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A Third Way

Normalizing relations will help both sides *Michael McFaul and Abbas Milani*

Recent developments in Iran have convinced advocates of both “softer” arms-control approaches and more hard-line regime-change strategies that their analyses are correct and their policy prescriptions are working. The arms-controllers see a Tehran more willing to negotiate; the regime-changers see increasing repression. Though evidence for both claims can be marshaled, neither offers balanced insight into Iranian behavior or a sensible strategy for breaking the decades-long impasse in U.S.-Iranian relations. We need a novel approach, a third way—simultaneously pursuing arms control *and* democratization by means of engagement, not coercion.

Today Iran seems to be more willing to find a negotiated settlement to its problems with the international community. The April 2007 crisis over the British sailors held captive in Iran was solved with unexpected alacrity and relative ease. Moreover, Supreme Leader Khamenei has reportedly given Iran’s chief nuclear negotiator, Ali Larijani, new special powers to negotiate on the nuclear issue (a meeting between Larijani and the EU’s Javier Solana suggests that there is something to the reports). At a May 2007 conference in Sharm el Sheikh, Egypt, Iranian diplomats met with their American counterparts. Meanwhile, Iranian advocates of confrontation with the West, led by President Ahmadinejad, have recently suffered a sharp decline in power.

In the West, self-described pragmatists focused on the nuclear issue have asserted that the peaceful resolution of the hostage crisis coupled with renewed Iranian interest in meeting with American officials proves the futility of confrontation and the wisdom of accommodation. In their view, the United States must now forgo any dream of promoting democracy, offer the regime the respect it desires and deserves, and get on with the business of *détente*. For them, Nixon’s 1972 China gambit provides the model.

But the domestic situation is less promising. Concurrent with conciliatory diplomatic gestures, the Iranian regime has recently started a new campaign of imprisonment and intimidation against human-rights activists and dissidents. For the last quarter of a century in Iran, attacks on women have been an early harbinger and sensitive barometer of the level of violence and oppression used by regime in society at large. Today, a massive new operation in Tehran has begun to force women to abide by more rigid strictures on veiling. In one day alone in April 2007, more than 1,300 women were arrested, with 1,000 of them released

after paying a fine, 300 spending the night in jail, and 47 having their cars confiscated.

For proponents of regime change, this internal crackdown confirms the menacing nature of the Iranian government. Moreover, the decision to detain innocent soldiers and the odious practice of parading hostages before cameras—coming in the wake of the regime’s continued defiance of the UN Security Council and its relentless support for terrorists in Iraq, Lebanon, and Palestine—all demonstrate the incorrigible evil of the mullahs, who understand only the language of raw power. Any negotiation affords the regime an undeserved legitimacy. Instead, the lesson to be learned from the hostage crisis and the new round of arrests is that we need more of the same: tighter embargos, more money for those willing to fight the regime (including for ethnic minorities seeking independence), and eventually a military attack on the regime’s nuclear facilities. The most recent American intelligence estimates—which suggest that Iran may have earlier access to nuclear weapons than previous assessments had predicted—only underscore the urgency of this more forceful approach.

Both interpretations of these recent developments and the policy recommendations that flow from them are flawed.

Iran remains an autocracy, intent on repressing its people at home and threatening the interests of the United States and its regional allies. This regime deserves no respect, legitimacy, or recognition from the United States. Only a democratic Iran will become a peaceful neighbor in the Middle East and a reliable, predictable partner for the United States. American leaders and their allies must not be fooled by Iran’s behavior in freeing the hostages or seeking a meeting with Secretary Rice into assuming that this is a “normal” regime with which the United States can develop the kind of stable and cordial relations that Nixon launched with China 35 years ago.

However, the best strategy for nurturing democratic change in Iran is neither more sanctions nor military confrontation; instead we should encourage more interaction with the West, and with the United States in particular.

A comprehensive, uncompromising policy of engagement with Iran must begin with unconditional negotiations on all disputed topics: the United States must give up its precondition of verifiable suspension of enrichment activities before talks, and the Iranian regime must accept human rights and state sponsorship of terrorism as part of the agenda. To move forward, the negotiations will need to be founded on a basic trade: that Iran suspends all enrichment activities in exchange for (1) an internationally supplied source of nuclear fuel, (2) diplomatic relations with the United States, and (3) the lifting of blanket U.S. sanctions (though keeping smart sanctions in place). But negotiations do not end there. U.S. officials should not pursue diplomatic relations with Iran as a strategy for preserving the status quo (as Nixon did with China in the 1970s) but as a strategy for altering the status quo (as Reagan did with the Soviet Union in the 1980s).

For instance, opening an American embassy in Tehran should be used to facilitate interaction between Iranian and American societies, including sending more Iranians students in American universities, more American academic, scientific, and business delegations to Iran, and greater flows of information about the United States into Iran. Gradually, with normalized relations, American and European mass media and NGOs could open offices in Iran, establish ties with their Iranian counterparts, and promote cultural exchanges, free flows of information, and democratic development. Compared to Chinese society in the early 1970s, Iranian society today is wealthy, urban, educated, and organized, offering a wide range of potential contact points for constructive, mutually beneficial engagement with Iran. A U.S. ambassador in Tehran also could act as a vocal defender of Iranian human-rights groups and as a symbol of America's desire to engage the Iranian people and society. At a minimum, an American diplomatic presence inside Iran would expand our knowledge about the nature of the Iranian regime and society.

Second, lifting American sanctions is likely to create new trade and investment opportunities for Iran's genuinely private sector, not to generate new rents for the government. The regime has used the ineffective unilateral American sanctions not only to deflect criticism of its incompetent and corrupt economic policies, but also to enrich its cronies by giving them lucrative special licenses to import crucial material into Iran. Furthermore, the regime has been using dummy companies based in Dubai to import American commodities first into the United Arab Emirates and from there to Iran. Last year alone, the UAE "exported" commodities worth more than \$12 billion to Iran—much of it American commodities "prohibited" by the U.S. sanctions. Many American investors seeking to work inside Iran are Iranian-Americans who despise the current regime. In the long run, with the embargo lifted, they will wield their economic clout to empower Iranian society at the expense of the mullahs.

In parallel to opening bilateral relations and lifting sanctions, U.S. officials should endorse the creation of a regional security organization in the greater Middle East that would include Iran, akin to the Commission on Security and Cooperation in Europe (now called the OSCE) formed 30 years ago. Such an organization could begin to provide security guarantees between states in the region as well as those outside of the region with major security stakes. They also must keep the human-rights issues of the Iranian people in mind. When the OSCE first began, the Soviet Union and its allies were members. OSCE security guarantees helped to defuse tensions in Europe, while the human-rights guarantees codified in the OSCE founding charter—the so-called "basket three" items—eventually inspired human-rights groups in communist countries to pressure their governments for change.

Advocates of confrontation mistakenly believe that these bold policy changes would legitimate and strengthen a dangerous regime. While we share their analysis of the Iranian regime, we disagree with their strategy for dealing with and ultimately changing it.

The current policy of trying to coerce the regime into changing has not worked for over a quarter of a century. Sanctions, isolation, and coercion may make Americans feel morally righteous, but such policies almost never lead to democratization or arms control. Sanctions against apartheid in the 1980s did help to spur the negotiated transition to democracy in South Africa. But these sanctions had teeth because of deep U.S. investments in South Africa, a condition that does not hold in Iran today. Nor have sanctions deterred countries from seeking nuclear weapons. They did not work against India, Pakistan, or North Korea and are unlikely to work against the current regime in Iran. Only when a government changes its strategic thinking about threats and allies, as the South Africans, Brazilians, Ukrainians, and Kazakhs did during periods of transition, do countries decide to forego nuclear weapons. Coercion did play a role in getting Libya to abandon its nuclear program, but Libya's case is very different from Iran's. Libya's investment in a nuclear program and its capacity to sustain and develop the technology were only a fraction of Iran's. Khomeini was never fully serious about developing nuclear capability; the Iranian government is. Khomeini also had reason to fear a U.S. military strike, which could have eliminated not only his nuclear-weapons programs but also his entire armed forces and maybe even himself and his regime. Iran, on the other hand, is a much larger and more complex country, with 75 million people and a hydra-headed regime not organized around one leader and his family. Especially with U.S. forces overstretched and bogged down in Iraq, Iranian leaders no longer fear a full-scale invasion. Any other kind of strike would benefit them politically.

Moreover, diplomatic relations, if handled properly, do not accord legitimacy. The Reagan administration maintained diplomatic relations with the Soviet Union, while also sharply criticizing the regime and encouraging engagement with dissidents. And Secretary of State George Shultz began talks about nuclear weapons with his Soviet counterparts well before Gorbachev came to power.

While our proposed strategy may not yield short-term Iranian political liberalization, it will help to delay the regime's quest for nuclear weapons, an important objective that current American policy is not achieving.

It is essential to understand that, in defending this new policy, we follow the course advocated by most leaders of the democratic movement inside Iran. No major figure in the Iranian opposition supports sanctions, let alone military action. On the contrary, according to Akbar Ganji, arguably the country's most important moral advocate of democracy, the vast majority of Iran's democratic leaders and thinkers believe that normalized relations with the United States and greater integration of Iran into international institutions will strengthen their democratic cause.

If new, comprehensive relations between the United States and Iran have the potential to foster internal liberalization, why would the current Iranian government ever pursue such relations? They would be tempted because they believe that they could manage the new political and economic developments that

would result from normalized relations. Autocrats always overestimate their capacity to manage change. But even if they did reject such overtures, rejection itself would produce a major positive development inside Iran. Because a majority of Iranians want better relations with the United States, a regime that rejected the possibility of normalized relations would not be popular. Moreover, if the United States agreed to lift sanctions, but the regime in Tehran refused, the regime would lose a valuable propaganda asset—"blaming the Americans" for all of Iran's economic woes. More generally, any policy that shifts attention away from nuclear issues and toward domestic issues is good for Iranian democrats and for U.S. foreign policy.

After 30 years of stalemate and failure in dealing with Iran, why not listen to Iran's democratic voices and pursue a policy that goes beyond bombing or arms control. A new policy that combines the objective of democratic change with a strategy of engagement offers a bold third way.

The Iranian and American governments have many common interests in the Middle East and can more effectively help bring regional peace and stability through cooperation. It will not be easy, but one thing is certain: lasting peace and stability cannot be established through violence. ■

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