

*Testimony of  
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Mr. Chairman: When in an interview with Mr. David Ignatius, of *Washington Post*, President Bush declared that “one of the dilemmas facing American policy-makers is to understand the nature, the complex nature of the Iranian regime,” he was grievously right.

There can, I submit, be little disagreement with the proposition that the question of what do with Iran looms as the most serious challenge facing this administration, and arguably the next. Policy formed on ignorance is a sure recipe for disaster. A number of additional factors here in American and back in Iran add to the possibility for just such a disaster. The continuing crisis in Iraq has created in the Bush administration the need to find something to redeem its hitherto unsuccessful Middle East policy. A halt to Iran’s nuclear program through the use of military force might be seen by some as just such a redemption.

There are those in the foreign policy establishment in Washington who still harbor the illusion that problems in the Middle East and Iran can and should be solved solely through the use of American military power. The surprising shrinkage of centers for the serious and academic study of Iran in American universities in that last quarter of century helped create a dangerous knowledge and expertise vacuum that has been filled with policy wonks with little experience in Iran, or with members of the Iranian-American Diaspora, who besotted with the new “Chalabi syndrome,” and understandably desperate

in their attempt to get rid of the despotic mullahs in Iran, are trying to goad the United States into a war with the Iranian regime.

Another group trying to fill this epistemic gap are those experts who sometimes seem to behave as de facto agents of the Islamic Republic and suggest that the regime in Tehran is here to stay, the opposition and the democratic movement is dead, and it is in America's best interest to simply make a "grand bargain" with the mullahs, and forget and forego the idea of helping the people of Iran actualize their democratic aspirations. Neither those who see the regime as teetering on the edge of the abyss, nor those who say it is irremovably entrenched take into account the complicated and dynamic realities inside Iran. The regime in Tehran is tactically strong and nimble, but strategically daft and vulnerable.

In Tehran, too, there are factions within the Islamic Republic of Iran who seek the dogs of a war with the US. For them, even the howls of such a war helps consolidate their power and further strangle the Iranian people and their hundred-year old dream of a secular democratic polity. To some of them, America is an empire in decline, bereft of the desire or resolve to fight. Still others in this camp simply welcome a war as a sure way to grab and consolidate more power.

The challenge facing America today is formulating a policy that avoids the discredited (even delusional) optimism of the militarist camp as well as the appeasing pessimism of proponents of compromise with the mullahs who rule Iran. Moreover, doing nothing is about Iran is also not an option; with every passing day, inaction no less than a flawed policy, will allow the mullahs to become all but impervious to domestic or international pressures. And to some in the regime, only a nuclear bomb will afford them

the security of such imperviousness. In the looming confrontation with the US, some of them believe, they can get, “a North Korean treatment” rather than the one afforded Saddam Hussein, only if they are part of the nuclear club.

Iran is singularly important for the US by accidents of Nature, actions of Iranians, and dictates of History. Nature made the country sit on huge deposits of gas and oil, and allowed it to have a commanding position over the Strait of Hormoz, one of the most crucial waterways in the world. History rendered Iran important when it became (like Egypt) one of the only two countries whose existence and boundaries were not figments of colonial machination. These facts of History and Nature combined to make Iran, with Egypt, the two bellwether states for the entire Middle East (Egypt for the Sunnis and Iran for Shiites.) Finally, Iranians made the Revolution of 1979, hoping for democracy, but Ayatollah Khomeini and his cohorts turned the country instead into a despotic theocracy and a model and magnet for radical Islamists around the world. The regime’s increasingly overt and aggressive support for the Hezbollah in Lebanon and for Hamas in the Palestinian Authority, and Ahmadinejad’s inexcusable threats against the state of Israel are only some of the examples of these actions. And if all of these factors were not enough, the mullah’s nuclear adventurism has afforded Iran singular significance not just for the region and the United States, but for Israel and the nuclear non-proliferation regime.

Nevertheless for over a quarter of century, the US has not had a coherent strategic policy on Iran. It has, as a result, been forced in a tactical, reactive mode. For years, US and the EU were unable to agree on a common policy on Iran (with EU often pursuing its immediate economic interests in the guise of insisting on “constructive dialogue” with the

regime in Tehran.) The absence of a common Western policy allowed the mullahs to pit the US against Europeans, and use the crucial interregnum to further develop their nuclear plans. As Mr. Rouhani, Iran's leading negotiator on the nuclear issue for several years declared in a key speech, the regime wanted to "do a North Korea" on the world and force it to face a fait accompli on the country's nuclear program. Libya's decision to come clean on its nuclear plans and the discovery of A Q Khan's supermarket of terror thwarted this effort.

When the US and EU finally did agree on a common Iran policy—pressuring Iran through the UN—Iran had by then developed closer ties with China (an almost one hundred billion dollar oil and gas deal) and with Russia (multi-billion dollars in trade, military sales and future options for construction of new nuclear reactors.) Moreover, by this time, both China and Russia, for different reasons were bent on a more assertive, if not more muscular policy towards the United States. These new allies bought the mullahs still more time by delaying the passage of the UN resolution. When China and Russia finally agreed to a watered-down UN resolution, the reality was that the international community was playing "catch up" with the mullahs—and in poker as in diplomacy playing catch up is a recipe for disaster.

Now that the Congress, as a co-equal branch of the government, is willing to play its role in formulating the contours of US foreign policy, it will hopefully take into consideration a number of crucial facts about Iran.

As nearly every scholar, expert, and observer of Iran concurs, and as the majority of Iran's population have repeatedly shown the theocracy in Iran is politically despised by its own people, economically incompetent, morally bankrupt and bereft of legitimacy.

Ahmadinejad, for example, came to power in an election where he, and every other presidential candidate, ran against the status quo. Even pillars of that status quo--men like Ali Akbar Hashemi Rafsanjani--tried to reinvent themselves as critics of the very regime they had built and maintained—often with bloodshed and brutality.

But there is yet another key fact about the Iranian regime: It is not a monolith but instead riven by sometimes serious rifts between different factions. Everything from turf wars over a bigger share of the oil money to matters of ideology, tactics and personal rancor account for these rifts. The new more muscular approach by the Bush administration—sending new ships to and a much publicized presidential order to kill or arrests the regime’s agents and operatives in Iraq—come at a crucial moment in Iranian politics when the balance of forces between different factions is rapidly changing. Ironically, the commendable success of the Bush administration in hitherto marshalling an international coalition against the regime’s nuclear ambitions has exacerbated these tensions. The threat of war, and even more an act of war, is certain to reverse this process, lessen the factional feuds, solidify the regime and help the warmongers in Tehran increase their power.

Ahmadinejad came to power because of a populist message: ending corruption and improving the economic lot of the people. Moreover, there was considerable evidence that his victory, particularly in the crucial first round, was made possible because of “support” from the Spiritual Leader, Ayatollah Khamenei.

Though by the existing constitution, a disproportionate part of actual power rests with the office of the Spiritual Leader, nevertheless Ahmadinejad’s ascent was seen as the last step in Khamenei’s attempt to complete his power grab. The judiciary was

already in his control. In Parliamentary elections of that year, Khamenei had ensured that a majority of his most trusted allies, particularly from the ranks of the Revolutionary Guards and intelligent agencies win seats in the Majlis. By putting the presidency in the hands of Ahmadinejad, a young man, with no experience in national or international politics, Khamenei hoped to finally dominate the third and last remaining branch of the government. But things certainly did not work out as planned.

Once elected, it became clear that Ahmadinejad was in fact part of a powerful cabal: Revolutionary Guard commanders, leading members of the *Basij* (the militia-cum-street gang that is the regime's "enforcer"), and stridently messianic clergy expecting the imminent return of the *Mahdi*—Shiism's twelfth Imam believed to have gone into occultation a thousand years ago. One of the newly elected president's closest aides announced that there was nothing "accidental" about the election, but that it had in fact come as a result of two years of a dynamic, complicated, and multi-faceted planning. Events in the first few months of the new administration certainly confirmed this surprising claim.

Moreover, Ahmadinejad's religious guru—the ayatollah he "emulates" in the Shiite tradition wherein humans are either emulated, as in the case of a few Ayatollahs, or "emulators" as in the case of everyone else—was Mesbah Yazdi, a defiantly despotic advocate of absolute power for clergy and of the inherent incompatibility between Islam and any notion of democracy. Like Ahmadinejad, Mesbah Yazdi, too turned out to be a fervent advocate of the idea that the pious must help the return of the Twelfth Imam, or the Mahdi. On more than one occasion, Ahmadinejad has suggested that the main function of his administration is to facilitate the return of the hidden messiah.

The messiah's return, according to some Shiites, is preceded by cataclysms of apocalyptic proportions. The suffering and mayhem that accompanies the return—and religious sources describing the results of this return make images of a Bosch painting seem tame and peaceful-- will be followed by an eternity of salvation. More importantly, the Shiite narratives on this (what they call *hadith*) are tales eerily similar to the stories favored by Christian fundamentalist reading of the *Bible*, and their jubilation over what they believe is the coming of Armageddon. There is, in fact, a worrisome similarity between this Christian vision, and Ahmadinejad's radical brand of Shiism. If either vision becomes policy, then Iran and the US, will be in for a long night of millenarian machinations. Fortunately in Iran many in the regime's hierarchy of power, don't share the hopes for this dangerous "rapture," while in the US, the Madisonian mechanisms for checks and balances and for taming the seething passions of factions and mobs offer a safety net against such extremism.

In the first few weeks of his presidency, Ahmadinejad and his supporters took the Iranian political scene by storm. Ahmadinejad's opponents, and even many of his allies, including the Spiritual Leader, Mr. Khamenei, were surprised by his ideological intransigence, his dangerous international brinkmanship, particularly in the nuclear negotiations, and his many verbal *faux pas* that crippled the economy domestically and embarrassed or isolated the regime internationally (most famously his odious anti-Semitic denial of the Holocaust). Most important of all, they were surprised by the number of allies and cronies Ahmadinejad appointed to important posts in the government. Nearly the entire diplomatic corps was changed, and even the last important survival of that foreign policy purge, Iran's ambassador to the UN is soon scheduled to leave his post.

But as the Iranian people, and even many of the clergy who rule over them, and as the world soon came to realize, Ahmadinejad's rhetoric was no slip of the tongue but in fact part of a new strategy, or paradigm of domestic and international policy for the Islamic Republic. The more people and even many of the ruling mullahs learned about this paradigm, the more frightening the prospects of a regime dominated by Ahmadinejad came to look.

Domestically, the new paradigm is a reversion to the bankrupt, pseudo-socialist, state-dominated, market-deprived, and subsidy-driven economy and polity of the first feverish years of the revolution. More than hundred papers and magazines, including *Sharg*, easily the most powerful voice of moderation in the country, have been closed down. The universities are being purged of all "secular" and "Western" influences. Pressures on the already anemic private sector have brought to a virtual stand-still most new investments.

Internationally, the new paradigm has three key components. First is the idea of reviving the "revolutionary" spirit of the early days of the revolution, when Ayatollah Khomeini often defended the idea of exporting the Islamic revolution and creating a "Shiite revolutionary arc" in the Moslem world. An over-looked fact of the Islamic Revolution has been what it shares with the experience of the Bolshevik Revolution in Soviet Union. As in the Soviet Union--and the argument of those like Trotsky that the revolution in Russia can only survive and win if it is exported to the rest of the world to what he considered the "moribund world of capitalism,"--in Ahmadinejad's vision, the Islamic revolution in Iran too can survive only if it helps lead the other Muslims in the fight against the weak, vacillating and declining West. Iran, Ahmadinejad argues, must be



the ideological leader, military supplier and financial supporter of this international brotherhood (a “Shiite or Shiite-Sunni Commintern!”)

Ahmadinejad’s rhetoric, hand in hand with the increasing assertiveness of the Shiites in some of the countries in the Middle East, and the belief of many of these Sunni-dominated Arab states that Iran is developing a nuclear bomb has made them seriously concerned about a new emerging Iranian hegemony in the region.

A second corollary of Ahmadinejad and his cabal’s paradigm is the proposition that on the nuclear issue, only by forcefully continuing enrichment activities, and by ignoring Western threats can the Islamic regime of Iran maintain its “dignity” (*ezat*) and achieve its goals. If Iran continues to pursue its nuclear program, Ahmadinejad and his supporters often declared, the West would “do nothing.” A few days after Iran announced that it had enriched uranium successfully, Ahmadinejad and his allies declared, in jingoist jubilation, that “as we said, the West can do nothing,” adding that Iran must aggressively push forward with all aspects of its nuclear program. Nothing short of a full fuel cycle is the right of Iran under the current NPT, they declared. Ironically, as Ayatollah Montezari, Iran’s leading living cleric, and a critic of the regime, recently reminded his audience, the mullahs trample upon every right of the Iranian people, yet they staunchly safeguard its nuclear rights!

The third component of the new paradigm of foreign policy is intimately interlinked with the second. It is called, in the jargon of Iranian policy establishment the “Asia Look.” According to this notion, Iran’s future no longer rests with the declining West, but with the ascendant East—particularly China, and India. Multi billion dollar oil and gas agreements with both China and India, and negotiations for the construction of a

new pipe line connecting Iran to India through Pakistan, and eventually China will allow Iran to have a rapidly growing market for the country's oil and gas. Moreover, both countries have nuclear technologies they could share with Iran, and both countries are unlikely to raise issues like human rights and the democratic rights of the Iranian people. North Korea is another element of this new "Asia Look." There are increasing reports about cooperation between North Korea and Islamic Republic of Iran, particularly in the field of military, missiles and nuclear technologies. Aside from regional rivalries between India, China and Pakistan, and aside from the problem of the vast sums needed to build the pipeline, a more recent obstacle to the Asia dream has appeared in the form of a powerful, separatist movement of Baluchis in Iran and Pakistan's Baluchestan provinces.

Ahmadinejad and his allies were convinced that the world's fear of another sharp increases in the price of oil, and the expected help of China and Russia, will render the US unable to push through a sanctions resolution in the UN. When Europe and the United States did in fact unite to forge ahead on a UN resolution, and when much to Ahmadinejad's chagrin, Russia and China joined the vote, Ahmadinejad's star began to fall. Signs of his fall from grace have been many.

The first sign of his decline was an increasingly vocal chorus of critics who declare he has not delivered on his campaign pledges to fight corruption and improve the lot of the poor. In recent elections for local councils as well as for the powerful eighty-man Council of Experts (entrusted with the task of choosing the next spiritual leader) Ahmadinejad and his allies suffered a humiliating defeat.

The economy has afforded Ahmadinejad's critics easy ammunition. In spite of record earnings from oil, in recent months there has been a massive flight of capital from

Iran. The country also has the infamous honor of topping the list of countries suffering from a brain drain and losing their best and brightest to exile. A shrinking private sector, a crisis in the banking sector, an increase on oil dependency and an increase in subsidies paid by the regime are other problems facing the regime. Any serious reduction in oil prices will force the regime to face an almost immediate economic crisis. The current double-digit unemployment (some sources putting it as high as thirty percent) has not improved, and Ahmadinejad's habit of recklessly throwing money to disgruntled cities and provinces—without legitimate budgetary authority and sometimes even without the funds—has created for the regime the enigma of stagflation—high inflation rates and rapidly rising prices and a depression-like “recession.” So worried are elements within the regime that there is now talk of impeaching the president, or limiting his years in office through a legal maneuver about the timing of presidential and parliamentary elections. A letter signed by more than one hundred fifty members of the parliament boldly questions the ability of the once-Teflon president to steer the ship of state,

In foreign policy the counter-attack by Ahmadinejad's foes and critics began with Hashemi Rafsanjani's decision to publish a hitherto classified letter by Ayatollah Khomeini. In the letter, written in 1988, and addressed to the leadership of the Islamic Republic, Ayatollah Khomeini describes the reasons why, after eight years of continuing the war with Iraq, he was left with no choice but to reluctantly sign a ceasefire. The letter explained this exigency by the fact that the Revolutionary Guards had demanded amongst other things nuclear bombs to win the war. The implied message of the letter's publication seems clear: Iran was gradually put in a corner and had no choice to sign a peace agreement with Iraq, and Ahmadinejad's intransigence in the nuclear issue today is

likely to lead Iran into a similarly costly and humiliating situation. The letter was also important in that it was the first official confirmation that as early as 1988, Revolutionary Guards wanted to have nuclear weapons.

The last example of conflict and criticism of Ahmadinejad's handling of foreign policy has been over his attitude towards the passage of the UN Security Council resolution against Iran. Ahmadinejad continues to downplay the significance of the resolution, insisting it has no significance, and must not be taken seriously. It is nothing but a piece of paper, he declared. But other members of the leadership—from Khamenei to Rafsanjani—have all insisted that the resolution is in fact very serious and must be treated with utmost urgency. The resolution, Rafsanjani declared in a Friday Sermon last week, will be even more damaging than an invasion of Iran. The hostile crowds Ahmadinejad faced recently at college campuses and the mounting parliamentary criticism of his actions show that even Ahmadinejad's populism can no longer protect him.

In the course of last year, Ahmadinejad has tried to help insure himself against this rising opposition by consolidating his relations with the Revolutionary Guards. Multi-billion dollar no-bid contracts have been given to Revolutionary Guards and their leaders and their companies. But even that has not silenced some in the ranks of the Guards who are also worried about the future of the regime. The website *Baztab*, supported by one of longest serving top commander of the Revolutionary Guards, has become increasingly and openly critical of Ahmadinejad.

There is only one thing that can now save Ahmadinejad and his cabal's declining political fortune, and that a military confrontation with the United States or attack on

Iran's nuclear facilities by either Israel or the United States. The fact that Mr. Khamenei is reportedly in ill-health (lymphoma, according to critics of the regime and a bad flu according to the regime) and a power struggle is likely to take place over deciding his replacement make US foreign policy in the next few months of particular import. Military confrontation with American forces will strengthen the regime hardliners and weaken their opponents and critics who are already limited in their ability to operate.

If Ahmadinejad and his cabal do consolidate power, Iran will become more of a serious problem for the United States, Israel and the region. Iran's nuclear problem does not have a military solution. It is certainly true that so long as the Islamic Republic of Iran is in power, there will not be peace or democracy in the Middle East. But it is no less certain that this solution can and will come only if there is democracy in Iran. An attack on Iran will not only help the Ahmadinejad cabal consolidate its waning power, but elevate his status as a hero and martyr for Muslims around the world.

A sustained American bombing campaign might temporarily disrupt or delay Iran's nuclear programs. The fact that the regime, in anticipation of such an attack has dispersed these sites throughout the country, placing many of them in heavily populated cities makes the success of the attempt at delaying or disrupting the program less likely. Moreover, the newly consolidated hard-line regime in Tehran that is the likely to be the consequence of such an attack would be even more emboldened to openly acquire nuclear weapons, and it could count on a new degree of popular support for the program both inside Iran and around the Muslims around the world. A preemptive attack, which would lack international legitimacy, would also prompt Iran to withdraw entirely from the nuclear non-proliferation regime, as some of Ahmadinejad's allies have already

threatened, while inducing Russia and China to abandon the crucial international coalition against the Islamic regime's nuclear adventurism.

There is an alternative. Rather than throw the reactionaries in Tehran a political lifeline in the form of war, the United States should pursue a more subtle approach: In Iraq, instead of giving US soldiers the potentially incendiary task of containing Iranian agents in the country, America must demand of the Iraqi government to perform its duties of protecting the country from foreign interference. If the Maleki government does indeed follow this request and performs its duties, it will also help convince Sunnis in Iraq and other Arab countries that his government is more than a tool of Iranian hegemonic design. A few weeks after the studied silence of the Islamic Republic about the arrest of its operatives in Iraq, the Iranian regime just announced that with the consent and agreement of the Iraqi government, it is increasing its economic, military and intelligence presence and role in that country.

Moreover, the US should offer to negotiate with Iran on all the outstanding issues. Comprehensive negotiations are not a "grand bargain." Instead such negotiations can offer mullahs powerful inducements, such as a lifting the economic embargo and even establishing diplomatic ties. But contrary to the "grand bargain" suggestion, central to such negotiations must be the issue of the human rights of the Iranian people. Contrary to the masses of nearly all other Muslim nations, and contrary to the declining popularity of the US in the world, Iranian people are favorably disposed towards the United States. An offer of serious, frank discussions with the regime on all of these issues will, regardless of whether the regime accepts or rejects the offer, be a win-win situation for the United States, for the Iranian democrats and for the existing UN coalition against the

regime's adventurism. If the regime accepts the offer, anti-Americanism, as one of the regime's most important ideological foundations will have dissipated, weakening the regime's position among the radical Islamists. Such a negotiation will also clearly undermine the power of Ahmadinejad and his cabal. Finally normalized relations with Iran will deprive the regime of its favorite excuse to cover its incompetence. If they reject such an offer, again the inner tensions within the regime on the one hand and between the regime and the people of Iran, who overwhelmingly want normalized relations with the US, will increase. The regime's rejection of such talks will also lead to more unity in the UN coalition on more serious sanctions against the regime. China and Russia will also find it harder to sit on the fence.

Such negotiations, if they take place, are ultimately temporary cures for the problem of Iran and its nuclear adventurism. The regime in Tehran might in fact negotiate but it is sure to break its promise—as it has done so often in the past—and proceed with its nuclear program even more covertly. Only with the advent of democracy in Iran can a strategic solution to Iran's nuclear problem be found. Democracy in Iran is also likely to have a democratic domino effect in the region. In Iran, an often silent majority wants democracy, normalized relations with the world, and avoid nuclear adventurism. Any policy that curtails the contributes to the continuous silence of this majority, derails or delays their democratic aspirations is detrimental to the long term interests of both the US and Iran.

Moreover, if it is true that the war in Iraq and the confrontation with Iran are both parts of the international war on terror, and if it is true, that Iran is a bellwether state for the entire Muslim Middle East, then it is also true that US policy on Iran will have serious

ramifications for that war and for the entire region. The war on terror, like Iran's nuclear problem, does not have a military solution. Both require military might and the credible resolution to use it, but both ultimately have a political solution. Only a large, active coalition of Muslim moderates, Shiite and Sunni—who in spite of recent bloodshed amongst them have for centuries shown they can live together in relative harmony and amity--can defeat radical Islam and its *Jihadist* terrorist arm. The battle for the soul of Islam is less between reviving Shiite and a frightened Sunnis, but between the hitherto silent majority of Muslims, keen on a spiritual reading of Islam and *Jihadists* who want to turn Islam into an ideology for terror. That silent majority, in Iran as well as the rest of the Muslim world, is the natural ally of America and of the West, and a foe of the kind of dogma, intransigence and nuclear adventurism Ahmadinejad and his allies promote. Prudent American policy must strengthen the position of these majorities. Dogs of war with Iran, or even the howls of such dogs helps the likes of Ahmadinejad, and in spite of what results such tactics might bear in the short run, they will in the long run reap nothing but calamity and a nuclear, entrenched and despotic Iran.

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