

The Obama Administration and Iran: Towards a Constructive Dialogue

RAMIN JAHANBEGLOO

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CIGI WORKING PAPER

International Diplomacy

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About the Author

Ramin Jahanbegloo is associate professor of Political Science at the University of Toronto, where he also serves as a research fellow with the Centre for Ethics. He has served as the head of the Department of Contemporary Studies at the Cultural Research Centre in Tehran, was Rajni Kothari Professor of Democracy at the Centre for the Study of Developing Societies in New Delhi, India, and taught at the Academy of Philosophy in Tehran. He has also worked as a researcher at the French Institute for Iranian Studies and a fellow at The Center for Middle Eastern Studies at Harvard University. He received his BA and MA in Philosophy, History and Political Science and later his PhD in Philosophy from the Sorbonne University. His books include, *The Spirit of India* (Penguin, 2008); *India Revisited: Conversations on Contemporary India* (Oxford University Press, 2007); *The Clash of Intolerances* (Har-Anand, 2007); and, *Iran: Between Tradition and Modernity* (Lexington Books, 2004).

Abstract

For much of the last 30 years, official relations between the United States and Iran have been strained. The most visible indication of this was US President George W. Bush's labeling of Iran as a member of the "axis of evil" in 2002. Breaking with the past, the new US administration is taking a more conciliatory tone. President Barack Obama has demonstrated that Washington is willing to open the lines of communication with Iran. This paper seeks to locate the Obama administration's efforts within the history of US-Iranian relations while also highlighting the contemporary issues that would inform a constructive dialogue, such as the upcoming Iranian presidential elections. Improved dialogue between the two countries could help to improve the situations in Iraq, Afghanistan and the Palestinian-Israeli conflict, demonstrating how overlapping areas of interest may provide a new path for US-Iran relations.

1. Introduction

Iranian-US relations have been strained and at times intensely hostile since the 1979 Islamic Revolution. With the possible exception of a brief *détente* under President Mohammad Khatami in late 1990s, the US government has not been able to conduct normal diplomatic relations with the Islamic regime in Iran. Throughout the Iranian hostage crisis of 1979-1980, the 1980-1988 Iran-Iraq war, and the ongoing controversy over nuclear enrichment, the United States has portrayed Iran as a rogue state led by a fundamentalist government. The image of the Iranian Revolution as a violent and anti-American movement is burned into the American psyche and has coloured subsequent relations between the two nations. For Iran, the rivalry with the US was born 26 years before the Iranian Revolution, in the 1953 coup d'état that overthrew the nationalist government of Mohammad Mosaddeq. While overt hostility between the US and Iran rose to the surface following the Iranian Revolution, the grievances of many Iranians were rooted in the violent repression at the hands of the US-backed dictatorship of the Shah. The Iranian regime has consistently responded to perceived American aggression and covert attempts to destabilize its authority with increasingly aggressive posturing. This aggressive posturing has been interpreted by the US as evidence of Iranian hostility. However, the Obama administration is making a deliberate effort to reduce the level of tension between the two countries, promoting dialogue between Iran and the United States.

2. Bush's Failure on Iran

The administration of George W. Bush pursued a policy that further undermined US-Iranian relations. President Bush's naming of Iran as a member of the "axis of evil" in 2002 was his most egregious failure in this regard. Rather than try to utilize

diplomatic efforts to create a dialogue, the Bush administration attempted to use the pressure of sanctions to get Iran to change course and give up what Washington saw as its pursuit of nuclear weapons, a strategy which proved unsuccessful.

Within the Bush administration there were differences between Secretary of State Condoleeza Rice and Vice President Dick Cheney over how to confront Iran.

“Rice's diplomatic track on Iran was narrowly constrained from the beginning by a broader Bush administration policy of refusing any diplomatic compromise with Iran. Cheney and then-secretary of defense Donald Rumsfeld apparently agreed to let Rice go down that track in early 2005 because they knew that any diplomatic effort through the Security Council to get sanctions against Iran would end in failure and that such a failure was a necessary prelude to any use of force.”(Porter, 2006)

Eventually the vice president's views prevailed and US foreign policy toward the regime focused upon trying to weaken the Iranian position. To undermine Iran, which is predominately Shiite, the Bush administration decided to reconfigure its priorities in the Middle East. In Lebanon, the administration cooperated with Saudi Arabia's government, which is Sunni, in clandestine operations that were intended to weaken Hezbollah, the Shiite organization that backed Iran. Under the Bush administration, the US government treated Iran's nuclear file separately from Iran's role in Iraq and Afghanistan. The Bush administration refused to engage in dialogue with Iran on the nuclear issue, while agreeing to ambassadorial talks on Iraq's internal security issues, including solving the tension between the Sunni and the Shiite communities.

3. A New Opportunity

President Obama's positive, proactive and energetic personality has set a constructive new tone in American politics. In contrast with the combative and insular policies of his predecessor, Obama seems capable of creating a constructive dialogue between the United States and other countries. Rather than presenting itself as an unrivalled and infallible superpower, US foreign policy is now more conciliatory and as President Obama told *Al-Arabiya* in his first television interview as president, "my job is to communicate the fact that the Americans are not your enemy" and that "[America] sometimes makes mistakes. We have not been perfect" (MacLeod, 2009). Going further, the Obama administration supports diplomatic dialogue with Iran without preconditions.

Pivotal positions in the US government dealing with the Middle East will now be held by people who actually know the Middle East region and its players personally. Puneet Talwar, a former advisor to the Senate Foreign Relations Committee on the Middle East, Iraq and Iran, moved to the National Security Council and became senior director for Iran, Iraq and the Gulf countries (Foreign Policy, 2009a). Further, the US envoy to Afghanistan and Pakistan, Ambassador Richard Holbrooke, recruited the Fletcher School of Law and Diplomacy's Vali Nasr to become his senior advisor (Foreign Policy, 2009a).

4. The Need for Dialogue

Despite considerable political and economic problems and popular dissatisfaction, the Iranian regime is not on the verge of another revolution. Without revolutionary aspirations amongst the Iranian public, direct US efforts to overthrow the Iranian

regime are not likely to succeed; nor would regime change through external intervention necessarily resolve the most critical concerns.

In the past, Iran's international involvement has stood in contrast to US interests. To most Iran watchers, in the 1980s Ayatollah Khomeini appeared to superimpose universalist ideals onto Iranian foreign policy. Shortly after the foundation of the Islamic Republic, he declared: "We should try to export our revolution to the world... we [shall] confront the world with our ideology" (Ehteshami, 1995: 131). During the years after the Revolution, Iran headquartered numerous foreign "liberation movements" in Tehran and was suspected of acts of international subversion and terrorism, especially in the Persian Gulf region. Indeed, immediately after the end of the Revolution in 1979, Iranian paramilitary groups like the Revolutionary Guards were active working with radical Muslim movements around the world. Iran backed the Shi'a groups in neighbouring countries like Iraq, Pakistan, Saudi Arabia, Bahrain and Kuwait. In 1981, Tehran aided the Islamic Front for the Liberation of Bahrain in an attempted coup against Bahrain's ruling family. Also, immediately after the victory of the Revolution, Tehran began supporting the Supreme Council of the Islamic Revolution in Iraq. This contributed to Saddam Hussein's decision to attack Iran in 1980.

Not surprisingly, Iran's support for terrorist groups and subversive movements in the Middle East as well as the will to spread the message of the Revolution engendered a great deal of hostility in the Arab world. In the 1980s and 1990s, Iran used terrorism to strike American and Israeli interests in the Middle East; Iranian security agents and the Iranian Revolutionary Guards trained, financed and funneled arms to a number of Shiite groups in the Middle East. However, US charges that

Iran was responsible for specific acts of terrorism against Israeli and American citizens remain unproven. The Lebanese Hezbollah, which was created by Iran after the Revolution, has been responsible for the suicide attacks on the US embassy in Beirut in 1983, where 63 people died, including 17 Americans, and on the US Marine barracks in October 1983, where 241 Marines were killed. Hezbollah also took 17 Americans, 15 Frenchmen, 14 Britons and 7 German citizens hostage in the 1980s, executing several of them. In March 1992, a bomb at the Israeli Embassy in Buenos Aires killed 29 people and another bombing in July 1994 killed 86 people. Responsibility for these blasts was never determined. However, they were followed in 1996 by the terrorist bombing of the Khobar Towers in Dhahran, which killed 19 US soldiers. In this case, Saudi investigators found no link to Iran, though Washington exerted an enormous amount of pressure to implicate the regime in Tehran.

Over the past decade, however, Iran's foreign policy has gradually been redirected towards the national interest, except in certain crucial areas where ideology remains paramount. Iran might thus be induced to play a constructive role in Iraq and Afghanistan, but it retains the capacity to create significant difficulties for these regimes if it is alienated. In June 2006, the commander of US forces in Iraq, General George Casey, ramped up the rhetoric against Iran by accusing the regime of causing instability in Iraq. US Ambassador Zalmay Khalilzad made similar charges in an interview with *The Washington Post* in March 2006. Khalilzad accused Iran's security services, most notably the Islamic Revolutionary Guards Corps (IRGC), of training, financing, and supplying the Shia al-Mahdi Army as well as Sunni Arab Ansar al-Sunna. Iran denied any involvement and maintains that US officials are using these allegations as a pretext for not conducting high-level negotiations that would

cover a wide range of issues, including its uranium enrichment program (Ahrari, 2006). Consequently, the Iranian government is keeping all of its cards on the table, including the uranium enrichment program.

Iran is likely to continue its pattern of tactical cooperation with the International Atomic Energy Agency (IAEA). This is reflected in the recent IAEA report that Iran has decelerated its enrichment-related activities as a gesture to the Obama administration. In a speech in Paris in February 2009, IAEA Director General Mohamed ElBaradei, said Iran had not installed a significant number of centrifuges as quickly as it could have (Reuters, 2009). ElBaradei has always played down fears of an imminent Iranian bomb. According to the IAEA director general, Iran remains several steps away from such a capability, including walking out of the nuclear Non-Proliferation Treaty (NPT), expelling UN nuclear inspectors and mastering the necessary technology (Reuters, 2009). It also seems that the people who now have the key positions in the US State Department and National Security Council understand the essential verification role of the IAEA.

A judiciously pursued dialogue would enhance the chances of internal change in Iran. While talking to Iran may sometimes be difficult and unpleasant, it is worth doing and may help both sides find common interests. Mohammad Khatami's first major foreign policy statement in 1997 was addressed to the American people. In an interview with CNN, he drew parallels between the American and the Iranian revolutions by emphasizing the compatibility of religion and liberty. On March 17, 2000, US Secretary of State Madeleine K. Albright publicly admitted the American role in the overthrow of the popular government of Mosaddeq and expressed regrets for the United States' having sided with Iraq in its war against Iran. The impact of this

conciliatory rhetoric was severely undermined by the Bush administration's subsequent bellicose approach.¹

The Obama administration should take into account this pattern of pragmatism in Iranian foreign policy making. In every major period throughout Iranian history, circumstances have forced foreign policy makers to reformulate their religious ideology pragmatically in order to advance the national interest. Iran's difficult economic situation and the recent geopolitical changes in its neighbourhood impel Iranian politicians to seriously consider any positive steps America might take towards resuming the talks that Washington broke off after the hostage crisis. The obvious implications of all this could be to seek Iran's help to solve the supply chain problem that the United States and its NATO allies have been facing in Iraq and Afghanistan. Any settlement between the United States and Iran will also involve an understanding regarding Iranian interests in West Asia and in the Arab Middle East. Just as Iran's proxies in Iraq worked with the United States to forge a post-Saddam Iraq, Iranian allies in Afghanistan worked with Washington to shape a post-Taliban Afghanistan.²

5. Obstacles to an Iran-US Dialogue

Although a constructive dialogue between Iran and the US will benefit both countries, there are serious problems to overcome. Some analysts in the West believe that tensions between Tehran and Washington could be settled or defused if the United States is willing to accept Iran's role as a great Middle Eastern

¹ See U.S. Department of State, 2000.

² See Stratfor Global Intelligence, 2009.

power, as it did during the reign of the Shah. On the Iranian side, there are questions on why Western politicians do not realize the Shiites are potential regional allies of the West; allies with far more potential than the Israelis, whom the United States favours instead (Perthes, 2009).

The majority of the Iranian population would welcome the restoration of friendly relations with the US. The US is certainly better liked in Iran than in any other Middle Eastern country. As such, the Iranian regime's ideologically driven hatred of the US and Israel finds more traction outside Iran than amongst the Iranian population. Iranian politicians are acutely aware of the fact that there is no support for a government in Iran that is forever at odds with the US. Iranian observers agree that it is time for Iran to step beyond the stereotypes and misinterpretations that have characterized US-Iranian relations, especially because they realize that the candidate that can bring an improvement in bilateral relations with the US would be certain to have massive support in the next presidential elections.

Improved relations between the two countries would have immediate consequences for the US, Iran, the Middle Eastern region and the international community. On the American side, there will be ardent voices in Washington arguing against any compromise with Iran and some even arguing for military action. This is compounded by the fact that American allies and other players in the region, such as Saudi Arabia, Turkey, Iraq and other neighbours, cannot possibly accept an Iranian takeover of parts of Iraq when American troops leave.

Further, the European Union (EU) does not want to see bilateral negotiations between the US and Iran. The EU has worked hard to capitalize on the absence of the US from the Iranian market. France, Britain and Germany might be willing

to consider sanctions should the Obama administration make an effort to improve the atmosphere with Iran first. Between 1999 and 2005, EU exports to Iran doubled and, by 2005, it was Iran's main trading partner with 35.1 percent of total market share. As of 2008, the EU was still Iran's number one trade partner. All this would change following any normalization of relations between the US and Iran; it is likely that the Obama administration will want preferences for US companies entering the Iranian market as part of any deal.

The Russian stance on Iran is shrouded in ambiguity. Russia is against a nuclear Iran, but also values the money to be made from arms sales, energy projects and technological assistance. Any dialogue that takes place between Iran and the US will inevitably be done with these countries, and their concerns, in mind.

Iranian domestic issues will also play a large role in any dialogue with the US. American policy towards Iran is likely to be framed by the Iranian presidential elections scheduled for June. Experts say that an overture by the US would raise two kinds of risks: that President Mahmoud Ahmadinejad would benefit politically from such a gesture; and that he may choose to rebuff Washington to secure political points before the voting. Contingency plans are in place for the worst case scenario. The Obama administration might be forced to use sanctions against Iran in its efforts to stop its nuclear effort, not only for Israel's security but also for that of its Arab allies in the region.

There is little clarity on what the Obama administration wants beyond the possibility of direct talks with the Iranians. Until now, the Iranian reaction to the "all options remain open" mantra has been: "it can't be." Many analysts in Washington and Europe believe that a US-Iran bilateral dialogue would

mean Hamas control over Palestine and Hezbollah control over Lebanon, making Egypt, Jordan, Saudi Arabia and the United Arab Emirates subservient to a powerful Iran. Again, the interests of Iran's regional neighbours need to be taken into account as the impact of Iranian-US dialogue would reverberate across the Middle East.

6. Iran's Perspective

From the Iranian perspective, the very survival and durability of its Islamic regime revolves around two key points: internally, security-related decisions will play a major role in its continuity; externally, the same goes for the willingness of the US not to threaten Iran. Iran knows that it cannot fully control all of the factors necessary to guarantee its own security. Iran continues to view the United States as the primary long-term threat to its security. Iran is concerned about the increase in the United States' influence near its southern Persian Gulf and eastern Afghan borders. Some of the more conservative and "hard-line" elements of the Iranian regime, such as the Iranian defense establishment and the Security Forces, who believe that Iranian diplomatic endeavours might have little chance of success, have been espousing a preventive security doctrine. However, it remains highly uncertain and equally apprehensive of US designs vis-à-vis its government.

Iran wants to play a major role in the Middle East – in Iraq, Lebanon, Gaza and on the nuclear issue. Though the Iranian nuclear program has made startling progress over the past few years, it still does not have enough nuclear fuel to build a nuclear bomb. Iran insists it has a right to enrich uranium for nuclear energy under the NPT and has shrugged off three rounds of UN sanctions. However, to its nearly 4,000 operating centrifuges, Iran added only 164 since November 2008, though

it had nearly 2,000 in various stages of preparation. This appears to be a positive signal to the Obama administration, possibly the precursor to a “freeze for freeze” agreement. The message: Iran is a strong nation; its nuclear program is continuing; it has great popularity among the Arab and the Muslim populations in the Middle East; and economic sanctions have not worked.

Ahmadinejad’s populist line appeals to his political base outside the large cities. Since taking office in August 2005, Ahmadinejad has replaced all of the officials who have been involved in efforts to negotiate with the Europeans over Iran’s nuclear program under the Rafsanjani and Khatami administrations. However, for the first time in many years many Iranians will turn away from politics and geopolitics, which have been a dominant discourse in the Islamic Republic since 1979, and focus on the state of the Iranian economy for the next presidential elections in June 2009. Both Mir-Hossein Mousavi, the moderate and reformist opponent, and Ahmadinejad will link the economy to relations between Iran and the West.

Iran’s presidential contenders have to address the budget deficit brought about by plummeting oil prices and the world financial crisis. The country’s economy is almost totally dependent on oil, which accounts for 80 percent of the country’s foreign exchange earnings, while oil and gas make up 70 percent of government revenue. When President Ahmadinejad campaigned for his present position, he did so on a platform of fighting corruption and promoting better income distribution. However, in the last four years, the president has failed on all accounts and his achievements, or lack of them, will play a key role in the forthcoming elections.

The deep rift in the Islamic Republic rests between those who believe that normal economic and political relations with the West are vital to Iran's future (the realists) and those who disdain such relations as violations of the Islamic Revolution's ideals (utopians). Mousavi is definitely not perfect but he is committed to reform. He needs to be more convincing in his upcoming campaign, both in his domestic and foreign policy making. Mousavi is also the most likely candidate to prevail out of the Guardian Council, which is charged with vetting candidates for office. As the former prime minister of Iran, who after his eight-year term ended in 1989, left politics and stayed away for many years, Mousavi could be a serious pro-reform challenger to the hard-line President Ahmadinejad. One should not forget that Mousavi was prime minister when Khamenei was president, although the two were at odds over who had more authority. The Constitution was eventually amended to abolish the position of prime minister, leaving Iran with its current system of a powerful president. Iran's reformers, who favour improving ties with the US and loosening restrictions at home, see a strong opportunity with Mousavi's candidacy to unseat Ahmadinejad. Now that Khatami has left the race, the reformists must also unify their ranks by uniting behind Mousavi and the former parliament speaker, Mehdi Karoubi. Recently, Karoubi has gained attention following the announcement that Gholamhossein Karbaschi, a former Tehran mayor who was once a Khatami supporter, signed on as his campaign manager. Adding to the reformist cause, Ahmadinejad has failed to convert skeptics into supporters because of several factors: increases in inflation, the rise of unemployment, extensive human rights violations, lack of foreign investment, lack of support from the quietist clergy in Qom and Mashhad, delays in gas exports and sanctions against Iran. It seems like Mousavi will have the support of reformers, students and moderate conservatives. His biggest

supporter within the government is Ali Akbar Rafsanjani (the chair of the Assembly of Experts and the Expediency Council).

If Mir-Houssein Mousavi is elected, however, he will face fierce opposition not only from the unelected bodies, but also from conservative Majlis, who will try to sabotage his reforms. Mousavi's challenge is to convince the Iranian people of four things: that he will show great strength and willingness to challenge the political boundaries of the Islamic Republic; that he will deliver on his promise of greater reforms; that he will be able to mobilize his base (especially those disenchanted and disillusioned by Iranian politics); finally, Mousavi must show the courage to engage in a dialogue with the US while finding a way to compromise on Iran's "red lines." However, Mousavi cannot engage in direct talks with the US in unequal conditions because ultimately he will be the loser both in domestic and foreign policies. While flawed, a Mousavi presidency would facilitate an improvement of Iranian relations with the US.

7. Potential Avenues for Dialogue

In his interview with *Al-Arabiya*, President Obama said: "[it is] important for us to be willing to talk to Iran, to express very clearly where our differences are, but where there are potential avenues for progress" (Doyle, 2009). These potential avenues exist because in the past decade Iran has been able to initiate an active foreign policy in the Middle East, while reaching a kind of "strategic balance" with the US, therefore optimizing its national security objectives. There are four pillars to this solid regional position: Afghanistan, Iraq, Hamas and Hezbollah in Lebanon.

Afghanistan

Tehran's leaders want stability in Afghanistan, but they also want Afghan refugees to go home. Iran, which has hosted a large Afghan refugee population for the past 20 years, has been preparing to adjust its refugee policy in light of post-Taliban developments within Afghanistan. At the core of this adjustment is a demand that the refugees return to their country of origin. A voluntary repatriation program for thousands of Afghan refugees to return to their home country has been set in place by Iran, Afghanistan and the UN. More than 1.6 million Afghans have returned from Iran since April 2002, but the pace reduced significantly in 2006, with only around 5,000 returning per year. The Iranian government has long insisted that all Afghans should repatriate, arguing that the Taliban regime had been removed and the circumstances that forced the refugees to flee their country are no longer there. Unlike in Pakistan, where Afghans mostly live in refugee camps, the majority of refugees in Iran are concentrated in urban areas dispersed throughout the country, with less than five percent living in camps. They have shelter and income opportunities. Their children go to Iranian schools and have access to health care. There have been reports of refugees who had repatriated to Afghanistan and then returned to Iran as labour migrants in search of jobs. According to the United Nations High Commissioner for Refugees (UNHCR), there is a significant movement of people between Iran and Afghanistan, with most of those crossing the border being seasonal migrant workers. Iran's ambitions in Afghanistan are very clear: the Islamic Republic's Shiite Muslim leaders do not want to see a Taliban-dominated Afghanistan with the help of Al-Qaeda. The Iranian government places a high priority on defeating Al-Qaeda and the Taliban, which it views as direct threats to Iran's Shiites. Iran's government also see potential for cooperation on the prevention of drug trafficking.

Iraq

It is in the interests of both Iran and the United States that there be a stable and secure Iraq rather than a country carved up into separate and sectarian regions. This would help to alleviate concerns regarding the security of the political and economic interests that both countries have in Iraq. Adding to this, Iran is closely implicated in conflicts in Iraq. The Supreme Islamic Iraqi Council (SIIC), one of the main political parties in Iraq, was founded in Iran. The Iranian government also provides support for militias like the Badr Organization. Mutual interests regarding a stable Iraq provide a platform for a constructive approach from both the US and Iran.

Israel-Palestine

Iran could be a positive contributor to a two-state solution in the Israeli-Palestinian conflict, a solution that will be difficult to negotiate. The Obama administration has inherited President George W. Bush's record of failure to realize his "vision" of a two-state solution. This vision, articulated in June 2002, is no nearer to fruition today than it was when President Clinton left office in 2001. The long-brewing failure of the Bush administration has in turn engendered considerable skepticism in the Middle East regarding the US's ability to deliver on Arab-Israeli peace. The rise of Iran has made the timing ripe for a new strategy for an Israeli-Palestinian peace. Specifically, an Iran-US dialogue would create the potential for an alliance between moderate Palestinians, Israelis and the leaders of Saudi Arabia, Egypt, Jordan and the Persian Gulf states. This would contribute to a comprehensive solution.

This possibility exists despite the fact that Washington is at odds with Iran over its threats to destroy Israel as well as Tehran's

support of the militant groups Hezbollah in Lebanon and Hamas in the Palestinian Territories. Iran is one of Hamas' main funders and it has been a supplier of arms and training over the years. However, Iran's response to the Gaza offensive has been more theatrical than threatening. With Hamas support, Iran has the opportunity to supplant Saudi Arabia as the most reliable backer of Palestinian fundamentalists, but also to reach the Egyptian faithful. For reasons both ancient and modern, Egypt has perhaps the most Shiite-sympathetic religious identity in the Sunni world. The conflict between Israel and Hamas is not a proxy war between Israel and Iran, a myth that has grown during the Bush administration.

Hezbollah in Lebanon

The US is also concerned about Iran's support for Hezbollah, particularly in view of the conflict with Israel in 2006. The US must accept that Iran, like any other nation, has legitimate security interests warranting an Iranian role in regional security management. For the Iranians, the strategic value of talking with the US at the present time is to obstruct the US's role and presence in Iran's backyard. But this strategy will not guarantee Iran's position in the Middle East at the peak of its regional role. With oil revenue tanking, Iranian leaders are likely to feel more vulnerable.

8. Who to Talk to in Iran

For the Obama administration, discussions with Mahmoud Ahmadinejad are not necessarily the most advisable course of action. The US should first look to those who control Iran's military and foreign policy, for example, Ayatollah Khamenei, the Expediency Council, the Assembly of Experts and the Revolutionary Guards. President Obama's message on the

occasion of Iranian New Year on March 20, 2009³ was part of a strategy intended to emphasize the US' new positive message towards Iran and to put aside past American demands for more punitive sanctions aimed at Iran. It is significant that Barack Obama directed his comments not just to the Iranian people but to Iran's leaders, and that he referred to Iran as "the Islamic Republic," apparently indicating a willingness to deal with the current clerical government. President Obama went so far as to quote the Persian poet Saadi, saying "The children of Adam are limbs to each other, having been created of one essence."

In Iran, authorities were critical in their response, saying that Obama's message must be followed up with concrete actions to address past grievances. Iran's leader Ayatollah Khamenei responded to President Obama's message saying that he had seen no change in America's attitude or policy, singling out US support for Israel and sanctions against Iran.⁴ But he also said that if President Barack Obama altered the US position, Iran was prepared to follow suit. Khamenei's speech demonstrated how attuned he is to debates in Washington. He made no calls for a US apology for past actions but demanded sanctions be lifted, assets unfrozen and an end to attempts to undermine the Iranian government as a result of future talks with the US. From Ayatollah Khamenei's point of view, any engagement in talks must also be accompanied by concrete steps that demonstrate to Iran that the US is interested in a process of give-and-take and not a process based on "either deception or intimidation."⁵ For his part, President Obama's message outlined a new approach to the strained US-Iran relationship, making it clear that he

³ For more information see CBS News, 2009.

⁴ For more information see Radio Free Europe, 2009.

⁵ For more, see Farhi, 2009.

wants a new relationship with Iran, not contingent on internal Iranian developments.

President Obama's address also showed that as far as his administration is concerned, simply waiting in hope of a more constructive government in Tehran is not the answer. Further, he did what previous US administrations should have done a long time ago: directly address the Iranian people. The message defined values and ideas that are common to both sides and with which the Iranian population can identify. In addition, he repeatedly addressed the people and leaders of Iran jointly, thereby finally acknowledging that trying to drive a wedge between Iran's leaders and its people is counterproductive and that the overall policy of trying to identify moderates with whom the US can talk is not a constructive mechanism to overcome the differences of the past. This is a clear departure from previous attempts to seek regime change in Iran. The American gestures to Iran seem sincere and serious, but from the Iranian perspective they still suffer from the persistent structural weakness of dictating the rules of the game to Iran rather than engaging in a genuine dialogue.

Ayatollah Khamenei's response to President Obama's Nowrooz overture was actually a way to signal a new direct leadership role in Iranian foreign policy. After 30 years of diplomatic tensions, for the first time there was a dialogue between the top leaders of the two nations, no matter how dismissive and bitter the content. Three decades of discord will not evaporate in a few months. But the dialogue has begun, although on a rough note. Javier Solana, the EU foreign policy chief, voiced hope that the video message from the US president to Iran would mark a "new chapter" in international relations with Tehran. Solana also noted that the European Union would continue its talks with Iran "and see how we

can move in a coordinated fashion with the Americans” (Press TV, 2009).

9. European Involvement

What should the Europeans do? If they have to wait passively, they will abdicate their role in the Iranian nuclear negotiations. In other words, all of the EU’s efforts in the past few years would have been in vain. However, notable European politicians have suggested that the possibility of positive US-Iran relations is unlikely. German Chancellor Angela Merkel has expressed skepticism about the chances of success for US engagement with Iran. According to French President Nicolas Sarkozy, sanctions should remain on the table, alongside continued negotiations. At the EU summit, Sarkozy said that “It can only be positive that the American president wants to recommit to the service of peace” by reaching out to Iran, but added that the policy of sanctions remains important (Associated Press, 2009).

On February 26, 2009, France, Germany and Britain proposed additional EU sanctions against Iran over its nuclear program. The sanctions were extended to people including the commander and deputy head of the paramilitary Basij force. Entities named include Sharif University of Technology, the Iran Insurance Company, the Iran Air Cargo, the Iran Space Agency and the Razi Institute for Serum and Vaccine Production. Six banks and their headquarters were also mentioned, including Bank Tejarat, one of Iran's largest commercial banks. According to a European diplomat, the new sanctions were meant to provide the US administration with a “bigger stick” in a carrot-and-stick approach aimed at getting Iran to stop nuclear activity. The Islamic Republic has repeatedly rejected any carrot-and-stick policy as insulting. The Europeans have tried to have it both ways on Iran. Europeans have always rejected President

George W. Bush's saber rattling, but have not been willing to impose tough economic sanctions as an alternative out of fear it could hurt Europe's trade with Iran.

10. Recommendations for a US-Iran Dialogue

In order to correct over three decades of mistrust and hostility, the US and Iran must be willing to enter a new stage of dialogue. If handled correctly, this can be mutually beneficial. Both sides must make concessions in order to demonstrate to the other that these talks are serious and designed to improve relations between the two countries.

The United States' Course of Action

It is time to test Tehran's intentions on all fronts. It will be President Obama's job to seek to establish improved relations with Iran. This must be done based on US and Iranian mutual interests, while dealing with Iran's troublesome leaders in a sophisticated manner. The Obama administration's strategy towards Iran should be based on a number of important points:

- Obama will have to ignore the hawks in Washington who say, at the first sign of trouble, that talks are not working and will argue that Iran must be confronted with harsh economic sanctions, a blockade or military action. The US must put an end to attempts to undermine the Iranian government.
- President Obama should have an integrated approach towards Iran that addresses the nuclear situation, Iraq and Afghanistan. The dialogue should be structured to encourage constructive Iranian involvement in the process of consolidating authority within the central governments

of both Iraq and Afghanistan and rebuilding their economies. Washington should work with the interim government of Iraq to conclusively disband the Iraq-based Mojahideen-e Khalq Organization.

- The US should consult the other parties, especially the other permanent members of the UN Security Council (France, Russia, Great Britain, China) and its allies in the region (Israel, Turkey and Saudi Arabia), before having talks with Iran. The US should reassure the Turks and Arab countries by making it clear that dialogue with Iran does not mean a downgrading of relations with them. The US should convince Israel that engaging in a dialogue offers the best chance of heading off an Iranian nuclear weapons program and dealing with Hamas and Hezbollah.
- The US should reaffirm Article I of the 1981 Algiers Accord in which the US pledges not to interfere politically or militarily in Iran's internal affairs. A new policy should be launched after a new Iranian president is chosen in June 2009. If Khatami is elected and an opening is found between the US and Iran, Washington must make sure it breaks its bad habit of punishing moderates in the Middle East.

The Iranian Contribution

Though many indirect attempts to seek diplomatic ways of resuming an official US-Iran relationship have failed, enthusiasm in the two countries for this have never dissipated. Most Iranians continue to support a US-Iran relationship. The US-Iran negotiations will require that both nations address each other beyond their mutual fears and mistrusts.

- For the Iranians, it is of paramount importance that the country end its paranoia about US willingness to attack.
- Iran should accept a permanent international nuclear supervisory staff on its grounds, preventing uranium enrichment for military purposes.
- Iran should end its human rights violations.
- The question of what behaviour by Iran would constitute an unacceptable threat to regional and international security should be discussed openly and transparently.

During 30 years of Islamic revolutionary rule, Iran has changed and continues to change. This is as true of the country's international involvement as in any other aspect of its political life. The struggle for democracy and pluralism lies at the heart of Iran's public space and will determine the course of its future. Change might be slow and often an uncertain process, but it is something that can be done only by Iranians themselves. As such, if Washington acknowledges Iran's domestic and foreign accomplishments as well as its failures, it will be assured of staunch allies in Iran.

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