left no room for Iranian involvement, bar in opposition to the whole process. Furthermore, for Tehran the issue of Palestine had become such a key politico-moral problem and an Islamic issue which necessitated its formal opposition to

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<sup>1</sup> It is rather ironic, but consistent with the impact that geopolitics has in shaping the Middle East region, that it was gain developments in Iraq, in 2003, that gave Iran another chance for geopolitical assertiveness.

the peace process on religious grounds. The Madrid process exacerbated Iran's broader geopolitical worries as well when it came to Israel, for with regard to the latter, there has been an almost universal agreement that the Jewish state is an active regional rival bent on checking Iran's political and military power and undoing its achievements in terms of military and nuclear technology self-sufficiency. Military leaders and their political masters seem to be convinced that Israel is planning a confrontation with Iran. Thus, as Israeli diplomacy and economic force reach the shores of the Persian Gulf and the Caspian Sea, so it is seen in Tehran as further concrete evidence of Israel's encirclement strategy.

Also problematic for Iran was the way in which the peace process was sucking in Iran's Gulf Arab neighbors, and thus adding to Tehran's sense of isolation and loss of influence in the Persian Gulf sub-region. This sense of diminishing influence was heightened after 1993, with many GCC states opening direct channels of communications and trade talks with Israel and their willingness to bring the process (through multilateral and bilateral meetings) to the Gulf itself.<sup>2</sup> Equally troublesome was the so-called Damascus Declaration of '6+2' as the Gulf Arab states' preferred option of widening the Persian Gulf's security net. That Iran was pointedly excluded from the GCC-Syria-Egypt discussions added to the sense of isolation emerging from the end of the Kuwait crisis. Although close contacts between Tehran and its Arab friends were maintained after 1988, the rapprochement in Syrian-Egyptian relations in the wake of Iraq's invasion of Kuwait in 1990, and the success of the Saudi-Syrian-sponsored Taif agreement for Lebanon raised the prospects of a re-emergence of the same tripartite alliance between Egypt, Saudi Arabia and Syria which had existed in the mid-1970s. The danger from Tehran's perspective was that the presence of such an Arab alliance could only lead to the marginalization of Iran's regional role. While in the 1970s the Shah's regime had been relatively successful in containing the influence of this alliance in the Persian Gulf sub-region, in the absence of the same resources at its disposal, Iran's post-Khomeini leadership clearly could not do likewise. It had no diplomatic relations with Saudi Arabia or Egypt at that time, and it could offer few incentives to Syria to resist the lure of Saudi oil and petrodollars and Egyptian diplomatic clout. This prospect of an Arab alliance of

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<sup>2</sup> Note Oman's hosting of the multilateral talks on water in April 1994 which included Israel, the visit of the late Prime Minister Rabin to Muscat in December 1994 and the establishment of direct trade links between the Jewish state and Oman in September 1995, and Qatar's increasingly overt contacts with Israeli business and political leaders.

the sort discussed above in the post-Cold War regional line-up was the first source of concern for Tehran, in which a weakened Iraq as an enemy might be replaced by an alliance of strong Arab states.

*Khatami's détente*

The most interesting development in Iran's foreign policy emerged toward the end of the twentieth century, of course, which was marked by the presidential election victory of Hojjatoleslam Khatami in 1997. From the outset Khatami's foreign policy very strongly reinforced the non-ideological aspects of foreign policy. But it also went further, preaching compromise with others, implementation of the rule of law in international relations and moderation in its own behavior. This phase in Iran's foreign policy can suitably be termed the drive for moderation. It was symbolized by Khatami's overtly moderate and non-confrontational approach to foreign policy, the president's declared aim of establishing a 'dialogue of civilizations', and attempts at reaching an 'understanding' with the West (including the United States). Khatami and his policies continued to capture international headlines over his two consecutive terms of office and kept the West intensely interested in developments in the country. During his first term in office Khatami made scores of overseas trips and visited no less than ten countries, higher than any other Iranian leader since the revolution. His travels took him to such non-traditional Iranian destinations as Italy, France, Germany and Saudi Arabia, as well as China, Syria and several Central Asian and African countries. In his second term, he built on these to advance Iran's policy of détente to a much wider community of states and non-state actors.

With regard to the Persian Gulf, clearly Iran's pro-GCC strategy did bear some fruit, as seen by its successful courting of Saudi Arabia in the mid-1990s. The two countries' defense ministers have met on several occasions since 1996 and Iranian naval vessels have visited the Saudi Red Sea port of Jeddah, arguably the Kingdom's most strategic maritime facility. But, Tehran still regards Saudi Arabia as an ideological rival, in Central Asia and elsewhere in west Asia, as well as a close ally of the United States. With regard to Turkey also a similar policy ambivalence marks bilateral relations. While Tehran regards Ankara's Islamist-leaning government a friend it is nonetheless mindful of the geopolitical challenges Turkey poses; in terms of being a strong pillar of NATO, having close strategic ties with Israel, charting its own policies towards Iraq and the

related 'Kurdish question', and also with relation to Central Asia. Strong cultural and economic ties have so far prevented the geopolitical problems between the two erupting into open political warfare, but tensions simmer just below the surface.

### *End of détente*

The post-1990 changes in Iran's geopolitical environment and systemic changes since the end of the Cold War did reinforce the oil-weighted tendency in Iranian strategic thinking and the primacy of economics in Iranian foreign policy making. This, however, did not mean that ideology and strategic ambitions were being completely displaced. Iran's leaders have continued to assert that the republic's strategic ambitions cannot be realized without the country's economic renewal. For the resurgent neoconservative right, which blocked the implementation of many of Khatami's key integrationalist policies and actually engineered its own electoral victory in the 2004 Majlis elections to recover institutional power from the reformists, the economy was a means to an end. The Majlis elections set the scene for the vital presidential race in 2005, which in the end (and through an unprecedented second round of voting) was won by one of the most inexperienced of the eight candidates standing. Ahamadinejad's grossly populist domestic agenda of establishing social justice and ending corruption found echo in a much harsher foreign policy line as well. His suspicions of the West have been matched by his populist-nationalist line on Iran's important place in the world. With this president, the decade-old intra-elite debates about Iran's post-Cold War role and standing were rapidly ending in the position that post-9/11 Iran's regional weight had grown so considerably that it could now exercise power and extend patronage at will. For the neoconservatives an accommodationist line was dangerously close to appeasement in international affairs, something that they had vowed never to allow. Slowly but surely, on several fronts Iran's accommodationist line on regional matters began to shift, displaying a somewhat harder position on matters of concern.

In real terms, Iran's role in, and approach toward, the brief but bloody Israel-Hezbollah war in July-August 2006 provided sufficient indication of the new direction of Iran's regional profile. Even more significantly, it also provided further evidence of Tehran's considerable reach into traditional Arab theatres. The Lebanon crisis following the fall of Baghdad in 2003 showed how that single historic event had even more

greatly facilitated Iran's deeper reach into the heart of the Arab Mashreq as it demolished the Arab world's historic eastern gateway. Although the 'gateway' had been breached many times before by Iran since the early 1980s – as the strengthening of Hezbollah itself from 1982 graphically illustrates – the 2006 war was to illustrate Iran's ability to capitalize on the major geopolitical transformations taking place in the region to advance its own interests.

*Hezbollah's war; Iran's advantage*

The 2006 Lebanon war, took place in the midst of an already tense regional environment. The most noteworthy amongst these were: the fragile state of Iraq (which had entered a new stage of horrific sectarian violence since early 2005), the Palestinian Authority's relations with the outside world under its Hamas-led government, the continuing struggle in Afghanistan and Pakistan against al-Qaeda and a resurgent Taliban, and the growing fears in Arab circles of the march of the Arab Shia across Arabia and the Levant. Without any halt to violence in the Occupied Territories and no road-map toward peace in Palestine in sight, with Iraq apparently being shattered along sectarian lines, and Iran now favoring a 'slash and burn' strategy as the words of the President Ahmadinejad seemed to imply, it is no exaggeration to suggest that the tinderbox was already dry and ready for an engulfing blaze even if Hamas and Hezbollah had not dared Israel into further acts of violence by taking its soldiers hostage.

But, significantly, the conflict in Lebanon illustrated an altogether new dimension to Iran's regional role in these rather tense circumstances. The perception of an Iranian-backed small but dedicated militia 'winning' the first Arab war against Israel in the Jewish state's 60 year history has scarcely been resisted in commentaries.<sup>3</sup> Although the true costs of the war to the Arab side – Israel's unlikely willingness to give up any Palestinian or Syrian territory without cast iron and enforceable security guarantees, death and destruction visited on Lebanon, major loss of life and property amongst the Lebanese population, the arrival of more foreign military forces in Lebanon, and the deepening of factional and sectarian differences in the country – are indeed great, one was left with the feeling in the region that Hezbollah and its 15,000 militia has managed to dent Israel's aura of

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<sup>3</sup> See, for example, Robert Grace and Andrew Mandelbaum, "Understanding the Iran-Hezbollah Connection," *USIPeace Briefing*, September 2006.

invisibility. The fact that Hezbollah had apparently single-handedly fought the Arabs' longest war with Israel to the bitter end – firing some 246 rockets into Israel on the last day of the war, superceding the previous record of 231 fired on August 2<sup>nd</sup> – and had forced Israel to agree to an internationally negotiated cease-fire with it were sufficient reasons for it to feel victorious and for Iran to feel proud of its own role and achievements. The Iranian government's open and unreserved support for Hezbollah stood in sharp contrast to that of the Arab regimes' position, which rather swiftly changed from condemnation of Hezbollah's action as 'reckless' in the early days of the war to one of muted expression of support for the 'Lebanese resistance' half way through the war. It was clear to all that this Arab adjustment was in small measure in response to a groundswell of support on the Arab street for what was portrayed by the Arab media as Hezbollah's heroism in the face of an unjust onslaught.<sup>4</sup> The Egyptian press in particular took great delight to compare Sheikh Hassan Nasrallah with the late President Nasser of Egypt and depicted the former as Nasser of his time. Despite the many contradictions present in this comparison, the notion that Nasrallah now represented the struggle against Israel was to stick, which of course presented some major issues for the Arab regimes bordering Israel or allied with the United States. To cap it all, while the Sunni-Christian-dominated Lebanese government went out of its way to host the visiting Iranian foreign minister at the height of the crisis it pointedly refused permission to the US Secretary of State to visit Lebanon on her tour of the region. This of course raised Iran's standing ever further. By virtue of where it stood in this conflict, in other words, Tehran was always going to make political substantial capital from the war.

Furthermore, if this campaign was ultimately a proxy war between Tehran and Washington, as many commentators in Iran and Washington insiders have surmised,<sup>5</sup> then the fact that mighty Israel was being reduced to that of the US' 'champion' in the battle against Iran's much smaller Arab protégé could play out very badly in strategic terms for Israel's desire to maintain its deterrence against hostile neighbors, and particularly against an emboldened Iran. But even more seriously, the fact that in the eyes of the Arab masses Israel (and by extension the US) in fact lost the war will have a much bigger strategic implication as Tehran's neoconservatives begin to position themselves as the only force able and willing not only to challenge

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<sup>4</sup> Neil MacFarquhar, "Arab Opinion Turns to Support Hezbollah," *International Herald Tribune*, 28 July 2006.

<sup>5</sup> See, for example, Edward Luce, "Bush Believes Conflict is a US-Iran Proxy War", *Financial Times*, 12 August 2006.

the US-dominated status quo but also to change the regional balance of power in favor of 'the forces of Islam'.

Of perhaps even greater strategic significance for the region are two further aspects of the responses to the war. At one level, Arab frustration and anger at Israel's overwhelming use of force and the pro-Western Arab regime's rather mixed response to the conflict has, for the first time in years, facilitated the transformation of the Arab-Israeli conflict from a safety valve for channelling internal opposition outwards into the sharp edge of the weapon with which to attack Arab ruling regimes for their continuing autocracy, economic incompetence and corruption. In the case of Egypt, it has been noted, the man on the street 'is beginning to connect everything together. The regime impairing his livelihood is the same regime that is oppressing his freedom and the same regime that is colluding with Zionism and American hegemony'.<sup>6</sup> The problem does not end here, for such changes in outlook and public opinion also affect the ways in which Iran can position itself in the region. Over time a structural imbalance has begun to emerge between Iran's position in the Arab-Israeli conflict and that of the pro-Western Arab governments that Tehran has been able to exploit to great effect at times of crisis. So far it has been able to do so without too much cost in terms of its relations with Arab states, but this can change at any time if the nuclear issue, or Iraq for that matter, continue to erode confidence in the Iranian administration.

For Iran, its popular opposition to the current situation in the Arab-Israeli conflict – its declared position of resistance and rejection of what it calls 'imposed solutions' – enjoys more legitimacy at home and on the Arab street now than say the Madrid conference of October 1991. On this base the Ahmadinejad administration has built a much wider commitment to the Palestinian cause, as championed by the Hamas-led government. Its growing diplomatic and financial commitment to the Palestinian government – high level and publicized visits by Hamas authorities to Iran and in excess of \$120 million in aid in 2006 – combined with Palestinian expressions of gratitude to Iran during their time of hardship continues to win Iran supporters across the region and also help Tehran's standing in the Muslim world as a dedicated supporter of the Palestinian cause. It in addition, in strategic terms, has enabled Tehran to keep its penetrative

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<sup>6</sup> Kamal Khalil, Director of the Centre for Socialist Studies in Cairo, quoted in Michael Slackman, "War News from Lebanon Gives Egyptians a Mirror of Their Own Desperation," *New York Times*, 6 August 2006.



position in the Arab heartland without contest from other Arab states or leaders.<sup>7</sup> How can they, after all, object to a third country actively and apparently robustly supporting the Palestinians!

From this vantage point Tehran (and its allies in Damascus) has been able to attack the US and Israel for their apparently anti-Palestinian and anti-Arab positions and set itself up as the true voice of resistance in the region. This however is a wholly negative and reactive position to hold and all that it takes is a shift in the logjam in the Arab-Israeli conflict and Iran's gains can quickly reverse. Furthermore, the line adopted by Tehran under Ahmadinejad is not conciliatory and is unlikely to advance the cause of badly needed reforms in the region. As is noted here, the Lebanon war dangerously eroded the routine business of the area, forcing a whole new division of social energies in the Arab world: 'resistance (advocated by Hizbollah and its supporters in Iran and Syria as well as Islamist and pan-Arab opposition movements) versus restraint (advocated by Arab governments and other voices calling for peace with Israel) became the primary axis of political division, taking the place of democracy versus autocracy. The interplay of ideological and historical themes inherent in the Arab-Israeli conflict led to accusations of capitulation, treason, and betrayal by one side and irrationality and irresponsibility by the other'.<sup>8</sup> Iran's interventions under its neoconservative president have done little to help heal the fissures permeating intra-Arab relations.

But if activists in the Arab world begin to organically link the lack of democracy at home with the situation in Palestine, as an example, and conclude that 'we could not change what our government was deciding on the issue, and the Palestinians [end up] paying the price',<sup>9</sup> then Tehran will be able to effectively capitalize on the peoples' frustrations with their own governments for further extending its reach regionally. Under such a scenario, it will be for the first time since the revolution that Tehran will have been able to directly reach the Sunni Arab masses and build a rapport with them over the head of their often over-protective governments.

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<sup>7</sup> The Palestinian foreign minister, Mahmud Zahar, said as much on his November 2006 trip to Tehran: 'Iran has handed out until now over 120 million and will supply more aid. Its support is very important for us. Iran is a major actor in the region and if we can obtain support from Arab and Islamic countries we will have the assurance that there will be no step backwards on the Palestinian issue'. Agence France-Press, 17 November 2006.

<sup>8</sup> Amr Hamzawy, "Arab World: Regional Conflicts as Moments of Truth," *Arab Reform Bulletin*, (November 2006).

<sup>9</sup> Ibid.

More broadly, and at another level of engagement, the Iranian and Hezbollah's response to the reconstruction needs of Lebanon since the end of the war have showed them to be committed champions of the masses and creative partners in trying to rebuild peoples' lives. While the Arab states have, on the whole, committed funds for the reconstruction of the more visible projects in the country, Iran and Hezbollah, by contrast, spared no expense to kick-start a massive rebuilding program of both the private and public facades of Lebanon. In a major 'hearts and minds' drive Hezbollah itself began the process of investing in the reconstruction of the country even before the war had ended, but since then millions of dollars in the rebuilding of homes and infrastructure of southern Lebanon has been committed, much of it efficiently dispensed to fill the basic needs of the population and their welfare. Alongside Hezbollah has stood Iran, which has not only raised substantial amounts of cash through private donations, but has also seen its government commit as much as \$50 million to the rebuilding of Lebanon. Iran announced in October 2006, for instance, that it was going to build and fully equip 60 schools in Beirut alone and a further 40 in the Bekaa Valley. In addition, it was to build five hospitals in southern Beirut, four in the Bekaa and a further 10 in the south of the country. It also announced a plan for the rebuilding of roads, bridges, mosques and Shia places of learning across the country.<sup>10</sup> With this level of commitment and presence its close partnership with Hezbollah affords it access to every corner of the country. Given that Lebanon is a vital part of the strategic jigsaw that makes up the Arab-Israeli conflict, Iran thus has emerged as an enduring central actor in that theatre too.

If any new evidence for the significant role that Iran was now playing in the heart of the Arab world was needed then the 2006 Hezbollah-Israel war has provided it. Like most wars, this one too injected a noticeable degree of dynamism into the regional system and allowed the proactive parties to it to capitalize on its course and make gains at its end. In Iran's case, the gain has been at the regional level, acquiring another lever for the exercise of its role in the Middle East, and for the execution of its on-going struggle with the United States. This strategic link which has emerged since late 2001 between Iran's growing regional role and the United States' position regarding Iran was graphically outlined by the head of the IRGC, General Yahya Rahim Safavi, who explained in a television interview in Tehran that 'if the Zionist regime or the Americans make problems for us

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<sup>10</sup> See RFE/RL Iran Report, Vol. 9, No. 39, 23 October 2006.

and organize attacks against us... [they should remember that ] The Zionist regime is about 1,300 kilometers from our centers. If we have a missile range of 2,000 kilometers, it is only natural that a distance of 1,300 kilometers is within this range. I'd [also] like to say something else. If the Zionist regime was defeated by a group of Hizbullah in Lebanon... After all, Hizbullah is a small group in Lebanon, which defeated the Israeli army in this 33-day war. How can Israel withstand a great nation that numbers 70 million, 90 percent of which are Shiites? As for the IRGC and the Basij – we have 10 million Basij members and strong Revolutionary Guards. There is no comparison'.<sup>11</sup> Iran, by this reckoning, was ready for a showdown for the US-Israel regional axis.

### **International Relations under President Ahmadinejad**

Beyond Lebanon, evidence of a hardening line in Tehran was every where to be found. By way of another illustration, one can point to the many public initiatives of President Ahmadinejad since taking office. His pronouncements made about Israel in October 2005, his position with regard to the EU3 negotiations over Iran's nuclear activities since August 2005, and his administration's slowly changing policies towards Iraq and the Persian Gulf more broadly, provide concrete examples of the newly emerging trends.

#### *A world without Zionism*

With regard to the former, the president's call in his speech at the World Without Zionism conference for Israel to be 'wiped off the map' signaled a very different approach to the Arab-Israeli conflict to that established in the early 1990s by President Rafsanjani. This speech followed an earlier one made during the election campaign itself in which he proposed that the West was under the tutelage of 'Zionists' in all its policies.

Although under both domestic and international pressure the president had to moderate his line presented at the October event, the fact that he was present at all at this annual anti-Israel event, let alone giving the keynote address, was sufficient to raise serious questions about the longevity of détente as the core of the new administration's foreign policy.

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<sup>11</sup> The Middle East Media Research Institute, No. 1360, 17 November 2006.

But it was the content of what he said which raised even more concern, for it was widely interpreted that with this speech Iran was indicating a hardening of its position toward the conflict, and a new effort to lead the rejectionist camp in the region. Iran, it was said, was moving away from the middle ground, posing a growing threat to regional and international peace and security.<sup>12</sup>

Of course, Iran's harder line towards Israel and the peace process in general has had direct implications for Tehran's relations with the Arab world, Turkey, Pakistan and indeed the West. Concerns over the greater likelihood of a direct confrontation between Iran and Israel raised the temperature in the GCC countries and their worries about the direction of Iran's regional strategy under Ahmadinejad. Already suspicious of Iran's role in Iraq, many saw the president's outburst as a precursor of further tensions in Iran's regional relations. For Egypt, Jordan and Turkey (which already have good relations with Israel) and such countries as Pakistan, Tunisia, Morocco, Bahrain, Qatar, Kuwait and Oman (which are striving to build links with the Jewish state), the Iranian president's call for the destruction of Israel went down more like a lead balloon than a recognizable rallying cry. The Arab world's collective condemnation of President Ahmadinejad's message added a new geopolitical twist to an already tense situation. With this call, Tehran managed not only to isolate itself from its Arab hinterland, but actually caused severe disruptions in its dealings with its non-Arab regional partners (Turkey, India and Pakistan) as well. For the first time in many years Tehran was distant from both its Arab and non-Arab Muslim neighbors. The price, therefore, for the resurrection of 'identity' as the core of IRI's foreign policy was not an insignificant one. In security terms, the president's comments did add to the sense of crisis being generated by Tehran, which was itself an unsettling reality for Iran's neighbors who had become accustomed to the conciliatory line of the previous two presidents, which between them had been in power for 16 consecutive years. The winds of change blowing from Tehran were received with much trepidation.

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<sup>12</sup> American Foreign Policy Council and McCormick Tribune Foundation, *Forging an Iran Strategy*, Chicago, IL: McCormick Tribune Foundation, (15 August 2006).

*Nuclear politics*

The second example, which to be fair was not entirely of Ahmadinejad's making, relates to the nuclear discussions which have tended to dominate Tehran's relations with the West since 2003.<sup>13</sup> Ahmadinejad's UN speech in September 2005 and his key personnel changes in Iran's negotiating team provide the most direct examples of the new direction of thinking in Iran. Talks between the EU and Tehran had already been broken off in August when Iran resumed uranium conversion after a nine-month suspension, so there was not much that the new administration needed to do to worsen the crisis. However, its tougher language and style has delayed the emergence of a satisfactory compromise between Iran and the West. Although an EU3+1 (Russia) team have been negotiating with Tehran since December 2005, it is far from clear how much success the new proposals to bring Russia in as the conduit for Iran's uranium enrichment activities will have. But the issue of concern here is not purely the technical aspects of the discussions; rather the sad reality that even closure on the nuclear debate will probably not lead to closer relations between Iran and the West and an opening of dialogue with the United States.<sup>14</sup> We are now a far cry from the Paris agreement of November 2004 in which Iran and the EU3 talked optimistically of building closer economic ties with each other, and working toward creating a region-wide security structure on the back of a nuclear agreement.<sup>15</sup> With Iran's GCC neighbors highly suspicious of Iran's moves and motives today, it is less likely that they will accept Iran's terms for closer security discussions without having an US presence at the talks, something that the new Iranian administration will find harder to accept. In practice, however and despite Tehran's offer of a '6+2' security pact to its GCC neighbors to encompass all the Persian Gulf states, it is its bellicose tone and aggressive posture vis-à-vis the US' presence that shapes the policies of the neighboring GCC countries. Their perception, without exception, is one of fear when set against Iranian claims that its 'Martyrs Battalions' (formed in 2002 and numbering some 56,000 potential suicide attackers) are ready to attack US bases in the Persian Gulf

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<sup>13</sup> Details of this are discussed in Judith S. Yaphe and Charles D. Lutes, *Reassessing the Implications of a Nuclear-Armed Iran*, Washington, DC: National Defense University, 2005; Mark Fitzpatrick, "Assessing Iran's Nuclear Programme," *Survival*, Vol. 48, No. 3, (Autumn 2006), pp. 5-26.

<sup>14</sup> The reasons for this are masterfully explained by Shahram Chubin, *Iran's Nuclear Ambitions*, Washington, DC: Carnegie Endowment for International Peace, 2006.

<sup>15</sup> Shannon N. Kile (ed.) *Europe and Iran: Prospects on Non-proliferation*, SIPRI Research Report 2, Oxford, Oxford University Press, 2005.

if attacked, or that its missile systems can target US facilities across the region.<sup>16</sup>

### *Post-Saddam Iraq*

Thirdly, in Iraq, evidence of Tehran's strong hand, both in its relations with Baghdad's new masters, and close links with the Shia and Kurdish communities of the country, has sent a ripple of fear across the Mashreq. As already noted, since early 2005 Iraq's Arab neighbors have been much more open in their criticism of Iran's growing role in that country. King Abdullah II's comments in mid-2005 about the rise of an Iran-dominated 'Shia crescent' out of the Iraq war was followed in September by the pessimistic assessment of the Saudi foreign minister in New York that America's policies since the war were effectively handing Iraq over to Iran, despite the efforts of the Arab states in 1991 to ensure that Iraq would not become a base for Iranian ambitions. Iran's influence in Iraq today does indeed stretch far and wide. In the south, Iran has a dominant socio-economic presence, where even its unconvertible currency is widely used. Iranian pilgrims and officials freely mingle with their Iraqi counterparts and Iran's security apparatus has secured a firm footing in the camp of the Anglo-American trained police and military units of the new Iraqi security forces. As a consequence, Iran today has a strong military presence in Iraq.

Furthermore, due to its close links with the two main Shia parties in Iraq (al-Dawa and SCIRI) dominating the Iraqi government today, Tehran also has easy access to the government machinery of the new Iraq. Indeed, Iran is at pains to show its solidarity with the Iraqis and since end of 2003 has been doing all it can to assist Iraq's new rulers manage the country. But at the same time, it is feared in the GCC that Iran is trying to create new facts on the ground by actively changing the demographic map of Iraq's oil-rich Basra province through settling of Iranians in these areas. Also, Tehran's role in bringing Syria and post-Saddam Iraq closer has been noted by Iraq's other neighbors and danger of a three-way alliance being built between them, which could also extend to the Shia communities of Lebanon, is another concern for them. So, the new Iraq and its new partnerships provide fertile ground for Iran to deepen its presence and also take advantage of Iraq's unique geopolitical place to extend its role further

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<sup>16</sup> See Agence France-Press, 21 November 2006 and 3 November 2006.

westwards. For Turkey, as much as for Jordan and the GCC countries, Iran's gains in Iraq can often seem as net loss of influence for them. In policy terms, while Iran's hand may be strengthened in regional negotiations its vastly superior geopolitical standing can just as easily undermine its efforts to strengthen ties with the moderate Arab states as a means of checking US' regional role.

## **Conclusions**

Iranians are now second generation revolutionaries and one might have expected that the country would have settled down into a clearly visible, if not well defined, development path that would also have helped carving its role and position in the international (and by extension the regional) system. Over two decades since the revolution, however, Iran is yet to decide what real role it will play on the international stage. Making its mind up has not been helped, of course, by the tense regional setting and the country's growing geopolitical importance since the late 1990s. Developments in the region – to be more direct, turmoil – do seem to have a direct effect on the domestic politics of the country and so long as it sees itself as a beacon of resistance it will not be able to chart for itself an accommodating role, which in turn fuels tensions with its neighbors and the wider international community. Also, so long as Iran and the US see each other as regional hegemonic rivals Tehran will find it uncomfortable to swim with the currents sweeping the region.

So, a combination of the above, added to the perceptible de-liberalization of public space in Iran since the 2005 presidential election, indicate that the Islamic state has entered a new stage in its evolution, in which personnel changes at the top have brought to the fore new priorities. But these changes have also underlined the force of revolutionary values and ideology in the system. It is quite striking that the rhetoric of President Ahmadinejad sets him apart from many of his predecessors, even Khamenei when he was president in the 1980s. It is a consequence of the fluidity of Islamist Iran, and also the undeniable power of the ballot box where it is allowed to roam, that someone like Ahmadinejad can take center stage and so dramatically change the tempo and mood of the country and at the same time renegotiate the country's regional role on its own terms.

As argued at the outset, Ahmadinejad's policy pronouncements have unsettled nerves at home and abroad, and have again raised suspicions

of Iran's motives and strategic objectives in the region.<sup>17</sup> His election victory may have not changed the structures of power, nor the relationship between the institutions of power, but he has been able to use the machinery of state for other policy pursuits. In the final analysis however and despite his neoconservative leanings, President Ahmadinejad has to govern a modern, complex and wayward state, as well as rule over a restless population which no longer responds positively to pressures from above, and is at the same time desperate for its fair share of Iran's bounties. Geopolitical realities today, moreover, as well as 16 years of constructive policy making at home, have their own policy momentums, which cannot easily be dismissed or bypassed. As we have seen, Iran's role perception can certainly be modified under different leaders and changing international conditions, and its policies altered to meet its new priorities, which are already happening under President Ahmadinejad. But it is still debateable as to whether a post-revolutionary state can be run by a neo-revolutionary president. Although it cannot be said with any certainty that his administration will be able to reorient the Islamic Republic, the issue must be, which one will have to give for the sake of national stability and wider security? My suspicion is that it will have to be the neo-revolutionary who has to change, given Iran's shifting demographic balance, its economic difficulties, its role in the international political economy as a major hydrocarbons producer, and the pressures associated with geopolitics. More than 25 years after the birth of the Islamic Republic, Iran is still looking to find its 'natural' place in the order of things, a struggle which has not been helped by the dramatic international and regional developments since the early 1990s. With each new administration since 1989 Iran has put into place the building blocks of a forward-looking country comfortable with its past and cautiously optimistic about its future. Since 2001, however, securitization of international politics and the grand geopolitical developments in west Asia have had such a dramatic impact on the Iranian polity that today it has an administration dominated by the security spirit of the revolution, if not indeed many of its personnel. With political Islam re-emerging as the ideological principle of Ahmadinejad's worldview, moreover, it was inevitable that the tone, if not the content, of Iran's relations with the outside world would also change. Policy in Iran (as indeed elsewhere) is not shaped in a vacuum and for all the emphasis that the neoconservatives are placing on the role of identity and ideology in the Islamic Republic, it is still venture to suggest that the wider context is what determines the agenda. To follow Iran's policies, therefore, we must first recognize the domestic backdrop as well as the regional realities in which they take form.

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<sup>17</sup> What the US conveniently refers to as 'the world's leading sponsor of terrorism'. See Tony Snow's (White House spokesman) statement of 11 November 2006. Reuters, 12 November 2006.