

THE ROLE OF CONTAINMENT: AMERICAN MIDDLE EAST
POLICY AND THE ISLAMIC REPUBLIC OF IRAN

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by

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ABSTRACT

THE ROLE OF CONTAINMENT: AMERICAN MIDDLE EAST POLICY AND THE ISLAMIC REPUBLIC OF IRAN, CDR Andrew J. Gustafson, 161 pages.

The 1979 Islamic Revolution in Iran changed the geo-political landscape of the Middle East. The new regime in Tehran, hostile to the United States, threatened American interests in the region. In response, the United States adopted a policy of containment aimed at restoring a regional power balance favorable to the United States. Since that time, broader U.S. policy in the region has been driven in large measure by pursuit of this policy. Minimizing Iranian influence became a critical component of regional stability centered on the U.S. relationship with the Gulf Arab states. This thesis attempts to answer the question of whether the contemporary geopolitical environment warrants reexamination of America's efforts to isolate and contain the Islamic Republic of Iran. By comparing the geostrategic environment as it existed when the policy was adopted, and taking into account the events that transpired as a result, a comparison can be made to the environment as it exists today to make an assessment of whether any changes dictate adoption of a new policy. The recent signing of the Joint Comprehensive Plan of Action, the rise of Sunni Salafist extremism in the form of the Islamic State and al-Qaeda, the evolving economies of the global oil market and the consequences of the Arab Spring have wrought significant changes to the region. After thirty-seven years of policy aimed at minimizing Iranian influence, there is a growing perception in the region that Iran is ascendant and its influence is only growing. The question the United States needs to ask is whether its opposition to this resurgence only fuels greater instability.

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ACRONYMS

AIOC	Anglo-Iranian Oil Company
APOC	Anglo-Persian Oil Company
AQI	al-Qaeda in Iraq
CIA	Central Intelligence Agency
GCC	Gulf Cooperation Council
GoI	Government of Iraq
GWOT	Global War on Terrorism
IOP	Iranian Oil Partnership
IRGC	Iranian Revolutionary Guard Corps
ISF	Iraqi Security Forces
ISIS	Islamic State in Iraq and Syria
JCPOA	Joint Comprehensive Plan of Action
JP	Joint Publication
KSA	Kingdom of Saudi Arabia
NPT	Non-Proliferation Treaty (Treaty on the Non-Proliferation of Nuclear Weapons)
NSS	<i>National Security Strategy</i>
PA	Palestinian Authority
QDR	<i>Quadrennial Defense Review</i>
QME	Qualitative Military Edge
SAVAK	Sazeman-e Ettela'at va Amniyat-e Keshvar
SE	Strategic Estimate
UN	United Nations

UNSC	United Nations Security Council
USCENTCOM	United States Central Command
WMD	Weapons of Mass Destruction
WWI	World War One
WWII	World War Two

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CHAPTER 1

INTRODUCTION: THE IRAN PUZZLE

Iran aggressively pursues these weapons and exports terror, while an unelected few repress the Iranian people's hope for freedom . . . States like these, and their terrorist allies, constitute an axis of evil, arming to threaten the peace of the world.¹

— President George W. Bush, State of the Union Address, 2002

Our people say “Death to America,” and this is like saying “I seek God’s refuge from the accursed Satan.”²

— Ayatollah Ali Khamenei, Speech on Iran’s Channel 1, 2005

The 1979 Islamic Revolution in Iran changed the geo-political landscape of the Middle East and ushered in more than three decades of hostility with the United States. In the aftermath, the leaders of the revolution proclaimed their intent to export their vision of political Islam to the rest of the region and help Iran take its rightful place as a regional hegemon. In 1979, the United States was embroiled in the Cold War and in the minds of the American public, the Middle East was little more than a Cold War sideshow. For those who paid attention, the Israeli-Palestinian conflict was the dominant issue in the region. The overthrow of Mohammed Reza Shah, and the events that followed, forced Iran into the U.S. national consciousness. A little known Shi’a cleric from Iran had ignited a firestorm that influences American perception of Iran to this day.

Ayatollah Ruhollah Khomeini came to power with a message of Iranian nationalism, Islamic values, and a virulent anti-Americanism rooted in populist opposition to the Shah. In the mind of most Iranians, there is a direct link from the 1953, U.S. sponsored overthrow of the legitimately elected Prime Minister, Mohammed Mossadeq, to the Islamic Revolution and the U.S. Embassy hostage crisis that followed.

The take-over of the U.S. Embassy in Tehran by a group of radical university students was a flagrant violation of the international diplomatic order. That it was not condemned, or halted, by Khomeini, only served to associate the new regime in Iran with an image as an extremist rogue state and a threat to regional stability. The regime's parading of blindfolded hostages in front of news cameras had a visceral impact on the American public. Coupled with extreme anti-American rhetoric, the hostage crisis seared Iran into the American psyche. The 444-day episode helped bring down an American president and completely changed the U.S. perception of the Middle East.

For thirty-seven years, U.S. leaders have viewed Iran as one of America's principal adversaries in the world. Throughout that period, U.S. policy in the Middle East has either implicitly, or explicitly, aimed to isolate Iran in an attempt to either bring down the Islamic government, or at a minimum, moderate its behavior. However, this policy has not only failed, in many ways it has had the opposite effect. Iran has a xenophobia, deeply rooted in its history that has cultivated a resentment to even the appearance of foreign influence in its domestic affairs. U.S. attempts to pressure Iran into moderating its behavior have largely served only to bolster the regime by solidifying its legitimacy in the eyes of many Iranians. The conservative hardline in Iran is rooted in a platform of resistance to Western influence and the United States, as the West's standard-bearer, in particular. Confrontation and coercive diplomacy have only reinforced the internal Iranian narrative of the regime as nobly standing up to imperialist Western powers. Iran's often-extreme rhetoric is aimed at reinforcing this image with its people. Likewise, harsh rhetoric from the U.S. unintentionally serves the same end. It is arguable that the U.S. attempts to weaken the regime through isolation have only served to bolster it.

Why Iran Matters

In a landmark 1947 article in the journal *Foreign Affairs*, the prominent diplomat and political scientist, George Kennan, stated, “The main element of any United States policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies.”³ This idea formed the basis of the Truman Administration’s foreign policy, and containment of the Soviet Union became the foundation of U.S. policy in the Cold War for the next half century.⁴ Prior to the 1979 Islamic Revolution, Iran was an ally in carrying out this policy. Following the revolution, the policy was applied to Iran within the context of the Middle East. Containment of Iranian influence became a cornerstone of U.S. policy in the region.

U.S. policy in the Middle East has also been defined by a number of other regional and strategic factors. One consistency in those policies has been the economic imperative to maintain Western access to Middle East oil. Following the revolution in 1979, Iran emerged as one of the chief impediments to that policy. Cold War policies such as the Twin Pillars and the Carter Doctrine were aimed at securing U.S. access to the region while limiting that of the Soviet Union. Later policies, such as Dual Containment, promoted regional stability as a means to ensuring the free flow of commerce in the region. For the United States, the conflict with Iran is rooted in its perception of the Islamic Republic as a threat to that regional stability, and thus, to U.S. interests.

Iran’s close relationship with Bashar al-Assad in Syria, the presence of Hezbollah in Lebanon, and Iran’s growing influence in Iraq, constitute the building blocks of an expanding Shi’a crescent of influence in the Middle East. The Sunni Gulf Arab states,

wary of this expanding Iranian influence, have invited closer and closer ties with the United States to counter this perceived Shi'a crescent. The United States has spent decades, and billions of dollars, enhancing those ties as it worked to limit Iran's influence.

The Islamic Republic is viewed as an unpredictable rogue state, exporting instability and conflict in the region. It does this through proxy groups, many of which the United States considers terrorist organizations. U.S. opposition to Iran is also rooted in its human rights record, weapons of mass destruction (WMD) programs, and a politically repressive government. However, these are indictments could be levied against many of the U.S. Arab allies in the region.

The proliferation of Salafist Islamic terrorism is at the root of much of the region's current instability. This brand of Islamic extremism is not originating from Iran, however, but from some of the very same Arab states to which the United States turned following the Iranian Revolution. Al-Qaeda, the Islamic State in Iraq and Syria (ISIS), al-Nusra Front, and the Muslim Brotherhood are Sunni groups that trace their roots to nations such as Egypt and Saudi Arabia, that the United States has long considered allies. ISIS, the most violent and successful incarnation of the modern jihadi movement, considers Iran, and its Shi'a brand of political Islam, as much of an enemy as it does the United States.⁵ Why then, does the United States consider Iran as the paramount threat to regional stability? One answer is Iran's opposition to Israel. However, of all of the Gulf Cooperation Council (GCC) states, only Egypt has actually recognized the Jewish State. So it begs the questions: What is unique about Iran, and why does the United States consider it such a threat? Is it time for the United States to take a new approach?

The Middle East is in the midst of a sectarian conflict between Sunni and Shi'a Islam. Opposition to Iran, coupled with close ties to the Gulf Arab states, has resulted in the United States effectively taking sides in this sectarian war. This opposition has been characterized by more than three decades of political and economic isolation, military conflict, and half-hearted attempts at diplomatic engagement. Far from achieving its desired ends, this strategy has resulted in the expansion of Iran's regional influence and increasingly pushing it into the spheres of China and Russia. Concurrently, the United States has been engaged in almost continuous military conflicts that have drawn it deeper into the geopolitical quagmire of the Middle East.

Short of Iranian involvement in an attack with WMD, direct U.S. military confrontation with Iran to effect regime change seems highly unlikely. The U.S. experience in Iraq has dampened any enthusiasm it had for nation building. A lack of overt Iranian aggression will make it extremely difficult to convince the international community to re-impose economic sanctions lifted as a result of the Joint Comprehensive Plan of Action (JCPOA). If draconian sanctions were possible, what end would they serve? The United States should be extremely wary of a popular uprising against the regime. If the Arab Spring has taught America anything, it should be that the consequences of a collapse of the Iranian government would be extremely hard to predict. Such a collapse could likely lead to a string of failed states from Afghanistan to Syria. What then, is the alternative?

The United States has enduring economic and security interests in the Middle East that have kept it deeply involved there since World War Two (WWII). These interests have driven U.S. policy decisions interpreted as conflicting and often counterproductive.

To understand why requires an understanding of the nuances of the region and how the United States managed its competing priorities there. It is impossible to untangle the web of these priorities without understanding the role that Iran has played in shaping them. Through most of the last half century, Iran has been seen through one or more distinct lenses: the Cold War, Middle East oil, Israeli-Palestinian peace, terrorism, or nuclear weapons proliferation. Throughout that time, the United States has stumbled from conflict to conflict while the region has fallen deeper into chaos.

However, recent events may have presented a new path for the US and Iran. The 2015 signing of the JCPOA has resulted in the lifting of decades of increasingly punitive sanctions on Iran and arguably halted its development of a nuclear weapon. Coupled with overlapping interests in the conflict with ISIS, and the mutual desire for stability in Iraq and Afghanistan, the United States and Iran may have the best opportunity since the 1979 revolution to find common ground and end thirty-seven years of hostile relations. If the United States does not wish to be mired in Middle East conflict for another thirty-seven years, the time has come to re-evaluate its strategy. The issues surrounding such a paradigm shift in U.S. policy in the Middle East are numerous and complex. However, there is wide agreement in U.S. policy-making circles that it should be explored.

Defining Key Concepts

This thesis will make use of certain terms from the Farsi or Arabic languages, related to the Islamic religion, that the reader will find valuable to understand. It will also be useful for the reader to have knowledge of certain concepts, as well as organizations, that bear on the subject of this thesis.

The Ulema refers to a body of Muslim scholars, typically influential Imams and Ayatollahs, recognized for their knowledge of Islamic jurisprudence, and considered the guardians of the Islamic faith. Traditionally, the Ulema are not the temporal leaders of Islamic societies, but have significant influence as jurists of Sharia law. There is no centralized Islamic authority and as such no singular Ulema in the Muslim world.⁶

In this thesis, the word Majlis refers to Iran's Islamic Consultative Assembly. It is the legislative branch of the Iranian Government composed of a 290-member parliament that has existed in one form or another since 1906. It is weak compared to the presidency and the Supreme Leader but does have power over the budget as well as confirmation and impeachment of ministers.⁷

SAVAK is a Persian acronym for Sazeman-e Ettela'at va Amniyat-e Keshvar. It refers to the Iranian domestic security agency and secret police of Mohammed Reza Shah. It was largely trained by the American Central Intelligence Agency (CIA) and Israeli Mossad and was widely despised by most Iranians as it was accused of brutality and torture.⁸

Sunni and Shi'a are the two major sects of the Islamic religion. Their difference is rooted in disagreement regarding the rightful successor to the prophet Muhammed. Shi'a account for only ten percent of the overall Muslim population. Shi'ism is the state religion in Iran and is the majority in Iraq, Bahrain, and Lebanon.⁹

Velayat-e-Faqih refers to the system of political Islam developed by Ayatollah Khomeini. Meaning regency of the jurist, it was a philosophy that God's law, or Sharia, was provided by the Prophet Mohammed and codified in the *Quran*. As such, it is the only law and Islamic jurists are the only ones qualified to interpret and apply it. This idea

is the basis for the Ulema assuming temporal authority. It was initially not widely accepted by the Ulema, even in Iran.¹⁰

Ayatollah is a title given to those Shi'a clerics considered experts in Islamic studies. They have spent years as a mujtahid, studying topics such as Islamic jurisprudence, *Quran* reading, and philosophy, and teaching in Islamic seminaries. The term Grand Ayatollah is awarded to especially revered and learned clerics. Grand Ayatollah Khomeini was also deemed a Marja'-e taqlid, the highest ranking in Shi'a Twelver Islam, implying one who is worthy of emulation and being followed without question.¹¹ Khomeini was one of a small group of Ayatollahs who could claim this title.

The term P5+1 refers to the parties involved in the negotiations regarding Iran's nuclear program. The P5+1 are the five permanent members of the United Nations Security Council (UNSC): the United States, France, the United Kingdom, Russia, and China plus Germany.

Limitations and Delimitations

The laws of politics have their roots in human nature.¹² Therefore, strategy and geopolitics are a human endeavour, and at the mercy of their practitioner's humanity. The modern international system is based on the concept of the nation as the principal actor in international affairs and a nation, as an extension of people, exhibits behavior that often mimics that of its people. Therefore, the behavior of nations is subject to the same motivations and consequences of humanity.

Humans, according to Thucydides, are motivated primarily by fear, honor, and self-interest.¹³ They have emotions that feed their biases, cloud their judgment, and influence their decisions. Events that shape the geopolitical landscape are thus open to the

interpretation of the motives, values, and intent, of the people involved in those events. Those same events are also open to the interpretation of the analyst for all of the same reasons. Because of this, there is an entire industry in the United States dedicated to not only the practice of strategy and geopolitics, but to the scholarly analysis of them as well. Conclusions drawn from the analysis of any given event, series of events, or period of history, will vary depending on the lens through which they are viewed. Competing theories such as realism and liberalism ascribe motivations and values to both practitioners and analysts of geopolitics. Thus, interpretations of the same event will vary depending on the lens through which it is analyzed.

Geopolitics is a complex system of managing and balancing relationships between nations. It is a system that is “dependent upon the realities of geography, society, economics, and politics, as well as on other, often fleeting factors that give rise to the issues and conflicts war is meant to resolve.”¹⁴ If geopolitics is a complex system of relationships, there is nowhere more so than in the Middle East. The confluence of religions, cultures, ethnicities, and nationalities has created a political mosaic as labyrinthine as anywhere in the modern world. This confluence makes any attempt to analyze Middle East geopolitics a significant undertaking. Complicated more so by the fact that there is no commonly accepted definition of the concept of geopolitics. Therefore, this thesis will rely on modern understanding elucidated by Colin Flint that defines geopolitics as “the struggle over the control of spaces and places, focuses upon power . . . seen simply as the relative power of countries in foreign affairs . . . dominated by a focus on a country’s ability to wage war with other countries.”¹⁵ This understanding, also referred to as power politics, is congruent with Morgenthau’s assessment that the

goal of international politics is the accumulation of power, which translates to influence.¹⁶

A common theme among scholars is that the practice and study of geopolitics requires a “continuous exchange between history and theory . . . which suggest contemporary and future political relevance.”¹⁷ Therefore, to understand the region’s contemporary geopolitics, it is necessary to understand its history and the confluence of events that have shaped it. However, an exhaustive history of the region is beyond the scope of this thesis. It will instead focus on an overview of the modern history of Iran and the West, and the role they have played in shaping the Middle East. The issues in question are extremely broad and complex. Therefore, it is impossible, in the scope of this work, to provide the reader a complete and in-depth analysis of each issue, only to make the reader familiar with those issues and the role they play in the power politics of the region.

Lastly, this analysis is limited to publically available information and the conclusions are largely drawn from secondary sources. It is not the intention of this analysis to use those conclusions to make policy recommendations. It is the intention of this work to provide an overview of the major issues, in their historical context, such that the reader can make their own informed judgments.

Thesis Structure

The president’s *National Security Strategy* (NSS) states, “America’s growing economic strength is the foundation of our national security and a critical source of our influence abroad.”¹⁸ Thus, it follows that U.S. policy in the Middle East is fundamentally guided by economic concerns. This is consistent with past policies in the region. These

policies have been aimed at promoting regional stability as a means to enhancing U.S. economic security. Containment of the Islamic Republic of Iran has long been an element of that policy. However, recent events imply that U.S. policy trajectory is towards engagement with Iran. Such a change would be a significant deviation from a policy in the region that has been pursued since 1979. The central question addressed by this thesis is; does the modern geopolitics of the Middle East dictate U.S. engagement with the Islamic Republic of Iran?

This thesis will address the central question in five chapters. Chapter 1 has introduced the subject matter and an explanation of its importance and relevance. An outline of the thesis structure is presented and key terms defined that will be important for the reader to understand.

“It is not often that nations learn from the past, even rarer that they draw correct conclusions.”¹⁹ In attempting to analyze the implications of national strategy and policy, it is necessary to understand the history and context within which those policies exist. Therefore, chapter 2 will provide an overview of the history of Western involvement in Iran: first with the Great Game at the turn of the twentieth century and leading up to the Islamic Revolution in 1979. It is important to understand this history to appreciate the context within which the United States became involved. This will help illuminate the underlying strategic issues, as well as the motivations of the actors involved in subsequent events. Secondly, as the Islamic Revolution was such a transformative event, chapter 2 will also provide an account of the post-revolution events that shaped U.S. policy from Jimmy Carter to Barack Obama.

Chapter 3 will outline the methodology used in conducting the analysis contained in this thesis. As Morgenthau alludes, analyzing international politics and strategy is a complex and largely theoretical undertaking.²⁰ The human nature of it imposes a nearly infinite number of variables. As a result, there is no single framework, methodology, or tool upon which to rely. This thesis will accept Morgenthau's emphasis on understanding the past and use the provided history to contextualize that past within the current strategic environment as analyzed in chapter 4.

Regarding making policy choices, Morgenthau tells us that if we want to "understand international politics, grasp the meaning of contemporary events, and foresee and influence the future," we must answer a set of defined questions.²¹ The analysis in chapter 4 will address the primary question by answering these critical secondary questions: (1) how has the geopolitical situation changed, and how is it different; (2) do the similarities reaffirm the previous policy; (3) does the blending of similarities and differences warrant the retention of the core of the previous policy with some modification; and (4) do the differences make the previous policy inapplicable? To answer these questions, this analysis will correlate the history provided in chapter 2 with an adaptation of the strategic estimate framework provided in Joint Publication (JP) 5-0, *Joint Operations Planning*.²²

If U.S. policy is moving towards engagement with Iran, this would constitute a significant change.²³ Chapter 5 will conclude the analysis of such a change by summarizing the findings of the strategic estimate and drawing relevant lessons learned from past U.S. policy. Lastly, chapter 5 will suggest areas where this analysis could be expanded to add fidelity to the arguments presented herein.

¹ Quote is taken from two separate paragraphs of President George W Bush's 2002 State of the Union Address. This address was delivered on 29 January, just four months after the al-Qaeda attacks of 11 September. The weapons he refers to are various forms of WMD. This was the justification for the 2003 invasion of Iraq, which he also included in the axis of evil.

² Direct quote from a speech delivered by the Ayatollah Khamenei on Iranian TV, 14 March 2005. The reference to America as "The Great Satan" was first made by Ayatollah Ruhollah Khomeini shortly after the Islamic Revolution and the overthrow of the U.S. backed Shah.

³ George Kennan, "The Sources of Soviet Conduct," *Foreign Affairs*, 1947, accessed 2 April 2016, <https://www.foreignaffairs.com/articles/russian-federation/1947-07-01/sources-soviet-conduct>.

⁴ Office of the Historian, Bureau of Public Affairs, "Kennan and Containment, 1947," U.S. Department of State, accessed 2 April 2016, <https://history.state.gov/milestones/1945-1952/kennan>.

⁵ Dina Esfandiary and Ariane Tabatabai, "Iran's ISIS Policy," *International Affairs* 91, no. 1 (January 2015), accessed 16 February 2016, https://www.chathamhouse.org/sites/files/chathamhouse/field/field_publication_docs/INTA91_1_01_Esfandiary_Tabatabai.pdf.

⁶ Center for Dialogues–Islamic World–U.S.–The West, "The Ulama" (Conference Report, New York University, New York, 2006), accessed 15 February 2016, http://islamwest.org/publications_islam_and_the_West/Who_Speaks_For_Islam/Who-Speaks-For-Islam_16.html.

⁷ Farideh Farhi, "The Parliament," in *The Iran Primer: Power, Politics, and US Policy*, ed. Robin Wright (Washington, DC: United States Institute of Peace, 2010), 20.

⁸ Michael Axworthy, *A History of Iran: Empire of the Mind* (New York: Basic Books, 2008), 240.

⁹ BBC, "Sunnis and Shia: Islam's Ancient Schism," 4 January 2016, accessed 15 February 2016, <http://www.bbc.com/news/world-middle-east-16047709>.

¹⁰ Axworthy, 253-254.

¹¹ Ibid., 173.

¹² Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, 1973), 4.

¹³ Richard Ned Lebow, “Thucydides and Deterrence,” *Security Studies* 16, no. 2 (2007): 163-188, accessed 12 May 2016, http://www.dartmouth.edu/~nedlebow/thuc_deterr.pdf.

¹⁴ Peter Paret, “Introduction,” in *Makers of Modern Strategy: from Machievelli to the Nuclear Age*, ed. Peter Paret (Princeton, NJ: Princeton University Press, 1986), 3.

¹⁵ Colin Flint, *Introduction to Geopolitics* (New York: Routledge, 2006), 28.

¹⁶ Jaap W. Nobel, “Morgenthau’s Struggle with Power; The Theory of Power Politics and the Cold War,” *Review of International Studies* 21, no. 1 (1995): 64-67.

¹⁷ Colin S. Gray and Geoffrey Sloan, “Geopolitics, Geography and Strategy,” *The Journal of Strategic Studies* 22, no. 2-3 (1999): 1-2.

¹⁸ Barak Hussein Obama, *National Security Strategy* (Washington, DC: The White House, February 2015), foreward.

¹⁹ Henry Kissinger quoted in Walter Isaacson, *Kissenger* (New York, NY: Simon and Schuster, May 2013), 256.

²⁰ Morgenthau, 18.

²¹ Ibid.

²² Joint Chiefs of Staff, Joint Publication 5-0, *Joint Operation Planning* (Washington, DC: Government Printing Office, 11 August 2011). SE framework is provided in Appendix B.

²³ Jeffrey Goldberg, “The Obama Doctrine,” *The Atlantic*, April 2016, accessed 5 May 2016, <http://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>.

CHAPTER 2

HISTORY

Part I: The Great Game and the Road to Revolution

The Iranian Government is causing a great enterprise, the proper functioning of which is of immense benefit not only to the United Kingdom and Iran but to the whole free world, to grind to a stop. Unless this is promptly checked, the whole of the free world will be much poorer and weaker, including the deluded Iranian people themselves.

— Gladwyn Jebb, quoted in Stephen Kinzer, *All the Shah's Men*

The United States did not become deeply involved in Iran until after WWII. To understand why, it is necessary to examine Iranian history prior to World War One (WWI). For most of the century leading up to WWI, the British and the Russians vied for primacy in Central Asia. This rivalry, known as “The Great Game,” included a Russian and British competition for influence in Iran, often to the detriment of Iranians.¹ British influence on the Iranian economy, and Russian influence in the Iranian military, led to a series of political regimes friendly to one empire or the other. The net effect of these competing imperial powers was stagnation in Iran and a growing resentment of foreign influence by its citizens. This resentment ultimately played a pivotal role in transforming Iran. The Iranian people’s opposition to a series of successive economic and political concessions by the Iranian Qajar monarchs ultimately led to Iran’s first revolution of the twentieth century.

The 1906 revolution in Iran, in which the British played no small part, effectively ended the Qajar dynasty and ushered in a constitutional monarchy. It was at this time that the first national assembly, or Majlis, was established. It drafted Iran’s first constitution and defined what were called the Fundamental Laws. Iran became the first constitutional

democracy in the region and it ushered in a populist period that saw the rise of multiple political parties and a spreading of political activism. The constitution did two important things: It defined the power of the monarchy as derived from the people rather than bestowed by God, and it enshrined the power of the Ulema by declaring Shi'ism as the state religion. However, this was not political Islam as it is known today. The Majlis was a secular elected body, made up of conservatives from the religious and merchant classes, as well as liberals and nationalists. However, sharia was recognized and the Ulema exercised significant authority through clerical courts and a small committee whose job was to confirm the spiritual legitimacy of laws passed by the Majlis.²

The constitutional revolution was short lived however. A number of competing circumstances effectively ended the revolution in 1911. The revolutionary period was defined by the disagreement between religious conservatives and liberal constitutionalists, the efforts of the Shah to restore the power of the monarchy, and the ongoing political machinations of Britain and Russia. Early in the revolution, the constitutionalists were supported by Britain and conservatives were resentful of their efforts at westernization. The Shah was supported by Russia, who was opposed to a populist government in Iran. Meanwhile, the Ulema were opposed to any foreign influence that was contrary to Islam.³

This period in Iran was concurrent with the prelude to WWI. The rising spectre of Germany led the British and Russians to sign a treaty that set aside their power struggles in Iran. This effectively created a power vacuum that enabled the Shah to reassert the authority of the monarchy and effectively end the constitutional government. WWI also marked the emergence of Middle East oil as an essential element for fueling modern

armies and navies. Britain emerged dominant after WWI and oil became essential to the ongoing security of the British Empire. Therefore, the Anglo-Persian Oil Company (APOC) was created to develop the oil fields on the Persian Gulf coast of Iran and it became the locus of Britain's relationship with Iran. APOC was founded in 1908 based on a sixty-year prospecting concession given to William D'Arcy. The concession was eventually acquired by APOC, of which the British Government owned a majority share.⁴ According to the terms of the concession, Iran received only sixteen percent of the profits from the oil extracted by APOC. The inadequate terms of agreement led to widespread opposition by most ordinary Iranians.

The period between WWI and WWII marked the end of the Qajar dynasty in Iran, and with the help of the British and Russians, 1926 ushered in the Pahlavi dynasty under Reza Shah Pahlavi (Reza Shah). With the economy in shambles, Reza Shah turned to the United States for financial help and advice. The United States sent a team led by Arthur C. Millspaugh, a former official from the U.S. State Department Office of Foreign Trade, to help restructure the Iranian economy.⁵ Reza Shah, with the enthusiastic support of the British, also embarked on a sweeping program of modernization and westernization. His efforts resulted in virulent opposition by the Ulema and religious conservatives, who saw him as a tool of the West. However, he was not a puppet of the British or American governments. Reza Shah was a nationalist who, among other things, demanded that foreign governments henceforward refer to the country as Iran, its historical name in the Persian language. He also championed efforts to renegotiate the terms of the APOC oil concession, now known as the Anglo-Iranian Oil Company (AIOC). This effort, while ultimately successful, resulted in terms still viewed as unfavourable by most Iranians.

Reza Shah's opposition to British and Russian influence reinforced an existing perception of the Shah's growing affinity with Nazi-Germany.⁶ His reign was subsequently ended by the Allied invasion of Iran in 1941, after which he was forced to abdicate in favor of his son, Mohammed Reza Pahlavi.⁷

The United States entered the war at the end of 1941 and American troops joined those of Britain and Russia occupying Iran in 1942. This marked the beginning of significant U.S. involvement in Iran. Because of German military success in Eastern Europe, Iran became a pivotal line of communication for British and American supplies on their way to the faltering Russian Army. Middle East oil proved even more important during WWII than it had in WWI. Because of this, the Allied militaries maintained control of Iran throughout the war and Mohammed Reza was Shah in name only.

Upon his coronation, Mohammed Reza confirmed his intention to rule as a constitutional monarch, and legitimate popular elections for the Majlis were once again held in 1944.⁸ This led to another significant rise in activism and as a result, political parties began to thrive. One of the most important was the pro-communist Tudeh party. Its ideological ties to the Soviet Union made it a political opponent of the Shah. To counter the Tudeh party, Mohammed Reza played upon nationalist sentiments in his appeals for popular support. He also appealed to the significant opposition among Iranians to the Allied presence in the country. This opposition, combined with economic hardship and food shortages due to the war, created a hostile political environment. This hostility fed the ever-present and increasing resentment of foreign influence in Iran's domestic affairs.

Due to their history in the country, the British and Russians were vastly more unpopular than their American allies. Mohammed Reza, like his father, turned to the Americans for advice and support. Another team, once again headed by Arthur Millspaugh, returned to Iran to assist not only with economic restructuring, but also a complete overhaul of the military, police, and transportation systems. The experiment did not end well, as Mohammed Reza disagreed with Millspaugh about curbing Iran's massive military expenditures. However, the United States was still largely viewed as a benevolent and idealistic nation, committed to protecting the weak.⁹ It was the United States that prompted the Tehran Conference in 1943, which resulted in the Declaration of the Three Powers Regarding Iran. In this agreement, the Allies committed to leaving Iran at the end of the war and declared their support for its independence and sovereignty.¹⁰

At the war's end, British and American troops, along with the American advisory team, withdrew from Iran. However, the Soviet Union made use of its ties to the Tudeh party to support a succession movement in Azerbaijan, and in spite of significant opposition in Tehran, maintained troops there. Because of pressure from the United States and Britain, they finally withdrew in 1946. The Soviet Union however, while largely discredited in the eyes of Iranians, maintained its ties with Tudeh. Ultimately, after being accused of an assassination plot against the Shah, the party was outlawed. The political environment grew increasingly hostile and the Shah ultimately declared martial law in 1950.¹¹

It was around this time that Mohammed Mossadeq established the National Front; a populist coalition of Majlis deputies organized around the idea of nationalizing Iran's oil industry. It was suspected that he also received some degree of support from the

Tudeh party.¹² Mossadeq, a Western educated intellectual, was a long-time thorn in the side of the Pahlavis. He had been opposed to the original AIOC oil concession and to Reza Shah's rise to the monarchy. This opposition led to his imprisonment in the 1920s. His return to the political scene following WWII was the result of his nationalistic message and the failure of Mohammed Reza to renegotiate the terms of the AIOC agreement to a fifty-fifty split. In Iran, this was seen as largely due to British intransigence.¹³ For this reason, on 15 March 1951, the Majlis voted to nationalize Iranian oil. Shortly following, they elected Mossadeq as prime minister.¹⁴

The decision to nationalize was a turning point for Iran, and the Middle East as a whole. In response, the British Government imposed a blockade on Iran and orchestrated an international boycott of Iranian oil. The British Government took its case to the UN, but after an eloquent and impassioned plea by an ailing Mossadeq, the UN chose to render no decision on the issue.¹⁵ As the Iranian economy was in shambles, Mossadeq approached the United States, still viewed as an idealistic benefactor, to arbitrate the issue. In spite of the efforts by Secretary of State Dean Acheson, negotiators could not reach a compromise. Mossadeq then appealed directly to the United States for financial aid to bridge the gap while it developed an organic oil expertise to replace the lost British workforce. He was refused.¹⁶ It is unclear if this was the result of British pressure or because of the perception held by the United States of communist influence in the Tudeh party on the nationalization issue. Either way, Mossadeq returned home empty handed. However, his stance against the imperialist West won him widespread admiration in Iran and across the Middle East.

Despite Mossadeq's popularity at home, the deteriorating economic conditions coupled with political divides between the National Front and the Tudeh party, as well as the power struggle between Mossadeq and the Shah, led to the outbreak of widespread demonstrations. It was in this environment that Mossadeq completely broke diplomatic relations with the British. A newly re-elected Winston Churchill, hawkish regarding Iran and contemptuous of Mossadeq, sensed an opportunity. British policy towards Iran, following Churchill's re-election, became the overthrow of Mossadeq. After a failed attempt to undermine Iranian elections, the British approached the Truman Administration with a plan to instigate a coup and overthrow the Iranian prime minister. Truman promptly declined, as the United States had never overthrown a foreign government and he did not want to set a precedent by doing so.¹⁷

After the election of Dwight Eisenhower, the political landscape in the United States changed. Amidst the fervour of anti-communist McCarthyism, the British highlighted the potential communist threat posed by the Tudeh party. With the Soviet Union sharing a border with Iran, the fear of a communist takeover was seen as a real threat. To the cold warriors of the Eisenhower Administration, this was all the justification needed. The British Secret Intelligence Service and American Central Intelligence Agency (CIA) planned Operation Ajax, a clandestine effort to undermine Mossadeq through an aggressive campaign carried out by politicians, military officers, clergy, and media elites; all British assets in the pay of the CIA.¹⁸ An aggressive media campaign painted Mossadeq as a fervent communist with Jewish heritage who had designs on the throne. Hired gangs incited demonstrations and Colonel Fazlollah Zahedi,

a fervent supporter of the monarchy who was to be appointed prime minister after the coup, was to lead it.¹⁹

On 15 August 1953, the first attempted coup failed. Mossadeq learned of the effort ahead of time, likely through Tudeh, and was able to pre-empt it. The Shah, having been complicit in the plot and fearing for his safety, immediately fled to Baghdad. However, the American CIA was not so easily deterred. Using the assets it still had in place, the CIA spread an alternative story of the first coup as being an attempt by Mossadeq to take the throne from the Shah.²⁰ During his reign, the Shah, always fearful of an overthrow, had made considerable efforts to centralize decision-making authority and limit the power of his ministers and military leaders. As a result, his flight to Baghdad threw the government into chaos and rendered it incapable of responding to subsequent demonstrations. The second attempt at a coup occurred on 19 August and resulted in the arrest of Mossadeq by the army. Zahedi assumed control and Mohammed Reza returned from Baghdad. Mossadeq was convicted of treason and sentenced to house arrest, where he remained until his death in 1967.

While all of the details of the coup are not known, and may never be known, what is clear is that the American CIA was involved. The narrative of the United States orchestrating the overthrow of a popularly elected leader became the indisputable truth for most Iranians. If he was not already, the coup succeeded in turning Mossadeq into a national hero, and only further solidified the existing Iranian resentment of foreign influence in their country. U.S. involvement also served to cement the United States, in the eyes of the Iranian people, as the prime ally of Mohammed Reza Shah, who would become very unpopular in Iran. The unintended consequences of the U.S. backed

overthrow of the Iranian prime minister reverberated across Iran and the entire Middle East in the years that followed. In the immediate aftermath, the Iranian image of the United States as a benevolent, idealistic force in the region was irrevocably lost. Truman's concern regarding setting a precedent turned out to be prescient. Despite the lessons learned from Iran, hostile regime change became a standard policy goal of the United States throughout the Cold War.

Since the end of WWII, the United States and its allies had adopted a policy of containment regarding Soviet communism. Besides its oil resources, which were the largest in the world in the early decades of the Cold War, Iran was also seen as a critical bulwark against the Soviets in the region. A communist takeover of Iran would give the Soviet Union easy access to Middle East oil and would effectively freeze the West out of the largest producer of oil and gas in the world. Limiting Soviet influence and access in the Middle East was of paramount importance and led not only to the perceived U.S. support for the Shah, but to an enduring relationship with him.

If the goal of the coup was ultimately to get Iranian oil flowing again, then it was successful. Mohammed Reza, along with his new Prime Minister Fazlollah Zahedi, brought the British and Americans in to revive Iran's struggling petroleum industry. However, there was so much public opposition to AIOC, which had changed its name to British Petroleum in 1954 that the terms of the concession had to be changed. The dispute was ultimately resolved by the inclusion of British Petroleum in an oil consortium called Iranian Oil Participants Limited (IOP).²¹ The creation of this consortium solved a number of problems. It acknowledged the newly created National Iranian Oil Company as the owner of the oil resources and facilities nationalized by Iran in 1951. The IOP, which

included U.S. oil companies, operated and managed the facilities on behalf of the National Iranian Oil Company. It also included provisions for a fifty-fifty split of the profits with Iran. It is ironic that at the end of this road the agreement reached was largely in accordance with what Mossadeq had proposed in the beginning. The IOP agreement was constructed along similar lines as the Saudi-Aramco agreement in 1950 and was seen as standard for the region at that time.²² By 1974, Iran was the second largest oil producer in the Middle East, shipping six million barrels a day.²³

The departure of colonial Britain, as the major power and protector of the region, left a vacuum that the Shah intended for Iran to fill. That role was principally the responsibility to keep the Strait of Hormuz open to commercial shipping traffic. Iranian military forces occupied the Tunb Islands and Abu Masa, which control passage into and out of the Persian Gulf.²⁴ To protect its interests, Iran needed a more modern and more capable military. The United States had been providing minimal military aid to Iran since the end of WWII. Between 1949 and 1969, the United States had provided Iran with about \$870 million of aid through its Military Assistance Program.²⁵ Throughout this period, large numbers of U.S. military technical assistance and advisory teams arrived in Iran to train the Iranian military in the use of its newly acquired military hardware. The Export-Import Bank of the United States also loaned significant amounts of money to Iran to finance its military build-up.

The military aid program was ramped up significantly by the Nixon Administration, who developed a policy known as the Twin Pillars, and was firmly supportive of the Shah's plans to modernize. This policy, adopted by subsequent democrat and republican administrations, relied on the twin pillars of Iran and Saudi

Arabia as a bulwark against Soviet expansion in the Middle East.²⁶ The IOP agreement provided the Shah with a large new source of revenue to support a government spending plan aimed at massively increasing military expenditures. The United States, due to its now close relationship with the monarch, was the principal beneficiary of this new largesse. By 1974, total government arms sales in cash and credit to Iran was in excess of \$7.5 billion.²⁷ In 1974, the United States sold more weapons to Iran than it did to the rest of the world combined.²⁸ Iran was also buying weapons from Britain, Italy, and the Soviet Union. Accompanying its military modernization, the Shah also embarked on a massive program of socio-economic reform.

The coup of 1954 effectively ended representative government in Iran and created in the Shah a defacto-dictator. Candidates for the Majlis were essentially chosen by the regime and when the Shah dismissed Zahedi in 1955, he became the dictator in fact. The National Front was disbanded and the Tudeh party once again outlawed. The Majlis essentially became a rubber stamp for the Shah. Due to their intense dislike of the communist, secular, Tudeh party, the Ulema was supportive at first. However, their support began to deteriorate as U.S. supported reforms began to take shape.

Unchecked by the Majlis, the Shah tolerated no dissent and SAVAK was relentless in its pursuit of dissidents. SAVAK, trained by the American CIA and Israeli Mossad, became a ruthlessly efficient security apparatus widely despised by ordinary Iranians. The security service became associated with unwarranted arrests and torture, which inspired widespread terror throughout the country.²⁹ It was also widely associated with U.S. support for the Shah.

In 1963, the Shah unveiled a new program of reforms called the White Revolution. Intended to transform the Iranian economy, it contained provisions for land reform, privatization of industry, women's suffrage, and a broad effort aimed at rural literacy.³⁰ The program, supported by the United States, was initially well received by the Iranian public. As its Western influences became more pronounced, it came under fire from the religious establishment for, among many reasons, its secular influence. The regime was also rife with corruption fuelled by the massive spending associated with the program. Widespread demonstrations, reacting to the Shah's repressive tactics and enabled by the increasing opposition of religious conservatives, began to break out. A leading voice among them was an exiled cleric named Khomeini.

Ayatollah Ruhollah Khomeini was a somewhat unconventional cleric who rose to prominence through his outspoken opposition to the Shah. His message was a nationalist one opposed to, among other things, the Status of Forces agreement between the United States and Iran. In 1961, Khomeini was arrested by SAVAK in the course of a raid on a madrassa in which several students were killed. Amidst massive demonstrations, brutally suppressed by the Shah, he was released and subsequently re-arrested several times before finally being exiled in 1964. SAVAK also arrested and tortured many other outspoken members of the religious establishment.³¹ Khomeini continued to speak out against the Shah and his U.S. supporters, first from Baghdad and then from Paris. His messages, smuggled into the country by tape, were widely distributed. He attacked the Shah for living a decadent lifestyle while the average Iranian struggled in poverty. He connected with the masses, who were largely conservative Muslims, by highlighting what

he described as the collapse of Islamic values and culture resulting from the Shah's westernization efforts.

These factors, combined with the repression of political freedom and the brutal tactics of the secret police, increasingly turned the people against the Shah. Large numbers of rural poor, disenfranchised by the Shah's regime, provided the fodder for the beginnings of radical Islamic movements such as the Mojahedin-e-Khalk, who were violently opposed to the regime.³² However, these groups' ideologies did not form the basis for the version of political Islam that came to power in Iran.

Khomeini developed his ideas for an Islamic government while in exile. Prior to Khomeini, Shi'a religious leaders did not take an active role in the secular government. Khomeini's theory of *Velayat-e-Faqih*, or Regency of the Jurist, is based on Sharia as the guide for regulating human behaviour. It mandated that the Ulema, as the intellectual experts in Sharia law, were therefore the natural rulers of Islamic governments.³³ Using this theory as justification, Khomeini increased his calls for the removal of the Shah. By 1978, massive demonstrations were breaking out around the country. They were violently put down by the Shah's military and secret service. In December, 135 people were killed when the army ran them over with tanks. However, by January of 1979, even the army no longer supported the Shah, and amidst nationwide worker strikes and demonstrations numbering over a million people, he was forced to flee the country. The Islamic Revolution had succeeded and Khomeini was on his way home.

Part II: The Islamic Revolution and a New U.S. Policy

The Carter Doctrine

After fourteen years in exile, Ayatollah Khomeini returned to Iran. He was welcomed home by millions of Iranians who poured into the streets of Tehran in celebration. Khomeini galvanized the people against the remnants of the Shah's regime and on 1 April 1979, the Islamic Republic of Iran was born.³⁴ Brought to power by a message of independence, freedom, and Islamic values, Khomeini's vision for Iran was concerning to the West and the United States. However, in the immediate aftermath of the revolution, Iran did not sever ties with the United States. There was initially some debate in Washington about trying to work through the Iranian military to reinstall the Shah. However, this idea had little support from the CIA and U.S. State Department representatives on the ground in Tehran. President Jimmy Carter ultimately decided against it and the United States formally recognized the revolutionary government. However, this state of affairs between the two countries was short lived.

The six months following the Shah's departure were tense for the two nations. Khomeini and the revolutionary government were extremely skeptical of the United States, as they anticipated an attempt to restore the Shah. Revolutionary fervor on the streets led to a short-lived take-over of the U.S. Embassy grounds in February and the security situation remained tense throughout the spring and summer of 1979. During that time, the Shah had shuttled from country to country waiting for permission from President Carter to enter the United States in exile. Because of the anticipated reaction, there was considerable resistance to this idea from the diplomatic and security team in Tehran. It was not until 22 October that Carter relented and only then because of the

Shah's deteriorating health due to cancer.³⁵ In response, massive demonstrations broke out in Iran beginning on 1 November. On 4 November, a group of radical Islamic university students, calling themselves the Muslim Student Followers of the Imam's Line, stormed the U.S. Embassy and took fifty-two employees as hostages.³⁶ While not planned or instigated by Khomeini, his public endorsement of the action, meant to rally his domestic political support in Iran, sparked a 444-day crisis that reshaped the relationship between the United States, Iran, and the entire Middle East.

The fallout from the taking of the U.S. Embassy was immediate and severe. The international community attempted to intervene with the revolutionary government on the grounds that the holding of diplomatic personnel was a clear violation of international law. The UN condemned the action and President Carter took the issue to the World Court. Through it all, Khomeini refused to compromise. The Iranians demanded the United States turn over the Shah and all of his financial assets. In return, the Carter Administration froze \$12 billion of Iranian assets deposited in Western banks.³⁷ Repeated diplomatic efforts failed to secure the release of the hostages and on April 24, Carter authorized an attempted military rescue mission. The mission was aborted while in progress due to mechanical issues on multiple aircraft and a sandstorm that resulted in a collision of two aircraft, killing eight U.S. service members. The episode was a public relations nightmare for the Carter Administration, and contributed to Carter being soundly defeated by Ronald Reagan in the 1980 election. The sight of bound and blindfolded U.S. diplomats being paraded in front of television cameras had a profound impact on the American psyche and would color the U.S. perception of Iran for the next three decades.

It was not until September of 1980 that earnest negotiations between Iran and the United States began. Algeria was selected as an intermediary and after a long and tortuous negotiation, a settlement was reached with the Reagan Administration in January of 1981. With the signing of the Algiers Accords, the hostages were finally freed. Iran also agreed to pay off a number of its loans, amounting to roughly \$150 million, and the establishment of a claims tribunal in The Hague to adjudicate commercial claims resulting from broken contracts signed by the Shah. The United States agreed not to interfere in Iranian internal affairs or to bring a claim against Iran on behalf of the hostages. The Shah's assets were never returned to Iran, and of the original \$12 billion in frozen assets, only \$4 billion was released.³⁸ This issue has haunted U.S.-Iran relations ever since.

The decade of the 1970s was a tumultuous one between Iran and the United States. No longer able to rely on Iran as one of the twin pillars against the Soviets in the Middle East, the Carter Administration announced a new strategy. In his January 1980 State of the Union Address, shortly following the Soviet invasion of Afghanistan, Jimmy Carter outlined what came to be known as The Carter Doctrine. "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force."³⁹ This change in strategy had sweeping implications for the future of U.S. involvement in the region. Called the Persian Gulf Security Framework, the new strategy relied on bilateral security agreements with various Gulf Arab states, in particular Saudi Arabia. It sparked a long period of U.S. military buildup in the Gulf, beginning with the establishment on 1 March 1980, of the Rapid

Deployment Joint Task Force, the precursor to U.S. Central Command (USCENTCOM).⁴⁰ In fact, it was renamed USCENTCOM in 1983. This also began what became a permanent U.S. Navy presence in the Gulf.

Ronald Reagan, Hostages, and the Iran-Iraq War

Increased U.S. military focus on the Persian Gulf, while principally Cold War oriented, happened to coincide with Saddam Hussein's invasion of Iran on 20 September 1980. Khomeini's vision for Islamic government did not stop with Iran. His vision was to export the revolution to the entire Muslim world, beginning with Iran's neighbor to the West. Khomeini was very critical of the secular Baathist party and openly called for revolt by Iraq's majority Shi'a. In an effort that would mirror the later U.S. experience, Iran backed Kurdish separatists in northern Iraq, as well as multiple Shi'a organizations in southern Iraq, in carrying out guerrilla warfare against the Baathists. Iran supported organizations such as the Islamic Dawa Party, led by Nouri al-Maliki and Ibrahim al-Jaafari, the very same people the United States would work with during its reconstruction efforts two decades later.⁴¹ Saddam Hussein, viewing Iran as a weakened state following the revolution, invaded on 22 September 1980.

The Iran-Iraq War transformed the region and dragged the United States even deeper into the morass of Middle East geopolitics. The war lasted for eight years and is estimated to have cost as many as two million lives and a half trillion dollars.⁴² A number of significant events occurred during the course of the war. The surprise attack allowed the Iraqi Army to seize the city of Abadan and its surrounding oil fields, as well as the port city of Khorramshahr. While the United States claimed neutrality in the war, Iranians

believed the attack was done with the approval of the United States.⁴³ While this was not the case, the US, in spite of its protestations, did not remain truly neutral for long.

After its limited early successes, the Iraqi Army quickly lost the initiative. Iran's Revolutionary Guard, utilizing human wave tactics, began to inflict heavy losses on them. Because of its historic ties to the United States, Khomeini held the regular Iranian Army in disdain. He created the Army of the Guardians of the Islamic Revolution, or Sepah-e Pasdaran, out of a group of loyal young revolutionaries. Known as the Iranian Revolutionary Guard Corps (IRGC), they answered directly to Khomeini. The war with Iraq galvanized and reshaped the newly formed IRGC into a hardened fighting force.⁴⁴ Fearing Iranian success could start a chain reaction that could lead to Shi'a revolt in Iraq, Kuwait, and even Saudi Arabia, the Reagan Administration decided to take action. Besides supporting its Arab allies, the Reagan Administration viewed the war as an opportunity to wean Iraq away from the Soviet Union. Closer ties between the United States and Iraq were also seen as a way to provide stability in the region.⁴⁵ Events, however, would prove this assumption false.

By mid-1982, exactly as the United States had feared, the Iranian counter-offensive had retaken lost territory and was pushing towards Basra, the Iraqi's only major port city and the site of its oil terminals. The Reagan Administration, after several meetings with the Iraqis, agreed to begin providing intelligence to the Iraqi military. The United States also began to sell military hardware to Iraq, who was able to pay for it through financial support provided principally by Saudi Arabia and Kuwait. The Iranian advance had spooked Saudi Arabia, who was already concerned about an uprising of its eastern Shi'a minority, and in response, the United States provided security guarantees to

the Saudi Government.⁴⁶ This began a decade's long policy of military cooperation, arms sales, and clandestine U.S. military presence in Saudi Arabia: a policy that sowed the seeds of an eventual new American security threat in the Middle East.

At the same time, the United States was selling weapons to the Gulf Arabs; it had undertaken an international diplomatic effort to curb arms sales to Iran, all while still claiming neutrality in the war. This was made possible by the Reagan Administration's decision to take Iraq off the list of state sponsors of terror and replace it with Iran.⁴⁷ It was a paradoxical decision given the justification for America's invasion of Iraq two decades later.

By the middle of the decade, the war had ground to a stalemate. Iran looked to change the calculus by taking the conflict to Iraq's financial supporters. This began what came to be known as the Tanker Wars. In April 1987, the Iranian Navy and IRGC vessels began to attack Kuwaiti and Saudi oil tankers entering and exiting the Gulf.⁴⁸ These attacks precipitated increased U.S. involvement in the conflict as the Kuwaiti Government requested U.S. Navy security escorts for its tankers transiting the Gulf. The Reagan Administration initially hesitated, but after the Kuwaitis threatened to approach the Soviets for help, it was forced to acquiesce. What followed was an escalating naval conflict between the United States and Iran, one in which the Iranians were significantly outgunned.

Over the course of the conflict, the United States sank all of Iran's largest naval vessels and destroyed a number of its oil platforms and terminals. By 1984, limited in their ability to attack commercial shipping with naval vessels, the Iranians began a massive operation to mine shipping lanes. The operation was successful in damaging a

number of commercial vessels and the United States was forced to increase its naval presence to counter this threat. The first major incident, in May 1987, was the near sinking of the U.S. Navy frigate, USS *Stark*. However, it was not Iranian mines, but two Exocet missiles fired from Iraqi Mirage fighters that struck the ship. The poorly trained Iraqi pilots had mistaken the ship for an Iranian merchant vessel. Thirty-seven U.S. Navy sailors were killed and another twenty-one were wounded. The incident heightened tensions in the region and increased the U.S. Navy's combat posture.⁴⁹ The next year, in April of 1988, the USS *Samuel B. Roberts*, another U.S. Navy frigate, was nearly sunk after an Iranian mine tore a 21-foot hole in its hull. Through the heroic efforts of the crew, the ship was saved and the Americans responded with Operation Praying Mantis. The operation, carried out by Joint Task Force Middle East, was the largest naval surface engagement since WWII. It resulted in the destruction of two oil platforms and over half of Iran's operational surface fleet.⁵⁰

The Tanker War culminated that July with the shooting down of a commercial Iran Air flight 655 by the American cruiser USS *Vincennes*. Amidst the high tensions of the conflict with Iran, the ship mistook the airliner for an attacking Iranian F-14 and engaged it with two Standard Missiles. All 290 passengers were killed. While the incident was an accident, most Iranian's were convinced the United States purposefully destroyed the plane. The shooting down of flight 655 has loomed large in the U.S.-Iran relationship ever since.⁵¹ The incident not only culminated the Tanker War, but also firmly convinced the Iranians that the United States had truly sided with Iraq and that there was no way for Iran to successfully continue the war. Khomeini agreed to UNSC Resolution 598 and a ceasefire went into effect on 22 July 1988, effectively ending the

Iran-Iraq War.⁵² Eight years of war resulted in almost no territorial changes between Iran and Iraq. The war's most lasting effect was a massively increased U.S. military presence in the region and its greatly expanded relationships with the Gulf Arab nations. It also succeeded in pushing Iran into the sphere of the Soviet Union and China, exactly what the United States had feared since the end of WWII.

While fighting the Tanker War in the Gulf, the United States and Iran were engaged in a parallel regional conflict in Lebanon. By the mid-1970s, the Palestinian Liberation Organization had firmly established itself in southern Lebanon. Lebanon was in the midst of a bloody sectarian civil war between Maronite Christian nationalists and Sunni pro-Palestinian leftists. The Shi'a population in southern Lebanon was a fast growing sect largely marginalized by the existing power structure.

The conflict rapidly escalated as the Palestinians, in response to Israeli support for the Maronite Christians, began launching attacks into northern Israel. After a series of violent exchanges with the PLO, Israel finally responded in force by invading southern Lebanon in June 1982.⁵³ Fearing a Soviet response on behalf of its Arab partners, the United States called for an immediate cease-fire. The cease-fire was accepted. By then, however, Israeli forces were deep into Lebanon and had linked up with the southern Lebanese Army forces they had been supporting. The cease-fire did not last as a bloody tit-for-tat conflict began for control of Beirut. In an attempt to limit the violence, President Reagan sent a force of U.S. Marines to join the forces of British, Italian, and French peacekeepers already in the country. The peacekeepers espoused their neutrality, but the pro-Palestinian Muslims viewed them as supporters of the largely Christian Lebanese Army and began to attack them.⁵⁴

The situation in Lebanon grew increasingly complex with the emergence of Lebanese Hezbollah. Born in the Shi'a slums of southern Lebanon, it was originally a largely political movement opposed to Muslim-Christian reconciliation, and calling for the liberation of the Israeli occupied territories. As the civil war escalated, the group became more and more militant, joining with the Shi'a Amal militia in attacks on the Lebanese Army. The Shi'a of southern Lebanon had long ties to the Shi'a of Iran and in response to the Israeli invasion, members of the newly formed IRGC, with the assistance of the Syrian Government, arrived in Lebanon to help spread the fire of the Islamic Revolution. The IRGC established a command-and-control organization and began equipping and training the Shi'a militias, thus, Hezbollah was born.

Israel's invasion took them right into the heart of Shi'a Lebanon. It put them in direct conflict with Iran's paramilitary forces within the IRGC, later known as the Quds Force, who were directing Hezbollah operations. In November of 1982, the first of a number of significant attacks took place when a suicide bomber drove his car into an Israeli Army headquarters building and killed seventy-five Israeli soldiers.⁵⁵ In April 1983, another suicide car bomb detonated in front of the U.S. Embassy in Beirut, killing twelve. Shortly following this attack, in October 1983, a third suicide truck bomb crashed into the front of the U.S. Marine barracks. The massive detonation completely destroyed the building and killed 241 Marines. Simultaneously, a second bomb detonated at the French military headquarters, killing fifty-eight. The Israelis suffered a number of similar attacks and they responded in kind, attacking Shi'a bases throughout southern Lebanon.

The French proposed making a massive retaliatory air strike to the Americans. However, there was significant disagreement within the Reagan Administration about

retaliation, as there was not one hundred percent agreement about who had perpetrated the Marine barracks bombing. As a result of disagreements between Reagan's National Security Advisor and Secretary of Defense, the administration ultimately demurred and no retaliatory response was ever conducted. Amid plummeting political support, in February 1984, President Reagan withdrew the U.S. peacekeeping forces from Lebanon. The perception that Hezbollah had beaten the American superpower emboldened Iran and it kept the United States mired in Lebanon for the rest of the decade.⁵⁶

Concurrent with its new tactics of suicide car bombings, Hezbollah engaged in a campaign of kidnapping westerners and a number of Americans. The first was David Dodge, the president of the American University of Beirut, in July 1982. He was taken to Iran, and after significant international outcry, was released a year later. Throughout the early 1980s, Hezbollah took a number of Western hostages and held them in Lebanon. The situation came to a head in March 1984 with the kidnapping of CIA Station Chief William Casey. He died in Hezbollah custody in mid-1985 and as a result, the United States decided to retaliate.

In March 1985 the CIA targeted a prominent Hezbollah leader, as well as the supposed mastermind of a number of Hezbollah related kidnappings and bombings. Christian militias, trained and equipped by the United States, detonated a massive car bomb near the home of Sheik Mohammad Fadlallah. The attack missed its target, but killed more than eighty people. Hezbollah, it seemed, was not the only practitioner of the car bomb in Lebanon.

The Reagan Administration spent much of the 1980s engaged with Iran in securing the release of U.S. hostages in Lebanon. These efforts ultimately led to the

infamous Iran-Contra scandal that almost brought down the Reagan presidency. With the help of Israel, who was trying to support supposed pro-Western dissidents in Iran, the United States offered to provide Iran American-made HAWK anti-tank missiles in exchange for the release of U.S. hostages. Iran was eager to engage as the missiles were seen as critical to its protracted war with Iraq. Ironically, the United States was providing intelligence and equipment to Iraq at the same time it was in negotiations to provide a significant number of anti-tank missiles to Iran. In addition to discussing the hostages, the negotiation represented the first instance of an attempt by the Iranians and the United States to come to some kind of larger détente. However, the American media became aware of the effort and a massive scandal erupted that politically damaged both U.S. and Iranian leaders.⁵⁷ The last of the U.S. hostages was finally released in 1991, the same year the civil war in Lebanon officially ended. However, the end of the war did not mark the end of Hezbollah. With Iranian support, the group grew increasingly powerful and influential. Its conflict with Israel would have lasting impact on the U.S.-Iran relationship.

The decade following the Islamic Revolution was tumultuous for the United States and Iran. Iran became increasingly isolated from the world, both politically and economically. The war with Iraq pushed the United States deeper into the orbit of the Gulf Arab nations and led to a significant increase in the U.S. military presence in the Middle East. The Iranian threat was the basis of many of America's bilateral agreements with the nations that make up the GCC. Those agreements enabled it to sell billions of dollars of U.S. made weapons, and build military infrastructure in countries throughout the region.

America had assumed the mantle as guarantor of Middle East stability and Western access to Middle East oil. In this role, it also became the principal mediator of the Israeli-Palestinian conflict. Perception of support for Israel in this conflict put the United States continually at odds with the regime in Iran and forced it to walk a fine line with its Arab allies.

Stability in the Middle East was a principal U.S. national security policy. In the 1980s, policy decisions were largely made through the lens of the Cold War. The aegis of American provided security was a tool to limit Soviet influence in the region. Iran could no longer be counted on to protect American interests so the United States looked to Saudi Arabia and Iraq. As the 1990s dawned, events transpired that would test America's commitment to the security of its new Arab partners.

George H. W. Bush, the Gulf War, and Middle East Peace

The end of the 1980s ushered in new leadership in Iran and the United States. Ayatollah Khomeini died in June of 1989 and was succeeded by Ali Khamenei. Khamenei came to power with the help of the pragmatist soon-to-be President Akbar Hashemi Rafsanjani. George H. W. Bush assumed the presidency of the United States in 1989 as well. He inherited the Hezbollah hostage issue, the Israeli-Palestinian peace process, and an extremely adversarial Iran.

National Security Directive 26, issued in October 1989, outlined a Middle East policy that looked to further woo Iraq away from its Soviet backers, as a counterbalance to Iran.⁵⁸ However, this policy would go up in flames when, in August of 1990, Iraqi tanks rolled across the Kuwaiti border and Iraqi aircraft began bombing Kuwait City. Saddam Hussein's invasion of Kuwait would potentially put him in control of the second

and third largest oil reserves in the world, and in a place of considerable influence with the Organization of Petroleum Exporting Countries. The additional funds he could raise to spend on his already large army could significantly alter the balance of power in the region and constituted a serious threat to Saudi Arabia. The United States, in its role as guarantor of Middle East stability, and to protect its own interests, was forced to respond.⁵⁹

The Bush Administration's response, with UN backing, was almost immediate. UN resolutions imposed crippling sanctions, authorized a naval blockade, and ultimately authorized the use of force to eject Iraqi forces from Kuwait.⁶⁰ For a six-month period following the invasion, while diplomatic pressure increased, the United States and its international partners were engaged in Operation Desert Shield, massing a military force of nearly one million soldiers in the deserts of northeast Saudi Arabia. Iran had suffered greatly at the hands of Iraq during the war. While extremely wary of the presence of so many Western military forces near its borders, Iran tacitly agreed to adhere to the UN sanctions regime and not take any action against military forces brought to the region to support the effort. It also spurned all of Saddam Hussein's attempts to lure it into this new conflict. The United States and its international partners were crippling Iraq in a way that Iran, through eight years of war, was never able to do.

Saddam's refusal to withdraw ultimately led to military action to remove the Iraqi Army from Kuwait. Operation Desert Storm commenced on 17 January 1991, with a massive air campaign. The ground assault began on 24 February and approximately one hundred hours later, President Bush declared Kuwait liberated. The Iraqi military had been overwhelmingly beaten. Saddam ordered his forces to retreat and coalition forces

pursued them to within 150 miles of Baghdad before withdrawing to the Kuwaiti border. President Bush had ultimately decided not to completely destroy the Iraqi military and remove Saddam Hussein from power; a decision, based on strategic calculations largely driven by concerns about containing Iran, that would later prove fateful.

The Gulf War had a number of consequences that impacted the U.S. relationship with Iran. Shortly following the war there was a Kurdish uprising in the north of Iraq, coupled with a revolt by the Iraqi Shiite in the south. Iran encouraged and supported these uprisings by providing training and material. This fact was part of the rationale not to invade Baghdad and topple the Iraqi regime. President Bush, fearing increased Iranian influence in the region, felt that an Iraq, at least strong enough to counterbalance Iranian influence in the region, was preferable.⁶¹ Iran and the Shi'a Arabs would not forget the apparent U.S. abandonment of the Iraqi Shi'a, and Saddam's subsequent reprisals, including a chemical attack on the Kurdish populations. The Gulf War also provided the final impetus to resolve the Lebanese hostage issue that had plagued the Reagan and Bush Administrations.

The invasion of Kuwait resulted in the freeing of a number of Hezbollah prisoners held there. They were allowed to depart the country across the Iranian border. Their freedom had been a major hurdle in the negotiations to free Western hostages held in Lebanon. In December 1991, after a series of meetings arranged by the Iranians, the last Western hostages were freed.⁶² This had been a major goal of the Bush presidency. George H.W. Bush had extended an olive branch to Iran in his inaugural address by stating that Iranian help with securing the release of the hostages would be viewed as an act of goodwill, and that "goodwill begets goodwill."⁶³ Unfortunately, the freeing of the

hostages did not result in the anticipated gesture of goodwill from the Bush Administration for which Iran had hoped. Iranian President Rafsanjani had hoped that Iran's influence with Hezbollah in freeing the hostages would be an opening for further engagement between the two countries. However, the anticipated goodwill from the United States was not forthcoming. Rafsanjani viewed this as a broken promise and it was the first of a number of missed opportunities to begin a dialogue.⁶⁴

Bill Clinton, Dual Containment, and Middle East Peace

In 1993, William Jefferson Clinton assumed the presidency of the United States and his administration brought with it a new policy focus for the region. The Clinton Administration's Middle East policy centered much more on the Israeli-Palestinian problem than the Iran-Iraq issue. Clinton's new policy vis-à-vis Iran was the product of a policy review led by Martin Indyk called Dual Containment.⁶⁵ The collapse of the Soviet Union had effectively negated the Carter Doctrine, which had steered U.S. policy in the region for over a decade. The United States, no longer needing to build up Iran or Iraq as a counter to Soviet support of the other, felt it could achieve regional stability without the support of either.⁶⁶ The policy outlined a plan to contain Iran and Iraq and thereby free the Arab states to focus on making peace between the Palestinians and Israel.

Following the Gulf War, Iraq was being contained both economically and militarily through no-fly zones and economic sanctions. Likewise, Iran was still suffering under a regime of sanctions aimed at its economy and military. However, Iran's continued support for terrorist organizations, principally Hezbollah and Hamas, made it difficult to remove Iran from the Israeli peace process. Iran's suspected pursuit of nuclear weapons also began to feature more prominently in U.S. policy circles at this time.⁶⁷

Israel, having worked behind the scenes with Iran in the 1980s, began to cite it, and its likely pursuit of nuclear weapons, as the greatest threat in the Middle East.⁶⁸

Iran's nuclear program, began under the Shah, was originally established with the help of the United States, Germany, and France. Western support ceased with the revolution and while Khomeini publicly condemned nuclear weapons, the program continued under the auspices of peaceful nuclear energy. However, by 1992, the United States concurred with Israel's assessment of Iran's nuclear program, and predictions of Iran obtaining a weapon within five to eight years would persist for the next twenty years. Clinton's emphasis on Israeli-Palestinian peace allowed Israel, with its deep and enduring ties to the United States, to heavily influence the administration's thinking on Iran. The export of Iranian political Islam to Lebanon and Syria, on Israel's northern border, was a serious threat to Israel. The ancillary effect of Israel's influence in American politics and policy-making is the Iranian and Arab perception of the United States as a biased mediator in the peace process. This perception has fuelled tensions and violence throughout the region for decades.

In Iran, Clinton's Dual Containment policy was viewed as just another flavor of a long-standing policy to overthrow the Islamic Government in Tehran.⁶⁹ The ongoing sanctions regime and the presence of thirty thousand U.S. military personnel in the region only reinforced this perception. Clinton was the first U.S. president to refer to Iran as a "rogue state."⁷⁰ Iran had also been included on the State Sponsor of Terrorism List since 1984. This provided the legal justification for greatly expanded sanctions, which the administration applied using an executive order in 1995.⁷¹ In 1996, the U.S. Congress passed the Iran Libya Sanctions Act, targeting Iran's oil and gas industry. The act was

designed to prevent not only U.S., but also foreign companies, from investing in Iran's main source of income.⁷² The act was a serious blow to Iran's pragmatist President Rafsanjani.

At the time, and in spite of fierce internal political opposition, Rafsanjani was inviting Conoco Incorporated, a major U.S. oil concern, to bid on a contract to develop the Sirri oil field.⁷³ It was clear to the Iranians that the Clinton Administration, in spite of its focus on economic rather than military instruments of foreign policy, did not wish to pursue increased dialogue with Iran. The administration pursued a number of initiatives aimed at influencing Iran's behaviour, and while regime change was not official Clinton policy, the idea had always had a vocal minority in U.S. policy-making circles.⁷⁴ In 1996, a much-publicized CIA propaganda program, coupled with numerous military exercises conducted in the Gulf, only served to reinforce the regime change perception held by Iran's leaders.⁷⁵ In response, Iran turned to the only tactics that had ever proven successful against the superpower, terrorism by proxy.

Just as Lebanese Hezbollah grew out of the disenfranchised Shi'a minority of southern Lebanon, the Shi'a minorities in Bahrain and Saudi Arabia provided fertile ground for another Hezbollah movement. The Shi'a minority in eastern Saudi Arabia shared many similarities to those of southern Lebanon. Disenfranchised by the Sunni al-Saud Government, they were seen as heretics and apostates by many of the powerful religious leaders in the country, as well as much of the Wahhabist Sunni population. An uprising in November of 1979, coinciding with the Shi'a religious observance of Ashura, pitted the demonstrators against the Saudi National Guard. Seventeen people were killed and more than one hundred injured.⁷⁶ While not directly supported by Iran, the Shi'a

demonstrations were certainly inspired by the Islamic Revolution that had recently taken place there.

The event served to deepen the mistrust between Saudi Arabia and Iran. The Saudis began to characterize all Shi'a political activism as being influenced and supported by Iran. While that was not the case in all instances, the Islamic Revolution did at least plant the roots for a violent Shi'a opposition movement in the Kingdom.⁷⁷ In 1987, Iran aided in the founding of Saudi Hezbollah, a group that embraced Iranian style political Islam and confrontation with the Saudi Government. Members of the group travelled frequently to Syria and Lebanon where they received training. Similarly, their operations were actively supported by the Iranian Quds Force.

Subsequent to the collapse of the potential Conoco deal, the group set their sights on an American target. On 25 June 1996, a massive truck bomb detonated near the US Air Force barracks in the Khobar Towers. The blast killed nineteen and wounded another 372.⁷⁸ While it was suspected that Iran had directly carried out the attack, the Saudi Government was sceptical. The Saudi authorities arrested hundreds of members of Saudi Hezbollah, effectively decimating the group. However, the United States was not given access to those arrested until September 1998. Iran's connection to Saudi Hezbollah was undeniable, but there was doubt about the involvement of senior Iranian leaders in the attack. In 2001, the Federal Bureau of Investigation ultimately issued an indictment naming members of Saudi and Lebanese Hezbollah, as well as IRGC members, as responsible. The United States claimed to have evidence of at least the knowledge, if not the approval, of the Supreme Leader in carrying out the attack.⁷⁹ The Iranians denied their involvement, placing the blame on a nascent al-Qaeda, who was actively opposed to

the Saudi regime. At the time, this was plausible as a number of the arrested bombers were Saudi veterans of the war against the Soviets in Afghanistan, where al-Qaeda was born.

While Iran was undergoing revolution, and embracing covert war and terrorism as a means to export its ideology, Saudi Arabia was beginning to feel the effects of a home-grown violent extremist movement. The Salafi movement, that is the basis of the al-Qaeda ideology, grew out of central Saudi Arabia. In November 1979, a group of radicals headed by Juhayman al-Otaybi, opposed to the al-Saud monarchy and growing Western influence in the Kingdom, seized the Grand Mosque in Mecca. After a multi-day siege by government forces, the Mosque was recaptured and the perpetrators, who were not killed in the attack, including their leader, were later executed.⁸⁰ The incident inspired a growing Salafist movement in Saudi Arabia, including a young Osama bin-Laden.

Salafist groups went on to perpetrate a number of terrorist attacks in Saudi Arabia. Initially aimed at countering a perceived Western cultural influence, the attackers soon turned their attention to the Western presence in the country, specifically, the growing U.S. military presence. Throughout the 1980s, and into the 1990s, the U.S. military, at the invitation of the Saudis, had been increasing its presence in Saudi Arabia to help the country defend itself from a perceived Iranian threat. Salafists in Saudi Arabia resented the increasing presence of U.S. military personnel in the Holy Land.

The first major attack against a U.S. concern in the region was the 1995 bombing of the headquarters of the Office for Program Management of the Saudi Arabian National Guard, in which five Americans were killed.⁸¹ The Khobar Towers bombing occurred the next year. The timing has led to doubt as to whether the attack was conducted by Saudi

Hezbollah and Iran, al-Qaeda, or both. The United States was now under attack by Iranian state sponsored terrorist groups, as well as Sunni religious terrorists. However, it was the latter who would perpetrate the string of attacks leading up to, and including, the attack of 11 September. Given the uncertainty of the attackers in the immediate aftermath of the Khobar attack, the Clinton Administration was reluctant to strike directly at Iran and risk an escalation. The response was a CIA operation called Operation Sapphire, which targeted and disrupted Iranian intelligence operations around the world.⁸²

In a 1997 landslide election, Iran elected a well-known reformist, Mohammad Khatami, as president. He was a vocal advocate of improved relations with the West, as well as for political and economic reform at home. He attempted to repair relations with Europe by publicly declaring not to act on Khomeini's fatwa calling for the assassination of *The Satanic Verses* author Salman Rushdie.⁸³ The fatwa had been a considerable hurdle as it came on the heels of a number of high profile Iranian assassinations carried out against exiled political opponents on the continent. Khatami reached out to the United States through a highly publicized CNN interview with Christiane Amanpour in which he acknowledged Iran's regret regarding the takeover of the U.S. Embassy, as well as espousing Iran's rejection of terrorism. He also listed a number of legitimate issues with America, including the shooting down of the Iran Air flight.⁸⁴

The Clinton Administration, encouraged by this opening, responded with a number of back channel attempts to establish open diplomatic relations. However, these efforts encountered significant friction in the United States due to mounting evidence of Iranian involvement in the Khobar bombing. President Clinton's efforts reached a climax in 2000, when Secretary of State Madeleine Albright, among many things in a speech

before the American Iranian Council, formally apologized for the U.S. role in the 1953 overthrow of Mohammed Mossadeq.⁸⁵ This had been a major demand of Iranian leadership for years. Unfortunately, Ayatollah Khamenei dismissed the effort and Clinton and Khatami were never able to reach a diplomatic breakthrough.

The 1990s saw the United States and Iran move from the brink of open war to the brink of open diplomacy. However, the Khobar Towers bombing ultimately proved too large a hurdle to overcome. Even if the Iranian Government did not direct the bombing, the hardliner IRGC was almost certainly involved, possibly without the knowledge of senior government leaders. If this was the case, it was not the only time the pragmatists and hardliners within the Iranian system acted in opposition to each other. The failure of President Clinton's efforts at diplomatic rapprochement had as much to do with internal Iranian politics as it did with mutual mistrust between the two nations. Bill Clinton would not be the last U.S. president to seek détente with Iran and fail.

Dual Containment, however, did not require détente with Iran. Clinton had spent eight years isolating Iran, as well as enforcing the UN sanctions regime on Iraq. The U.S. military assumed a police role in the Gulf, intercepting illegal oil shipments from Iraq and weapons shipments into and out of Iran. It also monitored and enforced the no-fly zones in Iraq established after the Gulf War. By the end of the decade, the Iran-Iraq problem had settled into a manageable status-quo. The Clinton Administration was able to focus on the Israeli-Palestinian problem and its plans for the upcoming Camp David Summit planned for July of 2000. A meeting between Israeli Prime Minister Ehud Barak and President of the Palestinian Authority (PA) Yasser Arafat, was aimed at finally putting an end to the Israeli-Palestinian conflict. An agreement would be the crowning

foreign policy achievement of the Clinton presidency. Unfortunately, the talks failed as Barak and Arafat could not find agreement on a number of issues. Efforts persisted for the last year of the Clinton presidency, but he left office in 2001 having failed to broker an agreement. However, Israeli-Palestinian peace was soon to take a back seat to a new U.S. focus in the Middle East.

While the Israeli-Palestinian conflict had been at the root of much of the terrorism originating in the region, the 1990s saw a new narrative begin to emerge. Al-Qaeda was born in the conflict with the Soviets in Afghanistan. The Soviet invasion of Afghanistan occurred in December of 1979, less than a year after the Islamic Revolution in Iran. While Iran opposed the Soviet invasion, it refused to become overtly involved. Iran had always actively supported the Shiite population in Afghanistan, particularly in the north; however, it saw the Soviets as a useful counterweight to American influence in the region.⁸⁶ It was left to the United States, Pakistan, and Saudi Arabia to fund and equip the Afghan resistance.

Saudi Arabia and Pakistan, as Sunni states, had been allies for years and were supportive of the Sunni population in Afghanistan. With Saudi money and fighters, U.S. weapons, and Pakistani intelligence support, the Afghans ultimately defeated the Soviets, and they withdrew in 1989. Following the war, the battle-hardened Saudi fighters returned home from Afghanistan and formed the nucleus of al-Qaeda and the foundation for the modern Islamic Jihad movement. There is evidence that in the early 1990s, al-Qaeda operatives met with members of Hezbollah and travelled to Iran for training.⁸⁷ They began with attacks in Saudi Arabia, against what they viewed as a corrupt government doing the bidding of the United States. The stationing of massive numbers of

U.S. troops in Saudi Arabia during the Gulf War provided the tinder for the fire that was now erupting.

Attacks against the United States began with the 1992 bombing of a hotel in Yemen where U.S. troops stayed while transiting to Somalia. In 1993, a truck bomb detonated in the North Tower of the World Trade Center. In February of 1998, Osama bin-Laden issued his famous fatwa declaring war against the United States. This was followed by simultaneous attacks on the U.S. Embassies in Kenya and Tanzania in August. In October of 2000, al-Qaeda succeeded in bombing a U.S. warship, the USS *Cole*, while it was in port in Yemen. During this time, al-Qaeda and Osama bin-Laden had begun increasingly showing up on the Clinton Administration's radar. After all, bin-Laden was opposed to Israel and the U.S. role in the Israeli-Palestinian conflict. However, the administration's focus on the peace process perhaps blinded it to the growing threat posed by al-Qaeda. In September of 2001, it became apparent to everyone.

George W. Bush and the Global War on Terrorism (GWOT)

George W. Bush became president of the United States on 20 January 2001. There was disagreement within the new administration regarding how to handle Iran. Some felt the regime was near collapse and that U.S. diplomatic engagement would just breathe more life into it. Others, particularly from within the leadership of the military, felt that a continuation of Clinton's efforts could yield success on a number of issues, to include terrorism and Iran's nuclear program. Still others felt that the real threat in the Middle East was Iraq. Saddam Hussein had kicked out UN weapons inspectors and routinely violated UN sanctions.⁸⁸ There was also significant concern regarding his

attempt to build or acquire WMDs. The policy fog cleared when sixteen Sunni members of al-Qaeda, mostly from Saudi Arabia, attacked the United States.

The events on 11 September 2001, changed the U.S. course in the Middle East, and caused a seismic shift in the U.S. policy paradigm. The United States would no longer act as a regional power broker. The threat of terrorism became perceived as an existential one that had to be dealt with in a new way. No longer would the United States rely only on tools like diplomatic pressure, sanctions, and regional alliances, to isolate problematic regimes like Iran, Iraq, and North Korea. The GWOT was to be a generational war, fought by a coalition of nations opposed to terrorism, and there would be no standing on the side-lines. As President Bush explained, “From this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.”⁸⁹ The greatest fear of the administration was a terrorist organization employing a WMD in an attack against the United States. It was through this lens that immediately after 9/11 there was discussion about Iran and Iraq. However, the first priority was Afghanistan and Osama bin-Laden.

While some in the administration wanted to start the GWOT with Iraq, the Taliban took priority. Planning for the invasion of Afghanistan began almost immediately. The Taliban, who took power in 1996, had been providing sanctuary for bin-Laden and al-Qaeda since bin-Laden’s forced departure from Sudan in 1996.⁹⁰ It is ironic that in his 2002 State of the Union Address, in which he proclaimed the “axis of evil,” Bush did not include Pakistan, who was largely responsible for the creation of the Taliban. In fact, he praised Pakistan for its efforts to crack down on terrorism.

The invasion of Afghanistan provided an opportunity with respect to Iran. The Taliban, who were fiercely anti-Shi'a, took power with the help of Pakistan and Saudi Arabia. Iran had long ties with the Shi'a population of Afghanistan, particularly with the tribes that made up the Northern Alliance, and were opposed to Saudi influence and the spread of Wahhabist ideology. The regime in Iran had been supplying the Northern Alliance with weapons and supplies since the Taliban executed eight Iranian diplomats in 1996. The Iranians were willing to use their contacts with the Northern Alliance to help facilitate the U.S. invasion. The Bush Administration dispatched Ryan Crocker to Geneva to meet with the Iranians in secret. There was opposition to this meeting within the administration, but it was determined to go ahead as long as the talks remained focused solely on Afghanistan and not on larger U.S.-Iran issues. During the meetings it was clear that the Iranians were supportive of the U.S. plan to invade, and that the two nations had a number of overlapping interests. There was agreement on the need to stabilize Afghanistan and form a post-Taliban government. Iran also offered the use of its airfields and ports to support military operations. The United States rejected their offer, but did accept Iran's offer to provide sanctuary for any downed U.S. pilots. Given the history between the two nations, military cooperation was a bridge too far.

Iranian President Khatami was in favor of expanding this new dialogue with the United States as a path to establishing normalized relations. This met with resistance as some in the United States thought that expanded dialogue at the time would "confuse Americans, allies, and our enemies when we speak of Iran joining the coalition against terrorism."⁹¹ However, talks with the Iranians continued at a UN sponsored International Conference on Afghanistan in Bonn, Germany in December of 2001. It was clear to the

U.S. delegation, headed by Ambassador James Dobbins, that Iran wanted to cooperate on Afghanistan and that its desire to expand dialogue had backing from the highest levels of the Iranian Government. This was likely due to the perception by Khamenei that Iran could be the next U.S. target.⁹² By the time of the Bonn conference, the United States had decidedly beaten the Taliban and the conference members were under pressure to come to an agreement on the future of Afghanistan. Ultimately, the conference resulted in an agreement to establish a transitional government with the Northern Alliance as its core. Based on an Iranian recommendation, and with U.S. support, the delegates selected Hamid Karzai to head the new provisional government.⁹³

The conference was a model of international cooperation and Ambassador Dobbins favored using it as a foundation for future cooperation in Afghanistan as well as expanded talks on the future of the relationship with Iran. The Bush Administration demurred and cooperation became even more difficult after the president included Iran in the “axis of evil” during his 2002 State of the Union Address.⁹⁴ The Bush Administration’s failure to capitalize on this opportunity to dialogue with a pragmatist president in Iran would have lasting and regrettable impacts. The justification is also somewhat hypocritical: “Despite America’s castigation of Iran as a totalitarian, fundamentalist, and terrorist regime, the country opposed al-Qaeda and the Taliban and was more democratic than many of Washington’s Arab allies in the Middle East, Including the two stalwarts, Egypt and Saudi Arabia.”⁹⁵ This irony had been, and would continue to be, evident in most U.S. Middle East policy. Regardless of cooperation, Iran pursued its own interests in Afghanistan, sometimes contrary to those of the United States. Iran leveraged its existing relationships to expand its influence using money,

humanitarian assistance, and increased trade. It is impossible to say what may have happened in Afghanistan had the United States and Iran cooperated more fully, or what that cooperation may have meant for the invasion of Iraq that was to follow.

The Bush Administration began debating the invasion of Iraq almost immediately after the events of 9/11. Terrorists had shown the lengths to which they were willing to go and the administration's greatest fear was another attack involving a WMD. Saddam Hussein had employed chemical weapons against Iran in the Iran-Iraq War, as well as against the Kurdish uprising in northern Iraq. The threat of these weapons making their way into the hands of terrorists was real and present. The administration debated approaching the Iranians once again regarding deconflicting military operations and sharing information on Iraq's WMD program. However, some in the administration were just as worried about Iran's chemical and nuclear programs as that of Iraq.

While U.S. and Iranian delegates were meeting in Bonn regarding Afghanistan, debate was raging in Washington about whether Iran should be the next target in the GWOT and how the United States might affect regime change without resorting to an invasion. In the meantime, Iranian delegates in Bonn were advocating broader discussions on U.S.-Iran engagement. The United States had significant concerns about Iran's nuclear and ballistic missile programs. Ultimately it was determined that a U.S. invasion to remove Saddam Hussein in Iraq would also have a desired destabilising effect on the regime in Iran. A U.S. friendly government on its border would put pressure on Iranian leaders, who would be forced to moderate their behavior to avoid a similar fate as Saddam, the so-called Democratic Domino Theory.

Planning for the invasion of Iraq moved ahead without Iranian cooperation. As Iraqis are Arabs, not Persians, it was thought that this ethnic divide would limit Iran's ability to influence post-invasion Iraq. It was also believed that Iran's fear of U.S. reprisal would prevent it from interfering with U.S. efforts in Iraq. Neither assumption turned out to be true. Amidst the post 9/11 international political environment, Iran had extended a legitimate hand to the United States. Certainly, this was partly due to fear of U.S. reprisal, but it was also rooted in mutual interests. The United States, understandably myopic regarding the GWOT, had failed to take advantage of Iran's opening, which would have meaningful implications for both the United States and Iran.⁹⁶

The invasion of Iraq began on 19 March 2003 with a coordinated air and ground assault. Three weeks later, on 9 April, Baghdad was formally occupied and the Iraqi Government, including Saddam Hussein, had fled. The United States immediately set about attempting to establish order and stand up a provisional, inclusive, democratic government. What resulted instead was a violent insurgency that rapidly spiralled into a sectarian civil war. Sunni and Shi'a militias battled each other for control of the country while they both battled the U.S. invader. Foreign al-Qaeda fighters, many from countries allied to the United States poured into Iraq to fight the Americans as well. It was in this environment that the modern incarnation of ISIS was born. These fighters were also violently opposed to Iranian Shi'a apostates taking control in Baghdad. In the lead up to the war, the United States had been working with the Kurdistan Democratic Party, who had long ties to the regime in Tehran. It had also been coordinating with exiled Iraqi Shi'a resistance leaders, many of whom were living in Iran. Among these was the Iraqi National Council, who would later play a significant role in the Iraqi Government. The

United States had even debated the idea of cooperating with the Mojahedin-e-Khalk, now a violent leftist Iranian opposition group based in Iraq that the United States had labelled a terrorist organization.

The United States had also underestimated Iran's ties to Iraq. Some of Shia Islam's holiest sites are in Iraq, including one of its most important seminaries. Many exiled Iraqi dissidents, some of whom the United States had been working with, lived in Iran and had ties to Iranian intelligence. Lastly, many of the senior revolutionary leadership in Iran had spent years living in Iraq after fleeing the Shah's repression and had deep family ties there.⁹⁷ Any misconceptions about limited Iranian influence the United States might have had when it invaded, rapidly fell away. Shi'a militias such as Jaysh al Mahdi and the Badr Corps, backed by Iran and aided by the IRGC, waged a violent insurgent campaign against the United States and the Iraqi security forces it was training and equipping.

The United States suffered almost 4,500 casualties over the course of the eight-year war.⁹⁸ Many of those casualties were the result of weapons and Improvised Explosive Devices supplied to Shi'a militias by Iran. IRGC and the Iranian Ministry of Intelligence and Security, aided by their client political parties attempting to win popular elections, operated almost with impunity for much of the war. However, with their access and influence, it is clear that had they wanted to, the Iranian leadership could have wreaked much greater havoc in Iraq. Ultimately, a stable Shi'a dominated government on Iran's Western border was far preferable to a failed state whose chaos could easily cross the border. In addition, with over 100,000 American troops in the country, Iran's leaders knew they could only push so hard.⁹⁹ Likewise, the United States, fearing the war could

spread into Iran, was hesitant to attack Iranian agents operating in Iraq.¹⁰⁰ In many ways, U.S. and Iranian interests were aligned in Iraq, just as they were in Afghanistan.

As the various Sunni, Shi'a, and Kurdish groups fought for control of Iraq, the United States was attempting to build a representative government. The Coalition Provisional Authority, under the secular Shi'a, Iyad Allawi, was placed in power to oversee the transition to a democratically elected government. The first elections, held in 2005, were largely boycotted by Sunnis and after several chaotic months, negotiations resulted in Nuri al-Maliki being elected prime minister. Maliki had long ties to Iran and was the preferred candidate of the Iranian Quds force commander Qassem Suleimani.¹⁰¹ In 2006, the Shi'a took power in Iraq and the country subsequently fell deeper into civil war as the Sunni population felt increasingly disenfranchised by a government it perceived as beholden to Iran.

In the meantime, a massive shake up was occurring in Iran. In August 2005, Mahmoud Ahmadinejad was elected president of Iran. Conditions were being set for his rise to power beginning in 2002 with the revelation of Iran's nuclear enrichment facility in Natanz. The existence of an undisclosed enrichment facility violated the disclosure requirements of the Nuclear non-Proliferation treaty, to which Iran was a signatory. After significant international pressure, Iran agreed in 2003 to suspend its enrichment activities.¹⁰² Concurrently, in January of 2002, the Israeli Navy intercepted a ship, the *Karine A*, carrying fifty tons of Iranian made arms. Evidence indicated that the arms were purchased by the PA under Yasser Arafat and bound for Gaza. These weapons violated agreements between Israel and the PA and soured U.S. leaders on the possibility of a rapprochement with Iran being discussed in Bonn at the time. These incidents, occurring

around the time of President Bush's Axis of Evil declaration scuttled any chance of broader talks between the two nations. This had the effect of undermining the reformist movement leaders in Iran, who were in favor of closer ties to the West. Khatami's decision, in the face of international pressure, to suspend nuclear enrichment was sold by the hardliners in Iran as capitulation to Western interference. Ahmadinejad, seizing on this, rode a wave of anti-Western sentiment right to the presidency.

Shortly after taking office in 2005, Ahmadinejad resumed nuclear enrichment activities at Natanz. Washington and its European Union partners continued efforts to negotiate a solution to the Iranian nuclear issue, offering a number of incentives to include allowing Russia to enrich fuel for Iran. This was the first attempt by the P5+1, the five permanent members of the UNSC, plus Germany, to negotiate a solution to Iran's nuclear program. Ahmadinejad balked and the Iranian program continued to expand. The UN began imposing harsher sanctions starting in 2006, and again in 2007 and 2008. In 2007, U.S. Director of National Intelligence released a National Intelligence Estimate that assessed Iran had likely been pursuing a nuclear weapons program but had halted it amidst international pressure in 2003. The presence of more than 100,000 U.S. troops in Iraq likely led the Iranian leadership to the conclusion that the program was too risky. It was in 2003 that the invasion of Iraq had convinced Muammar Gaddafi that the costs of Libya's WMD program were too high. However, Ahmadinejad's rhetoric left many questions as to the true nature of Iran's covert program. This led to significant disagreement among the principals of the Bush Administration about how to proceed on Iran. This disagreement prevented the formulation of a coherent policy and the administration ultimately eschewed the issue.¹⁰³ After more than a decade of reformists

in power in Iran, and U.S. efforts to engage them, the two nations were back to where they started. Iran was still an international pariah, and U.S. policy was still to increasingly isolate it in the hopes of moderating its behaviour, or cause the regime to collapse from internal pressures. Meanwhile, the United States continued to be engaged in wars on both of Iran's borders.

Barak Obama and Dual Track Diplomacy

In 2008, Barack Obama was elected president of the United States and the relationship he inherited with Iran was decidedly hostile. Part of his platform was a resetting of what he saw as damaged relations with the Muslim world. He intimated his willingness to engage with Iran during a speech in Cairo, and promised a “new beginning between the United States and the Muslim World.”¹⁰⁴ Shortly following this speech, in a widely disputed election, Mahmoud Ahmadinejad was re-elected over the reformist candidate Mir Hossein Mousavi. Massive demonstrations erupted across the country, which were violently put down by Ahmadinejad's security apparatus.¹⁰⁵ Iran's leaders relied on the traditional playbook and blamed the unrest on Western intervention, citing soft power efforts like Voice of America.¹⁰⁶ The Obama Administration's response was muted. While voicing support for free and fair elections, he avoided any appearance of actively supporting the movement. Iran's deep xenophobia meant that any appearance of Western influence would likely damage the movement more than it would help. The Green Revolution, while unsuccessful, was a precursor of things to come. The Arab Spring was on the horizon.

Another platform of the Obama Administration was ending the wars in Iraq and Afghanistan. Obama took office as the surge in Iraq was beginning to bear fruit.

Reconciliation with the Sunnis in Anbar province allowed the U.S. and Iraqi security forces to begin making progress defeating al-Qaeda in Iraq. Shi'a militias still operated throughout the country, but with the security situation improving, Obama began drawing down U.S. forces. U.S. troops were completely out of Iraq by the end of 2010. Under Ahmadinejad, IRGC and Quds force operations in Iraq had expanded and their influence was growing. In an election widely disparaged as fraudulent, al-Maliki was re-elected in 2010. Maliki's Government increasingly alienated the country's Sunni minority and, lacking a U.S. presence, ultimately undid much of the hard won security that resulted from the Anbar Awakening. While it was always thought that the invasion of Iraq would have a destabilising effect on Iran, quite the opposite was true. Iran was more influential in Iraq than it had ever been.

In December of 2010, protests broke out in Tunisia against the repressive government of President Zine al Abidine Ben Ali, forcing him to flee the country. These protests rapidly spread across the Muslim world. Under pressure from the Obama Administration, long time U.S. ally and strongman Hosni Mubarak was deposed and imprisoned in Egypt. Muammar Gaddafi, with U.S. help, was deposed and eventually killed in Libya, and protests in Syria ultimately led to civil war. The Arab Spring was under way and it was hoped that it would lead to democratic transitions in repressive countries throughout the region, to include Iran.

The situation in Syria rapidly deteriorated as Syrian President, and long-time Iran ally, Bashar al-Assad, began waging a brutal war against the largely Sunni opposition. The conflict quickly spread into Iraq as the remnants of al-Qaeda in Iraq flocked to Syria to fight against the Alawite Government of Assad. The group promptly grew in power as

it declared a caliphate and began calling itself ISIS. The U.S. trained Iraqi Army collapsed in the face of the onslaught and ISIS proceeded to take control of territory across Syria and Iraq. The Iranians responded to support their ally and began sending weapons and fighters to Syria, principally through Lebanese Hezbollah. Iran backed Shi'a militias also began fighting ISIS in Iraq.

The United States responded with Operation Inherent Resolve, and began a targeted air campaign against ISIS. It continues to support the Iraqi Army as it reconstitutes and begins to take back territory from ISIS. In spite of requests, the United States, still wary of Iranian influence, refuses to provide support for the Shi'a militias fighting ISIS. The United States continues to support the Iraqi Army in order to bolster the more inclusive Government of Iraq (GoI), now led by Haider al-Abadi. Extra-government militias operating within the country are seen as divisive and undermining of the legitimate government. However, the United States continues to support the Kurdish Peshmerga in the fight against ISIS. Whether the Iraqi Army, with U.S. support, can defeat ISIS remains to be seen.

The Obama Administration not only inherited a hostile Iran, it inherited Iran's nuclear problem as well. The Bush Administration had succeeded in ratcheting up the severity of the sanctions regime, but U.S. allies in the region were getting impatient. Israel had been vocal about Iran as an existential threat to its security. Their concern was warranted as they had faced rocket attacks by Hezbollah and Hamas for years. However, the problem took on greater urgency with the election of Ahmadinejad in Iran who, on more than one occasion, advocated for the eradication of Israel. By 2010, Israeli Prime Minister Benjamin Netanyahu was increasingly pressuring the Obama Administration to

do something. Israel had demonstrated its willingness to act in the past by conducting pre-emptive attacks against nuclear facilities in Iraq and Syria, and was threatening to do so again in Iran. The Obama Administration was adamantly opposed to this option, fearing the outbreak of a broader Middle East War.

Instead, the administration chose to pursue what it called Dual Track Diplomacy: pursuing engagement while pushing for tougher sanctions. This was not a new concept, as previous administrations had relied heavily on the carrot and stick paradigm. The first attempt at a negotiated solution was a tripartite deal brokered by Turkey and Brazil in 2010. The agreement fell apart at the last minute, as the parties could not agree on the amount of existing enriched uranium that Iran would have to give up. Following this failure, the administration pushed a new sanctions package through the UNSC. These sanctions further isolated Iran's economy and targeted various IRGC activities.¹⁰⁷ Meanwhile, Israel continued to pressure the Obama Administration to make progress on the issue.

The election of the moderate Hassan Rouhani as president in Iran in 2013, presented a new opportunity for engagement. In November 2013, the administration announced that ongoing P5+1 talks had resulted in the signing of an interim agreement with Iran to halt its nuclear enrichment. The deal was heralded as a landmark diplomatic achievement by the Obama Administration. However, Israel and Saudi Arabia were less than enthusiastic.¹⁰⁸ For two more years, amidst strident opposition from Israel, and strong domestic political opposition, the Obama Administration continued to negotiate with Iran. All the while, Iran continued its enrichment program. Finally, in July of 2015, facing stiff internal political opposition, and over the strong objections of Israel, the

Obama Administration signed the JCPOA with Iran. The agreement places severe restrictions on Iran's enrichment program, enhances International Atomic Energy Agency monitoring, and lifts decades of crippling sanctions on Iran. Whether the agreement prevents Iran from eventually becoming a nuclear power or paves the way for normalization with the United States remains to be seen.

¹ Axworthy, 187.

² Ibid., 202-205.

³ Ibid., 205-208.

⁴ Ibid., 212.

⁵ Sayed Hossein Mousavian, *Iran and the United States: An Insider's View on the Failed Past and the Road to Peace* (New York: Bloomsbury Academic, 2014), 20-21.

⁶ Ibid., 21.

⁷ Axworthy, 215-230.

⁸ Ibid., 231.

⁹ Mousavian, 21.

¹⁰ Office of the Historian, Bureau of Public Affairs, "The Tehran Conference, 1943," U.S. Department of State, accessed 30 December 2015, <https://history.state.gov/milestones/1937-1945/tehran-conf>.

¹¹ Axworthy, 233-234.

¹² Ibid., 235.

¹³ Mousavian, 23.

¹⁴ Axworthy, 235.

¹⁵ Stephen Kinzer, *All the Shah's Men* (Hoboken, NJ: John Wiley and Sons, 2003), 123-128.

¹⁶ Ibid., 130.

¹⁷ Ibid., 3.

- ¹⁸ Ibid., 5.
- ¹⁹ Axworthy, 236.
- ²⁰ Kinzer, 170.
- ²¹ Francisco Parra, *Oil Politics: A Modern History of Petroleum* (London: I. B. Tauris and Co., 2005), 29-30.
- ²² Ibid., 29.
- ²³ Comptroller General of the United States, *Report to Congress: Issues Related to U.S. Military Sales and Assistance to Iran* (Washington, DC: U.S. Government Accountability Office, 1974), 20.
- ²⁴ Ibid., 21.
- ²⁵ Ibid., 7.
- ²⁶ Martin Indyk, *Innocent Abroad: An Intimate Account of American Peace Diplomacy in the Middle East* (New York: Simon and Schuster, 2009), 32-33.
- ²⁷ Comptroller General of the United States, 6.
- ²⁸ Ibid., vi.
- ²⁹ Mousavian, 25.
- ³⁰ Axworthy, 242.
- ³¹ Mousavian, 26.
- ³² Axworthy, 250.
- ³³ Ibid., 252.
- ³⁴ Mousavian, 32.
- ³⁵ William J. Daugherty, "Jimmy Carter and the 1979 Decision to Admit the Shah into the United States," *American Diplomacy*, April 2003, accessed 1 January 2016, http://www.unc.edu/depts/diplomat/archives_roll/2003_01-03/daugherty_shah/daugherty_shah.html. While few Iranians believed the Shah was actually ill, he had been diagnosed with malignant melanoma. However, he was not deathly ill and could have received treatment in a number of countries.
- ³⁶ David Crist, *The Twilight War* (New York: The Penguin Press, 2012), 28-29.

³⁷ Gary Sick, "The Carter Administration," in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace Press, 2010), 130.

³⁸ *Ibid.*, 131.

³⁹ The American Presidency Project, "Jimmy Carter, The State of the Union Address Delivered before a Joint Session of the Congress, January 23, 1980," The University of California, accessed 2 January 2016, <http://www.presidency.ucsb.edu/ws/?pid=33079>. Quote is taken from President Carter's 1980 State of the Union Address before Congress.

⁴⁰ Crist, 39-42.

⁴¹ *Ibid.*, 85-86.

⁴² History, "Iran Iraq-War," *A&E Networks*, 2009, accessed 2 January 2016, <http://www.history.com/topics/iran-iraq-war>.

⁴³ Crist, 89.

⁴⁴ *Ibid.*, 91-92.

⁴⁵ *Ibid.*, 96-97.

⁴⁶ *Ibid.*, 97.

⁴⁷ *Ibid.*, 101.

⁴⁸ *Ibid.*, 208.

⁴⁹ *Ibid.*, 220-228.

⁵⁰ Naval History and Heritage Command, "Operation Praying Mantis, 18 April 1988," 18 April 2013, accessed 3 January 2016, <http://www.navalhistory.org/2013/04/18/operation-praying-mantis-18-april-1988>.

⁵¹ Robert Fisk, *The Great War for Civilisation: The Conquest for the Modern Middle East* (New York: Vintage Books, 2005), 260-272.

⁵² Axworthy, 269.

⁵³ Crist, 106-110.

⁵⁴ *Ibid.*, 114-115.

⁵⁵ *Ibid.*, 129.

⁵⁶ Ibid., 153.

⁵⁷ Ibid., 175-202.

⁵⁸ The American Presidency Project, "George Bush, Inaugural Address, January 20, 1989," The University of California, accessed 10 January 2016, <http://www.presidency.ucsb.edu/ws/?pid=16610>.

⁵⁹ Richard N. Haas, "The George H.W. Bush Administration," in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: United States Institute of Peace, 2010), 137.

⁶⁰ United Nations Security Council, Resolution 660 (1990), United Nations, New York, 6 August 1990.

⁶¹ Haas, 138.

⁶² Crist, 386-388.

⁶³ The American President Project, "George Bush, Inaugural Address, January 20, 1989."

⁶⁴ Crist, 382-388. Crist's analysis is based on his interviews with the Iranian ambassador to Germany, Hossein Mousavian.

⁶⁵ Martin Indyk, "The Clinton Administration's Approach to the Middle East" (Soref Symposium 1993, The Washington Institute for Near East Policy), accessed 10 January 2016, <http://www.washingtoninstitute.org/policy-analysis/view/the-clinton-administrations-approach-to-the-middle-east>.

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⁶⁷ Ibid.

⁶⁸ Scott Peterson, "Imminent Iran Nuclear Threat? A Timeline of Warnings Since 1979," *The Christian Science Monitor*, 8 November 2011, accessed 10 January 2016, <http://www.csmonitor.com/World/Middle-East/2011/1108/Imminent-Iran-nuclear-threat-A-timeline-of-warnings-since-1979/Earliest-warnings-1979-84>.

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⁷⁰ U.S. Department of State, "Address by President Bill Clinton to the UN General Assembly," 22 October 1995, accessed 10 January 2016, <http://www.state.gov/p/io/potusunga/207409.htm>.

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⁷² Patrick Clawson, “U.S. Sanctions,” in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace, 2010), 116.

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⁷⁷ Toby Jones, “Embattled in Arabia: Shi’is and the Politics of Confrontation in Saudi Arabia” (Occasional Paper Series, Shi’a Militancy Program, Combating Terrorism Center at West Point, Highlands, NY, 3 June 2009), 6-8.

⁷⁸ Crist, 398-405.

⁷⁹ *Ibid.*, 405.

⁸⁰ Lacey, 14-36.

⁸¹ *Ibid.*, 177.

⁸² Bruce O. Riedel, “The Clinton Administration,” in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace, 2010), 140.

⁸³ Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2005), 215. It is thought that the reason Khomeini issued the fatwa in 1989 was his fear of the rising influence of Rafsanjani’s reform movement and his efforts to reconcile with the West. The announcement of the fatwa infuriated Westerners and greatly undermined Rafsanjani’s efforts.

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⁸⁷ 9/11 Commission, *9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: Barnes and Noble, 2004), 61.

⁸⁸ Crist, 416-423.

⁸⁹ CNN, “Bush State of the Union Address.”

⁹⁰ 9/11 Commission, 62.

⁹¹ Crist, 433. Crist’s quote is taken from a memorandum from Douglas Feith to Donald Rumsfeld referencing a breakfast meeting with Newt Gingrich.

⁹² Crist, 434.

⁹³ Mark Fields and Ramsha Ahmed, Strategic Perspectives No. 8, *A Review of the 2001 Bonn Conference and Application to the Road Ahead in Afghanistan* (Washington, DC: National Defense University Press, November 2011), 13-14.

⁹⁴ CNN, “Bush State of the Union Address.”

⁹⁵ Crist, 435.

⁹⁶ *Ibid.*, 440-460.

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⁹⁸ U.S. Department of Defense, “Operation Iraqi Freedom (OIF) U.S. Casualty Status: Fatalities as of 14 August 2015,” accessed 27 January 2016, <http://archive.defense.gov/news/casualty>.

⁹⁹ Filkins.

¹⁰⁰ Crist, 463-473.

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¹⁰² David Albright and Adrea Stricker, “Iran’s Nuclear Program,” in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace, 2010), 78-79.

¹⁰³ Crist, 508-510.

¹⁰⁴ Office of the Press Secretary, The White House, “Remarks by the President at Cairo University, 6-04-09,” The White House, accessed 28 January 2016, <https://www.whitehouse.gov/the-press-office/remarks-president-cairo-university-6-04-09>.

¹⁰⁵ Mousavian, 228.

¹⁰⁶ Crist, 546.

¹⁰⁷ John Limbert, “The Obama Administration,” in *The Iran Primer; Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute for Peace, 2010), 147-148.

¹⁰⁸ Richard C. Taylor, “Has President Obama Chosen The Right Strategic Approach To Iran With The 2013 ‘Dual Track’ Policy Of Diplomacy And Sanctions?” (Monograph, School of Advanced Military Studies, Fort Leavenworth, KS, May 2014), 1.

CHAPTER 3

METHODOLOGY: RECONCILING THE PAST WITH THE PRESENT

International politics embraces more recent history and current events. The observer is surrounded by the contemporary scene with its shifting emphasis and changing perspectives. He cannot find solid ground on which to stand, or objective standards of evaluation, without getting down to fundamentals that are revealed by the correlation of recent events with the more distant past and the perennial qualities of human nature underlying both.

— Hans Morgenthau, *Politics Among Nations:
The Struggle for Power and Peace*

The United States has had a significant impact on the balance of power in the Middle East for decades. Altering its policy vis-à-vis Iran has the potential to affect the power politics of the entire Middle East. This thesis is addressing a complicated and in many ways theoretical question. There is no universally accepted methodology for analyzing geopolitics and international relations. Deciphering the implications of the strategic environment on policy generation is an ambiguous and largely theoretical undertaking. This thesis seeks to understand the implications of the contemporary Middle East strategic environment on U.S. policy towards Iran. To do so, Morgenthau says that we must address four questions: (1) how has the geopolitical situation changed, and how is it different; (2) do the similarities reaffirm the previous policy; (3) does the blending of similarities and differences warrant the retention of the core of the previous policy with some modification; and (4) do the differences make the previous policy inapplicable?

In keeping with Morgenthau's axiom that any analysis of contemporary international politics must be informed by historical context, chapter 2 provided, to the extent consistent with the scope of this work, an examination of the relevant history. The purpose of this examination is two-fold: to provide the reader the necessary context with

which to interpret the current geopolitical environment, and to serve as a comprehensive case study for analysis.

That analysis will rely on the Strategic Estimate (SE) framework provided in JP 5-0, to analyze the current geopolitical environment. This framework is intended to be an analytical tool to help planners develop theater strategies and campaign plans. To do so, it is designed to encompass all aspects of an operational environment in order to assess the strategic factors that influence the ends, ways, means, and risks involved in achieving strategic endstates. The SE is meant to provide a more complete understanding and visualization of the security environment to include all potential actors, whether neutral, adversarial, or friendly, that can influence the environment.¹ This framework enables theater military commanders to understand the variables in the environment that must be accounted for in the development of strategy. As this thesis is attempting to analyze the broader concept of policy, rather than military strategy, an adaptation of this framework will be used in this thesis to analyze the geopolitical environment.

According to the SE framework, in order to assess a strategic environment, it is first necessary to understand the strategic direction, defined as US policy goals and strategic endstates. To make this assessment, this thesis will rely on strategic documents such as the U.S. *Quadrennial Defense Review* (QDR), the U.S. NSS, and the USCENTCOM Posture Statement. Once these policy goals and strategy endstates are determined, an assessment of the environment within which the United States formulated these goals can be made. As there are no equivalent strategic documents to examine for the other actors in the region, this thesis will rely primarily on Congressional Research Service reports and background research from policy institutes and scholarly journals.

The current strategic direction can then be correlated to past policy and strategy in order to make educated predictions about the impacts of proposed policy on the future geopolitical environment.

U.S. policy regarding Iran is formulated within the larger framework of the desired regional endstate. As such, the strategic estimate is intended to assess the current geopolitical environment in the broader Middle East in order to understand the role that the United States and Iran play in that environment. To provide context, the SE framework first specifies that an assessment of the overall global environment be made. Once the broader context is established, the SE directs an analysis of the objectives, motivations, and capabilities be made of the individual states, groups, and organizations, known as actors, that influence the environment. This analysis will aid in identifying each actor's interests and assessing how those interests might align or conflict with those of the United States. This thesis will consider the following as important geopolitical actors in the region: Iran, Saudi Arabia, the GCC, Iraq, Syria, ISIS, and Israel. As Iran is locus of this analysis, it is particularly important to assess how each actor's interests align or conflict with those of the Islamic Republic. Equally, an in-depth analysis of Iran is important in order to determine its interests and objectives, as well as the capabilities it possesses to pursue those interests. If the United States seeks engagement with Iran, an analysis of where the two nations' interests align and conflict is important to assessing the impact of that engagement on U.S. influence in the region. For purposes of this analysis, it is assumed that Iran is open to such engagement.

The strategic estimate will analyze each of the relevant actors by first providing the recent historical background information necessary for contextual understanding. The

actor's interests and objectives will then be analyzed in order to determine the degree of conflict or alignment with those of the United States. Lastly, Morgenthau's four secondary questions will be addressed for each actor by correlating the actor's background, interests, and objectives with what was learned through the history provided in chapter 2. Taken in aggregate, the analysis conducted for each individual actor will inform the answers to secondary questions for the region as a whole. This will enable conclusions to be drawn regarding the primary thesis question in chapter 5.

In combination with what is learned from the analysis presented in chapter 4, chapter 5 will draw on lessons learned from chapter 2 to identify the obstacles and challenges standing in the way of the United States achieving its strategic endstates. Chapter 5 will conclude this thesis by summarizing these findings in order to enable an assessment of the necessity of adopting new policy.

¹ Joint Chiefs of Staff, Joint, JP 5-0. SE framework is contained in Annex B.

CHAPTER 4

ANALYSIS: THE MODERN STRATEGIC ENVIRONMENT

Unfortunately, it also is an area that is plagued by violence and instability, political discord, economic stagnation, resource shortages (e.g., water), ethnic and religious tensions, and wide expanses of ungoverned or under-governed space. Alone or in combination, these provocative factors often make for a volatile environment that puts our interests and those of our partners at risk.

— General Lloyd J. Austin III, “Statement on the Posture of U.S. Central Command”

The analysis contained in chapter 4 will address the following secondary questions: (1) how has the geopolitical situation changed, and how is it different; (2) do the similarities reaffirm the previous policy; (3) does the blending of similarities and differences warrant the retention of the core of the previous policy with some modification; and (4) do the differences make the previous policy inapplicable? Answering these questions requires first analyzing the contemporary strategic environment using the SE framework. This analysis will enable comparisons to be drawn to the past environment based on the information provided in chapter 2. This analysis will be presented for each of the major actors, per the JP-5 framework. The secondary questions will be answered for each in isolation before being aggregated at the conclusion of the chapter.

SE: Strategic Direction—U.S. Interests and Objectives

Based on the Department of Defense QDR of 4 March 2014, the 2015 NSS, and the USCENTCOM Posture Statement of 8 March 2016, U.S. national interests in the Middle East can be characterized as follows:

1. Vital U.S. interests include the free flow of resources through key shipping lanes; countering violent extremists and terrorist networks such as al-Qaeda, ISIS, and their affiliated groups that threaten the stability of the region as well as the U.S. homeland; building the security capacity of U.S. partners in the region such as Israel, Jordan, and the Gulf partners; preventing the proliferation of WMD.
2. Important interests include deterring Iran's evolving conventional and strategic military capabilities to include cyber and ballistic missile threats, security of regional lines of communication, resolution of the Syrian civil war, stable and inclusive government in Iraq, resolution of the Israeli-Palestinian conflict, and stability in Yemen.
3. Other interests include promotion of democracy and human rights, spreading economic prosperity, de-escalation of Sunni-Shi'a sectarian tensions, and stemming the flow of refugees from the region.¹

The QDR also defines three U.S. strategic pillars: (1) protecting the homeland; (2) building security globally; and (3) project power and win decisively. Based on these pillars, and the current U.S. national interests in the region, a number of short-term U.S. objectives related to Iran can be deduced:

1. Assuring that Iran meets its obligations as outlined in the JCPOA, as well as its commitments under UNSC resolutions regarding its ballistic missile program.
2. Assuring U.S. partners in the region of its commitment to countering destabilizing Iranian influence through its proxies in Iraq, Lebanon and Syria

as well as surrogate groups in Saudi Arabia, Yemen, and other Gulf states, the combination of which will hereafter be referred to as the Iranian Threat Network².

3. Deterring Iranian conventional and asymmetric threats and aggression directed against Saudi Arabia, Israel, Jordan, or other friendly countries,
4. If deterrence fails, decisively defeat Iranian aggression in the region including mid- and long-range ballistic missile threats, as well as Iranian Threat Network threats.³

Conversely, the long-term U.S. objective, as stated in the NSS, is to achieve regional stability in the Middle East through partners who are able to defend themselves and are committed to peace, prosperity, rule of law, and respect for universal human rights.⁴ This long-term regional endstate depends on unity of effort and vision with America's existing regional partners. Subsequently, it necessarily also requires an Iran that is stable and willing to act as a reliable partner in promoting security and stability in the region.

Analysis

An examination of U.S. NSSs from Ronald Reagan to Barack Obama leads to the conclusion that U.S. interests in the Middle East have remained largely unchanged. Economic concerns related to energy security have always driven U.S. policy in the region. Reagan's 1987 NSS states, "Our principal interests in the Middle East include maintaining regional stability, containing and reducing Soviet influence, preserving the security of Israel and our other friends in the area, retaining access to oil on reasonable terms for ourselves and our allies, and curbing state-sponsored terrorism."⁵ Similar language can be found in the strategies of George H.W. Bush, Bill Clinton, and George

W. Bush. Throughout these documents, containment of Iran, as a state sponsor of terror, has been described as an aspect of the U.S. strategy. References to Salafist-based violent extremism do not appear until the George Bush presidency, at which point the threat posed by violent extremism seems to take precedence over Iranian state-sponsored terrorism. However, the endstate of regional stability has remained consistent.

If U.S. interests in the region have remained unchanged, and the desired endstates remain unattained, it begs the question of whether the policy warrants reexamination. Nearly four decades of commitment to a containment policy that is not achieving its endstates would imply that continued commitment to these endstates does not reaffirm commitment to the same strategies and policies. However, by itself, commitment to similar endstates does not negate the policy altogether, nor does it imply that some middle ground between isolation and détente may not be the more appropriate strategy. This question depends in large part on variables that will be analyzed in the remainder of the chapter.

Strategic Environment: Global Geostrategic Context

“The modern-day international system currently relies heavily on an international legal architecture, economic and political institutions, as well as alliances and partnerships the United States and other like-minded nations established after World War II.”⁶ From Russian aggression in the Ukraine, the conflict in Syria and Iraq, the collapse of Libya, and an increasingly belligerent North Korea, this international system is being significantly stressed. Institutions such as the UN and the North Atlantic Treaty Organization find themselves stressed by resource demands and an increasing number of security challenges that threaten to render the institutions helpless. The European Union

continues to struggle with economic problems within a number of its member states, as well as social unrest driven by the massive influx of refugees from conflicts in Africa and the Middle East.

Globalization is driving a complex and dynamic security environment characterized by “new technologies, new centers of power, and a world that is growing more volatile, more unpredictable, and in some instances more threatening.”⁷ Unrest and violence, driven by ethnic and sectarian tensions, is contributing to failing and failed states in a number of regions around the world. These states provide a fertile environment for the growth of violent extremism and conflict, which is spreading instability from West Africa to Southeast Asia. At the same time, conventional threats are evolving rapidly, “leading to increasingly contested battlespace in the air, sea, and space domains – as well as cyberspace.”⁸

Emerging near-peer competitors such as China have the potential to alter the international order. As a result, the United States is in the midst of a strategic rebalance to Asia and the Pacific. This rebalance, driven by the economic importance of the region, is a reaction to changing security dynamics. Contested maritime environments and a provocative North Korea create the risk of regional conflicts that could significantly threaten the global economy and destabilize the entire region. The rise of China presents regional security challenges, but it also presents opportunities to cooperate on a number of regional and global challenges such as cyber security, nuclear proliferation, and climate change.⁹

Analysis

When the United States adopted the policy of containing Iran after the 1979 revolution, the global strategic environment differed in a number of significant ways from the modern environment. The United States was preoccupied with the Cold War and containing the spread of communism. While there is mounting tension between Europe and Russia, it bears little similarity to the threat of a large-scale Soviet invasion that characterized Cold War tensions. China had only recently begun reforming its economy in the 1970s and was certainly not the emerging global power it is today. U.S. attention in Asia was focused on the communist threat and a belligerent North Korea, while a threat, was not a nuclear one. The protection of Japan and its importance to the U.S. economy were priorities, as they are today. Like today, instability in Africa was widespread; however, the economic potential of Africa has warranted a greater U.S. focus today. The strategic environment in Latin and South America is no longer colored by the threat of Soviet influence; however, instability and economic stagnation remain issues.

At the macro level, the world economy is more integrated today. U.S. economic strength is more dependent on the economies of Europe, Asia, and South America. The global oil market is more integrated and more diverse. The global security environment is no longer a product of the Cold War between the United States and the Soviet Union but is colored by the spread of violent extremism, largely originating from the Middle East.

The strategy of containment was born as a product of the Cold War. Its application to Iran was in response to Cold War concerns, which have abated in many ways. This abatement implies that the existing similarities in the contemporary global strategic environment are not significant enough to reaffirm the continued application of

that policy. One result of the policy has been to push Iran into the influence spheres of China and Russia. Arresting increasing Sino-Russian influence in the Middle East was one of the principal aims of containment. This fact alone, while not completely negating the containment strategy, at least warrants its reexamination.

One of the primary motivations of Iranian engagement with China and Russia, with whom it shares little ideological alignment, is access to weapons. A significant aspect of U.S. foreign policy in the region is defense cooperation. Were the United States and Iran to restore normal diplomatic relations, it is highly unlikely, given the implications it would have with allies in the region, that the United States could begin providing weapons to Iran. This would imply that some defense aspects of the isolation policy might be retained, while adapting the policy to include diplomatic and economic engagement.

Nuclear proliferation has played an important role in the justification of containment. This was true of Iran as well as North Korea. That North Korea has been able to develop a nuclear weapon in spite of that policy is instructive. If a complete abandonment of the containment policy is not possible in Iran, the changes in the global strategic environment indicate that reassessment is necessary.

Saudi Arabia/GCC

Background

Saudi Arabia, the wealthiest and most powerful of the GCC countries, wields substantial influence in the organization. As such, there is significant alignment of the GCC's interests with those of Saudi Arabia. Therefore, Saudi Arabia will serve as a proxy for the whole of the GCC for purposes of this analysis.

Ties between the United States and the Kingdom of Saudi Arabia (KSA) date back to the 1930s, and Saudi Arabia continues to be a key U.S. strategic partner in the region. The modern relationship was galvanized during the Iran-Iraq War. U.S. security guarantees of Saudi Arabia during the war effectively crystalized the partnership as the lynchpin of an anti-Iran coalition built around the GCC. The partnership was further strengthened by cooperation in the U.S. led coalition that evicted Saddam Hussein from Kuwait in 1990. However, the relationship has suffered a number of setbacks over the years. Its most significant ebb was in the aftermath of the attacks of 11 September.

Following 11 September, the relationship has cooled in some important ways. That fifteen of the hijackers claimed Saudi Arabia as their home served to shine a light on the growing Salafist extremist movement in the country. Saudi support to radical Islamists has been an open secret in Washington since the Afghan War against the Soviets. Riyadh played a key role in the creation and rise to power of the Taliban. It is well established that Saudi Arabia provides financial support to violent extremists and funds Salafist madrassas and mosques throughout the world.¹⁰ Concurrently, the United States has concerns about Saudi domestic issues such as human rights, religious freedom, and political repression by the al-Saud Government.¹¹ There is a growing sentiment in the United States that Saudi Arabia is not the reliable partner in the region that the United States has always believed it to be. The cooling of the U.S.-KSA relationship has led Saudi leaders to court closer ties with China, including the purchase of nuclear capable Chinese built ballistic missiles.¹² However, in spite of recent cooling, defense ties between the United States and KSA remain strong.

KSA wields significant influence through its custodianship of Islam's holiest sites, as well as its enormous oil reserves.¹³ Oil for security has always been at the heart of the U.S.-KSA relationship and thus, the security of KSA's oil fields has been critical to both nations.¹⁴ One of the principal pillars of that security is a close mil-to-mil partnership, anchored by a robust foreign military sales program. In the last five years alone, Saudi Arabia has acquired more than \$100 billion of U.S. military hardware and training.¹⁵ Those purchases, along with logistics and intelligence support, have been critical to KSA's ability to conduct recent operations in Yemen and Syria. Saudi military expenditures from 2003-2014 have exceeded \$500 billion. However, while the KSA has traditionally been viewed as a key partner in combating terrorism, there is skepticism in the U.S. Congress about Saudi leadership's commitment to fighting extremism and the degree to which U.S. and KSA priorities align.¹⁶ KSA's focus on the conflict in Yemen, above the fight against ISIS, suggests that Saudi leaders are more concerned with countering potential Iranian expansion than combating Sunni extremism.



Figure 1. Kingdom of Saudi Arabia

Source: Christopher M. Blanchard, *Saudi Arabia: Background and U.S. Relations*, (Washington, DC: Library of Congress, 2016), 7.

Interests and Objectives

For much of its modern history, the power of the al-Saud Government has depended on three pillars. The first is an enduring compact with Wahhabi clerical establishment to maintain the government's Islamic legitimacy and continuing stewardship of Mecca and Medina. The second is passive support of the population rooted in the guarantee of continuing government largesse in the form of employment, subsidies, and social welfare. The third is U.S. security guarantees in exchange for

stability in the global oil markets.¹⁷ In maintaining the balance between these pillars, Saudi Arabia must walk a fine line, and in the face of contemporary challenges, this is becoming increasingly difficult.

Saudi Arabia is essentially a petro-state and thus, highly sensitive to the global oil market. The sharp decline in oil prices is exacting a significant toll on the Saudi economy, which reverberates across all aspects of its socio-political system. In order to continue to provide largesse to its people, the government needs revenue from oil. However, its ability to influence the price of oil on the global market has been waning as countries such as Russia and the United States have substantially increased domestic production. As a result, Riyadh and Organization of Petroleum Exporting Companies are struggling with the balance between production levels and the price per barrel of oil.

Revenue shortfalls and the curtailing of government provided munificence that results, could lead to social unrest that could ultimately prove destabilizing. In order to maintain its influence on oil prices, Saudi Arabia needs to drive high cost producers out of business, especially in America, without further damaging its relationship with Washington. This could lead Riyadh to seek greater diversity in its security partnerships to limit reliance on the United States and thus blunt the ability of the Washington to apply pressure on other Saudi domestic and foreign policies. Conversely, as Saudi Arabia attempts to diversify its economy to lessen its reliance on oil, there are opportunities for the United States to engage with Riyadh beyond security issues.

Riyadh faces an equally delicate balance regarding the spread of Sunni extremism. While cooperation with the United States on combating extremism was greatly expanded by the 2008 signing of a bilateral cooperation agreement, it has only

been in the last year that Saudi Arabia has militarily engaged ISIS in Syria.¹⁸ Previously, Saudi Arabia, opposed to Iranian influence with the Assad regime, had been providing significant support to anti-Assad forces in the Syrian civil war, including some violent jihadists. However, ISIS seeks to establish a caliphate that includes Mecca in Saudi Arabia. As a result, and under pressure from the United States, the Saudis have been forced to join the U.S. coalition fighting ISIS.¹⁹ At the same time, the Saudis also face threats from Sunni extremists on their southern border. Al-Qaeda in the Arabian Peninsula, a Sunni group led by Saudi nationals, has taken advantage of the civil war in Yemen to expand its influence.²⁰ Recently ISIS has begun to make inroads there as well.

The principal objective of Saudi Arabia, is countering the expanding influence of Iran. This is particularly true in Yemen but also in Syria and Lebanon. Saudi Arabia and Iran are engaged in a decade's long struggle for hegemony in the Middle East. The U.S. invasion of Iraq, and the removal of the Sunni Government of Saddam Hussein, opened the door for expanded Iranian influence in Baghdad.²¹ Iran's ties to the Assad regime has enabled it to use Syria as a pathway to providing weapons, money, and support to Hezbollah in Lebanon. Saudi support to the Syrian opposition is aimed at the removal of Assad, which could lead to a number of potentially positive outcomes for Saudi Arabia; a friendly regime in Syria willing to terminate the relationship with Iran; closing Iran's Syrian route for transferring money and weapons to Hezbollah; and a Syrian Government willing to undermine the Shiite Government in Iraq.²²

In Yemen, Zaydi Shi'a (Houthi) rebels who, according to Riyadh, are receiving significant Iranian support to fight a civil war against the government of Rabbu Mansour Hadi. Yemen is the poorest country in the Middle East and the conflict there has created a

humanitarian disaster. Saudi Arabia fears this conflict could spill over its southern border and cause unrest among its large Shi'a minority in the oil rich east. As a result, the Saudi military has been engaged in a yearlong air war against the Houthi rebels. Riyadh is spending \$200 million a day fighting this conflict and achieving little besides worsening an already critical humanitarian situation.²³ There is debate about the real role of Iran in the Yemen civil war and Saudi involvement there is causing tension in the U.S.-KSA relationship.²⁴

Saudi Arabia has made clear that Iran's regional policies are central to Saudi security concerns. Riyadh sees Iran as an expansionist regime using a "sectarian agenda aimed at empowering Shi'a Muslims in the Middle East at the expense of Sunnis."²⁵ For that reason, Riyadh was skeptical of the P5+1 nuclear deal. It fears that any efforts aimed at warming the U.S.-Iran relationship could undermine the very basis of the close U.S.-KSA relationship. However, there is growing concern in the United States that Saudi goals are divergent from U.S. goals in the region. The recent execution of the Shi'a Ayatollah Nimr al Nimr on treason charges has enflamed KSA-Iran tensions. The action resulted in attacks against the Saudi Embassy in Tehran and subsequently, Riyadh has severed diplomatic ties with Iran. With Saudi encouragement, several other Arab states, as well as Pakistan, have downgraded or severed ties with Iran. Some observers have argued that Saudi efforts aimed at further isolating Iran are meant to undermine the JCPOA, which they fear is the first step towards a broader rapprochement between Iran and the West.²⁶ Saudi officials deny that their actions are meant to escalate tensions and Saudi Deputy Crown Prince Mohammed bin Salman has stated that war between Saudi Arabia and Iran: "is something that we do not foresee at all, and whoever is pushing

towards that is somebody who is not in their right mind. Because a war between Saudi Arabia and Iran is the beginning of a major catastrophe in the region, and it will reflect very strongly on the rest of the world. For sure we will not allow any such thing.”²⁷

While a conventional war between the two nations is unlikely, the risk of escalation in the various ongoing proxy wars is real and presents significant complications to U.S. efforts aimed at stability in the region. For the United States, close ties to Saudi Arabia have primarily centered on energy security provided by access to Saudi oil. For the Saudis, the United States has been essential to its efforts to check Iranian expansion in the region. After the Islamic Revolution in Iran, those interests aligned very well. However, this alignment has not necessarily contributed to the regional stability that is the endstate of current U.S. strategy. The integration of the international oil market, combined with America’s increasing domestic production capability, mean the United States is far less reliant on Saudi oil than it used to be. Therefore, the threat posed by Iran to U.S. energy security is also greatly diminished. These changing regional dynamics, coupled with the Saudi prioritization of countering Iran over combating violent Sunni extremism in the form of ISIS and al-Qaeda, presents a growing misalignment between U.S. and Saudi interests.

Analysis

The relationship between the United States and the GCC, particularly Saudi Arabia, has grown closer in the years since 1979. This has largely been the result of the perceived threat of Iran. The U.S. fear of an Iranian style revolution spreading to Saudi Arabia and threatening U.S. access to Saudi oil was at the heart of the U.S. containment strategy. Iranian actions in the Gulf during the Iran-Iraq War reinforced those U.S.

concerns. However, the Salafist-Jihadi movement was only beginning to emerge from the Saudi heartland in 1979 and it was not yet even on the radars of Western militaries and security agencies at the time. The growing presence of the U.S. military in Saudi Arabia, first as a counter to Iran, and later in response to Saddam Hussein's Iraq, contributed to a growing resentment of Western influence in the Kingdom. Events unfolding in Saudi Arabia in the decades after the Iranian Revolution, while not solely responsible, at least laid the groundwork for the rise of the Taliban, the creation of al-Qaeda, and ultimately the rise of ISIS, which threatens the region today.

With the global integration of the oil market and the increase in U.S. production, the influence of Saudi oil on the U.S. economy has waned. That is not to say that Saudi oil is not important to the global economy. Asia now accounts for nearly seventy percent of Saudi oil exports.²⁸ China has a growing relationship with Riyadh that did not exist in 1979, and thus maintaining U.S. influence in the Kingdom is still important.

Contrary to 1979, the largest threat to Saudi stability is no longer Iran but the spread of Salafist extremism. Therefore, the strategic estimate of Saudi Arabia today must be markedly different from that in 1979. There is no question that Saudi Arabia's fingerprints on the current chaos in the Middle East are at least as prominent as those of Iran.

Saudi Arabia's culpability in the current conflicts in the region cannot be overlooked. However, while many Saudi citizens may be hostile to the United States, the government in Riyadh continues to be friendly, and the two nations do share some alignment in interests. Saudi Arabia's relationship to the Wahhabi clerical establishment means the Kingdom's cooperation will remain critical to combating the spread of violent

Salafist-jihadism. This fact, combined with the Saudi perception of Iran as its most significant threat, suggests that U.S. policy maintains some applicability. U.S. defense cooperation with Riyadh is important to maintaining its influence. Saudi oil, while not as critical as it once was, is still important to the global economy, therefore stability in the Kingdom is important.

However, that the policy is not completely negated by the evolution of the strategic environment does not mean that some reassessment is not necessary. The United States can no longer afford to let the concerns of Saudi Arabia dictate U.S. strategy in the region. The domestic policies in the Kingdom contribute to an environment that breeds some of the most virulent anti-Western extremism in the world. Equally, Saudi Arabia's role as the ambassador of Sunni Islam paints U.S. support for the Kingdom as advocacy for Sunnis. Combined with U.S. antagonism towards Iran, the United States has effectively chosen sides in a 1300-year-old conflict. If narratives are important, the current U.S. policy is contributing to losing the battle of the narrative in the region. If the differences in the modern KSA/GCC strategic environment do not negate existing policies completely, they do dictate that some aspects of those policies warrant close scrutiny.

Israel

Background

The state of Israel was founded in 1948, and since that time the United States and Israel have developed a close relationship founded on common democratic values and shared strategic vision. Israel also enjoys strong support within the United States and has a highly capable lobby in Washington, DC. Israeli security is a prominent issue that has a

significant influence on U.S. policy in the Middle East.²⁹ As a result, Israel is the leading recipient in the world of U.S. foreign aid, having received approximately \$124 billion since WWII, mostly in the form of military assistance.³⁰ A Memorandum of Understanding between the United States and Israel, signed in 2008, guarantees Israel \$3.1 billion in annual military aid through 2018. Subsequent to the signing of the P5+1 nuclear agreement with Iran, Israel and the United States have reportedly agreed that amount be raised as high as \$5 billion.³¹ In addition to providing direct military aid, the United States and Israel collaborate on research and development programs, to include ballistic missile defense systems.

All of this aid has helped make the Israeli Defense Force one of the most advanced and capable militaries in the world. Maintaining Israel's Qualitative Military Edge (QME) is required by U.S. law, although there is no agreed upon definition of what the QME means.³² The result however, is the sale or transfer to Israel of some of America's most advanced and lethal military technology, including potentially the new F-35 stealth fighter.³³ This is necessary as the United States also sells advanced military hardware to the very same Gulf States that Israel's QME is designed to counter. Additionally, Israel is allowed to spend a portion of U.S. provided aid on domestic military procurement, which has enabled the growth of a vibrant defense industrial base.³⁴

Israel's QME is meant to allow it to compensate for its relatively smaller size and population as compared to its regional adversaries. The nation has been under threat of, or actively invaded by, all of its neighbors for most of its short history. The heart of the conflict is related to the 700,000 Palestinian refugees that fled the region after the Arab

invasion in 1948. When the UN mandated the creation of the Jewish State in 1948, it also mandated a separate Palestinian state, which the Palestinian Arab leadership rejected.³⁵ Those 700,000 Palestinians, and their descendants, have effectively been refugees ever since. An agreement on an acceptable two state solution to the Israeli-Palestinian conflict has proved an elusive goal ever since. Successive U.S. administrations have pursued it to no avail; however, it remains official U.S. policy.

Since its founding Israel has fought wars with Egypt, Syria, Jordan, and Lebanon. A number of these wars have resulted in Israel's seizure of additional territory, which has contributed to increasing Arab opposition to Israel. This opposition has resulted in the growth of a number of non-state actors and terrorist groups violently opposed to Israel to include the Palestine Liberation Organization, the PA, Hamas, and Hezbollah.

Iranian material support to these groups, particularly Hamas and Hezbollah, whom the United States labels as terrorist groups, is the basis of Israel's assessment of Iran as its principal adversary. Israel considers Iran, and its potential pursuit of nuclear weapons, to be an existential threat. This threat is the reason for Israel's opposition to the JCPOA. Serious disagreement with the Obama Administration over its approach to Iran has been perceived as souring the U.S.-Israel relationship to some degree. However, commitment of U.S. aid to the Jewish State remains unchanged. Subsequent discussions between the two nations have revolved around cooperation on monitoring and enforcement of the provisions of the JCPOA. In the meantime, Israel is suspected of having produced enough weapons-grade plutonium for up to two hundred warheads of its own. Israel has never officially confirmed this and has maintained the position that it will not be the first nation to introduce nuclear weapons to the Middle East.³⁶

While the United States professes to be an unbiased advocate of the two state solution, the U.S.-Israel alignment is cited by Iran as clear evidence of U.S. opposition to the Palestinians. Iran perceives U.S. backing for Israel as oppression of Muslims. That perception is one of the foundational issues undermining the U.S.-Iran relationship. Conversely, as long as Iran maintains its opposition to the legitimacy of Israel, and continues to provide weapons, training, and funding to terrorist organizations, Israel will continue to oppose any attempt by the United States to engage with the regime in Tehran.



Figure 2. Israel

Source: Jim Zanotti, *Israel: Background and U.S. Relations* (Washington, DC: Library of Congress, 2015), 1.

Interests and Objectives

For its entire history, Israel has been forced to fight for its very survival. Although it has not fought a major war since the 1967 Arab-Israeli War, it is still faced with a number of security concerns. While the JCPOA may alleviate the Iranian nuclear threat, Iran still poses a threat through its support to violent anti-Israel organizations such as Hamas and Hezbollah. The possibility of conflict and unrest in neighboring states such as Syria, Iraq, Lebanon, and Egypt, spilling over Israel's borders poses a growing and real threat to its stability. Lastly, the ongoing conflict with the Palestinians continues to fuel regional and local unrest and is contributing to a growing potential for international isolation.³⁷

Although Israel still maintains a significant conventional military advantage over its neighbors, the threat from non-state actors is growing. Hezbollah continues to receive money and weapons from Iran and Syria. Under pressure from Iran, Hezbollah has expanded its operations from Lebanon and the Israeli border, to supporting the Assad regime in the conflict in Syria. As a result, its fighters have gained valuable experience and access to more sophisticated weapons. The Hezbollah organization has transformed from a Lebanese party, focused on domestic politics and Israel, to a regional sectarian force acting more and more at the discretion of Iran.³⁸ Israel has reacted by asserting its right to respond to a Hezbollah attack with a massive retaliation.³⁹ Hezbollah's continued rocket attacks, and Israeli retaliatory airstrikes, risk escalation into another war in the Golan Heights that, combined with the war in Syria and Iraq, could further destabilize the entire region. While the threat from ISIS and other Sunni Islamist groups is significant for Israel, and growing, Israel considers Hezbollah the far greater threat.⁴⁰

At the same time, Hamas continues to threaten Israel from the Gaza Strip through rocket attacks and fighters infiltrating Israel through complex underground tunnel networks. As a result, Israel continues to maintain its blockade of Gaza. Israel has fought three significant engagements with Hamas in Gaza since 2008. The last, in July 2014, followed the collapse of another round of Israeli-Palestinian peace talks. The group was labeled a foreign terrorist organization by the United States in October 1997.⁴¹ Nonetheless, and in spite of Israel pulling out of Gaza in 2005, Hamas won control of the PA Government in elections held in 2006. As a result, the United States severed ties with the PA and suspended hundreds of millions of dollars in aid.⁴² Violence has persisted in the Palestinian controlled areas of Gaza and the West Bank ever since. Prospects for a peace settlement in the current environment appear slim.

The Israeli Government seems to be coming to terms with the nuclear agreement between the P5+1 and Iran, and focus has shifted to ensuring compliance.⁴³ However, the mitigation of Iran's nuclear threat does not remove Iran as one of Israel's principal security concerns. Iran is still providing military assistance to Hamas and more concerning, to Hezbollah. The sanctions relief provided under the terms of the JCPOA means that Iran has access to billions of dollars it could use to increase its material support to these groups. This relief, combined with closer ties to Russia resulting from aligned interests in Syria, also mean that Iran has access to advanced Russian military hardware. For instance, the sale of S-300 air defense systems to Iran presents a significant challenge to Israeli Air Force supremacy.⁴⁴ Ultimately, as long as Iran continues its opposition to Israeli-Palestinian peace and continues to provide support to violent anti-

Israel groups, any cooling of tensions between the United States and Iran will be strongly opposed by Israel.

Analysis

The geopolitics of Israel has not markedly changed since 1979. The conflict with the Palestinians continues to polarize the Middle East and in some ways, the tensions between Israel and Iran have deteriorated further. This is primarily a result of the Iranian nuclear program. Whether the JCPOA will result in the easing of those tensions remains to be seen. In the meantime, Iran continues to support violent opposition groups and Khamenei's rhetoric remains inflammatory. Iran's official position is that it will support any resolution that the Palestinians agree to, although whether that is just rhetoric is debated. The United States remains an advocate of a two-state solution even as Israel continues to build settlements in disputed East-Jerusalem. The narrative of Israeli intransigence is gaining momentum in the international community and the United States has been in the position as the lone advocate for the Jewish State in the UNSC. The Israeli lobby in the United States has grown increasingly powerful and the subject of Israel has become an increasingly polarizing one in U.S. politics. However, it is unlikely that U.S. military assistance to Israel will end in the near future.

While the past bears significant continuity with the contemporary strategic environment, this fact does not in itself reaffirm containment of Iran, nor does it dictate the policy's abandonment. The principal U.S. interest in the region regarding Israel is resolution of the Israeli-Palestinian conflict. Nearly four decades of increasing isolation of Iran has not yielded progress towards that goal. It can be argued that in the fifteen years since the Camp David Summit, that goal has only become more elusive. However,

failure to achieve that goal cannot be laid solely at the feet of the U.S.-Israel-Iran relationship, although there can be no doubt about Iran's role.

In that time, the power of the Israeli lobby in the United States has grown and has played a significant role in aligning U.S. policy with that of Israel, particularly regarding the threat of Iran.⁴⁵ This increasing U.S.-Israeli alignment makes it difficult for the United States to act, much less appear, as an unbiased arbiter in the conflict with the Palestinians. U.S. antagonism towards Iran, expressed through its containment policy, exacerbates this perception. If the United States wishes to arbitrate a solution to the conflict, it must endeavor to restore the perception of its impartiality. However, the need to change this narrative does not imply that all elements of the containment policy are inapplicable. Nor does it mandate that U.S. support for Israeli security be abandoned. The United States can and should, in accordance with international norms, advocate for, and aid in, the defense of Israeli sovereignty. However, in so doing, it need not completely suborn its own policy to that of Israel.

Iraq, Syria, and the Islamic State

Background

Because the conflict with ISIS has interdependent roots in both Iraq and Syria, and has effectively erased the border between the two countries, an analysis of any of the three in isolation would be incomplete. Therefore, background will be presented for each individually to provide context. Interests and objectives will be analyzed in aggregate.

Iraq

The US. invasion of Iraq in 2003, which led to the overthrow of Saddam Hussein's Sunni-dominated Baathist Government, touched off a violent civil war, the effects of which are still being felt. In the years following the invasion, U.S. forces attempted to provide security amidst a bloody sectarian battle between Sunnis and Shi'a for political dominance and control of Iraq's economic resources. The first manifestation of U.S. efforts to transition the country to pluralistic, inclusive democracy came with elections in 2005. The result was a Shi'a dominated government headed by Nouri al-Maliki, a Da'wa party figure with long ties to Iran. The new GoI proceeded to draft, and subsequently adopt, a constitution that was almost universally opposed by Sunni's, particularly in Anbar and Salahuddin provinces.⁴⁶ As a result, violence continued to escalate, particularly in western and central Iraq, where al-Qaeda in Iraq (AQI) waged war against U.S. forces and Shi'a militias.

In response to the increasing levels of violence, the United States surged an additional 30,000 troops to the country in order to combat the growing insurgent threat. The surge coincided with the Anbar Awakening, an increasing resentment among the local Sunni tribes in Anbar to the tactics of AQI and the presence of its foreign fighters. These effects combined to reduce violence and open a path to Sunni reconciliation with the government in Baghdad. Concurrently, Maliki ordered an offensive in southern Iraq to subdue the Shi'a militias operating there and return control of Basra to the GoI. Maliki's efforts, along with U.S. sponsored reforms, convinced Sunnis and Kurds to reconcile with the government. Maliki was reelected in 2010 and amidst a mostly stable

security environment; the United States began to significantly draw down its troop strength.⁴⁷

By 2011, in the midst of the U.S. drawdown, there was agreement between the U.S. military and Iraqi Security Forces (ISF) that the ISF was not yet ready to assume full responsibility for the security of the country. However, under pressure from Moqtada Al Sadr, the leader of a powerful Shiite militia with strong ties to Iran, Maliki refused to sign an agreement with the United States allowing U.S. forces to remain in the country.⁴⁸ By the end of 2011, the United States had completely withdrawn its forces.

Following the U.S. withdrawal, Maliki began to replace the leadership of the ISF with Shiite loyalists. By 2012, the absence of U.S. military support and the increasingly Shiite face of the ISF led to raising Sunni unrest in the form of AQI and a nascent ISIS. Sunni support for the GoI and the ISF, who it largely saw as an Iranian occupation force, began to plummet.⁴⁹ The disaffected Sunni population became fertile ground for AQI and ISIS recruiting.

After 2011, the Office of Security Cooperation-Iraq, headed by the U.S. Ambassador, became the lead agency for U.S. involvement in the country. The Office of Security Cooperation-Iraq's primary missions were to administer the more than \$4 billion in U.S. military aid provided to Iraq in 2011-2013 as well as manage various security training and assistance programs.⁵⁰ However, with the declaration of the establishment of the Islamic State in 2013 and ISIS' capture of Ramadi in early 2014, the role of the Office of Security Cooperation-Iraq was forced to change.

The capture of Ramadi and collapse of the Iraqi security forces in the face of the ISIS assault on Mosul in June 2104, threatened the "territorial and political integrity of

Iraq.”⁵¹ As a result the United States was forced to take a more active and aggressive military role in the conflict. The new U.S. strategy, termed Operation Inherent Resolve, aimed to degrade and ultimately defeat the Islamic State of Iraq and the Levant.⁵² The ISIS onslaught, and the conditions that enabled it, also led to the end of the Maliki Government. With U.S. and Iranian support, Haider al-Abadi became the prime minister in September of 2014.

Syria

Bashar al-Assad assumed the office of president of Syria in 2000 after the death of his father and longtime ruler Hafez al-Assad. The Assad family are Baathists and members of the minority Alawite sect, which has its roots in Shi’a Islam.⁵³ As such, the ruling family has long maintained close ties with Iran. As Baathists, there has been a naturally close relationship between Syria and Russia as well. The Alawites, composing only twelve percent of the Syrian population, control much of the Syrian Government, including the security forces.⁵⁴ The Sunni Muslim majority has long been faced with high unemployment, rampant inflation, poverty, and corruption. These factors, combined with repressive security forces, have long fueled popular opposition to the regime. The violent suppression of a Muslim Brotherhood led uprising in 1982 that led to the killing of thousands of Sunnis by the Syrian armed forces, lends credit to this accusation.⁵⁵ The regimes human rights record, its alignment with Iran and Russia, as well as its support to violent anti-Israel groups such as Hamas and Hezbollah, has continually put it at odds with the United States.

Assad’s refusal to implement political reform continued to disenfranchise the Sunni majority. In February 2011, in response to the Arab Spring sweeping across North

Africa and the Middle East, the Sunni in Syria took to the streets. While largely non-violent at first, the regimes use of force against demonstrators caused a swell in public anger. Subsequently, for most of 2011 and early 2012 a cycle of violence between the government and various opposition groups escalated into outright civil war.⁵⁶

The war in Syria began as a conflict between the Alawite regime's armed forces, many of whom are Sunni conscripts, and largely Sunni organized opposition groups that organically grew out of local areas. Many of these groups came to be coordinated by the Free Syrian Army, based in Turkey. As the war ground on, foreign Sunni groups such as al-Qaeda and ISIS, began sending fighters to Syria to oppose the Iran backed Alawite Government's assault on the Sunni population. The violence rapidly escalated and in August 2013, Assad's use of chemical weapons elevated the conflict to a massacre.⁵⁷

The use of chemical weapons forced the United States, whose President Obama had declared it a red line, to become more overtly involved. While initially the United States intended the red line to be cause for the removal of Assad, Russian President Vladimir Putin intervened to protect his ally in Syria. Ultimately, a deal was brokered that left Assad in power but removed his chemical weapons. However, Assad continued to use his air force to indiscriminately attack the opposition. The conflict continued to grow more vicious. The devastation has led to a humanitarian disaster with millions of internally displaced civilians as well as millions of refugees fleeing to neighboring Lebanon, and through Turkey into Europe.

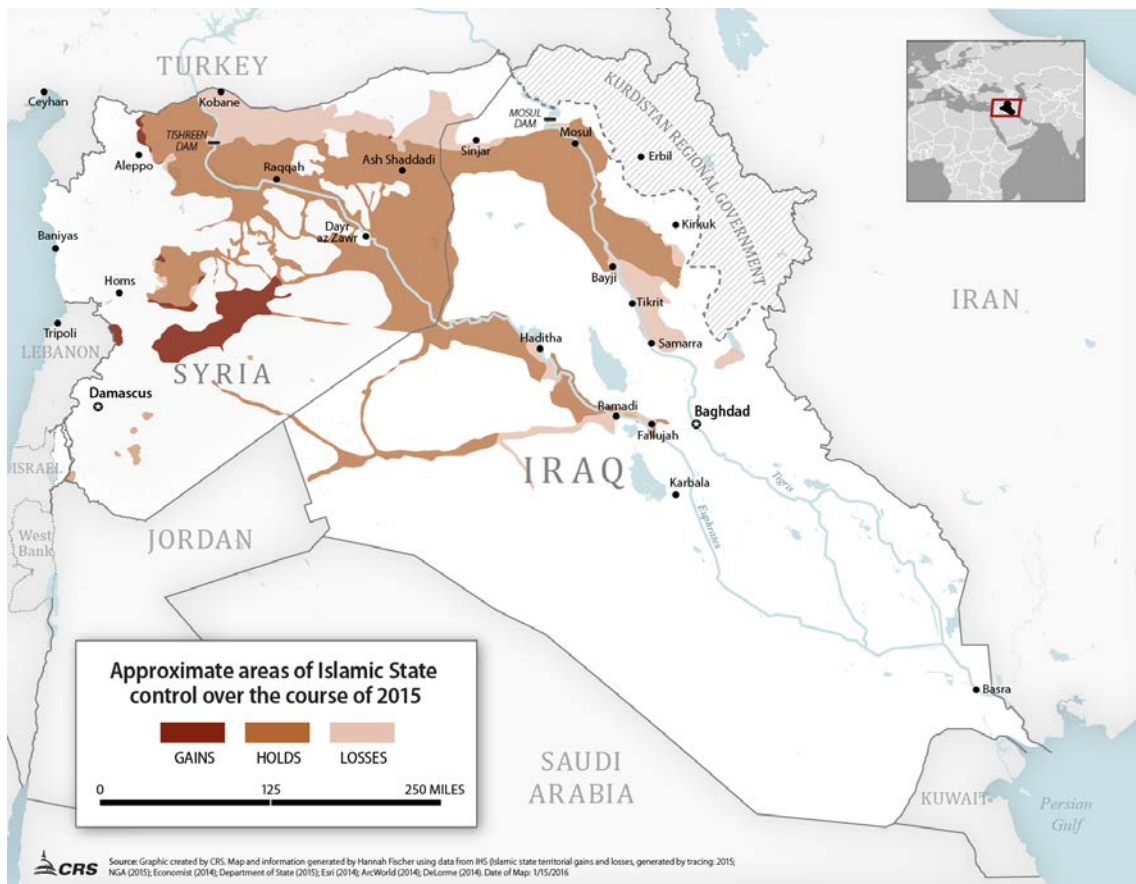


Figure 3. Status of Islamic State Held Territory, January 2016

Source: Christopher M. Blanchard and Carla E. Humud, *The Islamic State and U.S. Policy* (Washington, DC: Library of Congress, 2016), 3.

ISIS

The chaos of the Syrian civil war and the sectarian tensions in Iraq created the fertile ground that allowed ISIS to grow and expand. The roots of ISIS can be traced to AQI, the al-Qaeda affiliate headed by Abu Musab al-Zarqawi from 2002-2006. AQI was able to flourish by taking advantage of Sunni animosity towards the Shi'a dominated government in Baghdad and the U.S. forces that propped it up.⁵⁸ Sunnis in Iraq perceived the Shi'a, with U.S. and Iranian support, as using the democratic process as a means to

exclude them from political power. As a result, disenfranchised Sunnis turned to AQI who waged an extremely violent insurgency based in western Iraq. AQI was effectively defeated by the combination of Zarqawi's death in a U.S. air strike and the subsequent Anbar Awakening, which turned the local tribes against the group.⁵⁹ In 2010, a group of former U.S. detainees led by Ibrahim Awad Ibrahim al Badri al Samarra'I, a.k.a. Abu Bakr al-Baghdadi, with the help of a number of former Saddam Baathists, reconstituted AQI as ISIS.⁶⁰

The subsequent U.S. exit from Iraq in 2011 had a twofold effect: first, it left the ISF weakened through the lack of U.S. advice and enablers, and second it diminished U.S. influence with the GoI. This created a vacuum that Iran moved in to fill. Subsequent marginalization of Sunnis within the government and ISF, contributed to a renewal of resentment among Iraq's Sunni population who saw the GoI as an arm of Shi'a Iran. Along with Sunni disenfranchisement in Iraq, the emerging conflict in Syria also pitted a disenfranchised Sunni population against a Shi'a government backed by Iran. ISIS recognized an opportunity to expand and began exporting fighters to Syria to join with Al-Qaeda, whose affiliate, Jabhat al-Nusra (al-Nusra), had already been fighting there. However, al-Qaeda's leader, Ayman al-Zawahiri, rejected a merger with ISIS due to disagreements over methods and the killing of other Muslims, including Shi'a.⁶¹

Undeterred, ISIS established its own base of operations in Raqqa, Syria, and began a brutal campaign of murder and intimidation that enabled it to control vast amounts of territory in north and eastern Syria as well as western Iraq. In June 2014, after the fall of Mosul in Iraq, ISIS declared a global Islamic Caliphate and its leader, Abu Bakr al-Baghdadi, as its Caliph.⁶² However, ISIS expansion towards the Turkish border

and into northeastern Iraq brought it into increasing conflict with Kurdish and Shi'a Arab populations.⁶³ The Kurdish Peshmerga and Iranian backed Shiite militias were able to put up the first effective resistance to ISIS expansion. Shortly after the fall of Mosul, in September of 2014, the U.S. announced a global coalition to counter the Islamic State in Iraq and the Levant, and in October 2014, launched Operation Inherent Resolve.⁶⁴

The operation's initial objective was to use coalition, mostly U.S., airpower to enable the indigenous forces on the ground to halt the expansion of ISIS in Iraq. At the same time, efforts began to train and equip the Syrian opposition and to once again expand the train, advise, and assist mission with the ISF. The United States has refused to equip or cooperate directly with the Iranian backed Shi'a militias in Iraq, preferring to work solely through the GoI and the ISF. These combined efforts were able to halt, if not begin to roll back, the momentum of ISIS in Iraq.

However, the conflict in Syria continued to spiral out of control. The native Syrian opposition, unaffiliated with al-Qaeda and ISIS, continued to coalesce and grow in experience and capability. At the same time, a massive influx of foreign fighters poured into the country to fight for the opposition, al-Qaeda, and ISIS. Estimates place as many as 25,000 foreign fighters in Syria, to include ISIS, al-Nusra, and Hezbollah.⁶⁵ As a result, the Syrian armed forces began to lose ground and it became more and more likely that Bashar al-Assad might be forced to step down. In October of 2015, a Russian airliner was bombed in the skies over Egypt, killing all 224 people onboard. ISIS claimed credit for the attack, which prompted the Russian military to deploy to Syria, ostensibly to fight ISIS. However, the Russian air campaign was clearly focused against anti-Assad forces,

including those supported by the United States, in an effort to prop up the faltering Assad regime.

Interests and Objectives

The conflict in the Levant is a Gordian knot of conflicting interests. Competition between and among local actors both aligns and conflicts with the interests of the various regional and international actors.⁶⁶ ISIS, as the preeminent threat, has threads woven in the cloth of all of those interests. The ISIS ideology is just the latest and most extreme expression of the Salafist-Jihadist movement that grew out of Wahhabist central Saudi Arabia. Their ultimate aim is the establishment of their version of an ideal Sunni Islamic society in the form of a Caliphate.

ISIS ideology is underwritten by an apocalyptic vision that calls for an end-of-days clash between true Muslims and those considered infidels and apostates. This includes non-Muslims, as well as Kurds and Shi'a Muslims and associated sects such as the Alawites, who are considered apostates from the true Islam and deserving of death. Therefore, ISIS is strongly opposed to Iran and its support for the regimes in Iraq and Syria.⁶⁷ ISIS' strict definition of Islam puts it at odds not only with Shi'a but also with other Sunni groups such as al-Nusra and the Muslim Brotherhood. ISIS is also strongly opposed to Sunni governments such as those in Saudi Arabia, Egypt, and Jordan, which it considers sympathetic to Western crusader nations and the United States in particular.

This ideology creates a constantly shifting web of conflicting and aligning interests. In Syria, ISIS' attempts to take and hold ground put it in conflict with both the Syrian military and anti-Assad resistance groups. At the same time, ISIS is as opposed to the Assad regime as the resistance and therefore has some shared alignment in endstate.

ISIS opposition to Assad also creates alignment with some of the same Sunni governments it considers apostates. Sunni Saudi Arabia, also opposed to Iranian influence, has provided material support and funding to a number of anti-Assad groups including violent Jihadists. At the same time, Iranian and Russian support of the Assad regime place them in direct conflict with ISIS and anti-Assad forces. This creates alignment with the U.S. led coalition in its fight with ISIS, but in conflict with it regarding the coalition's opposition to the Assad regime. However, the U.S. focus on ISIS as the preeminent security threat has largely demoted the question of the future of Assad, which has helped reduce any risk of escalating conflict between the United States and Russia.

In Iraq, ISIS has been slowly losing ground. The al-Abadi Government in Iraq has shown evidence of being more inclusive. Increased U.S. support has helped a more capable ISF recover some lost ground, including Ramadi. A stable and inclusive GoI would go a long way to undermining ISIS ability to recruit and sustain itself. To that end, the United States is supporting the ISF, Kurds, and Sunni tribal fighters. At the same time, Iran also seeks stability in Iraq. A failed state, or an ISIS controlled state in Iraq, could threaten to spread across the border into Iran. A stable Iraq is a shared U.S. and Iranian interest, however, the United States and many of its Arab allies seek an Iraq with limited Iranian influence. Therefore, the United States has so far refrained from cooperating with Shi'a militias in the fight against ISIS.

The Kurds present an equally complicated web. The United States has a relationship with the Kurds going back to the Gulf War in 1991. The United States has supported Kurdish autonomy in northern Iraq, if not independence, since the U.S.

invasion in 2013.⁶⁸ The question of Kurdish independence is of great concern to both Iran and Turkey, who have substantial Kurdish minorities.



Figure 4. Ethnic Kurdish Population

Source: Kenneth Katzman, *The Kurds in Post-Saddam Iraq* (Washington, DC: Library of Congress, 2010), 12. Note: This is a notional depiction for illustrative purposes only.

The collapse of the ISF in the face of the ISIS advance in northern Iraq has finally placed the Kurds in control of Kirkuk and its oil revenue, an important step towards Kurdish independence. It also has placed the burden of fighting ISIS on the Kurdish Peshmerga who, along with U.S. support, has had some success in rolling back ISIS. At the same time, Iran, who is skeptical of Kurdish independence, is supporting Shi'a militias such as Harakat Hezbollah al-Nujaba in fighting ISIS in northern Iraq.⁶⁹

The Kurds are also in conflict with ISIS in northern Syria. However, the situation there is murkier. Similar to the Iraqi Kurds, the Syrian Kurds also seek semi-autonomy

within Syria. This has placed them in conflict not only with ISIS, but also with the Free Syrian Army. At the same time Turkey, who associates the Syrian Kurds with the violent separatist Kurdistan Workers Party, is actively opposed to Kurdish autonomy.

Conversely, the United States is supporting the Syrian Kurdish People's Protection Units in their fight against ISIS. Turkey continues to walk a fine line as a U.S. North Atlantic Treaty Organization ally who seems more concerned with blunting Kurdish ambitions than with the U.S. priorities in Syria of fighting ISIS and deposing Assad.⁷⁰

Analysis

The situation in Iraq and Syria represents the most significant change in the contemporary strategic environment and must completely alter the geopolitical calculus from that which existed in 1979. Following the Islamic Revolution in Iran, Iraq came to be seen as bulwark to containing Iran. Animosity between Tehran and Saddam's regime in Baghdad made Iraq a natural check on Iran. This led to U.S. and Saudi support to Saddam Hussein during Iraq's war with Iran. This remained true even following the Gulf War when Iraq also became the target of the Dual Containment strategy of the Clinton Administration. However, the collapse of the Hussein regime at the hands of the US military has resulted in the subsequent installation of a government friendly to Iran. This new government has enabled the very thing the United States had relied on the Saddam regime to prevent; the expansion of Iranian influence.

The civil war in Syria threatens to topple a regime the United States has long considered detrimental to regional stability due to Assad's long relationship with Tehran, and Syria's associated malign influence in Lebanon. Iranian and Russian involvement in the war has been aimed principally at propping up this regime. However, their

involvement in the ongoing Vienna peace talks hints at the possibility of their support for the transition to an Assad-free regime, assuming that its replacement maintains sympathetic ties to Russia and Iran. That the United States, Russia, and Iran are involved in official talks regarding security issues in the region is a significant change in the geopolitical environment as well. The defeat of ISIS in Syria and Iraq, a threat that did not exist in 1979, hints at the possibility of military cooperation between the United States and Iran, a prospect that would have been inconceivable for most of the last three decades. ISIS, and the brand of Salafist extremism it represents, has assumed the mantle of the preeminent threat to regional stability. This must change the U.S. strategic assessment of Iran and the role it has in achieving and maintaining regional stability

Given the chaos in Iraq and Syria, it is difficult to draw many similarities to the Levant of 1979, or even to the three decades that followed it. However, Iran still maintains its support for Hezbollah and Assad, with Iranian and Russian support, is still tenuously hanging on to power in Damascus. Ultimately, the complexity of competing and overlapping interests in the conflict negates any attempt to reaffirm past policy based solely on these similarities.

Alternately, the degree to which the modern strategic environment in Iraq and Syria differs from when the United States adopted its containment policy must lead to the conclusion that these differences negate the applicability of that policy. The lack of Iraq as a reliable hedge to Iranian expansion, Iran's importance to the resolution of the Syrian civil war, and overlapping U.S. and Iranian interests in both Iraq and Syria, dictate that the United States engage with Iran if it hopes to achieve a measure of sustainable stability in those countries. However, engagement need not imply that the United States cultivates

a security cooperation relationship with Tehran built upon foreign military sales or military aid. It does imply that the United States accepts that Iran has legitimate equities in the conflict and a necessary role to play in its resolution. An adversarial relationship between the two nations adds additional complexity to an already labyrinthine situation.

Iran

Background

The election of Hassan Rouhani in June 2013 has been viewed by many observers as a sign of the growing influence of moderates in Iran.⁷¹ Rouhani was instrumental in the signing of the JCPOA that has eased, if not eliminated, the U.S. concern regarding Iran's nuclear ambitions. Rouhani and the JCPOA seem to have broad support among the Iranian public as evidenced by the results of the February 2016 elections that saw moderates gain some measure of control in the Guardian Council and win a two-thirds majority in parliament.⁷² However, the Supreme Leader, Ayatollah Khamenei, still wields ultimate authority in Iran, especially overseas through the IRGC. Khamenei continues to voice strongly anti-Western rhetoric and publicly opposes engagement with the United States. However, that he did not stand in the way of Rouhani's efforts to reach a settlement with the West regarding the nuclear issue is indicative of the purely rhetorical nature of Khamenei's words.

As the Supreme Leader, Khamenei is the most powerful figure in Iran. However, he is not considered nearly as influential as his predecessor. He lacks Khomeini's charisma as well as his Islamic scholarly credentials. The leader's backing of Ahmadinejad in the disputed 2009 election also undermined his support among the Iranian populace. However, he still wields significant power and influence through his

constitutionally mandated authority over the institutions of government, specifically the judiciary and security apparatus. Additionally, the IRGC reports directly to the Supreme Leader and thus he has significant influence on foreign affairs.⁷³ In the years following the U.S. invasion of Iraq, Khamenei's confidence in Iran's strategic position has grown. Combined with his distrust of the United States and typical Iranian focus on sovereignty, the leader is strongly disinclined towards compromise. Khamenei's words indicate that he views the power balance in the Middle East as having rightly tilted towards the Islamic Republic.⁷⁴

The IRGC plays a leading role in executing Iran's foreign policy. Initially established as a security organization, the IRGC's role in Iran has expanded considerably. The Revolutionary Guard is now Iran's most powerful security and military organization. Former IRGC members have ascended to influential positions in government. Utilizing this access, the organization has expanded into business, media, and education. The IRGC now controls significant sectors of Iran's economy and has amassed substantial financial resources. However, because of this diversification, cracks have emerged in the IRGC network that mirror those of the broader Iranian populace; the conflict between the economic benefits of modernization versus Islamic purity.⁷⁵

Nonetheless, the IRGC, and specifically the secretive Qods Force, remain key players in executing Iran's foreign policy. The Qods Force is involved in the training and equipping of Iranian proxies and surrogates throughout the region to include Iraqi Shiite militias, Lebanese Hezbollah, Hamas, and numerous other Shiite groups. The IRGC retains control of Iran's most capable naval forces in the Gulf as well as its ballistic and cruise missile capabilities. It has also been one of the guiding forces behind the Iranian

nuclear program. As an intelligence organization, the IRGC has eclipsed the Iranian Ministry of Intelligence as both an internal security apparatus and an external foreign intelligence organization.⁷⁶ The IRGC is also heavily involved in all aspects of Iran's telecommunications industry, which has enabled it to develop a robust cyber warfare capability.⁷⁷

The lifting of sanctions mandated by the JCPOA, and the resulting influx of money and investment, could likely expand the resources and reach of the IRGC even further. It remains to be seen if the parallel effect on the broader Iranian economy will further legitimize and empower the moderate movement. While Rouhani is open to engagement with the West, he is still an ardent nationalist and a son of the revolution. Thus far, he has successfully walked the line between courting economic openness and engagement without running afoul of the Supreme Leader by advancing significant domestic political reform.

Iran's economy is heavily dependent on oil revenues, although not to the extent of some of its Arab neighbors. The industry has been heavily battered by economic sanctions and access to international investment will be important to increasing oil output and further diversifying the economy. Besides its oil industry, Iran requires significant investment to expand industries such as food and drink, pharmaceuticals and consumer goods. Iran's automotive and airline industries are also in need of significant investment and modernization. The restoration of access to the international banking system is a critical step to economic recovery; however, issues of corruption and transparency will need to be addressed in order to modernize Iran's finance industry.⁷⁸

Iran is a unique blend of autocracy, theocracy, and democracy. The regime is autocratic in the sense that Iranians are subject to arbitrary arrest, free speech is suppressed, and the media is largely state controlled. However, in spite of state controls on media and telecommunications, most urban Iranians have easy access to outside news and information via the Internet. Social media is ubiquitous and generally free of state controls. While the ideals of the revolution remain entrenched in Iranian culture, revolutionary fervor is being replaced by a nationalist identity that is as much Persian as Islamic. This is evident in the education rates in Iran where, similar to Western countries, fifty-five percent of relevant age Iranians go to university. Scientific and academic output is significantly higher than in all of the neighboring Arab countries. Elites in Iran, including Rouhani, are educated in Western universities. Iranians are thirsty for Western consumer goods and Western media. While Islam still plays a prominent role in Iranian politics, most urban Iranians are more concerned with good government than ideology. The country continues to invest heavily in infrastructure development and education, particularly in rural and poor areas. The government in Iran walks a fine line between Islamic purity and the economic necessities of modernization. Rouhani and his government are largely pragmatic technocrats, but they must work within a governing system that is still largely controlled by religious conservatives.⁷⁹

Contrary to the hopes of many, the regime in Tehran has weathered the Arab Spring. It could be argued that the success of the moderates in the recent parliamentary elections is the manifestation of how it was managed. Iran's leaders, fearful of a repeat of the Green Revolution in 2009, were politically motivated not to take a hard stance against moderate candidates. That the regime is even minimally responsive to the will of the

people is indicative of its democratic inclinations, and likely the reason that Iran is now one of the most inherently stable countries in the region.



Figure 5. Islamic Republic of Iran

Source: Kenneth Katzman, *Iran's Foreign Policy* (Washington, DC: Library of Congress, 2016), 52.

Interests and Objectives

Khamenei's vision of Iran is an independent, self-sufficient, Islamic nation, and the rightful hegemon of the Islamic world. Iran's interests and objectives, largely unchanged since the revolution, align with this vision and generally fall into four categories: the United States, Israeli-Palestinian peace, the nuclear program, and the Muslim world.⁸⁰ Much of Iran's behavior is in pursuit of policies that blur the lines between these categories. Ultimately, there is disagreement about whether the aim of Iran's foreign policy is a reorientation of the balance of power in the region away from the United States and its allies in Israel and Saudi Arabia, or whether it is solely aimed at deterring invasion or other attempts at regime change.⁸¹

Iranian resentment of the United States was a founding principal of the revolution and remains a significant factor in Khamenei's worldview. Anti-Americanism is also a critical element of the conservative hard liner's political platform. Khamenei's mistrust of the United States is rooted in his belief that U.S. policy has at its core either a return to the patron client relationship that characterized the Shah's reign, or a gradual erosion of the revolutionary system similar to the collapse of the Soviet Union.⁸² Opposition to supposed nefarious U.S. efforts to collapse the regime is critical to Khamenei's conservative popular support.

Anti-Americanism serves a number of other purposes as well. The perception of Iran as being able to stand up to the world's only superpower gives it a certain prestige among those populations in the region that view the United States as an imperialist crusader. This prestige is significant to the perception of Iran as an important regional power. This type of prestige is also closely related to Iran's stance on the Israeli-

Palestinian issue. Khamenei views Iranian support of the Lebanese and Palestinian people, through Hezbollah and Hamas, as an Islamic duty to defend fellow Muslims.⁸³ However, anti-Israel rhetoric is largely unimportant to the common Iranian and as such, it can be argued that Iran's opposition to Israel is as much a pragmatic policy aimed at enhancing Iranian regional influence and stature as it is an ideological one.⁸⁴ Khamenei has intimated that he would be amenable to settling the issue as long as the solution was one the Palestinians could agree to.⁸⁵

Prestige and influence are also important aspects of Iran's nuclear program. However, the development of a complete nuclear fuel cycle capability serves other symbolic and pragmatic purposes. While Khamenei has publically forsworn nuclear weapons, the signing of the JCPOA does not guarantee that Iran's nuclear program is entirely of a peaceful nature.⁸⁶ Just the existence of a nuclear program has elevated Iran's importance in not just the Middle East, but in world affairs as well. That all of the permanent members of the UNSC are nuclear powers demonstrates the value of those weapons to the Supreme Leader. The open secret of Israel's nuclear arsenal, as well as Pakistan and India's development of weapons must also inform Iranian decision-making. The geopolitical and security impacts of the deterrent provided by "going nuclear" cannot be lost on Iranian leadership.

The nuclear program also serves a number of domestic purposes. Continuing in the face of U.S. and international pressure contributes to anti-imperialist Iranian prestige, as well as having important nationalistic overtones. For the ruling elite, the program has come to embody the ideals of the revolution. A robust nuclear program ensures that Iran is scientifically and technically capable of self-sufficiency as well as economically and

politically independent.⁸⁷ Nuclear energy will help alleviate Iran's economic reliance on petroleum. Iran is a net exporter of oil but it lacks sufficient refining capability and thus imports much of its refined fuel. For the more pragmatic elite such as Rouhani, the nuclear program has been an important bargaining chip with the United States on the road to reintegration into the world order, and to expanding Iranian economic development.⁸⁸ The signing of the JCPOA will enable much needed investment in crucial elements of the Iranian economy.

While the JCPOA may have temporarily alleviated concerns about Iranian development of a bomb, Iran continues to engage in other provocative behavior. Its ongoing development and testing of ballistic missiles, in spite of UN sanctions, is as much about deterrence as it is about prestige. Iran is surrounded by Sunni dominated nations, and particularly Sunni Arab nations, that use anti-shiism and the spectre of Iranian influence with their Shiite minorities as a red herring for their own illegitimacy and poor governance.⁸⁹ While there is no question that Iran supports Shi'a minorities throughout the region, Khamenei is careful in not using rhetoric that will inflame sectarian tensions.⁹⁰ Iran's support for Shi'a minorities is portrayed as standing up for the rights of the politically oppressed as opposed to encouraging sectarian conflict. Iran has demonstrated a degree of geopolitical pragmatism in choosing which Shi'a to support and which not.⁹¹ Sunni Salafists in states like Saudi Arabia and Bahrain are increasingly using Iran as an excuse to persecute local Shiites, lending legitimacy to Iran's claims.⁹²

In Iraq, Iranian supported Shi'a militias such as As'aib Ahl Al Haq and Kata'ib Hezbollah, are fighting ISIS alongside the United States supported ISF. The United States and Iran share some alignment of interests in Iraq and U.S. Secretary of State John Kerry

has said before the UNSC that Iranian assistance in that fight would be welcome.⁹³

However, the United States and Iran are not coordinating efforts. Iran's endstate in Iraq is a stable Shi'a government that is friendly to Iran. In Syria the situation is more complicated. While the United States and Iran share an interest in defeating ISIS, Iran does not share the U.S. goal of an Assad free regime in Damascus. Syria has been Iran's most stalwart Arab ally in the region and a critical enabler of Iran's support to Lebanese Hezbollah. The protection of Hezbollah is Iran's highest priority. Tehran may consider a diplomatic solution in Syria that does not include Assad if it can be assured that his successor remains friendly toward Iran.⁹⁴ The presence of negotiators from Tehran at the ongoing peace talks in Vienna is evidence of acceptance by the international community of Iran's importance to resolving the civil war in Syria.

In Yemen, the popular uprising by Zaydi Shiite's has led to another civil war in the region. There is general consensus that Iran was not involved in instigating the uprising and any ongoing support to Houthis is limited in comparison to Iran's efforts in Iraq and Syria. Iranian involvement in Yemen appears more opportunistic than strategic. Instability in Yemen creates potential leverage with Iran's main rival, Saudi Arabia, who is engaged in military operations to return the Sunni Government to power.⁹⁵ The conflict in Yemen has distracted Saudi Arabia from the conflict in Syria, which is much more critical to Iran.

Analysis

Iran itself has not undergone significant structural change since 1979; however, it has changed in a number of marked ways. The death of Khomeini has dampened some of the ideological revolutionary fervor in the Islamic Republic. The country's suffering at

the hands of Iraq during the Iran-Iraq War seems to have succeeded in dampening any appetite Iran may have had for spreading the revolution. Decades of economic sanctions have taken their toll on the Iranian economy and a weary Iranian public, once hostile to the West, is now open to engagement as a means of improving their economic condition. This popular support has enabled a more moderate Rouhani to formally engage with the United States for the first time since the revolution. The subsequent signing of the JCPOA has, at least temporarily, alleviated the threat of Iran's nuclear program. The associated lifting of sanctions paves a path for Iranian reengagement with the world diplomatic order.

While the lifting of sanctions may provide a much-needed injection of capital investment to the Iranian economy, it also presents Iran with additional means to continue funding its destabilizing foreign activities. Iranian opposition to Israel remains, and the IRGC retains close ties to Hezbollah, Hamas, and Palestinian Islamic Jihad. While Iran may be providing some weapons to Yemeni Houthi's, the majority of its resources are focused on supporting Hezbollah and Iraqi Shiite militias fighting the Islamic State.

Hostility between Iran and Saudi Arabia continues to ebb and flow. Tensions are currently high due to the Saudi execution of a prominent Shi'a cleric accused of disloyalty, an act that was widely criticized by human rights groups.⁹⁶ Saudi Arabia accuses Iran of influence in its internal affairs, and Iran accuses Saudi Arabia of stirring controversy in an attempt to force the international community to align against Tehran.

In summary, Iran continues much of its provocative behavior, including its questionable human rights record, support to violent proxies, testing of ballistic missiles, and strong opposition to Israel. However, much of Iran's concerning behavior is

mimicked by countries with which the U.S. routinely collaborates. Iran has begun to show a willingness to engage the West, particularly Europe, who is also eager to reengage with Iran. A return to power of a popular pragmatist president in Iran changes the strategic calculus. A growing list of aligned interests centered on security concerns, such as combating ISIS and resolving the Syrian civil war, only adds strength to the argument that the strategic environment has undergone significant changes since 1979.

However, there are enough similarities between post-revolutionary and contemporary Iran to say with confidence that the justification for the containment policy cannot be completely negated. Conversely, those similarities, taken in context, cannot by themselves reaffirm the policy either. Likewise, the differences alone are not significant enough to authoritatively declare the policy inapplicable. Iran is still largely an Islamic theocracy. That it no longer seems interested in exporting its version of political Shiite Islam to the rest of the Muslim world challenges much of the initial justification for the policy. However, the Iranian human rights record, its support for foreign terrorist organizations, and its opposition to Israeli sovereignty, do rightly warrant continued U.S. concern. The JCPOA may have temporarily alleviated the threat of a nuclear-armed Iran, but concern remains that it continues to defy UN mandates by developing and testing ballistic missiles.

The regime in Iran has survived thirty-seven years of increasing U.S. efforts to isolate and contain it. In that time, it has undergone numerous democratic transitions of presidential power. Even though its democratic process is not as transparent, open, or without conflict, as the United States would prefer, it is difficult to maintain, as the United States did following the revolution, that the regime is not the legitimate

government. The Iranian version of republican government is, in many ways, more democratic than the Arab monarchies in the region to which the United States has maintained close ties. That Iran has in some ways accepted the necessity of opening to the international community, and that the international community has largely embraced that effort, dictates that the United States do so as well. While there are aspects of the containment policy such as limiting Iran's ability to support its proxies, that remain as justifiable as they have ever been, the contextual realities of the modern strategic environment that surround Iran dictate some degree of policy modification.

Regional Summary

The Middle East is facing a crisis. Conflicts driven by economic uncertainty, resource shortages, poor governance, and ethno-sectarian tensions, are resulting in an almost unprecedented level of instability and turmoil. These conflicts, among both state and non-state actors, transcend borders and threaten to spill out of the region. In particular is the threat posed by non-state violent extremist organizations such as ISIS and al-Qaeda, which are destabilizing governments across the region to include in Iraq, Syria, Lebanon, and Yemen. These groups represent a transnational threat with the ability to export violence anywhere in the world.

The principal drivers of ethno-sectarian violence in the region are the expanding competitions between Sunni and Shi'a, and Arab and Persian populations.⁹⁷ Saudi Arabia and Iran are engaged in an enduring cold war for regional hegemony. This conflict runs along ethno-sectarian lines, which only exacerbates its impact on the region. Iran's expanding influence in Iraq has taken away Saudi Arabia's most effective counter on Iranian expansion. The two nations are now engaged in what are effectively proxy wars

in Yemen, Iraq, and Syria.⁹⁸ This competition threatens to expand and include the Shi'a populations in Saudi Arabia and Bahrain. These conflicts are driving large-scale humanitarian crises. The steep decline in global oil prices is seriously affecting the ability of regional states, highly dependent on oil revenue, to respond to the crises. The increasing involvement of external state actors such as China and Russia is also introducing an element of uncertainty into a region rife with chaos.

The ongoing Israeli-Palestinian conflict continues to fuel instability in the region. The increasing influence of Hamas within the Palestinian leadership has only widened the rift between the PA and the Israelis. Strong U.S. support for the Jewish State complicates U.S. foreign policy in the region by aligning American interests to those of Tel-Aviv. Israeli security has become the nexus of the U.S.-Iran relationship. Likewise, the U.S. relationship with Saudi Arabia and the GCC, founded on the concept of oil for security, continues to shape U.S. policy. However, that security, ever elusive, has become increasingly imperiled by the spread of violent Salafist extremism that now threatens to destabilize the entire region.

Analysis

Compared to the region in 1979, the strategic environment in the Middle East has decidedly changed, most significantly in the last decade. The end of the Saddam regime in Iraq has altered the power balance of the entire region. The rise and spread of ISIS and other Salafist extremists is an existential threat to stability in the region that did not exist thirty-seven years ago. The fallout from the Arab Spring has shaken the foundations of much of the Middle East, including America's closest Arab allies in Egypt and Saudi Arabia.

While the U.S. economy still depends on the free flow of Middle East oil, its importance has been diminished. Iran can no longer be seen as just a buffer for keeping the Soviets away from Middle East oil, nor is it a genuine threat to U.S. access to Saudi oil. The flow of commerce through the Strait of Hormuz has not been significantly threatened by Iran in nearly three decades. Any doubts about U.S. military resolve and capability that Iran might have maintained from perceived successes of Hezbollah in Lebanon in the 1980s were erased by U.S. military success in the Gulf War in 1990, and the invasion of Iraq in 2003. As a result, U.S. military power is an effective deterrent to any conventional threat in the region.

Any similarities in the contemporary regional strategic environment to that of three decades ago can be primarily associated with the Israeli-Palestinian conflict. Iranian opposition to Israel remains strong, as does U.S. support for the Jewish State. Israel continues to engage in periodic small wars with Hamas and Hezbollah, who continue to threaten Israel with rocket and terrorist attacks. Disagreements regarding the right of return, the status of Jerusalem, and the occupied territories, continue to fuel resentment across the region.

At the macro level, the region is far more chaotic than at any time in the last four decades. Failing states are creating space for the expanding influence of non-state actors. Mounting conflict and associated humanitarian crises are threatening the stability and sovereignty of a number of Arab states. As a result, contrary to 1979, Iran today is arguably one of the most stable countries in the region. If the U.S. strategic endstate is regional stability, this cannot be ignored. Nor can it ignore the fact that after nearly four

decades of strategy aimed at pursuing that endstate, the region is more unstable than it has ever been.

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³ Ibid.

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⁵ Ronald Reagan, *National Security Strategy of the United States* (Washington, DC: The White House, January 1987), 17.

⁶ Obama, *NSS*, 23.

⁷ Secretary of Defense, *QDR*, executive summary.

⁸ Ibid.

⁹ Obama, *NSS*.

¹⁰ Mohsen Milani, “Saudi Arabia’s Desperate Measures,” *Foreign Affairs*, January 2016, accessed 17 March 2016, <https://www.foreignaffairs.com/articles/saudi-arabia/2016-01-10/saudi-arabias-desperate-measures>.

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¹² Nuclear Threat Initiative, “Saudi Arabia,” August 2015, accessed 17 March 2016, <http://www.nti.org/learn/countries/saudi-arabia/delivery-systems>.

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¹⁴ Lacey, 293.

¹⁵ Blanchard, *Saudi Arabia: Background and U.S. Relations*, 33.

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¹⁸ Blanchard, *Saudi Arabia: Background and U.S. Relations*, 19.

¹⁹ Milani, “Saudi Arabia’s Desperate Measures.”

²⁰ Blanchard, *Saudi Arabia: Background and U.S. Relations*, 5.

²¹ Milani, “Saudi Arabia’s Desperate Measures.”

²² Ibid.

²³ Ibid.

²⁴ Blanchard, *Saudi Arabia: Background and U.S. Relations*, 20.

²⁵ Ibid., 21.

²⁶ Ibid.

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²⁹ Jim Zanotti, *Israel: Background and U.S. Relations* (Washington, DC: Library of Congress, 2015), 1.

³⁰ Jeremy Sharp, *U.S. Foreign Aid to Israel* (Washington, DC: Library of Congress 2015), summary.

³¹ Raphael Ahren, “In bid for more aid, Netanyahu invokes cost of America’s wars,” *The Times of Israel*, 10 November 2015.

³² Sharp, *U.S. Foreign Aid to Israel*, 2.

³³ Ibid.

³⁴ Ibid., 1.

³⁵ Zanotti, 3.

³⁶ Nuclear Threat Initiative, “Israel,” May 2015, accessed 18 March 2016, <http://www.nti.org/learn/countries/israel>.

³⁷ Zanotti, 11.

³⁸ Matthew Levitt, “Waking the Neighbors,” *Foreign Affairs*, 23 July 2015, accessed 19 March 2016, <https://www.foreignaffairs.com/articles/israel/2015-07-23/waking-neighbors>.

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⁴¹ Bureau of Counterterrorism, “Foreign Terrorist Organizations,” U.S. Department of State, 8 October 1997, accessed 19 March 2016, <http://www.state.gov/j/ct/rls/other/des/123085.htm>.

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⁴⁶ Katzman and Humud, 3-6.

⁴⁷ Ibid., 7-9.

⁴⁸ Ibid., 10.

⁴⁹ Ibid., 12.

⁵⁰ Ibid., 13-14.

⁵¹ Ibid., 30.

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⁵⁴ Jeremy M. Sharp and Christopher M. Blanchard, *Armed Conflict in Syria: U.S. and International Response* (Washington, DC: Library of Congress, 2012), 1.

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⁶⁷ Ibid., 13-14.

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⁷⁰ Lauren Bohn, "All Our young People Have Gone to the Mountains: Inside Turkey's revived war against the Kurds," *The Atlantic*, 18 August 2015.

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⁷² Mohsen Milani, "How Iran's Moderates Triumphed," *Foreign Affairs*, 3 March 2016, accessed 16 March 2016, <https://www.foreignaffairs.com/articles/iran/2016-03-03/how-irans-moderates-triumphed>. The Assembly of Experts is an elected body of 88 Islamic Theologians whose primary responsibility is electing the Supreme Leader.

⁷³ Karim Sadjadpour, "The Supreme Leader," in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace, 2010), 11-12.

⁷⁴ Jerold D. Green, Frederic Wehrey, and Charles Wolf Jr., "Understanding Iran" (Monograph, The RAND Corporation, Arlington, VA, 2009), x.

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⁷⁷ Geneive Abdo, "The New Political Tools," in *The Iran Primer: Power, Politics, and U.S. Policy*, ed. Robin Wright (Washington, DC: U.S. Institute of Peace, 2010), 55.

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⁸² Green, Wehrey, and Wolf, 8.

⁸³ Sadjadpour, "The Supreme Leader," 13.

⁸⁴ Green, Wehrey, and Wolf, 9.

⁸⁵ Karim Sadjadpour, "Understanding Ayatollah Khamenei: The Leaders Thoughts on Israel, the U.S., and the Nuclear Program," in *Understanding Iran*, ed.

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⁹⁶ Merrit Kennedy, “Who Was The Shiite Sheikh Executed By Saudi Arabia,” *NPR*, 4 January 2016, accessed 29 March 2016, <http://www.npr.org/sections/thetwo-way/2016/01/04/461912757/who-was-the-shiite-sheikh-executed-by-saudi-arabia>.

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CHAPTER 5

CONCLUSION

The Islamic Republic of Iran has become, in two senses, an extraordinary preoccupation of the United States. One sense is that Iran is the subject of a strikingly large proportion of discourse about U.S. foreign policy . . . The other extraordinary aspect of this preoccupation is that it is divorced from the actual extent of any threat that Iran poses to U.S. interests.

— Paul R. Pillar, “The Role of Villain: Iran and U.S. Foreign Policy”

The relationship between Washington and Tehran is clouded by rhetoric on both sides. This analysis is intended to be a clear examination of the surrounding history and current geopolitical context as a means to look through the rhetoric and analyze the issues dispassionately and on their merits. The aim of this thesis was to conduct a strategic analysis of the Middle East to determine if the region’s contemporary geopolitics dictates that the United States reassess its policy of containment and isolation of the Islamic Republic of Iran. To answer this question, it relied first on Hans Morgenthau’s dictum that any attempt to understand current international politics, much less predict future impacts of policy, must be informed by contextual historical understanding. Therefore, the history of Western and U.S. involvement in Iran was examined. As the Islamic Revolution in 1979 marked a pivotal turning point in that history, it was used as a logical point of delineation. The history of Iran prior to the revolution demonstrates that the interests and actions of the great powers following the turn of the twentieth century played a significant role in setting the conditions for the revolution to take place. The U.S. response to the revolution was the application of containment as a cornerstone of U.S. policy in the region. An examination of the history subsequent to the revolution

reveals how the U.S. attempted to implement that policy and the impacts that it had on U.S. involvement in the region and on the achievement of U.S. strategic objectives.

To answer the primary question, the analysis then turned to the SE framework to assess the contemporary geopolitical environment. It did this by examining the backgrounds, interests, and objectives of the various state and non-state actors with equities in the primary question. In keeping with Morgenthau's philosophy, this contemporary assessment was then correlated with the historical context in order to assess the similarities and differences with the past geopolitical environment, as it pertains to each individual actor, to determine if those similarities and differences reaffirm or negate the existing policy.

The remainder of this chapter will aggregate the results of the individual analyses from chapter 4 to make a comprehensive assessment of the continued applicability of the containment policy as applied to Iran. It will then explain the significance of the finding and outline the potential implications to broader U.S. policy in the Middle East. Chapter 5 will conclude by also suggesting where further analysis could be done to supplement the analysis presented here.

Rethinking America's Middle East Policy

At its most basic level, U.S. foreign policy has as its purpose to maximize the influence of the United States in order to enhance its ability to protect its vital interests. To accomplish this, any single policy is aimed at achieving one of two outcomes: to affect some kind of change in the environment that yields a more advantageous condition or, to maintain an existing balance of power already perceived as advantageous.¹ The United States backing of the Shah of Iran prior to the revolution was aimed at

maintaining a status quo power balance in a region that was, at the time, largely sympathetic to the United States and its Cold War with the Soviet Union. The Islamic Revolution significantly altered the existing power balance in the region and as a result, forced the United States to alter its policy in response. The new anti-American regime in Iran threatened U.S. vital economic interests. In an attempt to restore the status quo, the United States adopted a policy aimed at containing the Iranian Revolution and limiting the regime's influence in the region, thereby enhancing the influence of those regimes friendly to the United States.

Since that time, the broader U.S. policy goal in the Middle East has been regional stability based on this new power balance. A cornerstone of that policy has been containment of Iran. The questions that must be then asked are: (1) has the region become more stable as a result of this policy; (2) has the balance of power shifted in favor of, or against, the United States; and (3) does the United States maintain the same vital interests that recommended the previous balance of power in the first place? These are extremely complex questions that are also influenced by issues external to the U.S. policy regarding Iran; however, Iran's centrality to them cannot be discounted.

As shown in chapter 4, the U.S. policy goal of stability in the Middle East is being frustrated by a number of significant challenges. These challenges generally fall into three categories: the spread of Sunni Salafist-jihadism, the Israeli-Palestinian conflict, and rising Sunni-Shi'a sectarian tensions personified in the Iran-Saudi Arabia conflict. While these challenges existed in 1979, their modern manifestation has led to significant changes in the strategic environment in the region.

Sectarian conflict, rather than traditional nation state power politics, is now the principal driver of instability in the region. This challenge is one that is least suited to a solution by U.S. foreign policy tools. The Sunni-Shi'a conflict in Islam is almost as old as the religion itself. The U.S. experience in Iraq, and the current challenge represented by ISIS, is indicative of the degree to which this conflict can spiral out of control and the difficulties presented in militarily containing it.

ISIS, as well as al-Qaeda and its affiliates have ascended as the principal threat in the region. The preeminence of the need to defeat of ISIS in particular, has subordinated U.S. engagement on any other regional issues. The spread of ISIS and its ideology threatens to undermine the stability of governments throughout the region. Already, Iraq and Syria are bordering on collapse, and Lebanon and Jordan are severely threatened. Continuing along this trend line could lead to instability in Israel, Saudi Arabia, and Iran. Therefore, ISIS represents an existential threat to the region and its military defeat is in the interest of all of the nations in the Middle East. Such a universal threat to stability has not existed in the modern history of the region. The group's virulent anti-Shi'a ideology, as well as its geographic proximity, makes ISIS a particular threat to Iran.

The Wahhabist version of Sunni Islam embraced by the government of Saudi Arabia is at the core of the modern Salafist Jihadi movement and the more extreme versions of the Salafist movement is as rabidly anti-Shi'a as it is anti-Western. Saudi Arabia and other Sunni Gulf states have used their oil wealth to fund Salafist mosques and madrassas throughout the Muslim world aided by a shadowy financial network that also funnels money from these countries to violent extremist groups throughout the region. As a result, Salafism is the fastest-growing Islamic sect.² While Saudi Arabia has

attempted to crack down on extremist organizations at home, it has done little to combat the movement abroad. Saudi Arabia, as the incubator of Salafist ideology, will be critical to the defeat of ISIS and thus U.S. influence there is important. However, the ruling family's relationship with the clerical establishment in Saudi Arabia is problematic and hinders any social and political reform in the Kingdom that could address the underlying drivers of such radical ideologies. Ultimately, the solution to the Sunni extremist problem lies in social and economic reform in Saudi Arabia that may be impossible as long as the al-Sauds want to retain power.

The Islamic Revolution in Iran brought to power a Shiite version of political Islam that in some ways mirrors the radical Sunni implementation. However, it differs in some important ways. Iran's version of political Islam has nationalist roots that Salafist ideology does not share. These roots make Iran much more of a traditional nation state actor. In the aftermath of the revolution, Iran did seek to export its revolutionary ideals to other Muslim countries in the region. However, the war with Iraq in the 1980s effectively put an end to these efforts. While Iran does provide material support to violent organizations, its motivations for doing so are as much rooted in geopolitical power politics as in Islamic ideology. Nonetheless, these activities still contribute to instability and conflict across the region.

The ISIS threat to Iran does present a new opportunity. The lead up to the invasion of Afghanistan demonstrated that Iran has a willingness to cooperate with the U.S. on security issues where the two nation's interests align. That is clearly the case regarding ISIS. The P5+1 negotiations have established a formal mechanism for dialogue between the two nations for the first time since the revolution. Some degree of

cooperation regarding ISIS could result in more a meaningful dialogue regarding the future of the government in Iraq. It is fantasy to believe that there will exist a government in Baghdad completely free from Iranian influence. However, engagement with Iran regarding ISIS would require the United States to divorce the issue from engagement on other U.S. concerns; a pragmatic capability that the United States has demonstrated with numerous other countries in the region and around the world. In spite of a number of conflicting interests, the United States has maintained a relationship with Pakistan for decades, purely for pragmatic reasons. Changes in the strategic environment wrought by ISIS and al-Qaeda dictate reassessment of U.S. policy in this regard.

In many ways, the Sunni-Shi'a conflict is embodied in the more traditional geopolitical power struggle between Iran and Saudi Arabia. Since the revolution in Iran in 1979, the United States has effectively chosen sides in that conflict by building ties to the Sunni Arab nations in the region in an attempt to contain Iran. Concurrently, the United States has grown increasingly close to Israel. The net effect is a xenophobic Iran, which perceives itself as being surrounded by a hostile, imperialist United States, and its proxies. This narrative will have to change if Iran is to ever become a reliable partner in building security and stability in the Middle East. The dynamics of the modern Sunni-Shi'a conflict, embodied in the Iran-Saudi Arabia conflict, combined with the Saudi fingerprints on Salafist extremism dictate that the United States moderate its policies toward Iran to enable taking a more centrist position in the conflict.

The successful resolution of the Israeli-Palestinian conflict predates the revolution in Iran and has been an elusive goal since the establishment of the Jewish State. The conflict between Israel and the Palestinians has enflamed tensions throughout the region

for decades. Israel's view of Iran as an existential threat combined with Iran's use of the Palestinian issue as a political and propaganda tool continues to complicate any potential solution to the underlying issue. The U.S. guarantee of Israeli military superiority adds legitimacy to Iranian obstinance rooted in opposition to U.S. imperialism. Assuming that the United States continues its military support to Israel, countering the Iranian imperialist narrative will be necessary to have any hope of extricating Iran from the Israeli-Palestinian problem. This is unlikely if the United States also maintains a policy of containment and non-engagement. However, changing that policy is no guarantee of success and the possibility of success does not, on its own, dictate that the United States do so.

Iran's ongoing support of violent proxies lends strength to the argument that the United States remains resolute in its policy. However, Iranian support to Hezbollah is as much about maintaining influence in Syria and Lebanon as it is about opposing Israel. Hezbollah, while a designated foreign terrorist organization, is not the Islamist ideological threat that ISIS represents. Prior to the Syrian civil war, Hezbollah had demonstrated an inclination toward autonomy from Iran and political engagement in Lebanon. Pressure from Khamenei forced Hezbollah to commit forces to Syria in support of Iran's ally Assad.³ Resolution of the Syrian civil war and the conflict with ISIS is necessary before any reliable predictions about the future of Hezbollah can be made. At a minimum, its pivot to fighting in Syria does not seem to have diminished the group's animosity towards Israel.

Ultimately, the question for the United States is whether it wants to continue in its historical role as arbiter of the Israeli-Palestinian conflict. If it chooses to do so, the

United States will struggle to continue its guarantee of Israel's QME and at the same time successfully presenting itself to the Muslim world as an unbiased mediator. The United States has enduring ties to Israel founded on common values and ideals. While there are questions about Israeli Prime Minister Netanyahu's commitment to the U.S. supported two-state solution, there remains significant natural alignment in Israeli and U.S. interests. That Iran has been surpassed by ISIS and Salafist extremism as the principal threat to stability in the region does not make Iran less of a threat to Israel. Given the largely similar nature of the past and contemporary strategic estimate of Israel, a change in U.S. policy is not mandated. However, that the situation remains largely unchanged after thirty-seven years indicates the necessity of strategy modification if the United States hopes to affect a different outcome.

Do the contemporary geopolitics of the Middle East dictate the United States adopt a policy of engagement with the Islamic Republic of Iran? Morgenthau states that in order to answer this question we must be able to "distinguish between the differences and similarities in two political situations," in this case the Middle East as it existed when the United States adopted this policy, and the Middle East as it exists today.⁴ He then says that one must be able to "assess the import of the similarities and differences for alternative foreign policies."⁵ Taken in aggregate, the impact of the identified similarities and differences in the strategic environment faced by the United States in the region lead to the conclusion that some modification of the U.S. policy approach to Iran is prescribed.

In many ways, the U.S. perception of Iran remains colored by the embassy hostage crisis in 1979. After thirty-seven years of attempted containment and isolation,

the policy that was created in response to that crisis has significant inertia. However, throughout a half century of Cold War defined by containment of the Soviet Union, the United States maintained a dialogue with Moscow. It can be argued that engagement was critical to preventing war between the super powers on a number of occasions, and played an important role in ultimately ending the Cold War. As Morgenthau might suggest, there is likely a lesson to be learned from that experience.

Implications for Further Research

In the last decade, the power balance in the Middle East has undergone as significant a shift as it did following the Islamic Revolution in Iran. If, as its strategic direction indicates, the United States still has vital economic interests in the region that are protected by regional stability, then the United States must consider, as it did in 1979, a change to its policies. If Khamenei perceives correctly that the balance of power in the region is tilting towards the Islamic Republic, then the United States is faced with a choice. It can accept that Iran is in some ways ascendant and attempt to enhance its influence with Tehran through engagement, or it can continue its longstanding policies aimed at containing Iran to prevent such a shift in the power balance. That thirty-seven years of these policies have largely failed to achieve their strategic ends is instructive. However, engagement with Iran has a number of significant implications for existing U.S. relationships in the region.

As evidenced by their response to the P5+1 negotiations, any attempted U.S. engagement aimed at potentially easing tensions with Iran would be strongly opposed by Saudi Arabia and the smaller Gulf Arab monarchies. A Saudi perception of U.S. acquiescence to advancing Iranian hegemony in the region could likely force the

Kingdom and the countries of the GCC to look to countries like China and Russia, as Iran has done in response to U.S. patronage of Saudi Arabia. Regardless of U.S. engagement with Iran, the Kingdom has already demonstrated a willingness in the past to look beyond its U.S. benefactor when it felt the need. Riyadh has routinely acquired arms from Great Britain and France, and when it had need, from China and Russia as well. Saudi Arabia is now the largest weapons importer in the world, spending over \$6.4 billion in 2014 alone, much of that with the United States.⁶ America continues to be the leading arms exporter to the region, which begs a number of questions: (1) what is the role of foreign military sales in U.S. foreign policy; (2) would U.S. engagement with Iran put continued U.S. arms sales to Saudi Arabia and the GCC at risk; and (3) is the introduction of massive amounts of U.S. made weaponry to the region a sound policy if the U.S. goal is regional stability? The questions are important and merit further research to understand them fully.

Defense cooperation has been at the heart of the U.S. relationship with the GCC. However, U.S. military aid and arms sales need not anchor any potential U.S. relationship with the Islamic Republic. The United States maintains productive relationships, not built upon American military aid and defense cooperation, with many countries in the world. Diplomatic and economic engagement with Iran could enhance U.S. influence there without jeopardizing its existing relationships in the region. Prior to 1979, the United States maintained productive relationships with Israel, Saudi Arabia, and Iran. Doing so today would go a long way to permitting the United States to extract itself from the middle of a sectarian struggle that it has little ability to influence.

The United States shares significant alignment of values and interests with Israel. The same cannot be said of Saudi Arabia or Iran. However, from a social, economic, and political perspective, it could be argued that the United States shares greater alignment with Iran than it does with Saudi Arabia. Iran is more educated, socially liberated, and more democratic than Saudi Arabia. The governments of both countries are repressive and the United States has human rights concerns with each. The population of Iran is three times that of Saudi Arabia and free of economic sanctions, represents significant economic potential. Even with its oil industry battered and its financial industry isolated by crippling sanctions, Iran's Gross Domestic Product is over half that of Saudi Arabia's.⁷ What might be the potential U.S. economic benefits of an opening with Iran is another area that merits further inquiry. As is the potential socio-political impacts to Iran of economic expansion. Strong economic ties to Saudi Arabia has not provided the United States with the necessary influence in Riyadh to affect social and political reform. Whether it could do so in Iran is an open question.

U.S. demand for Saudi oil has been steadily declining for a number of years, while demand in South and East Asia has been rising.⁸ Consequently, a Saudi pivot away from the United States may be inevitable. However, the United States is still the largest economy in the world and Saudi Arabia's largest trading partner. A diplomatic détente with Iran may not be well received by Riyadh but it is not currently in a position to significantly alienate the United States because of it. The economics related to Middle East geopolitics are complex and the impacts of an economically open and reintegrated Iran warrants further inquiry so that they may lend clarity to the issue at question in this thesis.

The impacts of U.S. engagement with Iran on America's relationship with Israel are perhaps simpler to analyze, but nevertheless warrant inquiry beyond this thesis. U.S. overtures to Iran need not imply abandonment of U.S. military aid to Israel nor of U.S. advocacy on behalf of Iran in the international arena. While Israel has demonstrated that it is certainly not supportive of such an action, it lacks sufficient leverage to prevent the United States from pursuing such an action. Israel is too tied to the United States from an economic, diplomatic, and security perspective to risk permanent damage to its relationship with Washington. However, Israel's influence in America's domestic politics is significant and, as the JCPOA has demonstrated, any attempt by a U.S. administration to seriously engage with Iran would encounter significant domestic political resistance.

Ultimately, any attempt to predict the implications of a U.S. policy change in the Middle East is largely a theoretical undertaking. Recent overtures to Cuba by the Obama Administration may provide a useful case study. The United States has restored diplomatic relations with the Castro regime after more than fifty years of embargoes, sanctions, and isolation. While the regional geopolitics surrounding Cuba are not as complex as those in the Middle East, the situation does bear some meaningful similarities. It will be instructive to observe the social, economic, and political consequences of U.S. diplomatic and economic engagement with Cuba. It will be equally instructive to see how any changes might influence other Latin American countries. While not a perfect emulation, Cuba has significant parallels with Iran that could provide valuable lessons.

Ultimately, as Morgenthau has stated, "the most formidable difficulty facing a theoretical inquiry into the nature and ways of international politics is the ambiguity of

the material with which the observer has to deal.”⁹ This statement is important for its inclusion of the key words “theoretical” and “ambiguity.” Any attempt to analyze international relations and geopolitics is a theoretical undertaking and fraught with ambiguity. This thesis has attempted to apply an approach to analyzing very complex geopolitical issues based on judicious use of historical context correlated with analysis based on a widely accepted framework for strategic planning. This methodology aimed to apply rigor and focus to analyzing a question of great scope and complexity. The conclusions drawn in this thesis, while theoretical, are grounded in analysis of the major issues surrounding the U.S. relationship with Iran. U.S. engagement with the Islamic Republic is a contentious question, as is the role of engagement in broader U.S. foreign policy. Leaders from Woodrow Wilson to Henry Kissinger have differed in their views on how and why the United States should engage with the international community. However, whether based on the pragmatism of realpolitik, or the idealism underwriting the liberal international order, it is clear that the realities of the modern Middle East dictate that the United States reassess its relationship with Iran.

¹ Morgenthau, 40-41.

² The Economist, “Politics and the Puritanical,” 27 June 2015, accessed 28 March 2016, <http://www.economist.com/news/middle-east-and-africa/21656189-islams-most-conservative-adherents-are-finding-politics-hard-it-beats>.

³ Levitt.

⁴ Morgenthau, 18.

⁵ Ibid.

⁶ IHS Jane’s 360, “Saudi Arabia replaces India as largest defence market for US,” IHS, 8 March 2015, accessed 4 April 2016, <http://www.janes.com/article/49809/saudi-arabia-replaces-india-as-largest-defence-market-for-us>.

⁷ The World Bank, “GDP ranking,” The World Bank Group, accessed 4 April 2016, <http://data.worldbank.org/data-catalog/GDP-ranking-table>.

⁸ Blanchard, *Saudi Arabia: Background and U.S. Relations*, 28.

⁹ Morgenthau, 18.

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