

## A Win-Win U.S. Strategy for Dealing with Iran

In its nuclear negotiations with the rest of the world, the Islamic Republic of Iran has been pursuing a strategy of “heads you lose, tails we win.” In its carefully crafted and creatively ambiguous response to UN Security Council Resolution 1696, the Iranian regime claims that it is willing to negotiate on all issues, including suspension of enrichment activities, but will not accept any precondition for such negotiations. Their strategy is clear: delay, obfuscate, and prevaricate to buy time to race ahead with technical efforts to master the complex uranium-enrichment process. At the same time, by appearing flexible, they offer China and Russia enough ammunition to impede the West, the United States in particular, from pursuing any serious coercive action endorsed by the United Nations.

The regime’s response places Western leaders in a difficult situation. If they do nothing or make empty threats, Iran will become a nuclear-weapon power within a decade or possibly sooner. If the West loses patience with this game and seeks to impose UN sanctions, the Iranian mullahs reason that they can divide Russia and China from the rest of the Security Council and thus prevent any serious sanctions regime from ever being approved, let alone enforced. They may be right. Moreover, if the United States loses patience with the ineffectual sanctions road and eventually opts for preventive military action, the mullahs, as well as most international experts, believe that Europe will drop out of the coalition as well. A preventive strike would probably kill many innocent civilians, destroy revered cultural sites, and rally much of Iranian society behind the decrepit regime, giving it a new lease on political life and a more compelling pretext to crack down savagely on what

---

Larry Diamond, Michael McFaul, and Abbas Milani are fellows and coordinators of the Iran Democracy Project at the Hoover Institution at Stanford University. McFaul is a member of *The Washington Quarterly’s* editorial board.

---

© 2006-07 by The Center for Strategic and International Studies and the Massachusetts Institute of Technology  
*The Washington Quarterly* • 30:1 pp. 121–138.

remains of the democratic opposition. So, the current rulers in Iran win no matter which of these strategies the United States pursues.

We need a new approach. It is time for the United States to get smart in dealing with Iran and frame its own win-win proposition, which we propose here: a sophisticated two-track policy that deals boldly and directly with the regime as well as the Iranian people on all issues in the bilateral relationship. By expanding the agenda to include not only the control of nuclear technologies but also Tehran's support for terrorism, the lifting of sanctions, democracy and human rights, and even diplomatic relations, U.S. policymakers could radically change the very limited parameters of the stalemated debate with Iran in a way that would serve arms control and democratization.

### **The Failures of Current U.S. Strategy**

---

Formulation of a new strategy for dealing with the Iranian threat must begin with an honest assessment of past and current failures. Since Ayatollah Ruhollah Khomeini and his supporters seized power in 1979, four objectives have dominated the U.S. policy agenda concerning the Islamic Republic of Iran: limit Iran's aggressive assertiveness in the region, halt Tehran's support for terrorism, promote Iranian democracy and human rights, and stop Iran from obtaining nuclear weapons. Progress toward any of these goals has been shockingly minimal. Iran is more assertive in the region today than arguably any time in the last two decades. Through support for Shi'ite militias in Iraq, Hizballah in Lebanon, and now even Hamas in Palestine, Iran's hegemonic reach in the Middle East has grown appreciably in the last several years.

Over the past 25 years, the United States has imposed economic sanctions, armed Iraq to fight Iran, supported a variety of opposition groups to the regime, and orchestrated international efforts to isolate it, including a campaign to keep Iran out of the World Trade Organization (WTO). None of these strategies has produced any measurable progress for the core objectives of U.S. policy toward Iran. In many ways, the Iranian regime is in a better strategic situation today than it has been at any time since the revolution.

### **THE SANCTIONS DEAD END**

The current policy pursued by the Bush administration does not inspire hope either. After flirting with radically different policy options in its first term, the administration has settled on a narrowly defined policy of arms control in its second term. If Iran suspends its enrichment activities, the United States would join forces with European allies, particularly France, Germany, and the United Kingdom, to enter into negotiations with Iran. The newfound unity

among China, Europe, Russia, and the United States on Iran was a big success for the Bush administration.

Yet, how this symbolic victory of unity in the international community and isolation of Iran will eventually lead to a suspension of Iran's nuclear program is not at all clear. In characteristic form for Iranian negotiators, Tehran has refused U.S. and European offers while hinting of compromise just enough to delay any serious attempt to assemble an effective UN sanctions regime. Further, if the Security Council ever does acquiesce to U.S. pressure for sanctions, the result is unlikely to be a robust sanctions regime that includes the export of oil and gas or the import of gasoline, which would cripple Iran's economy and those of many other countries with it. China recently signed a multibillion-dollar oil and gas agreement with Iran, making Beijing a very unwilling participant in a serious sanctions regime. Russia is also unlikely to agree to tough sanctions. Russian defense minister Sergei Lavrov recently bluntly stated, "We cannot support ultimatums that lead everyone to a dead end and cause escalation, the logic of which always leads to force."<sup>1</sup> Russia, in addition to the Bushehr reactor that it has helped to build over the last decade, has many other economic interests in Iran, not the least of which is the hope that Bushehr will be the first of many lucrative contracts to build Russian nuclear power plants in Iran. Even the French and British will be reluctant to back sanctions that would hurt their economies. A sanction that includes oil exports will hike oil prices to levels that the Islamic republic wagers is unbearable for Europe.

Moreover, even if a new UN-backed sanctions regime did win approval, Iran has threatened to withdraw from the Non-Proliferation Treaty (NPT). As the success of the nuclear weapons programs in India and Pakistan prove, a state determined to acquire this technology will do so at any cost. In the long run, the only solution to Iran's nuclear threat is the emergence of a democratic Iran. In the short run, the sole way to mitigate the Iranian nuclear threat is to alter Tehran's motivations for acquiring these weapons.

Finally, the economic pain of sanctions would fall on the masses, not on government elites. Limited travel and financial sanctions targeted on regime elites would be worth pursuing in the absence of other tools, but they will only raise the costs of defiance. Broad new economic sanctions, such as an embargo on gasoline imports, would hurt the very people that the West is trying to empower, a flaw that even Secretary of State Condoleezza Rice has acknowledged.<sup>2</sup> Although such measures would increase resentment, much of it might be directed against the West, not the government in Tehran. In

**Iran's hegemonic reach in the Middle East has grown appreciably in the last several years.**

contrast to democratic leaders in South Africa during apartheid, Iranian democrats have argued consistently that the people of Iran should not be hurt as a means to try to punish the regime.

### **ILLUSORY MILITARY OPTIONS**

When sanctions fail, some are already arguing that President George W. Bush, as a last resort, must then order military strikes against Iran's nuclear facilities, including the enrichment complex in Natanz, the Bushehr reactor, and perhaps some other facilities in Tehran and Isfahan. Proponents of this option cite Israel's successful air strike against Iraq's nuclear complex at Osirak in 1981. A U.S. or Israeli strike would not end Iran's aspirations, but it would, so the argument goes, either slow down the process and make the mullahs reconsider the costs of trying to restart the program again or at least buy time for regime change.

The costs and uncertainties of a military strike are enormous. Air strikes are unlikely to succeed in destroying Iran's nuclear facilities, as experts have estimated the number of nuclear sites to be far more than the 18 the regime claims, with many buried deep underground.<sup>3</sup> Others may not yet have been discovered. In addition, even if the military operation were successful in slowing down the nuclear program, it would only induce Tehran to redouble its efforts at building a bomb and to withdraw from the NPT altogether.

Moreover, because Iran's facilities are spread out and located in urban areas, a preventive military strike could kill hundreds, if not thousands, of innocent Iranians and destroy ancient buildings of historical and religious importance. Isfahan is the central headquarters of Iran's nuclear program, but it is also Iran's most beautiful city and home to many precious civilizational landmarks. Widespread air attacks on Iran's nuclear facilities and other military assets—they would have to be massive and widespread to have any chance of success—would rally the Iranian people around the mullahs, strengthen the regime, and undermine the considerable admiration and goodwill Iranians now feel for the United States. Whatever time such strikes purchased in setting back Iran's nuclear program would be more than offset by the extended lease on life they would give to the regime. Needless to say, a unilateral strike against Iran would only further damage the United States' standing in the world at a time when U.S. prestige internationally is at an all-time low. Finally, such a strike would provide ammunition to the arsenal of fanatics in the Muslim world, including some in the Tehran regime, who see an ongoing "crusade" by the Judeo-Christian West against the Muslim East. The Iranian government has often threatened that, in the case of an attack, it would mobilize its militia and terrorist proxies in Iraq, Lebanon, and the rest of the Middle East to attack U.S. forces and interests around the world,

including Iraq. No doubt this would include Afghanistan, where there are already signs of escalating Iranian mischief.

Some U.S. proponents of military confrontation argue that Libyan leader Colonel Mu'ammarr Qadhafi's recent decision to dismantle Libya's nuclear weapons program means the threat of military force will induce the Iranian mullahs to give up their nuclear program like Qadhafi gave up his. This analogy is false. Qadhafi yielded as much from inducements offered, including a promise not to pursue regime change, as he did from threats. Moreover, Libya's investment in a nuclear program and its capacity to sustain and develop the technology were only a fraction of Iran's. Qadhafi also had good reason to fear a U.S. air strike because such an attack could have eliminated not only his nuclear weapons programs but also his entire armed forces and maybe even himself and his regime. Iran, on the other hand, is a much larger and more complex country, with 70 million people, more than 10 times Libya's population and a hydra-headed regime not organized around one leader and his family. Especially with U.S. forces overstretched and bogged down in Iraq, Iranian leaders do not fear a full-scale invasion, and any other kind of strike would benefit them politically.

**In the long run, the only solution to Iran's nuclear threat is the emergence of a democratic Iran.**

A final, most radical option floated by some is violent regime change, either through invasion or support for an external fighting force such as the Mujahedin-e Khalq (MEK), which advocates the overthrow of the Islamic republic. Founded in the 1960s in Tehran and expelled after the Iranian Revolution, this once-popular terrorist organization, whose ideology is an eclectic mix of Marxism and Islamism, sided with Saddam Hussein during the Iran-Iraq War and has been headquartered in Iraq since the 1980s. The MEK has lost almost all of its popular support inside Iran, however, and possesses next to no military or organizational capacity, especially now that its primary funding source, Saddam's regime, is defunct. Equally absurd is the idea of supporting ethnic minorities or "national liberation" movements. These groups also have no capacity whatsoever to bring down the Iranian regime.

These scenarios are simply preposterous. The U.S. government has neither the military means nor the domestic political support to invade Iran. Such an assault would be impossible to justify morally or legally. The continued empty threat of a military invasion to topple the regime only works to strengthen the hands of radicals such as President Mahmoud Ahmadinejad and his cabal. Nor are there forces already in the country ready to take up arms for this

purpose. In fact, genuine democratic activists and human rights groups are extremely reluctant to accept financial support from the U.S. government or even U.S. nongovernmental organizations (NGOs).<sup>4</sup> They fear regime repression and the stigma of being labeled U.S. pawns. The domestic conditions that made external assistance to Serbian, Georgian, and Ukrainian opposition forces so effective during the Colored Revolutions of 2000–2004 simply do not exist inside Iran today.

### **A New Policy for Dealing with Iran**

---

Given past and present failures, we need a radically new approach. It is time for the United States to offer the Iranian regime a deal it cannot refuse. Washington should propose to end the economic embargo, unfreeze all Iranian assets, restore full diplomatic relations, support the initiation of talks on Iran's entry into the WTO, encourage foreign investment, and otherwise move toward a normal relationship with the Iranian government. In return, Tehran would have to agree to three conditions: a verifiable and indefinite suspension of activity that could feed into a nuclear weapons development program, including all enrichment of uranium, with a comprehensive and intrusive international inspections regime administered by the International Atomic Energy Agency; an end to support for terrorist groups and activities, including training, intelligence support, and weapons shipments for Hizballah, Hamas, and radical Shi'ite militias in Iraq; and affirmation of basic human rights principles under international covenants and a recognition of the legitimacy of international and domestic efforts to monitor those conditions. The nuclear terms would have to "freeze the construction of more centrifuges and heavy-water reactors that could produce plutonium," although they might ultimately allow a small, face-saving research program of enrichment.<sup>5</sup> Included in the accord should be a mutual pledge that neither side will use military force against the other or initiate the use of force against their neighbors.

The negotiations would have to proceed with a few minimal conditions. So that the regime could not manipulate the truth of what was offered and so the Iranian people would not fear that the United States was about to sell out their aspirations for democracy, the broad parameters of the U.S. proposal should be announced publicly from the start. To prevent Iran from dragging out the negotiations indefinitely to stall for time to perfect and expand its nuclear weapons program, a time limit should be placed on the negotiations, open to extension only if the two sides agree that they are making genuine progress toward a deal. Third, the new bilateral talks should proceed alongside and in coordination with, not in place of, the ongoing discussions conducted by the EU-3 (France, Germany, and the United Kingdom). Final-

ly, although in principle we favor unconditional negotiations, in the current context at least a limited and temporary suspension of uranium enrichment must be obtained to prevent the regime from trumpeting the U.S. offer to negotiate as a victory for its intransigent stance.

Any broad agreement with Iran must include provisions for restoring full diplomatic relations. As the Cold War demonstrated, the United States does not need to like, approve of, or even trust a regime to find mutual benefit in dealing with it and engaging its people and culture.<sup>6</sup> With diplomatic relations, Washington could open an embassy in Tehran and hopefully consulates in several Iranian cities, and vice versa. U.S. mass media, universities, and NGOs could open offices in Iran, establish ties with Iranian counterparts, and promote educational and scientific cooperation, cultural exchanges, a freer flow of information, and increased travel and study in the United States by Iranians. Should the United States declare a willingness to admit many Iranian students and travelers and deploy the large number of consular officials necessary to handle the demand, the massive lines outside U.S. consulates would vividly testify to the real feelings of the Iranian people.

As the United States seeks to engage the Iranian regime in direct negotiations, it must also seek to engage the Iranian people directly. We should stress our admiration for Iranian history and culture, our respect for the Iranian people, and our sincere desire to have a thriving and mutually beneficial relationship. In proposing direct negotiations, the Bush administration should outline why the prospective deal would so clearly be in the interest of the Iranian people, bringing badly needed economic development, foreign investment, increased employment, new educational prospects at home and abroad, and more generally an end to Iran's international isolation.

At the same time, our public diplomacy must emphasize the benefits of such an agreement for regional security and peace as well as the severe dangers of Iran's continued pursuit of nuclear weapons. Strangely, little has been done to convey to the Iranian people the practical and geopolitical dangers and real economic costs of the nuclear program. For one thing, there are serious safety concerns with Iran's plans. Although Russia has helped to build a relatively safe Bushehr plant, Iranian democrats claim that the recently revealed clandestine program has relied on secondhand equipment bought on the black market, sometimes put together with the help of rogue engineers from the former Soviet Union, and built at the juncture of two of the world's most deadly fault lines. Moreover, the nuclear program is unnecessary for

**O**ur recommended strategy for promoting regime change is to fully engage it.

electric-power generation and is eating up significant financial resources that could be much more productively spent on modernizing the country's infrastructure and economy.

In addition, it is an illusion to think that the nuclear program will give the Iranian people greater security. Rather, Iran's acquisition of a nuclear weapon would probably trigger efforts on the part of Sunni Arab regimes such as Egypt and Saudi Arabia to acquire the technology as well. Then, Iran would be facing the prospect of living in a region with several nuclear-weapon states, some of which lack political stability and could eventually come under the sway of radical, if not apocalyptic, Sunni Islamist political forces. Overnight, regimes who, by the sheer size of their territory or population, are incomparably weaker than Iran would achieve parity through the deterrence of nuclear power, just as Pakistan did with India.

The United States should endorse the creation of a regional security organization in the Middle East that could provide security guarantees among states, much like the Conference on Security and Cooperation in Europe did during the Cold War. The Iranian regime desperately wants these security assurances, including an explicit statement of nonaggression from the United States. If provided in a multilateral context, these security guarantees could be part of a more comprehensive legal and normative framework that would address human rights issues as well, much like the Helsinki process in the 1970s allowed for parallel conversation on "basket one" security issues and "basket three" human rights issues.<sup>7</sup> Most importantly, this new international institution must legitimize and provide some mechanism for the monitoring of human rights conditions and pledges among the member states, just as the Helsinki accords did 30 years ago. Without this constant emphasis on human rights issues and support for the democratic aspirations of the Iranian people, the package of incentives will simply be pocketed by the regime.

### **Fanciful Folly or Bold Vision?**

---

These policy suggestions do not fit neatly within the polarized debate in Washington about Iran. To oversimplify, the "arms controllers" usually call for negotiations with the Iranian regime about the narrow topic of nuclear enrichment and reprocessing. They deliberately seek to keep other issues, such as democracy, human rights, and terrorism, off the agenda. Some in this camp believe that bilateral negotiations between the United States and Iran could lead to rapprochement and stable relations. The "regime changers" usually call for no contact whatsoever with the illegitimate regime in Tehran but instead advocate coercive measures to topple the Islamic republic. Some in this latter camp even believe that the use of military force against Iran will hasten the demise of the mullahs' theocracy.



Our view does not fall into either of these two camps. In a Manichean world between those that seek to preserve the status quo and those that seek to change it, we are firmly in the latter group. Yet, our recommended strategy for promoting such change is not invasion, military strikes, or even sanctions. It is rather to fully engage the regime and thus connect with Iranian society, which in turn will ultimately facilitate democratization. This approach is predicated on three major hypotheses. First, a democratic Iran would pursue foreign and national security policies different from the current regime, policies that would benefit or at least not seriously harm the United States and its allies and ultimately the Iranian people. Second, the prospects for Iranian democratization are greater than commonly assumed. Third, constructive engagement would advance the causes of arms control and democratization. All three of these hypotheses are contentious and deserve further elaboration.

**The prospects for Iranian democratization are greater than commonly assumed.**

Many believe that a democratic Iran will still aspire to be a nuclear Iran. Iran's aspirations for nuclear weapons predate the Islamic republic, with the U.S.-allied shah developing the technology in the 1970s. Why, therefore, would a democratic Iran be any less of a threat to the United States and its allies than the current regime? Of course, the foreign and national security policies of a democratic Iran cannot be predicted with any certainty. Other instances of democratization, however, triggered an end to nuclear weapons programs in countries such as Brazil, South Africa, and Ukraine, and Iran's historic relationship with the West gives cause to be optimistic about a fundamentally different regional security environment.

In large measure, Iran's leaders seek nuclear weapons to deter a U.S. attack. The regime's refrain about Iran's "inalienable right" to nuclear technology in the name of scientific progress is hollow, given the regime's contempt for every other right of the Iranian people and its pseudoreligious assault on social progress. At the same time, there is also an element of prestige associated with joining the nuclear club and a desire to become the dominant power in the Persian Gulf. These factors will to some extent persist in a democratic Iran, but a democratic Iran would not feel threatened by the United States or Israel and could well be an ally. Moreover, a democratic Iran will be a more rational and responsible country, drawn much more to development through economic and social integration with the West than to regional dominance through weapons.

## **Prospects for a Democratic Iran**

---

In the last few years, through electoral manipulation, fraud, and a host of other coercive means, Iran's Islamist hard-liners have consolidated their grip on all the major sources of institutional power. Soaring oil and gas prices have endowed the regime with resources to buy off local challengers and arm external proxies, such as Hizballah. All of the regime's major external enemies are much weaker today than just a few years ago. Courtesy of the United States, two of Iran's most formidable enemies, Saddam and the Taliban, have been toppled from power.

Despite these short-term gains for the autocratic regime, Iran exhibits many structural and strategic features that make it conducive to democratization. Social scientists have a poor track record of predicting regime change, and Iran's complex system of government makes prognostications about the future even more risky. Yet, the assumption of authoritarian stability made by many in the wake of Ahmadinejad's dubious electoral victory in 2005 is based on a shallow understanding of Iranian history and politics.

### **MORE THAN A DREAM**

Structurally, Iran's middle-income status; its reasonably high levels of education and information; and its relatively strong national identity, drawing on a 5,000-year history, all augur well for Iran's democratic prospects if a transition were to begin. The legitimacy of the regime is already weak and declining among the broad bulk of the population. Dictators have a much greater probability of maintaining autocratic rule if they sustain either an ideology or a project that morally justifies their form of rule. In the first years of the Islamic republic, Khomeini championed such an ideology, which enjoyed popular support. He also internationally pursued an ideological mission that helped to create enemies abroad and thereby increase popular support for defending the regime at home. Today, however, Khomeini's ideological creed offers the existing regime little or no legitimacy. The cataclysmic toll of the war with Iraq from 1980 to 1988 exhausted popular support for revolutionary ideas and the regime that propagated them.

The blatant and increasing corruption of the revolutionary leaders has further undermined the legitimacy of the regime's ideology, especially in the eyes of many Iranians who fought bravely in the Iran-Iraq War and returned home to discover many in the political leadership enriching themselves through corruption, graft, and kickbacks. Today, many of the regime's most active opponents are from the ranks of university Islamic associations, which were once the bastion of solid support for the regime. In 1997 and 2001, the resounding electoral victory of reformist presidential candidate Muhammad

Khatami demonstrated the society's unequivocal rejection of the regime's ideology. Some of Khatami's most energetic supporters came from the ranks of the disgruntled, erstwhile supporters of the discredited revolutionary ideology. Although Khatami later disappointed his supporters by failing to secure enduring democratic reforms, public opinion polls show little support for those in power today and mass support for ideas antithetical to those of the revolution.

Moreover, the regime's leadership itself has abandoned the cause of the revolution, much like Soviet Communist Party officials in the 1970s and 1980s who simply went through the motions of building and exporting communism while focusing on staying in power and enriching themselves. In contemporary Iran, the ruling mullahs have the same two obsessions. During the last presidential election, every candidate, including eventual victor Ahmadinejad, ran against the corrupt status quo. In fact, both Khatami and Ahmadinejad won as protest candidates, running as reformist "outsiders."

Nonideological autocrats who have largely squandered popular legitimacy can stay in power if they produce enough economic growth to pacify or buy off potential opposition. China is the economic model that so-called pragmatic mullahs look to emulate. In reality, however, these rulers do not have the know-how or resources to deliver the kind of economic prosperity that their Chinese counterparts have produced.<sup>8</sup> To be sure, high oil prices have fueled positive economic growth rates over the last several years. Nonetheless, the regime's corruption, incompetence, and crony capitalism have created massive unemployment and widespread dissatisfaction.

Even the sudden windfall of oil revenues has not helped the regime solve its structural economic problems. In fact, during the windfall period, more capital left Iran than came in as oil revenue. This shows how little trust Iranian businesses have in their government. The expanding middle class and especially the swelling ranks of Iranian youth, unemployed, with no hope for the future, no ideological attachment to the regime, and much sympathy for the United States and democracy, constitute a real latent challenge to the establishment.

As a presidential candidate, Ahmadinejad promised to fight corruption and help the poor. As president, he has yet to demonstrate any serious strategy for tackling these tremendous issues. Instead, he has distracted his electorate by promising to remove Israel from the planet, "liberals" from the universities, and television satellite dishes from the rooftops. These confrontational policies abroad and draconian social policies at home do not find

**The main Iranian interlocutor must be the supreme leader, not Ahmadinejad.**

deep support within Iranian society. Rather, popular support for his Khomeini renaissance is shallow. His populism and image as someone who has yet to be corrupted by office have been the only positive elements in his record to slow the rate of disaffection.

An additional factor that offers hope for a regime transition is the deepening of divisions within the ruling elite. In one camp is Ahmadinejad, his supporters in the Iranian Revolutionary Guards Corps and the Basij paramilitary, and messianic fundamentalists inspired by the teachings of a powerful conservative cleric, Ayatollah Muhammad Taghi Mesbah-Yazdi. In the other camp are Iran's embattled democratic movement and an array of forces that benefited from the status quo before Ahmadinejad came to power, including Ali Akbar Hashemi Rafsanjani, the head of the Expediency Council. The Revolutionary Guards, not at all a united force, are demanding a bigger share of political power and thus of the economic spoils.

The clergy are also deeply divided in their allegiances. Some advocate reform, others support the Ahmadinejad camp, and those who are more traditionalist are dismayed by Ahmadinejad's overt messianism. Clerics are growing more daring in their public challenges to the authority of Supreme Leader Ayatollah Ali Khamenei. Some of the clerics supported Rafsanjani's failed candidacy in the June 2005 presidential election, and others adamantly opposed it. The intensely competitive maneuvering between Khamenei and Rafsanjani is one striking manifestation of the regime's widening cracks.

The Ahmadinejad victory has only aggravated them. Ahmadinejad's personal allegiance to archconservative Mesbah-Yazdi and Ahmadinejad's attempt to replace all top-level and most midlevel bureaucrats with his cronies have created new alliances and factions within the regime. Rafsanjani's decision in October 2006 to make public a secret Khomeini letter outlining Khomeini's rationale for ending the war with Iraq has created an open rift between commanders of the Revolutionary Guards and clerics such as Rafsanjani. Finally, Ahmadinejad's success in appointing his closest ally and confidante Hashemi Samere to the post of undersecretary of the interior ministry and therefore to be in charge of elections has further widened the factional rifts. These divisions can create an opening for a new period of political liberalization.<sup>9</sup>

### **A CIVIL SOCIETY RENAISSANCE?**

The presence of a vigorous and inventive, albeit constrained, civil society in Iran also enhances prospects for democratization. Iran's democratic movement remains fractured and demoralized in the wake of Khatami's failure as a reformist president. Many in his own camp and many more in society at large think that he betrayed their trust and failed to live up to his promises. Highly

undemocratic parliamentary elections in 2004 and the presidential election of 2005 delivered new blows to Iran's democrats. The opposition could do little to stop the gross electoral manipulation, and attempts by reformist members of parliament to protest the rigging by organizing sit-ins in the parliament were met with popular apathy. The parliamentary election results and the victory of Ahmadinejad further deprived the democrats of key institutional beachheads for promoting democratic change.

At the same time, however, more than 8,000 NGOs continue to function; human rights lawyers are battling the state; select, relatively independent media outlets are still in business; and an estimated 75,000 bloggers—one of the highest numbers anywhere in the world—have exploded onto the political scene. Imprisoned dissenter Akbar Ganji, an investigative journalist who survived six years in jail and an 80-day hunger strike, has emerged as a democratic hero who could play a unifying and catalyzing role for another democratic movement in the future.

More generally, society performs subtle acts of resistance every day. Women wear their scarves higher and higher on their foreheads and dress in bright colors, students gather at home to drink alcohol and listen to Western music, and youth seek out a wide range of independent (and subversive) information and ideas on the Internet, radio, and television. The regime's recent attempt to remove satellite dishes from tens of thousands of homes was met with popular defiance. Moreover, sizable bus-driver strikes in Tehran in late 2005 and early 2006 as well as rising ethnic unrest in several provinces indicate that the regime has many structural vulnerabilities.

None of this means the regime's collapse is imminent. On the contrary, when compared with the transitions from semi-autocracy in Serbia in 2000, Georgia in 2003, and Ukraine in 2004, Iran's political condition still lacks several key ingredients for change.<sup>10</sup> First and foremost, Iran's regime has more aggressively deterred reformers from seeking office and been more ruthless in shutting down independent media outlets and civil society organizations.

Second, Iranian democrats must alter the constitution significantly to democratize Iran. To varying degrees, democrats in Serbia, Georgia, and Ukraine either pursued or threatened to pursue extraconstitutional means to achieve democratic breakthroughs as a means of enforcing the constitution. Yet, when they did so, their aim was to make sure that the formal laws embodied in the existing constitutions were actually followed and no longer abused by corrupt governments. By contrast, Iran's constitution itself is not

**The specter of armed conflict with the U.S. only helps Ahmadinejad consolidate his power.**

democratic. Guaranteeing its enforcement would not produce a democratic breakthrough; it must be completely rewritten. In particular, the position of the supreme leader must be eliminated, as should the role of the Guardian Council and Council of Experts, both clergy dominated by law. Despite having a reformist president in power and a significant number of reformist deputies in parliament from 1997 to 2005, Iran's reformist movement could not democratize the current regime from within. Some kind of rupture with the existing constitutional system will be necessary to bring about democracy in Iran.

Third, as a consequence of the aforementioned bitter experience of playing by the current regime's rules and losing, Iran's democratic movement has been demoralized. Some activists are disenchanted with politics, and the movement is in disarray.

With the exception of the constitution, all of these impediments to democracy are the result of human decisions and actions, or inaction, in Iran's recent history. They are not deeply rooted cultural or socioeconomic structural barriers to democratic change. The current confidence of the regime and malaise within the democratic movement needs an exogenous shock to jump-start a new, more dynamic process of change. That exogenous shock should come from Washington.

### **Why Engagement, Not Isolation, Works**

---

For many advocates of regime change living outside of Iran, the very idea of interaction with Tehran's theocracy is both normatively revolting and practically counterproductive. Although their normative proclivity against interaction is understandable, it is too valuable a tactic not to utilize. Above all else, opponents of normalization insist that any direct contact with Iran's dictatorship will legitimize and sustain the regime while selling out Iran's democrats. It is a legitimate worry. U.S.-Soviet détente in the 1970s may have prolonged Soviet oppression, although skyrocketing oil prices in that decade were the more direct cause of regime endurance. The opening of diplomatic relations with the People's Republic of China three decades ago has not yet produced any real loosening of Communist Party domination. Needless to say, the United States maintains diplomatic relations with many dictatorships around the world without pressuring these regimes to change. The recent Bush administration flirtation with "transformational diplomacy" toward Egypt produced some small steps toward democratization, followed by even greater moves back toward autocracy.<sup>11</sup> Perhaps most poignantly, few in Washington seem to worry much about Libyan democracy now that Qadhafi and Bush have cut a deal.

The dynamic of normalization between the United States and Iran, however, and Iran's deeper integration into the world economy would be differ-

ent than any of these historical analogies. Iran's economic structure differs sharply from the Soviet and Chinese command economies. Markets, private property, and a capitalist middle class are already present, and the tradition of trading and interacting with the West is long and well established. The potential for U.S. businesses to find willing and able partners in Iran's truly private sector is enormous.

Despite the deepening tensions between the two governments, there is still a great reservoir of Iranian popular goodwill toward U.S. society. The appearance of U.S. citizens, businesses, and goods would mark a major economic, cultural, and social moment in Iranian society. Moreover, the Iranian-American community is large, wealthy, and pro-democratic. They could play an immediate and powerful role in strengthening the nonstate sectors of the Iranian economy, which in turn would help to nurture Iranian civil society. WTO rules would constrain the Iranian regime's ability to siphon rents and subsidize economic practices beneficial to its cronies.

To be successful, the U.S. overture toward the Iranian regime will have to be structured carefully and executed nimbly. The main interlocutor on the Iranian side must be the supreme leader and his administration and not Ahmadinejad, who is neither the real head of state inside Iran nor a person who deserves to sit at a negotiating table with U.S. officials.

As negotiations proceed, U.S. diplomats must state clearly and often that they will not abandon their concerns about human rights violations as a quid pro quo for an arms control agreement. Instead, both issues must be addressed simultaneously.<sup>12</sup> If negotiations eventually produce a breakthrough and the United States is allowed to open an embassy in Tehran, Department of State officials should resist all attempts by the Iranian government to restrict their interactions with Iranian people. Tehran's mullahs need to understand that with formal diplomatic relations come certain obligations, including the free and equal flow of U.S. and Iranian citizens. U.S. diplomats charged with interacting with their Iranian counterparts must make the registration and operation of U.S. NGOs inside Iran a high priority. To be sure, such policy positions will cause friction in the bilateral relationship, but the purpose of bilateral relations is closer contact with the people and official but not necessarily always cordial ties with the regime.

The trigger for democratization will come from within Iran. Nonetheless, the United States could make an important contribution by helping to create a more favorable environment. A new kind of diplomatic relationship with

**The U.S. would gain if Tehran either rejects or accepts a comprehensive agreement.**

Tehran would not be a concession to the mullahs but a step toward opening, liberalizing, and ultimately democratizing Iran. The end of the current sanctions coupled with a U.S. diplomatic presence in Tehran would allow much greater contact between U.S. and Iranian businesspeople, civic leaders, academics, and elected officials committed to democratic change. A more secure Iran would create better conditions for the reemergence of a pro-Western, peaceful, democratic movement inside the country. The specter of armed conflict with the United States only helps Ahmadinejad consolidate his power. The United States loses nothing in trying to pursue a comprehensive agreement.

### **The Offer Is the Key**

---

If the logic of our argument is so clear, why wouldn't Khamenei, Ahmadinejad, and their followers also understand it and therefore reject any U.S. gesture? They might, and they might not. Either way, U.S. national security interests, as well as the interests of the Iranian democratic movement, would be served.

If they rejected such an offer, the regime in Tehran would pay a significant price domestically. The vast majority of the Iranian people yearn for more engagement with the West and the United States in particular. Iran's economy urgently needs foreign investment, new technologies, and greater trade opportunities for the nonenergy sectors. A government that openly rejects such inflows will face a potent popular backlash. Even within the regime, some who have made their fortunes by controlling rents generated by the state would now like to privatize these assets through greater integration into the world economy. Of course, allowing corrupt and repressive mullahs to transform themselves into "respected" capitalists is unfair and odious. Yet, as in eastern Europe, it may be a necessary price to pay if the result is a serious challenge to the existing political order. Paradoxically, some of these corrupt mullahs have a shared interest with Iran's democratic movement in developing deeper ties to the West and the United States.

In addition to Iranian popular resistance, the ruling mullahs would face a more internationally legitimate U.S. foe if they rejected this comprehensive agreement. After offering everything outlined above but receiving no positive response from Tehran, Washington would be in a better position internationally to pursue tougher policies, including serious sanctions against the Iranian regime.

Iran's current leaders might not reject the offer. They might believe they have the ability to manage greater interaction with the United States and the West. They might judge that such a direct dialogue with the United States would vindicate their previous policies and legitimate their regime at home



and abroad. They might opt for the considerable practical benefit to Iran of everything being offered. In other words, the United States would gain if Tehran either rejects or accepts a comprehensive agreement.

In the long run, the payoff of a democratic Iran would be even greater. Soviet leader Leonid Brezhnev thought he was securing legitimacy and a long life for the Soviet Union when his government signed the Helsinki accords in 1975. Because the West finally recognized post-World War II borders at Helsinki, including Soviet territorial gains, Brezhnev and Western critics of the accord saw this as a major Western concession to growing Soviet power. Both Brezhnev and these critics were wrong. Similarly, no one can predict the timing of democratization in Iran or the role that a new U.S. policy toward Iran might play in accelerating the process.

Perhaps our best guide for what might help Iranian democratization is the ideas of Iran's own democratic leaders. Our strategy is precisely the course advocated by most leaders within the democratic movement inside Iran. No major figure in the Iranian opposition supports sanctions, let alone military action. On the contrary, according to Ganji, arguably the country's most important moral advocate of democracy, the vast majority of Iran's democratic leaders and thinkers believe that normalized relations with the United States and greater integration of Iran into the world's institutions will strengthen their democratic cause.<sup>13</sup> After a quarter century of policy failure, is it not time that we heed the Iranian people's own recommendations for fostering democratization in their country?

**This strategy is the course advocated by most leaders within the Iranian democratic movement**

### **Putting the Pressure on Tehran**

The United States cannot continue to burn precious time by pursuing an incremental, limited policy for addressing the Iranian nuclear threat. Rather than tactical innovations, the United States needs to adopt a bold and fundamentally different strategy that would allow U.S. diplomats to pursue arms control and democratization at the same time.

Our proposed strategy beats the mullahs at their own game. If they accept the bargain, they will have to give up their nuclear weapons program or be exposed by a comprehensive and energetic inspections regime. A regime without nuclear weapons is a much less powerful adversary for the Iranian democrats. Meanwhile, as Iran integrates with the world economy and opens up to the West, the conditions for a peaceful transition to democracy take

root. Nearly every major democratic leader inside Iran agrees that isolation only helps the mullahs at the expense of the democratic cause.

If the mullahs reject this deal publicly, however, they will further undermine their already weak legitimacy with a young, restive, and suffering people. The blunt exposure of the mullahs' obsession with defending their own power and privilege at the expense of the public could intensify popular unrest, further divide an already splintered regime, and eventually create the conditions for regime crisis and transition to democracy. Heads we win, tails they lose.

## Notes

1. Steven Lee Meyers, "Russia Hints It Won't Back Penalties Against Iran," *New York Times*, September 2, 2006, p. A7.
2. "Rice Says She Would Not Back Gas Embargo on Iran," Reuters, September 26, 2006, [http://today.reuters.com/news/articlenews.aspx?type=topNews&storyID=2006-09-26T055113Z\\_01\\_N26233100\\_RTRUKOC\\_0\\_US-NUCLEAR-IRAN-RICE.xml&archived=False](http://today.reuters.com/news/articlenews.aspx?type=topNews&storyID=2006-09-26T055113Z_01_N26233100_RTRUKOC_0_US-NUCLEAR-IRAN-RICE.xml&archived=False).
3. Anthony H. Cordesman and Khalid R. Al-Roham, "Iranian Nuclear Weapons? The Options If Diplomacy Fails" (working paper, CSIS, April 7, 2006), [http://www.csis.org/index.php?option=com\\_csis\\_pubs&task=view&id=3037](http://www.csis.org/index.php?option=com_csis_pubs&task=view&id=3037).
4. Akbar Ganji, "Money Can't Buy Us Democracy," *New York Times*, August 2, 2006, <http://www.nytimes.com/2006/08/01/opinion/01ganji.html?ex=1312084800&en=448e9d7dd418d001&ei=5090&partner=rssuserland&emc=rss>.
5. Scott D. Sagan, "How to Keep the Bomb From Iran," *Foreign Affairs* 85, no. 5 (September/October 2006): 59.
6. For an overview of the U.S. dual-track Soviet strategy, see George Shultz, *Turmoil and Triumph: Diplomacy, Power, and the Victory of the American Ideal* (New York: Simon and Schuster, 1993).
7. Daniel Thomas, *The Helsinki Effect: International Norms, Human Rights, and the Demise of Communism* (Princeton: Princeton University Press, 2001); Natan Sharansky, *The Case for Democracy: The Power of Freedom to Overcome Tyranny and Terror* (New York: Public Affairs, 2004).
8. See Michael McFaul, "Chinese Dreams, Persian Realities," *Journal of Democracy* 16, no. 4 (October 2005): 74–82.
9. On the importance of splits within the regime for triggering a process of democratization, see Guillermo O'Donnell and Philippe C. Schmitter, *Transitions From Authoritarian Rule: Tentative Conclusions About Uncertain Democracies* (Baltimore: Johns Hopkins Press, 1986).
10. For elaboration on these key ingredients, see Michael McFaul, "Transitions From Postcommunism," *Journal of Democracy* 16, no. 3 (July 2005): 5–19.
11. Amr Hamzawy and Michael McFaul, "The U.S. and Egypt: Giving Up on the 'Liberty Doctrine,'" *International Herald Tribune*, July 3, 2006, <http://www.iht.com/articles/2006/07/03/opinion/edmcfaul.php>.
12. Shultz, *Turmoil and Triumph*, p. 266.
13. Akbar Ganji, "Prospects for Democratization in Iran" (lecture, Center on Democracy, Development, and Rule of Law, Stanford University, August 9, 2006).