

Assessing the Iran Deal

Prepared Statement by

Ray Takeyh

Hasib J Sabbagh Senior Fellow for Middle East Studies, Council on Foreign Relations

Before the

Subcommittee on National Security of
The Committee on Oversight and Government Reform

April 5, 2017

The Islamic Republic is at an impasse. An ideological experiment born in a century of so many such radical postulations has managed to crawl into this epoch. But its journey is likely to end, and the theocratic dictatorship will join its radical counterparts in the dustbin of history. In some ways, Iran resembles the Soviet Union of the 1970s, a bloated state that eschewed reforms and eventually brought about its own collapse. The foremost function of U.S. policy moving forward is to continuously weaken the wobbly foundations of the clerical regime by pressing it both internally and in the region.

The faded history of the Cold War tends to focus little on Soviet premier Alexei Kosygin. In the mid-1960s, Kosygin pressed for economic reforms that involved loosening state controls. This was the China model before China embarked on it in the late 1970s. Kosygin's enterprising efforts were ultimately obstructed by an aging Politburo led by Leonid Brezhnev. The Soviet Union chose to rely on oil wealth, which seemed a smart decision amid the price hikes that followed the Arab oil embargo in the early 1970s. But once oil markets went from boom to bust, the Kremlin had a problem it could neither mitigate nor resolve: Failure to sustain the Kosygin reforms which would have been cushioned by the rising state revenues meant that Mikhail Gorbachev's belated efforts had no chance of succeeding.

Beyond unwise economic planning, the Soviet Union also made some costly foreign-policy decisions in the 1970s. The Kremlin began investing money and resources in areas peripheral to core Soviet security concerns, such as Africa and Latin America. Imperialism was tempting, but it was also costly. Eventually, those imperial impulses led Moscow to the invasion of Afghanistan, a disastrous decision that further bled Russia. A combination of economic mismanagement and imperial misadventures contributed much to the Soviet Union's demise.

The Soviet Union's past is the Islamic Republic's presence, and hopefully, its future. President Hassan Rouhani is celebrated in the West for his pragmatic approach to state planning and international relations. But by another perspective, Rouhani is making a series of mistakes that could imperil the state he seeks to revive. During his tenure, there is a scant evidence that he intends to embark on structural changes necessary to resolve Iran's mounting economic problems. Inflation and unemployment plague Iran, while rampant corruption remains unaddressed. Like Russia's former Communist leaders, Rouhani appears to hope that sanctions relief, access to global financial markets, and ramped-up oil sales will prove sufficient. Ironically, it is Iran's reactionary Supreme Leader Ali Khamenei who is actively calling for development of local industries and markets, as opposed to the sorts of short-term remedies that appear attractive to Iran's president and his modernist aides.

Like the Soviet Union of the 1970s, Iran has embarked on an imperial mission whose costs are more obvious than its benefits. The billions that Iran spends to sustain Bashar al-Assad in Syria and the lavish sums it invests in terrorist organizations such as Hezbollah may offer regional sway, but they further burden the Islamic Republic's depleted economy. No policy has been more destructive to Iran's practical interests than its unrelenting hostility toward Israel. The two states have neither territory in dispute nor a long history of animosity, yet an ideologically driven Islamic Republic has made assaulting the Jewish state one of its principal obsessions. This has led Iran to partner with unsavory actors, alienate much of the international community, and distress a public that has no stake in the Israeli-Palestinian conflict.

Still, in Iran's miscalculations lies an opportunity for the United States to deal effectively with one its most important adversaries. The task at hand is to use all of America's coercive tools to press for genuine change in Iran.

Containment Begins at Home

The Islamic Republic's relentless expansionism stems in part from the belief that its revolution can be consolidated at home only if it is exported abroad. This was always, after all, a revolution without borders. Moreover, threats from the outside have always been a convenient way for the Revolutionary Guards and other state instruments to seek to justify their brutality. Thousands of executions since the inception of the theocratic state testify to the oppressive nature of the regime and to its overriding goal of shoring up its rule at home, particularly by eliminating the threat that emanates from its own people.

Today, the theocratic state is ruled by clerical ideologues who claim to know the mind of God. For them, the Islamic Republic is not merely a nation-state, it is a combatant in a struggle between good and evil, at home and abroad—a battle waged for moral redemption and genuine emancipation from the political and cultural tentacles of a profane West. The mullah's internationalist vision has to have an antagonist and the United States and its allies, particularly Israel, are it.

Still, in the 1990s, it looked as if the Islamic Republic would follow the trajectory of other revolutionary states and gradually dispense with its ideological patrimony. The rise of the reform movement led by enterprising intellectuals who sought to harmonize religious values with republican norms led to hopes of a different future. The election of Muhammad Khatami in 1997 was the culmination of efforts to connect the reformers to the larger public. The so-called Tehran Spring led to the rise of civil society groups, critical media and a string of electoral victories by leaders committed to genuine change. And then came the counter-reaction. Under the watchful eye of the Supreme Leader Ali Khamenei, the conservatives struck back. The clerical oversight bodies negated parliamentary legislation, the judiciary closed reformist newspapers and the vigilante groups assassinated key officials and terrorized others. To the detriment of the Islamic Republic, the possibility of evolutionary change through the use of Iran's own constitutional provisions died.

The summer of 2009 will always be recalled as a watershed moment, after which things would never be the same. In June of that year, the presidential election that returned Mahmoud Ahmadinejad to power by rigging the vote presented the theocratic state with the most consequential crisis of its life-time. The Green Movement that exploded on the scene was a coalition of disenchanting clerics, restive youth, disenfranchised women and impoverished elements of the middle class. The regime managed to regain control of the streets through brutal violence against its own citizens, show trials in which regime loyalists confessed to fantastic crimes, and continued repression. However, the essential link between the state and society were severed.

No less than Khamenei has acknowledged that the movement nearly brought about the collapse of the system. In a speech in 2013, supreme leader Ali Khamenei admitted that the Green Movement brought the regime to the "edge of the cliff." General Mohammad Jaffari, the commander of the Revolutionary Guards, has similarly described the post-election period as a "greater danger for the system and the Islamic revolution" than the Iran-Iraq War. "We went to the brink of overthrow in this sedition," Jaffari stated. The regime's security services proved unreliable. Dissension spread even within the guards. Khamenei had to dismiss several commanders. The ruling elite, which had perfected the strategy of staging large pro-regime demonstrations, dared not bring its supporters out for more than six months. Every commemoration day became an occasion for protest. The Islamic Republic was never a typical totalitarian state, as its electoral procedures and elected institutions provided the public with at least impressions of democratic representation. That republican element of the regime provided it with a veneer of legitimacy—and in 2009 that legitimacy vanished.

The task of American diplomacy is similar to the one that Ronald Reagan faced with the Soviet Union: not just renegotiating a better arms-control agreement but devising a comprehensive policy that undermines the theocratic regime. In this regard, there is nothing as powerful as the presidential bully pulpit. Reagan's denunciations of Communist rule did much to galvanize the opposition and undermine the Soviet empire. Dissidents in jail and others laboring under the Soviet system took heart from an American president who championed their cause. Barrack Obama chose the opposite course and remained silent as protesters in 2009 called on America to support their cause. His administration was the one that paid scant attention to Iran's human rights abuses. As president, Trump should study Reagan's old speeches and emulate his powerful rhetoric.

As it did with Solidarity in Poland, the United States should find a way of establishing ties with forces of opposition within Iran. Given the Islamic Republic's cruelty and corruption, the opposition spans the entire social spectrum. The Iranians have given up not just on the Islamic Republic, but even on religious observance, as mosques go empty during most Shia commemorations. Three decades of theocratic rule has transformed Iran into one of the most secular nations in the world. The middle class and the working poor are equally hard pressed by the regime's incompetence and corruption. Even the senior ayatollahs are beginning to realize the toll that has taken on Shia Islam by its entanglement with politics. Americas has ready allies in Iran and must make an effort to empower those who share its values.

Economic sanctions are a critical aspect of any policy of pressuring the Islamic Republic. The experience of the past few years has shown that the United States has a real capacity to shrink Iran's economy and bring it to the brink of collapse. The fewer resources the regime has at its disposal, the less capable it is of sustaining a cadre whose loyalty is purchased. The guardians of the revolution are well aware of their unreliability of their coercive services; the government had difficulty in repressing the Green Movement or mobilizing counter-demonstrations in the summer of 2009. Designating the Revolutionary Guards as a terrorist organization and imposing financial sanctions could go a long way toward crippling Iran's economy. Once deprived of money, the mullahs will find it difficult to fund the patronage networks that are essential to their rule and their imperial ventures.

By generating such pressures, it is hoped that the Islamic Republic begins negotiating with the opposition elements. This will involve releasing political prisoners, allowing those barred from public service to stand as candidates for public office, and ceasing its attacks on civil society groups such as trade unions and professional syndicates. The rulers of Iran will only embark on such activities if they are subject to sustained international pressure and condemnation. Iran should be held as accountable for its dismal human rights record, as its nuclear infractions or support for terrorism.

Pushing back in the Region

For the recalcitrant mullahs to yield to international norms, all the walls around them have to close in. So as it stresses Iran's economy and divides its society, the United States should also push back against its influence in the Middle East. By contesting Iran's gains, Washington can impose additional costs on the regime and contribute to regional stability. Iran's leaders believe that the vitality of their revolution mandates its export. And it is that export that must be negated as means of undermining the revolution.

An essential insight of any such policy is to dispense with the false notion that Iran and America have a common enemy in the Islamic State (ISIS) or other radical Sunni terrorist organizations. Beneath Iran's expressions of concern about the rise of ISIS is a more cynical strategy. Iran today is using ISIS' ascendance in the Middle East to consolidate its power. Theocracy is now the key all keeping Iraqi Shias and Alawite Bashar al-Assad's regime standing against well-armed and tenacious Sunni Jihadists. In those battles, Iran will do just enough to make sure the Sunnis don't conquer the Shia portions of Iraq and Assad's enclave in Syria, but no more. Meanwhile, in ISIS' wake, Tehran will strengthen its own Shia militias. It is important to stress the fact that Sunni radicalism is the necessary by-product of Iran's Shia chauvinism. Destroying the Islamic States requires diminishing the tides of Sunni militancy, which in turn necessitates tempering Iran's regional ambitions.

The best arena in which to achieve the objective of pushing back on Iran is in the Persian Gulf region. The Gulf sheikhdoms, led by Saudi Arabia, are already locked into a region-wide rivalry with Iran. The Sunni states have taken it upon themselves to contest Iran's gains in the Gulf and the Levant. Washington should not only buttress these efforts but press all Arab states to embark on a serious attempt to lessen their commercial and diplomatic ties to Tehran. The price of American guardianship is for Sunni Arab states to do their part in resisting the rising Shia power of Iran.

Getting the Gulf states to agree to take common action has always been difficult. The United States should help the Gulf states not only as they battle Iranian proxies in Syria, Iraq and Yemen, but also as they deal with a range of other challenges. These include protecting themselves against Iran's efforts to undermine their internal security, defending their economic infrastructure (such as oil and gas platforms, water-desalination plants, and tourist sites), and preventing Iran from interdicting their energy exports along key transit routes.

To confront Iran, the Gulf states will need capabilities commensurate with the challenge. In particular, the United States should consider supplying them with systems that defend against guided rockets and mortars, such as the Centurion c-ram. And in the long-run, the Gulf states have the financial resources, even at reduced oil prices, to invest in the next generation of missile defense technologies, such as directed-energy weapons, which would diminish Iran's ability to attack them.

The countries in the region with formidable special-forces capabilities, such as Jordan and the United Arab Emirates, should use that advantage to help some of the more vulnerable countries, such as Bahrain, deal with their internal security problems—arrangements that Washington could help broker. Iran's adversaries could even develop a subset of special forces capable of operating inside Iran to exploit the grievances of various ethnic minorities. The goal would be to make Iran think twice about its campaign of regional subversion by demonstrating that two can play that game.

The Gulf states need to further reduce Iran's ability to chock off oil exports by blocking the Strait of Hormuz. Although they have already built pipelines to bypass the strait, they should also take steps to increase those pipelines capacity. The Gulf states should invest in capabilities such as air-to-air missiles to take down Iran's aircraft and land-attack cruise missiles to destroy its anti-ship cruise missiles. And they should augment that effort with the undersea capabilities needed for a campaign against Iran's surface naval assets, including its many small boats.

Even in a disorderly Middle East, there are opportunities to forge new constructive alliances. The enmity that Saudi Arabia and Israel share toward Iran should be the basis for bringing these two countries closer together. Instead of lecturing the Saudis to share the Middle East with Iran and hectoring Israelis about settlements, the United States should focus on imaginative ways of institutionalizing the nascent cooperation that is already taking place between Riyadh and Jerusalem. The U.S. should press both countries to move beyond intelligence sharing and perhaps force complementary trade ties, with Saudi oil exchanged for Israeli technological products. History rarely offers opportunities to realign the politics of the Middle East: a truculent Iran has presented this chance.

Another alliance that needs refurbishing after years of neglect and rancor, is the US-Israeli relationship. One of the most spurious yet pervasive arguments has been that America's ties with Israel damages its standing in the Middle East. To be effective in the Middle East, it is claimed, Washington should put some distance between itself and the only democracy in the region. Any strategy of pushing back on Iran has to have Israel as one of its core elements. The fact is that the Islamic Republic respects Israeli power and fears its integration in the Middle East. An Israel closely tied to the United States enhances our deterrent power. And an Israel that is mending fences with Sunni Arab states only empowers the anti-Iran alliance and further isolates the theocracy in the region. America's task should not to distant itself from Israel and but to bring all elements of its anti-Iran coalition together.

Although today Iraq seems like a protectorate of Iran, this is a predicament that most Iraqi leaders want to escape. Iraq was once the seat of Arab civilization and the center of the region's politics. The Shia leaders in Iraq take Iranian advice and money for the simple reason that they are locked out of Sunni Arab councils and abandoned by the American superpower. Iraqis understand that Iran has exercised a pernicious influence in their country, further accentuating its sectarian divides as a means of ensuring Iranian influence. Iraq cannot be whole and free so long as Iran interferes in its affairs. A commitment by the United States to once more rehabilitate Iraqi army and bureaucracy can go a long way toward diminishing its ties to Tehran. No Iraqi Arab wants to be subordinate to imperious Shia Persians. Once Iraq fees itself of Iranian dominance, it may yet find a path back to the Arab world and once more serve as a barrier to Iranian power.

At a practical level, Washington should also push Baghdad to govern more inclusively, so that the central government is seen as benefiting Sunnis and Kurds, and just the Shias. It should make an outreach to the Sunni tribes on a scale equivalent to what took place during the 2007 surge of U.S. troops. And it should ramp up its military assistance to Kurds and the Sunni tribal forces, intensify the air campaign against ISIS in both Iraq and Syria, and embed U.S. personnel in the Iraqi military at lower levels than it currently does. A heightened U.S. presence in Iraq need not entail a massive combat force there, but it would mean a larger troop presence and thus a greater risk of casualties. Again, the price for greater U.S. involvement should be a commitment on the part of local actors to press back against Tehran and its enablers.

The tragedy of Syria is that, as the Obama administration stood aloof and preoccupied itself with useless international summits, Iran and Russia possibly succeeded in saving the Assad Dynasty. The Syrian army, buttressed by Iran's Revolutionary Guards, Hezbollah terrorists, and Russian airpower, is poised to control most of the population centers. This hardly ends the civil war, but the attempt to unseat Iran's client in Damascus will take considerable effort and commitment by the United States and its Sunni allies. For both strategic and humanitarian reasons, we should embrace this task. Pushing back on Iran means harassing its Syrian proxy. At the very least, as the opposition strengthens, Iran will have to face the dilemma of sinking more resources and men into a quagmire or cutting its losses, as the Soviet Union was forced to do in Afghanistan.

As regime as dangerous to U.S. interest as the Islamic Republic requires a comprehensive strategy to counter it. This means exploiting all of Iran's vulnerabilities; increasing the costs of its foreign adventures, weakening its economy, and supporting its domestic discontents. Pursuing that strategy will take time, but eventually, it will put the United States in a position to impose terms on Iran. We should seek to compel Iran to cease its regional subversion, not create power vacuums that encourage it. And we should move human rights up the agenda, not look the other way as Iran's leaders oppress their people.

Some in Washington believe that Iran problem is of secondary importance to the United States compared to violent Jihadists. For all their achievements, those radical movements do not yet possess the resources and capabilities of a large, sophisticated state. It must be noted that the Iranian regime was the original Islamic revolutionary state. Its successes inspired a wave of radicals across the Middle East. At its most basic level, the confrontation between the United States and Iran is a conflict between the world's sole superpower and a second-rate autocracy. Washington does not need to settle for hopes that theocrats with no interest in relaxing their grip will somehow become moderates. A determined policy of pressure would speed the day when the Iranian people replace a regime that has made their lives miserable. And in the interim, it would reduce the threat of a triumphant regime posed to the Middle East and the world beyond.