The 1979 Islamic Revolution brought a radical, theocratic regime to power in Iran. The government’s extremist rhetoric incited fear throughout the region and even the West. Nevertheless, Iran found itself severely isolated on the international scene and unable to effectively pursue its goal of preeminence in the Persian Gulf. While the world was fixated on the Gulf War in Iraq, an internal political shift within Iran led to a new foreign policy approach, which allowed the pariah state to re-emerge as a potential regional leader. The speed and magnitude of Iran’s change qualify as nothing short of a second revolution and suggests that a moderate Iran may be capable of more effectively opposing American interests than a radical, attention-grabbing Iran.

Though recently, more radical calls for spreading the Islamic Revolution have heightened fears in the United States, it is perhaps the relatively moderate Iran of the Gulf War period that posed a more dangerous threat to American interests.
American perceptions of Iran are often inextricably linked to the 1979 Revolution that led to the overthrow of the Shah by the radical ayatollahs. As much as this famous revolution drastically remade Iran’s government and society around the concept of an Islamic theocratic republic, it also utterly transformed Iran’s foreign policy and international standing. Particularly in the United States, the sudden and profound change in Iran’s official attitude toward the rest of the world is the most memorable and seemingly enduring effect of the revolution. Iran’s fierce rhetoric, best exemplified by Supreme Leader Ruhollah Khomeini’s call to export the Islamic Revolution, not only caused great concern both regionally and globally, but also highlights the stark contrast between the United States’ current adversarial relation with Iran and its friendly relations during the reign of the ousted Shah Mohammad Reza Pahlavi.

Nearly thirty years later, the radical rhetoric from this Islamic Revolution still overshadows a quieter revolution that just as suddenly occurred while the world was fixated on the Gulf War. During this “second revolution” of foreign policy strategy in the very late 1980s and early 1990s, a new Iran surprisingly emerged on the international scene out of the severe isolation the world had imposed on it. In what has been referred to as a “charm offensive,” Iran opportunistically reached out near and far, increasing its influence and making friends even with previously forsaken enemies.

While the fiery old calls for spreading the Islamic Revolution terrified the world, it is this more pragmatic and relatively moderate Iran, which emerged during the Gulf War period, that more realistically threatened and successfully opposed American interests. As the rise of wildly radical President Mahmoud Ahmadinejad seems to indicate a shift back to the old, combatively fundamentalist mentality of the 1979 Revolution, the US should heed the lessons of the “second revolution” and recognize that a moderate Iran is perhaps more dangerous than a radical one.

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Iran by forming an economic and security organization called the Gulf Cooperation Council (GCC) to promote their trade interdependence with each other and exclude Iran.

At the same time, Iran's already poor relationship with Western states and the superpowers further declined as they took the easy opportunity to weaken Iran by supporting Iraq. Clearly remembering its tremendous humiliation by Iran during the 444-day embassy hostage crisis and its strategic mission to contain theocratic Iran, the United States provided Iraq with intelligence and material support. The United States' removal of Iraq from the State Department's list of states sponsoring terrorism in 1982, the resumption of diplomatic ties with Iraq in 1984, and America's continued support even after the realization that Iraq was using chemical weapons on Iran, poisoned American-Iranian relations for many decades. France, Britain, West Germany, China, and the Soviet Union all sold billions of dollars worth of military equipment to Iraq as well. Admittedly, Iran was able to purchase military supplies from some states, including China, and even covertly from the United States during the Iran-Contra scandal. However, the number of states Iran could truly call allies and from whom it could receive significant support was very small. Support from global powers decisively affected the course of the war in Iraq's favor and highlighted the extreme extent of Iran's isolation in the wider international scene. Over half a million casualties and billions of dollars in economic damage, from which Iran has not fully recovered, forcefully demonstrated the price of lacking friends.

In light of the seriousness of Iran's isolation, as well as the clear costs and vulnerability such isolation entailed, it seems obvious in retrospect that Iran would begin taking a different approach to its international relations in order to acquire allies. Yet the ability to perceive that need for change, to gain domestic support for its implementation, and to successfully execute it is quite unexpected. The extremism of Iran's previous foreign policy makes the feat even more incredible. Although Iran's new foreign affairs strategy has not been completely or always successful, the swiftness of the change and its significant accomplishments qualify it as nothing short of another revolution.

The Second Revolution

Internal clashes between hard-liners and pragmatists characterize the short period between the Iran-Iraq War and the Gulf War. In particular, two opposing players stood out at this time: the pragmatic President Akbar Hashemi Rafsanjani and the ardently ideological Supreme Leader Khomeini. The infamous Salman Rushdie incident in late 1988 in which Khomeini issued a fatwa calling for the British novelist's death is a prime example of Khomeini's attitude and its disastrous effect on Western perception of Iran. However, Khomeini's death on June 3, 1989 provided an unprecedented opportunity for change. Soon after, Rafsanjani became president and the Iranian Constitution was amended to give the presidency more power. Yet Khomeini, as Supreme Leader and the central figure of 1979 Revolution, had been so enormously powerful and influential that even in death his ideological approach to foreign affairs echoed for many years with the remaining hard-liners.

Iran's somewhat paradoxical international behavior at this time reflects the debate and fighting between the two perspectives. On November 1, 1989 the Majlis, Iran's national legislative body, provocatively allowed American citizens to be arrested abroad and put on trial in Iran (the United States had passed a similar law); yet two days later the United States and Iran worked out an agreement to free $818 million in frozen Iranian funds. In January 1990, Rafsanjani called some government officials
During the war, the unannounced retreat of the Iraqi Air Force to Iranian territory had the potential to strain Iran's neutrality or taint its reputation. Again, Iran shrewdly handled the situation by impounding the planes as part of the Iraqi war reparations, thereby maintaining its neutrality by recategorizing the incident within the Iran-Iraq War. While the veil was thin, the only nation that would complain was Iraq, and it had already given up much more to pacify the Iranians in the 1990 peace agreement. Additionally, Iran sent considerable humanitarian support into Iraq to relieve the civilian suffering, which seemed extraordinarily generous considering the brutality of the Iran-Iraq War. Such actions did much to improve Iran's general international reputation while at the same time only risked its neutrality by a minimal margin. Due to its diplomatic strategy, Iran was continually able to benefit materially from Iraq while maintaining a moral position in the eyes of the international community.

Overall, Iran's new approach stood in sharp contrast to the foreign policy under Khomeini during the Iran-Iraq War. Under his leadership, Iran obstinately and hubristically made unrealistic demands of Iraq during the early period where Iran was winning the war. Because no peace agreement was signed, Iraq continued fighting and eventually pushed back the Iranian forces. The war thus lasted many more years, producing incredible levels of death and destruction in Iran. The ceasefire that was finally accepted years later in 1988 gave Iran substantially less than it might otherwise have gotten had it presented more reasonable demands to Iraq during the early period when Iran was winning. Indeed, after the fighting ended, Iraq could consider its mere survival a victory, while Khomeini compared the ceasefire deal to drinking hemlock.

While Iran's friendly overtures to the Gulf states before the 1990 Gulf crisis had only limited success, during the crisis Iran was able to almost completely rebuild its relationships. It would have been quite easy for Iran to humiliate Kuwait and the other Gulf states that had aided Iraq during the Iran-Iraq War and now feared Iraqi aggression. However, Iran resisted that temptation and used the situation to improve ties instead. Considering the thousands of deaths and widespread destruction that Iran suffered in its war with Iraq, along with the fact that only two years had passed, the speed and extent to which Iran forgave its enemy's supporters is remarkable. In addition, the Gulf states' governments had not changed during the interim between the Iran-Iraq War and the Gulf crisis; Khomeini's theocratic criticisms of their governments still could be applied. Thus in many ways Iran's new attitude towards them was unexpected and sharply contrasted with its attitude in the Khomeini era.
Kuwait was a clear and easy target for Iran to foster good relations with, as the country in a desperate state at the time. The restoration of Kuwait was important to Iranians because Kuwait's restoration would hurt Iraq, and thus enhance Iran's strategic position. Iran fostered unity with Kuwait by portraying itself as a fellow victim of Iraq.\footnote{According to Abdul Mohsen Jamal of the Kuwaiti National Assembly, Iran took in over 100,000 refugees and even provided fake Iranian passports to some Kuwaitis, including the royal family, so that they could safely leave their occupied country.} These efforts helped build ties between Iran and both Kuwait's general populace and ruling elite. In response, Kuwait's Foreign Minister conveyed his nation's regret for their actions during the Iran-Iraq War, and another National Assembly member commented how “everything [had] changed” about their relationship.\footnote{In an interview, Ayatollah Musavi Ardabili referred to the Kuwaiti royal family as “usurper[s]” and declared his hopes that they would not be allowed to return to rule Kuwait once Iraq had left. For domestic reasons, more moderate politicians also had to occasionally give in to such radicalism to keep the hard-liners at bay.}\footnote{In addition to these issues, the international community worried about Iran's continued ties to terrorist organizations. Despite its efforts to change, Iran was never able to fully overcome the problems of its old image.}

Iran significantly enhanced its bilateral relations with the other five nations in the GCC as well. Iran was particularly successful in establishing a good relationship with Oman. Trade links, joint military exercises, and regular diplomatic visits helped Oman and Iran establish close ties in many different areas. Oman would become a major supporter of Iran, and later even volunteered to mediate between Iran and other countries. Oman acted as Iran's main supporter in the GCC as well. Additionally, Saudi Arabia, another potential competitor for dominance in the Gulf region, restored diplomatic relations with Iran. Iran even offered to store the goods of Gulf state merchants so that they would be safe from Iraq and the fighting.\footnote{With the oil embargo on Iraq, Iran was in a position to compete with Saudi Arabia for dominance of OPEC.}\footnote{Even though its military had been significantly damaged during its war with Iraq, Iran was still quite formidable. After the destruction of Iraq's war machine by the United States during the Gulf War, Iran was left as one of the preeminent military powers of the region.}

Yet, despite these factors, a continual challenge for Iran's new foreign policy was the need to repair the tarnished reputation it had earned during the 1980s. In the eyes of the Gulf states and the larger international community, Iran had gained notoriety as the major destabilizing force in the region during the Iran-Iraq War.\footnote{For many years after the Revolution, the Islamic Republic had called for the overthrow of the Gulf regimes. Although Iran had already “decisively abandoned” this goal by the time of the Gulf War, the people of the region and the wider world were not so quick to forget. The remaining hard-line faction further perpetuated the problem.} For the Gulf states and the larger international community, Iran had gained notoriety as the major destabilizing force in the region during the Iran-Iraq War.\footnote{For many years after the Revolution, the Islamic Republic had called for the overthrow of the Gulf regimes. Although Iran had already “decisively abandoned” this goal by the time of the Gulf War, the people of the region and the wider world were not so quick to forget. The remaining hard-line faction further perpetuated the problem.} For the remaining hard-line faction, this goal by the time of the Gulf War, the people of the region and the wider world were not so quick to forget. The remaining hard-line faction further perpetuated the problem. Saif Abbas, a Kuwaiti scholar, commented that the “problem [of trust] lies in the rhetoric of the mullahs.”

Nevertheless, the most powerful threat to Iranian leadership in the Gulf was arguably the United States. While Iran had sought improved relations with the Gulf states, Europe, and most of the international community, it continued to oppose the United States. The reasoning behind this opposition was a combination of domestic politics, strategic interest, and ambition to replace American leadership in the Gulf. Politically, anti-Americanism had been a critical rallying point during and after the Revolution.
Furthermore, it was a central hard-line belief which would be difficult and politically costly to abandon. Strategically, increased American presence in the Gulf was a problem because it provided an alternative to Iranian leadership. Ironically, the hard-liners’ radical anti-American remarks often directly strengthened the United States, since such rhetoric frightened the Gulf states and drove them closer to the Americans. The hard-liners’ declaration of jihad on the American forces, coupled with a surprising number of people supporting Iranian involvement in war against the United States, were especially alarming.\textsuperscript{27}

For its part, the United States reciprocated Iran’s opposition to the United States’ role in the Gulf War by encouraging the Gulf states’ fear of Iran. The United States viewed Iran as the “major challenge to stability”\textsuperscript{28} in the Gulf. The United States tried to convince the GCC states that Iran’s ideology was inherently threatening and destabilizing.\textsuperscript{29} Since the end of the Iran-Iraq War, Iran had been spending billions of dollars to re-arm. While in some respects Iran simply was upgrading its capabilities in an attempt to close the technology gap separating it from its neighbors, the rearmament was nonetheless alarming.\textsuperscript{30} A major characteristic of a global power is the ability to project influence and military might beyond the immediate region. Iran’s push in the early 1990s for modern aircraft, Soviet submarines, ballistic missiles, and nuclear weapons can be seen as evidence of its desire to become a major international player. Simultaneously, the United States interpreted Iran’s moves as an aggressive threat to the Gulf.

The United States’ approaches were particularly successful in Kuwait and Saudi Arabia. Kuwaitis obviously needed the United States’ military supremacy to free their country from Iraq. After the Iran-Iraq War, it was clear that Iran did not have the military power necessary to remove Iraq from Kuwait without unacceptably high casualty rates. Few nations in the world had both the capability and the volition to lead the military action against Iraq, whose military was considered quite formidable. With this capability, the United States could trump any offer by Iran to help Kuwait. While Saudi Arabia sought improved relations with the United States for its own protection in the immediate Gulf crisis, it also saw America as an alternative and counterweight to Iran. With Iraq’s imminent defeat, Saudi Arabia realized that it would primarily compete with Iran for dominance in the Gulf and in OPEC.

Iran attempted the difficult task of turning the Gulf states against American intervention throughout the crisis. The amount of regional and international approval for the Coalition made this problematic. In essentially every government statement on the Gulf crisis, Iran reiterated its neutrality, but more strongly emphasized its disapproval of foreign troops in the Gulf. Nevertheless, Iran could do little besides ask fellow Gulf states to refuse foreign intervention. More aggressive demands would leave neighbors feeling bullied or violated. Drawing from an appeal to religion, Iran declared that the region needed an “Islamic Solution,” but few states bought into Iran’s argument.

Despite its worthy efforts, Iran could not offer any viable alternatives to American-led intervention. Thus Iran complied with international sanctions on Iraq, while simultaneously pursuing a diplomatic resolution to the crisis that would undercut the American initiatives. Iran offered to mediate in the crisis, but Kuwait and Saudi Arabia preferred to go through other intermediaries. Rafsanjani then tried to bring the Soviet Union into the situation and also traveled to France, Germany, and Italy to promote his regional peace initiative. Foreign Minister Ali Akbar Velayati tried to convince Saddam to meet the United Nation’s demand for withdrawal by the January 15, 1991 deadline and also traveled to many nations to gain support for a regional answer to the problem. Many local and distant states were receptive of Iran’s campaigning, but in the end the countries that had the most at stake--Kuwait and Saudi Arabia--chose to go with American-led foreign intervention. America simply had the military ability to neutralize Iraq, and Iran did not. Furthermore, Iran’s diplomatic efforts were not guaranteed to work. While many Gulf states may have wanted to pursue both courses of action, the mutual animosity between the United States and Iran made this untenable.\textsuperscript{31}

The incredible progress Iran had made with its Gulf neighbors encountered a further setback in the latter stages of the Gulf War and in 1992. Iran failed to prevent American intervention once the Desert Storm operation began on January 16, 1991. Afterwards, Iran stressed that the foreign forces promptly leave after the resolution of the crisis. However, in September 1991, the United States and Kuwait concluded a defense cooperation deal that ensured an American military presence in the Gulf for the next ten years.\textsuperscript{32} Saudi Arabia allowed several thousand American troops to remain on its territory, and purchased tens of billions of dollars of American military equipment. In the few years after the Gulf War, most of the GCC states had signed security agreements with the United States. In addition, a disagreement between Iran and the UAE about the status of the Abu Musa Islands led to some deterioration in relations. Despite these setbacks and the decision of many Gulf states to choose the United States over Iran, Iran did not return to its old days of isolation. In particular, Oman continued to support the inclusion of
Iran in various Gulf matters. The Kuwaiti Defense Minister declared that “Iran could not be ignored in any regional security arrangement.” Although Iran had not achieved all of its goals for regional leadership, it successfully re-entered the diplomatic scene, gained recognition, found allies, and elevated its international standing far beyond its prior state of ostracism.

Furthermore, the collapse of the Soviet Union in 1991 provided Iran with a whole new realm for diplomatic interaction. After the dissolution of the Soviet Union, Iran was among the first nations to recognize the newly created Central Asian states. While in transition from a communist system, these countries provided significant new economic opportunities, particularly in oil and natural gas resources. While Saudi Arabia, Turkey, and other nations sought to develop relations with these countries as well, Iran had the advantage of its geographic proximity and hundreds of kilometers in shared borders. Parts of these areas were formerly part of the greater Persian Empire, so at least some degree of shared history and cultural ties also existed. Iran increased its presence and showed leadership in the region by mediating in conflicts in Tajikistan, Azerbaijan, and Armenia. Moreover, having been dominated by the Soviet Union, the Central Asian states were wary of superpowers. Iran took advantage of their fears in its bid to build ties with them. Iran joined the Economic Cooperation Organization, which is made up of Central Asian states. Iran has helped some states, such as Azerbaijan in 1994, develop their oil fields. Iran’s location, furthermore, allows these landlocked states access to the sea. Thus Iran has connected itself to the Central Asian countries through such transportation links as the Bafgh-Bandar Abbas, the Mashhad-Sarakhs-Tejen, and the Bafgh-Mashhad railways. These economic ties have helped Iran grow economically, and has led to the formation of partnerships that may strengthen diplomatic ties.

Iran has not limited itself to the local region in its attempt to increase influence and international standing. For example, Iran is making considerable efforts in North Africa. Although many North African nations are poor, lack of state capacity, and have little international influence, Iran continues to work with the Islamic Salvation Front in Algeria, the government in Tunisia, and the National Islamic Front in Sudan. In North Africa, Iran often deals with factions or political organizations instead of the local governments; nevertheless, Iran’s support of these groups sometimes translates into indirect influence over entire nations. Iran’s attempts to gain influence and build ties to distant or seemingly weak nations should not be dismissed. Iran has cultivated political and economic ties with Venezuela President Hugo Chavez, a equally vocal critic of the United States.

Although its dismal human rights record and terrorist links continue to concern many countries, Iran made significant progress in the wider international scene and, particularly, in Europe. Several Western observers praised Iranian efforts to solve the Gulf War crisis peacefully. Britain resumed diplomatic ties with Iran on September 27, 1990 and offered to help rebuild the damaged Iranian embassy in London.

By encouraging foreign investment, Iran built solid relationships with many major powers and simultaneously rebuilt its economy. Since Iranian oil production capabilities were still recovering from the Iran-Iraq War, the French firm Totale was awarded a large oil deal. Russia was contracted to build nuclear reactors in Iran. In fact, Britain, China, France, and Russia all have significant financial stakes in Iran in a variety of areas. In a 2001 study concluded that the European Union was Iran’s largest trading partner. Around 40 percent of Iran’s imports and exports are exchanged with the European Union, and they have been working for even greater economic cooperation. Accordingly, Europe has been notably vocal in its objection to sanctions on Iran throughout the 1990s. Europe thwarted American plans of wider international sanctions several times, including the Iran-Iraq Non-Proliferation Act of 1992 and the Iran-Libya Sanctions Act of 1996. In the future, disagreement over Iran’s handling of its nuclear program could even be decided by Iran’s improved relations with Europe. Such aid would have been unthinkable under the Khomeini regime’s foreign policy. While terrorist ties, such as those with Hezbollah, continue to limit the extent of Iran’s progress, in terms of foreign policy, Iran has successfully engaged the West economically and diplomatically far better than before the revolution.

Iran’s sudden and drastic improvement in international standing can be partly attributed to the fortuitously close timing of three critical events: the death of Khomeini, the Gulf War, and the collapse of the Soviet Union; however, the crucial impetus for change came from within Iran. It is conceivable that Iran could have squandered these opportunities had hard-line politicians had their way.

Now, however, the ascension of the radical Ahmadinejad to the presidency seems to be threatening all the progress Iran has made since the Gulf War. While the United States may fear Iran’s return to ideological foreign policy, it should not forget that the more pragmatic Iran of the 1990s was, in some ways, more problematic for American interests and leadership in the Gulf.
ENDNOTES
5 The revelation in 1992 by the U.S. Senate Committee on Banking, Housing, and Urban Affairs that the United States actually provided Iraq with some material for chemical and biological weapons would have another large impact on the relationship between the United States and Iran. Other countries, such as France and Germany also provided Iraq with equipment for making chemical weapons.
7 Ahrari, M E., and James H. Noyes 181.
8 Graz, 81-82.
10 Ibid., 253.
11 Ibid., 260.
12 Graz, 83.
13 Ahrari, M E., and James H. Noyes 115.
14 Ibid., 116.
15 Ibid., 115.
17 Graz, 143.
19 Ibid.
22 Ahrari, M E., and James H. Noyes 114.
23 Tarrock, 22.
24 Ahrari, M E., and James H. Noyes 191.
25 Marshall, 118.
26 Graz, 80.
27 Marshall, 114.
28 Ahrari, M E., and James H. Noyes 118.
29 Tarrock, 188.
30 Ahrari, M E., and James H. Noyes 191.
31 Marshall, 110-114.
33 Marshall, 117-8, 164-5.
36 Ibid., 38-41.
37 Ahrari, M E., and James H. Noyes 94-7.
38 Tarrock 113.

It remains to be seen whether the religious extremists will continue to isolate Iran from the international community.