

## **The American Iranian Council (AIC)**

### **THE AIC WHITEPAPER**

## **Toward an Obama Policy for Better U.S.-Iran Relations**

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### **Executive Summary**

The ongoing promotion of coercive diplomacy, based on a "carrots and sticks" framework, and the continuing threats of military action against Iran - "all options remain on the table" -- have failed to achieve their stated objectives, which is to change Iran's behaviour in areas such as uranium enrichment, support for "terrorism," opposition to Middle East peace and human rights violation. These policy approaches are based on false assumptions about Iran, an incomplete understanding of the Islamic Republic, and a problematic definition of issues standing between the two governments. They also fail to realize that, as long as Washington remains hostile to Tehran, the best option of the Islamic Republic in relations to the U.S. is to maintain the prevailing "neither-peace nor-war" status quo.

More importantly, these approaches, official and proposed, fail to map out a U.S.-Iran relationship that the United States should want to emerge at the end of successful negotiations over these problem areas. Will the U.S. be satisfied with an Iran that has changed its "behavior" in all these "problem" areas to the U.S. satisfaction but has at the same time forged a strategic alliance with American future rivals for global and regional leadership, such as Russia or China? Does Iran have a strategic value for the U.S. as one of the largest and oldest nations in the region, and one that sits in the middle of the world's most energy-rich regions, namely, the Caspian Sea and the Persian Gulf? Does Iran have any strategic value for the U.S. as a nation of talents and culture, a regional magnet, a major oil producer, and a large market?

If the U.S. is serious about improving its relationship with Iran and then build a strategic partnership with it, it must undergo a "paradigm shift" in its vision, thinking and policy toward Iran. This paradigm shift must be reflected in a visionary speech by President Barak Hussein Obama, and offer more sensible assumptions about Iran's power and purpose, a better understanding of Tehran's concerns and interests, and a mutually acceptable definition of problems in the relationship. The paradigm shift should also involve removing the decades-long "neither-peace nor-war" freeze in relations and defining a desired relationship. The paradigm shift must begin by removing this paralyzing deadlock and its associated lack of vision as part of a "Big Push" way forward that also includes a bold and meaningful material incentive package.

Specifically, the "price" the U.S. should pay involves declaring that Iran will be seen and addressed as a "normal country," with a "normal regime," and that the U.S. does not promote, or seek, regime change in Iran. The U.S. should also acknowledge that a strong Iran is not a dangerous Iran as perpetrators of the containment and use-of-force policies argue. The U.S. should also involve Iran in definition of problems that stand between them, "terrorism" in particular, and design its policy interactively and within a broader regional approach that also includes issues of mutual interests and key stakeholders. A new U.S. policy toward Iran

should envision Iran as a future strategic partner, not just as a "well-behaved country" or a "client state." Such a policy will surely be acceptable to the Iranian government and attractive to its people.

The "price" that Iran should pay involves giving support to, and not spoiling, the position held by the Arab League and the Organization of Islamic Conference (OIC). They accept a two-state solution to the Israeli-Palestinian conflict on the basis of the UN Resolutions 242 and 338. Further, Iran would cease providing military support to Hamas and Hezbollah, while continuing its non-military support, given that the U.S. would no longer consider them "terrorist" groups if they were to actually stop violent actions against Israel. In the uranium enrichment area, there would be a "freeze" by Iran for a pre-set duration while maintaining its rights to use nuclear technology for civilian purposes. Last but not least, the Islamic Republic would allow free and fair elections as required by its membership in Inter-Parliamentary Union and the United Nations.

A most troubling issue in U.S.-Iran relations has been to find a feasible approach to engage Iran to begin with. Indeed, procedural matters, rather than substantive issues, have been at the core of the obstacles to U.S.-Iran engagement. In the pages that follow, this paper offers a realistic, though ambitious, alternative model for the U.S. to successfully engage Iran. Within this framework then the policy makers can build the many nuts and bolts needed to move negotiations on specific problems. The framework begins by challenging the current and proposed coercive diplomacy as "a road to nowhere," and rejects the use-of-force approach as "a road to hell." It offers a diplomatic "path to peace" based on a different vision and understanding of Iran, and one founded on transparency and the simultaneous engagement of the Iranian government and people.

The paper then spells out the key elements of this diplomatic path to peace, i.e. a better relationship, by visioning Iran as a strategic partner and by side-stepping Iran's currently desired "neither-war nor-peace" option. In the subsequent parts, the paper outlines the essentials of an interactive and region-wide "Big Push" way forward that would introduce a shock in their conflict and convince Iran that the time has come for engagement and better, if not "normal" relations. These pre-requisites include "toward mutual compromise," "a visionary Obama speech," and "a bold roadmap." I believe this approach offers the best hope for resolving U.S.-Iran differences diplomatically and creating the foundation for a future strategic partnership between them. The approach should also be acceptable to all stakeholders in the relationship as its interactive and regional approach excludes none and awards all a meaningful share of the "peace dividend."

### **Change Can Beget Goodwill**

Iran presents the most daunting challenge and the most promising opportunity for President Barack Obama's call for "change." But currently, the U.S.-Iran political conflict remains unabated. The existing bilateral and multilateral approaches to Iran are ineffectively addressing the Iranian challenge. President Obama is expected to make changes in U.S. policy toward Iran and many hope these changes will provide a realistic opening for engaging the Islamic Republic. Numerous advocates and experts are rushing to provide policy prescriptions. They are divided, broadly speaking, into two groups: (1) those supporting coercive diplomacy; and (2) those promoting a combination of the use of force and coercive diplomacy. The common shortcomings of these policy proposals are their lack of vision of a

desired future Iran, their flawed assumptions about Iran, and their unilateral approach to policy design.

Meanwhile, the mode in Iran is a nervous "wait and see." In Tehran's view, Obama's presidency holds perils and promises for U.S.-Iran relations. If President Obama's pledge of change were to translate into a new policy toward the Islamic Republic in a positive and realistic direction, then relations could improve. Otherwise, the Islamic Republic's leaders fear, the spiral conflict could further intensify in the face of the raised expectation for a breakthrough. They also remain concerned that M. Obama might fail to understand that the conflict is not just rooted in a few "issues" but also in fundamental differences between Tehran and Washington, and that they cannot be addressed by a "tactical" policy change. For now, however, they are carefully listening to every word that Washington speaks, like to believe that Mr. Obama is prepared for a new and more realistic approach to Iran, and they are giving every sign that Tehran will respond positively to a "strategic" policy change.

During my thirty-five years of living in the U.S., I have spent twenty studying U.S.-Iran relations and actively searching for a path to an honourable resolution of the conflict. The American Iranian Council (AIC), the non-profit organization founded in 1991, has made major contributions to furthering positive relations between the U.S. and Iran. Together with other "peace and conflict resolution" organizations, we have grappled with the challenges of designing a feasible roadmap. The two governments also have stumbled. In 2008, using a Research Leave from my university, Rutgers, I travelled to Iran five times and spent more than four months in the country looking for deeper clues to why the two nations have not been able or willing to resolve this spiral conflict. I spoke with government officials, business executives, and religious authorities, as well as leaders of loyal opposition groups, civil society coalitions, and ordinary citizens.

This AIC Whitepaper reports on my findings and offers an "Obama Iran Policy" that will substantively improve U.S.-Iran relations if adopted by the new Administration. The paper argues that the conceptual and procedural foundations of U.S. policies toward Iran are flawed because they are based on incomplete assumptions and a partial understanding of the Islamic Republic's concerns, power, purpose and options for normal relations with the United States. Correcting these assumptions and developing "a new policy paradigm" toward Iran is the most fundamental step the Obama Administration needs to take if it wishes to succeed in changing Iran's "misbehaviour" and creating a partnership between the two countries again. This paradigm should be developed through an "interactive" policy process that incorporates Iran and other stakeholders in U.S.-Iran relations.

The central argument of the Whitepaper is that all issues standing between the U.S. and Iran are regional-global in nature and are negotiable; indeed, they can be developed to form a common ground for productive cooperation. Thus, if Iran refuses to heed U.S.'s demands to "freeze" its uranium enrichment, stop its military support for Hamas and Hezbollah, drop its opposition to the Middle East "peace," and improve its human rights condition, it is not because Tehran views them as "non-negotiable." Instead, the Islamic Republic's refusal is primarily rooted in its fear of the U.S.'s intention to harm the regime, its disdain for dominant views in the U.S. regarding Iran's power and purpose, and its contempt for U.S. disregard for its concerns and interests.

More significantly, leaders of the Islamic Republic believe that the U.S. is determined to destroy their theocratic system and replace it with a secular "puppet" government. They

point, as evidence, to the American "regime change" policy and its many attempts to topple, contain, and cripple the Islamic Republic's system. They also maintain that, while it may not be possible to change this American intention, they can minimize U.S.'s ability to achieve its regime-change purpose. In their view, a conflict of greater intensity or normal relations will give the U.S. more opportunity to destroy their regime (the latter option less) than a state of "no-war no-peace." Herein is the secret of the Islamic Republic's efforts for 30 years to maintain the "no-war no-peace" status quo - Tehran's detente policy.

As a starting point for better relations, the U.S. should end the prevailing "no-war no-peace" status quo. This key U.S. policy change will leave Iran with only two options: "better relations" or "more animosity". Clearly, the Islamic Republic cannot afford a conflict of greater intensity with the U.S. and will do everything to avoid it. Yet, it can also be expected to resist better relations unless it is convinced or coerced into accepting that option. The new U.S. policy can achieve this result if it is ready to pay the required "price" for better relations with Iran. The quality and quantity of what the U.S. offers (strategic and material) should be so attractive as to make it impossible for Tehran to refuse it - because of self interest or fear of the war-weary Iranian citizens, who are increasingly uneasy with their country's growing isolation.

The U.S. "price" for the resolution of its spiral conflict with the Islamic Republic should include a complete revision of its view about Iran's power, purpose, concerns and interests as well as Iran's potential as a future strategic partner. To begin with, the U.S. and Iran should cooperatively work to arrive at common definitions or understandings of their mutual "problems." For example, are Hamas and Hezbollah "terrorist" organizations as the U.S. maintains or "freedom fighters" as Iran argues? Clearly, a more nuanced and realistic definition is called for. More significantly, the U.S. should reject the argument that a "strong Iran is a dangerous Iran," remove the idea of "regime change" from its Iran policy altogether, and it should recognize and promote Iran's regional role. An "Obama Visionary Speech" can allay Iran's fear of regime change and ebb its anger toward the U.S.

For better relations with the U.S., Iran should also "pay a price" to include: acceptance of the two-state solution to Israeli-Palestinian conflict based on the U.N. Resolutions 242 and 338 (in line with the positions of the OIC and the Arab League); suspension of military support for Hamas and Hezbollah, given that the U.S. also drops the "terrorist label" for them if they were to stop violent actions against Israel; freezing of uranium enrichment for a limited period, while preserving its rights to renew the activity; and upholding of the "free and fair" election principle. These conditional compromises will "buy" Iran peace and remove any possibility of coercive diplomacy or the use of force against it. Other stakeholders in U.S.-Iran relations should also support this peace formula as it satisfies their main concerns and demands.

## **Toward a New Paradigm**

### **I. A Coercive Diplomacy to Nowhere**

The bilateral and multilateral approaches to Iran, focused on coercive (i.e., non-interactive) diplomacy, are not effectively addressing the Iranian challenge. President Barak Obama is expected to make changes and many hope that they will be sufficient to provide for an opening. Numerous advocates and experts within think tanks and academia, as well as

pundits within the media, are providing policy prescriptions. They may be divided, broadly speaking, into two groups: (1) those who support coercive diplomacy; and (2) those who promote a combination of the use of force and coercive diplomacy (i.e., attack first and negotiate later or wait for the "regime" to collapse). Most members of both groups advocate "secret" diplomacy and do not think that transparency and the role of the Iranian people are significant in any US-Iran negotiations.

Members of the first group, the coercive diplomacy approach, differ in their recommendations: tough and targeted sanctions, direct and unconditional talks, appropriate incentives, a grand bargain, issue-focused engagements, an integrated regional approach, or a mix thereof. A resurgent community of experts in this group is focused on uranium enrichment and wish to see a "productive" U.S. approach to the problem and urge that it accept the idea of a "consortium" for Iranian enrichment programs. Yet another faction feels that the place to start is the fight against Taliban and Al-Qaeda extremism in Afghanistan, Iraq and elsewhere as they believe the U.S. and Iran have common interests and shared responsibility in these areas.

Advocates of coercive diplomacy also differ on the timing of the outreach to Iran. The hawks argue that there is "no time to be wasted" because Iran is rapidly building a nuclear bomb. They want Iran stopped by any means including surgical military strikes". However, there are many liberal-internationalists who also favour starting to engage now because so many unforeseen events can take place in the months ahead that could make engagement later even more difficult. They argue that Iran can be engaged in ways that do not unduly advantage President Ahmadinejad during the campaign season. Some even see an advantage in engaging Iran during the presidential election in June 2009 when better relations with the U.S. will be a popular subject.

Yet, others insist that the Obama Administration await the results of Iran's presidential elections. Advocates of the "wait and see" approach do not want President Mahmoud Ahmadinejad to be rewarded prematurely, and argue that the result of the coming election is highly uncertain. Ahmadinejad is expected to have a tough re-election fight. Some have offered a different reason why the Obama Administration should not rush into engaging Iran too soon: Iran's economic woes and the prospect for a deterioration of economic situation in the wake of sharply declining oil revenues and strengthened financial isolation of the country. They expect Iran to yield more easily as its economic and financial problems worsen. This expectation is unrealistic: the Iranian economy is only partially dependent on oil revenue; and a weaker Iran will hardly accept to engage with the U.S.

These experts also differ on to whom to talk to in Iran or where to start. Some recommend that top leaders of the two countries face each other, while others prefer to start with some initial ice-breaking exchanges between the law makers, low-level officials, or ordinary citizens. They also differ over with whom to engage on the Iranian side. Should the US engage, the Supreme Leader, Ayatollah Ali Khamanei, or should it approach President Ahmadinejad? A further disagreement among the experts concerns the direct engagement of President Obama. Some caution against his direct involvement, while others encourage it, in the hope that Obama's participation will persuade the Supreme Leader to become directly involved as well. Yet, unless President Obama takes a personal stand, Mr. Khamanei will not yield or engage.

The Democratic Party Platform has also suggested its own approach: To prevent Iran from acquiring nuclear weapons, it proposes to start with "tougher sanctions and aggressive, principled and direct high-level diplomacy, without preconditions." If Iran were to change its policies, then it will receive "meaningful incentives." Otherwise, the United States and allies will "further ratchet up the pressure," with stronger unilateral and multilateral sanctions. The platform keeps "all options on the table." This problematic "all options" principle was, of course, a signature component of President George W. Bush's policy approach. Concern is being raised in Tehran that Mr. Obama may be embracing failed policies of the previous administration, which belies his calls for "change."

These approaches err on several key fronts: (1) the problem with lack of progress in U.S. - Iran relations is in large part due to a range of inappropriate past and present U.S. policies; (2) Iran will respond to a well-designed and hefty "carrot and stick" policy, if it is combined with an offer of direct and unconditional talks; (3) economic woes and declining oil prices will ultimately bring Iran to its knees; (4) Iran is no longer as revolutionary as it was in the 1980s, and, as such, its anti-Americanism is superficial and designed for domestic consumption only; and (5) Iran shares, at least partially, the U.S. definitions of issues that stand between them.

These approaches are also oblivious to a few key facts: (1) the Supreme Leader is the authorizing power while the President is the negotiating authority; (2) issues in U.S.-Iran relations are regional-global in nature, requiring a corresponding vision; (3) negotiation between the U.S. and Iran must be interactive; (4) Tehran's primary reason in resisting normal relations with the U.S. is its deeply held belief that ties with a Washington that refuses to heed Iran's concerns will harm its Islamic system and revolution; and (5) Iran is not after economic or strategic gains (e.g., an enhanced regional role) but preservation of its theocracy and Islamic revolution.

The pundits also base their recommendations on the assumption that uranium enrichment tops all U.S. concerns about Iran's behaviour. Tehran seems to take issue with this assumption and this disagreement forms the basis for its resistance to the United Nations Security Council (UNSC) resolutions calling for Iran to freeze its uranium enrichment. Instead, Tehran believes that the primary U.S. concerns include: (1) Iran's aggressive opposition to the Middle East peace process; (2) Iran's material and spiritual support for Hamas and Hezbollah; and (3) Iran's human rights and democracy deficits. The first two issues are directly related to Israel's security, to which the U.S. is fully committed, and the third is an issue of the Islamic revolution and theocracy, toward which the U.S. is perceived to be deeply hostile.

In Tehran's view, the U.S. opposes Iran's uranium enrichment because it intensifies these primary American concerns. For example, if revolutionary Islamic Iran were to develop the technology to build nuclear bombs, it could transfer the knowledge to Israel's "terrorist" enemies. Iran will also use the bombs to protect its Islamic regime from hostile external existential threats. In other words, the U.S. is using uranium enrichment as a "pretext" to provide for Israel's security and eliminate the main condition for the Islamic regime's long term survival now that its "regime-change" policy has failed. It should therefore not be a surprise that Iran sees a resolution to the enrichment issue as only minimally helpful to better U.S.-Iran relations.

Iran experts from the US further offer their diagnoses and prescriptions from the perspective of the U.S.'s interest, paying only lip service to the concerns and views of the Islamic

Republic and the Iranian people. They indeed lack interest in an interactive process for policy design wherein Iran (i.e., its regime and people) is included. In sharp contrast, from Iran's perspective, the problem with the U.S. emanates from its "arrogant and imperialistic" behavior, its animosity toward the Islamic revolution and regime, its policies based on double standards, and its misunderstanding of regional realities. Tehran also views the U.S.'s "carrot and stick" policy as insulting and argues that, lacking a longer strategic vision of Iran, the U.S. plays a zero-sum game against Iran's legitimate regional role and interests.

Significantly, the prescribed approaches often disregard the complaints, views, and desired outcomes of the Islamic Republic for a compromise with the United States. For example, they ignore Iran's long list of grievances against the U.S. and focus largely on the issues that the U.S. has against Iran. Starting from this lopsided approach, the experts then propose asymmetrical and unilateral policies that would supposedly help mend U.S.-Iran conflict. It should not be surprising then that Iran has ignored calls to freeze its uranium enrichment, to withdraw its support for the Lebanese Hezbollah, the Palestinian Hamas, and the Iraqi Shi'a, to cease its opposition to the Middle East "peace," and to improve its human rights records.

The Islamic Republic also disagrees with the basic tenets of these U.S. "problems" with Iran and does not want them resolved on the basis of the U.S.'s unilateral and "biased" definitions and explanations. Specifically, from the Islamic Republic's perspective: (1) Hamas and Hezbollah are "freedom fighters" defending their homelands; (2) the true nuclear proliferators in the region are India, Israel and Pakistan, none of which has signed the Non-Proliferation Treaty (NPT); (3) Iran is more democratic than most U.S. allies in the Middle East; and (4) the real obstacle to Middle East peace is Israel which refuses to accept the UN resolution 242 calling for its withdrawal to pre-1967 borders in return for peace and recognition by the Arabs.

Finally, and more significantly, the experts and pundits have failed to detect the most important of Iran's tactics with respect to the U.S.-Iran relationship: to maintain the "no-war no-peace" status quo. They have been unable to realize that Iran does and will do everything that preserves the status quo at the expense of more conflict or normal relations with the United States. Thus, Iran would "negotiate" with the U.S., if offered, regarding Iraq, Afghanistan, drug trafficking, and even uranium enrichment. However, what Iran will not be prepared to do is to utilize these negotiations to normalize relations with the U.S. at this time. From the perspective of the Islamic Republic, the time has perhaps come for better relations with the U.S. but not for normal relations, which it sees as being tantamount to ending the Islamic revolution.

## **II. Surgical Strikes to Hell**

A second group of experts and pundits believe that diplomacy, coercive or interactive, will not change the Islamic regime's "objectionable behaviours." They opine that the Islamic leaders of Iran believe in the use of force and therefore will only "respond to the use of force." One faction wishes to promote "surgical strikes" on Iran's nuclear and strategic targets as a prelude to regime change or coercive diplomacy (i.e., attack first, talk later). A second faction wishes to see the use of force in the form of a "total war" that will finish the regime and destroy Iran's "rising power." This latter faction is increasingly sidelined in the U.S. but the advocates of "attack first, talk later" have substantial influence in Washington, the Arab

world, and Tel Aviv. Shaul Mofaz, Israeli Deputy Prime Minister, told me in a meeting in spring of 2008 that he preferred a military approach.

Surgical military strikes can inflict heavy damage on Iran. However, no matter how long they are sustained, such attacks can hardly dismantle all of Iran's nuclear or military infrastructures, which are dispersed over its vast and formidable geography. Besides, if Iran were building nuclear bombs, it certainly would be doing so in secret places. Surgical strikes will also make Iran leave the NPT, stop all cooperation with the International Atomic Energy Agency (I.A.E.A.), and build nuclear bombs quickly. Surgical strikes, particularly if waged without a UN mandate, would undoubtedly lead to a region-wide conflict, and increase domestic and international support for the Islamic Republic, making it easier for Tehran to get away with building bombs.

Iran can also be expected to respond to any military attack, though not immediately and only through the use of "irregular war" tactics. The Islamic regime has over a million devoted Muslims under arms and can mobilize another million easily. The Iranian population of 75 million is generally nationalistic and patriotic. Tehran would also receive support from its Shi'a Islamic allies in the region against the attackers. At home, it would most likely impose a military government on the country and martial law in Tehran. Democracy and human rights activists and pro-U.S. groups will be repressed and silenced. The younger generation, which has been moving away from radical Islam, could be agitated and organized again using a national-fascism ideology for an "irregular war" against the attackers.

Surgical strikes will not lead to regime change as they will not lead to a military coup or a popular uprising. The former is a non-starter: Americans and the opposition groups have not been able to cultivate trusted friends among the high ranks of the military, the regime has established a tight grip over them after a few attempted coups in the early 1980s, and the Iranian generals are not widely popular with the people and are less ambitious than their Pakistani and Turkish counterparts. Alternatively, it could be argued that the military, in alliance with the Ministry of Intelligence and Security (MOIS), is indeed in power in Iran and does not need to make a coup against its own regime!

A popular uprising against the regime in the wake of a U.S./Israeli surgical strike is equally unlikely. The external/exile pro-war and regime-change opposition groups are small, disorganized, without vision, and unpopular with the Iranian people. Autonomy-seeking or separatist forces among the ethnic communities (Kurds, Balochis, Arabs, and Azeris) are also weak. The internal reformist opposition is loyal to the regime and will not support an uprising. The Administration should also not count on the Iranian people to rise up against the regime in the middle of a war waged against them. Save for a small fraction, they dislike war and revolution and would unite in the face of outside threats.

### **III. A Path to Peace**

As the existing and proposed roads lead either to nowhere or to hell, seeking a new path to peace and an interactive diplomacy have become "strategic imperatives:" (1) the U.S. internally faces its deepest economic crisis since the Great Depression; and (2) destabilizing regional disputes, terrorism, nuclear proliferation, drug trafficking and economic poverty are on the rise. Iran is also facing deep economic and political crises which can only worsen with lower oil prices and economic sanctions. But there are also many prospects for cooperation,



including working to thwart a resurgent Taliban and Al-Qaeda in Afghanistan and Pakistan, a newly assertive Russia, a fresh willingness in Tehran for dialogue, and the historic American election of the first-ever African-American President and his call for "change" provide additional openings.

Currently, constructively engaging with Iran is well supported by the citizens in both countries. The debate about U.S.-Iran relations is not the taboo subject that it used to be in Iran; it is now in the public sphere. Indeed, an overwhelming majority of Iranians, I dare to say upward of 80 percent, including government officials, are supportive of better relations with the U.S. The desire to find a diplomatic solution for the U.S.-Iran conflict is also discernable in the United States. This is not just an argument developed from my experience; it is also based on several key public opinion polls that found most Americans want the conflict resolved peacefully. Even the Bush Administration avoided a military confrontation with Iran and advised Israel that it would not support an attack on Iran.

The negotiable nature of the issues in U.S.-Iran relations also suggests that they should have been resolved long ago. For example, issues such as nuclear proliferation, terrorism, the Israeli-Palestinian conflict, and democracy-related deficits are hardly particular to U.S.-Iran relations - they are global issues of our time, requiring global cooperation. From the perspective of U.S.-Iran relations, therefore, they should be issues of mutual concern and causes for cooperation. Yet, the most important fact about the U.S.-Iran spiral conflict is that it defies resolution and has continued along the path toward a perilous future. Given the UNSC's demand for Iran to freeze its uranium enrichment and Iran's refusal to heed this demand, it is unlikely that the "no-peace no-war" status quo is sustainable. Indeed, the logical result of UNSC sanctions against Iran is the use of force in the foreseeable future.

Why, then, does the spiral conflict continue despite such strategic imperatives and desires on both sides? Let me suggest five reasons: (1) the issues which are open to negotiation have been over-politicized to the point of obsession, turning these potentially unifying matters into divisive and non-negotiable issues; (2) both sides have tended to ignore their common interests and neglected to develop policies for cooperation while playing on their mutual fears; (3) while the U.S. and Iran have real and serious differences, fictional narratives have also played an important role in their troubled relations; (4) U.S.-Iran relations suffer from distrust, suspicion and mutual demonization which are often rooted in false assumptions about capability and intention; and (5) most states in the region have not been willing to support a serious U.S.-Iran engagement fearing that it may not serve their interests.

Tehran's unwillingness to normalize relations with Washington is also rooted in the perceptions that: (1) full diplomatic relations and greater conflict with the U.S. are both harmful to the Islamic regime while sustaining the current "no-peace no-war" status quo offers the best hope; (2) the U.S. is seeking to change the Islamic regime and it can better achieve this goal by normalizing relations with Iran (i.e., full diplomatic ties); (3) the U.S. is insensitive to and indeed suspicious of the Iranian regional view, power, purpose and prestige; and (4) there is no need to accept Western material incentives as long as they do not provide for Iran's economic needs and do not create unrestrainable public pressure on the Islamic system for better relations with the United States.

If this assessment of the problematic nature of the U.S.-Iran possibilities for conflict resolution is even partially correct, then it should be obvious that no amount of the "carrot and sticks" strategy, with or without direct and unconditional talks, will work with Tehran as

long as it can maintain the status quo or the U.S.'s view of Iran remains unchanged. Indeed, over the past 30 years, the U.S. has tried a range of different combinations and degrees of these measures only to create an environment allowing for the reinforcement of the "spiral conflict," in a negative direction. Despite the fact that overtime the U.S. has lowered its demands from Iran regarding the changes it wishes to see in Tehran's "misbehavior," this trend has continued. For example, the U.S. no longer insists on zero uranium enrichment by Iran.

On the "stick" side, we have observed coercive "negotiations" along with the growing application of bilateral and multilateral "smart and obtuse" sanctions, the threat of war, and finally attempts at regime change - all ineffective. Some experts have argued that these measures have helped to cripple many of Tehran's abilities. While true, this view ignores that the "stick" measures have also strengthened the Islamic regime's resolve to stay the course of its "misbehaviour" if only to avoid the perception that coercive diplomacy can bring Tehran to its knees. The Islamic Republic also boasts that it has earned Iranians the "independence" that they have not had for many decades, and cites its resistance to U.S.'s "insulting" and "punishing" measures as an example.

On the "carrot" side, let me illustrate the dilemma of this approach with personal experiences. In summer of 2008, I found myself in the position of shuttling between Washington and Tehran. On one occasion, during this "track-two" diplomacy, I conveyed a statement to Iran that included the U.S. offer of a "suspension" of sanctions on oil and gas in return for Iran's agreement to "freeze" its uranium enrichment for a 6-week period. In a subsequent discussion, Iran was asked for its wish list in return for the freeze. On both occasions, the message from Tehran was "stop playing games with us." In September of that same year, in a private meeting in New York City, President Ahmadinejad was more direct: "we are not interested in material incentives only; we want the U.S. to leave us alone, or change its view and attitude!"

As I shall argue, there is only one way to encourage Iran to cooperate with the United States: The U.S. needs to listen to its wishes, adequately appreciate its concerns, and respond appropriately to its perceptions and fears. A move in this direction will signal to Iran that the U.S. is indeed prepared to assume a new "attitude" toward Iran. The Islamic Republic has often accused the U.S. of "disrespectful behaviour" and "self-serving policies." Some will argue that such a shift is tantamount to appeasing a regime that itself hardly listens to anyone. True, but the critics must also consider the fact that a U.S. "change of attitude" will remove a major "pretext" or "condition" of Tehran for serious dialogue with Washington; it will also help Iran save face.

If the U.S. were to adopt this approach, it would need to begin by removing Iran's "no-peace no-war" option, leaving it with only two options: better relations or greater conflict. To avoid the impression of military threat or normal relations, the U.S. should simultaneously and unequivocally indicate its unconditional preference for peace, i.e., better relations, with Iran. Next, the U.S. should abolish the regime change policy, acknowledge Iran's regional role, develop a positive view of the Islamic Republic's power and purpose, and boost the country's national pride. To be effective, such a new U.S. policy would also need to support a free polity and the rapid economic development of Iran to create public pressure for better relations while remaining clear of any intervention in its domestic affairs.

The Islamic Republic has lived with the U.S. under the "no-war no-peace" condition for 30 years. Citing this experience, radical Islamic leaders argue that the Republic does not need the U.S. to survive even if they acknowledge that the status quo is becoming increasingly untenable. This argument has gained credibility in recent years when the U.S. has been increasingly encumbered by a deep economic crisis. A few more radical leaders and their advisors even argue that the U.S. will soon join the former Soviet Union to become another failed superpower. Normalizing relations with a "dying and unjust power" is not very meaningful for Iran's regional leadership, particularly because it could weaken the Islamic Republic's strong position among the disgruntled Muslims everywhere including the Middle East.

In sharp contrast to these dangerous assumptions about the U.S., there are those reformist and pragmatic leaders who believe that the "no-war no-peace" cannot be maintained indefinitely and that a more peaceful alternative, i.e., better relations, has become an imperative. They point to the growing isolation of Iran due to the U.N. /U.S. sanctions and the fact that use of force could become the logical outcome of the U.N.S.C. sanctions against Iran. One problem with these leaders and this approach is that they are not willing to make a compromise on the issue of uranium enrichment. It is highly likely that they have negligible real power to build a serious discourse with the U.S. or inside Iran for the needed compromise or better U.S.-Iran relations.

While leaders of the Islamic Republic favour the "no-war no-peace" status quo over normalization with the U.S., only a very few radicals might wish to engage the U.S. in a war. The majority view is to avoid any military confrontation, and to find avenues for better, though not normal, relations. These same leaders, however, also believe that the U.S. will never engage Iran in a war and that Israel does not have the courage or the ability successfully to attack Iran in the absence of explicit support from Washington. If war or even a greater conflict is a far-fetched proposition and the U.S. is not prepared to pay the price for better relations with the Islamic Republic, then the "no-war no-peace" status quo will be maintained. This is an unstable and unproductive status quo for either party, and the U.S. should remove it as an option in the relations.

However, this is the best option for the Islamic regime because normal relations with the U.S., or greater conflict with it, can jeopardize its survival. Tehran can be expected to accept better relations with Iran if the U.S. were to change its view toward the Islamic regime. The fact, in their eyes, that the U.S. has for a long period desired and planned for the overthrow of the Islamic Republic is indisputable. In Iran only a few Islamic leaders believe that the U.S. wants to live with their theocracy. Their general view is that the U.S. is determined to overthrow the regime. The recent proposals for opening a U.S. Interest Section or allowing the American Iranian Council to open an office in Tehran are both assumed by these leaders to be designed to penetrate the regime and destroy it from within (i.e., initiate a "velvet revolution").

Undoubtedly, the Islamic Republic's perception that the U.S. wants to overthrow the Islamic regime is the single most important obstacle to normalization of relations. My recent observations in Iran have convinced me that "regime survival" has become the Islamic Republic's single most important concern, oddly parallel to Israel's concern regarding the Iranian threat to its "existential" condition. There was a time when the Republic was concerned about "Islam" or "Iran," but now the focus is on the "nizam" (i.e., the regime). When it comes to the nizam, the Islamic Republic is not prepared to take even the slightest

chance. Paranoid as this may seem, these leaders simply and deeply distrust U.S. intentions toward their "holy" regime. However, while "normalization" is not acceptable to Tehran at this time, better relations with the U.S. is increasingly appealing to it.

While the U.S. and Iran have real and seemingly irreconcilable differences, it is very much the case that misunderstandings, misperceptions and fiction have also played destructive roles in this troubled relationship. Based ultimately on fear and ignorance, they have combined together to produce a demonized image on both sides, Iran being viewed as an "Evil" and the U.S. as a "Great Satan," impeding any hoped-for trust between the two governments. The consequence for the relationship has been a negative spiral conflict that grows even when surrounded by words and actions that are otherwise designed to help reduce tension between the two countries. In U.S.-Iran relations, perception is more than just reality; it represents the considered views and purposes of those in power.

American misperceptions of Iran's power and purpose, both of which are considered to be threatening in the West, has been particularly detrimental to U.S.-Iran relations. These misperceptions, in turn, have been rooted in a set of false assumptions that the West has maintained vis-à-vis Iran for many decades. The most troubling of these assumptions is that "a strong Iran is a dangerous Iran" or conversely, "a weak Iran is a better Iran." As a global power responsible for maintaining global security and the regional balance of power, the U.S., since the Iranian Revolution in 1979, has operated on the basis of this assumption using it to obstruct Iran's development and deny it a regional role.

Iran's nuclear crisis is the product of this troubling age-old geopolitical assumption about Iran. When Britain had India as its most prized colony in the mid-Nineteenth Century, it saw Iran as a possible rival (Iran had conquered India prior to Britain) and being suspicious of Iran's intentions, decided that Iran's power should be contained. While Britain had a limited purpose, Iran's adversaries over time advanced the idea that a strong Iran is a dangerous Iran and that a weak Iran is the best for the region and beyond. Indeed, the assumption constitutes the conceptual foundation for current sanctions against Iran by the U.S. and the U.N.S.C. This same idea was also applied to contain the former Soviet Union during the Cold War era.

It was because of this assumption regarding Iran's capabilities and intentions that Western powers did not want the country to build railways in the 1920s and steel mills in the 1960s, or to nationalize its oil and succeed in its democratic development in 1950s. The Clinton Iran policy of "dual containment" in the 1990s was also founded on the basis of this false assumption. Now, the US and its allies do not want Iran to enrich uranium. Yet, the key historical point that cannot be denied is that Iran has not initiated any conflict against its neighbours in the last 250 years. Indeed, contemporary Iranian history may be interpreted quite contrary to this standard rhetoric: that anytime Iran has been weak, the surrounding region has been unstable, while a strong Iran has generally led to greater regional stability.

The fact that a strong and healthy Iran is more conducive to increasing the potential for regional peace and security was successfully tested by the Nixon Doctrine in the 1970s. The 1979 Islamic Revolution halted that short-lived experience. The post-revolutionary weaker Iran encouraged an authoritarian Iraqi administration to initiate a war with Iran over disputed territories. This led to Saddam Hussein's invasion of Kuwait and then to two U.S. wars against Iraq in 1991 and 2003. Indeed, Iraq today is the product of a weak Iran, which began over thirty years ago but has caused a cascade of conflicts in the region. A weaker revolutionary Iran also became a source of increased Islamic radicalism in the region.

The misperception about Iran's power and purpose is in part rooted in the fact that the nation's relations with the great powers have for centuries been problematic. Indeed, since its unexpected defeat in 331 BC from the Alexander the Great, Iran has had difficulty co-existing with the great Western and Eastern powers. Thus, Iran has challenged or has been confronted by the Greek, Roman, Islamic Arab and Ottoman, British, Russian, and American Empires. Located at the confluence of three continents and on the historic Silk Road, Iran's geographic position has also encouraged destructive invasions by the Mongols, Turks and other tribal forces.

The apprehensive Iranian attitude towards the great powers, complemented by its isolation as a combination of Persian, Shi'a, and Aryan (in the midst of Arabs/Turks, Sunnis and Semites), creates the psychological framework which causes its leaders to make bombastic power-projection proclamations. This reaction in turn exacerbates the false assumption of "The Strong Iran." The leaders often speak in words that are threatening to rivals and make claims that are both unreal and inflated. The weaker Iranian governments have been masters of such false and dangerous propaganda. President Ahmadinejad's rhetorical statements about "wiping Israel off the map" and "the Holocaust is a myth" are but two extraordinarily harmful examples.

A similarly troubling misperception of Iran's power is that it is currently on the rise. Coupled with the false assumption that a strong Iran is a dangerous Iran, the "rising power" argument has led to an enhanced quest for the isolation and containment of "the Iranian threat." The rising-power argument is based on the disappearance of Iraq as a regional bulwark against Iran and the rise of the Shi'a power, Iran's uranium enrichment progress, removal of the Taliban government in Afghanistan, and the rising stature of the Lebanese Hezbollah and the Palestinian Hamas. Incidentally, Iran can hardly take credit for most of these developments, which are, by and large, the intended or unintended consequence of policies and actions of the U.S. and Israel - indeed some might claim they were cleverly designed to make Iran look a "rising power."

Iran's adversaries conveniently ignore certain key facts: that it has an exceptionally weak economy, that it is technologically underdeveloped, and that its "military might" is founded on a weak economy and somewhat anachronistic technology. Indeed it is Iran's strategic rivals that are gaining a foothold in the region and the nation lives in a neighbourhood of bomb makers. There are two groups that are making the "Rising Power" argument: The first group would like to see the U.S. attack Iran militarily and justifies this position by arguing that a powerful Iran is a dangerous Iran. The second group, which includes some of Iran's friends, would like to see the U.S. negotiate with a strong Iran to neutralize its threat to the region.

The assertions that Iran is a "rising" and "dangerous" power are ideas intensively pushed forward by the neoconservatives and Israeli leaders. They are ideologically and politically motivated, and they have been harmful to American interests. In sharp contrast, a more realistic view of Iran's actual and potential power and purpose could have made Iran a partner with the U.S. in managing the conflicts in the Middle East. The case of Afghanistan is but one excellent example. Iran is a nation with tremendous "strategic depth" as demonstrated by its size, its highly educated population of over 75 million, huge oil and gas reserves, and regional influence on Iraq, Afghanistan, Lebanon, Palestine, and Syria, and other Islamic states.

The hawks who maintain that a strong Iran is a dangerous Iran also often highlight the irrational, abnormal, and rogue nature of the Islamic state. This "irrationality" is said to emanate from its "theocratic essence," faith-based actions, and hatred for the Western culture and way of life. The chaotic state structure and its factional politics, where lines of authorities are blurred, are cited as additional disquieting traits. This view of the Islamic Republic, as dangerous, irrational, and anti-Western, coupled with its surprising resiliency and blustering behaviour, have often led to counterproductive U.S. policies and intervention in Iran's domestic affairs.

Another line of argument maintains that the best approach to Iran is simply to bypass the Islamic regime and speak directly to the Iranian people. The Bush Administration took this idea to its extreme and adopted, for a time, an explicit regime-change policy, complete with funds and propaganda media to support the Iranian opposition movements and disgruntled ethnic groups. The Persian language programs of the Voice of America (VOA) and Radio Farda as well as radios and TV stations in Los Angeles were used to propagate the regime-change gospel. "We are on your side as you struggle for your freedom and liberty" became a motto in President Bush's speeches on Iran. The U.S. wanted to utilize the growing cleavage between the people and the regime to launch a "velvet revolution."

However, the Iranian people soon realized the deception and saw that the U.S. wanted to use this policy toward its own ends and did not have the interest of the Iranian people in mind. While they attempted to steer clear of the clash between Washington and Tehran, pro-democracy and human rights movements suffered. It is against this background that it has now become very difficult, if not impossible, for the U.S. to adopt a policy that will also reward the Iranian people. Yet, unless the new U.S. policy includes measures that directly benefit the Iranian people, it will not have their support and they will not put the necessary pressure on the Iranian Government for an honourable compromise. Most Iranian intelligentsia suspects that the Permanent Members of the U.N.S.C. are involved in the same "Great Game" that the big powers played over the "Persian Question" for the most part of the last 200 years.

## **A "Big Push" Way Forward**

### **I. Toward Mutual Compromise**

A new U.S. policy toward Iran must begin with a vision of future Iran. The U.S. must set forth clearly its views on the kind of Iran it wants to see emerge in the medium and distant futures. I suppose the American preference will be for an Iran that is friendly and democratic, hopefully a strategic partner, and which presents no harm to American global or regional interests, and to the security of its people and allies, especially Israel. This U.S. desire is reflected in its formulation of problems with Iran: nuclear proliferation, Iran's support for terrorism, opposition to Middle East peace, and democracy deficit. Currently, the proliferation issue clearly seems to top American concerns - a U.S. priority that Iran rejects as a "pretext."

Notwithstanding Iranian misgivings and assuming that the U.S. is sincere about its concerns and priorities, the new Obama policy should require Iran to make compromises on several key issues. First, Iran should freeze its enrichment activities for a set period, and cooperate with the I.A.E.A. by becoming transparent about the past, but with the understanding that it

has the right to enrichment for civilian purpose. Iran must also ratify the I.A.E.A.'s Additional Protocol Status allowing for intrusive monitoring, and put into practice its own proposal for international involvement in its enrichment infrastructure to promote mutual trust (the consortium idea). The U.S. will not allow Iran to enrich uranium as long as Iran is viewed as a threat to Israeli security.

Second, Iran should stop its practical, as opposed to verbal, opposition to the Israeli existence (which is a reality) and to the Middle East peace process, and accept removal of all non-humanitarian and non-spiritual support for the anti-Israeli and anti-American groups in the region. Iran must also officially endorse proposals for a two-state solution to the Palestinian-Israeli conflict, roughly along the lines proposed in the U.N. Resolution 242. The U.S. should not insist that Hezbollah, Hamas, or certain Iraqi Shi'a groups are "terrorists." Nor should Iran insist on branding these political forces as "freedom fighters" and must begin condemning any acts of violence they might commit. These compromises would have to reassure Israel of its lasting security.

Last, Iran should hold free and fair elections using the standards set forth by the Inter-Parliamentary Union, of which Iran is a member. The Islamic Constitution does not allow for the suppressive vetting of the candidates that the Guardian Council practices. The Islamic Republic also needs to uphold and protect the human rights of its citizens by following the criteria in the United Nation's Universal Declaration of Human Rights, a document of which Iran is a signatory. While the arguments surrounding cultural relativism are debatable, the Islamic regime has the right, within the limits of its Constitution and the will of its people and spiritual leaders, to protect its religious values and principles consistent with the Universal Declaration.

Tehran must note that the freeze it places on its uranium enrichment is not permanent or indefinite and that it has the right to restart enrichment at the end of a set period or after it reaches an agreement with its adversary on this subject- whichever comes first. Accepting the two-state solution to the Palestinian-Israeli conflict should present no problem given that it is the official position of the Conference of Islamic Organizations, of which Iran is a key and active member as well as the Arab League. Suspension of military support for the Hama and Hezbollah is conditioned on the U.S. removing them from its list of "terrorist" groups. The Islamic Republic should also note that demands for freer and fairer elections and protection of human rights are dictated by internal developments and have become urgent and inevitable.

However, for Iran to make these compromises, the U.S. should be willing to recognize and respond to its core concerns and understandings. This is no easy task as it requires an interactive approach that should start at the point of problem definition and not just policy design. This paradigm shift and its consequent grand conceptual and procedural changes will be hard if not impossible to introduce in the highly conservative U.S. foreign policy environment. The Obama Administration might well be accused of appeasing Iran, betraying allies, or introducing unacceptably fundamental changes into the infrastructure of U.S. international policy. Both hawks and doves may well fiercely resist the changes.

Yet, the U.S. has no better alternative but to adopt such a bold paradigm shift if it is going successfully to talk Iran into the compromises listed above, particularly over the nuclear enrichment issue. The Obama Administration can soften the critics and protect itself by preparing the ground for these policy changes. It must forcefully argue that past approaches

have failed, and that a "strategic opportunity" has presented itself opening the door to the possibility of successful negotiations with Iran. The new administration must remind all of the stakeholders that an Iranian bomb will change the balance of power in the region and lead to even further dangerous proliferation. It must insist that preventing Iran from building nuclear bombs is worth this "price" and that war is not a viable option.

The Obama Administration should also prepare U.S. allies and adversaries for a deal with Iran. The conceptual and procedural changes and their accompanying roadmap should not come as a surprise to any key player in U.S.-Iran negotiations, including Israel, Iran, the Arab states, Turkey and Pakistan, as well as the permanent members of the U.N.S.C. A key requirement is that the new approach will not be announced until it is privately communicated to these stakeholders and their consensus is secured. This interactive and regionally integrated approach will help generate support for the new policy. Because a multilateral process is in place against Iran at the U.N.S.C., the U.S. must initially run its new bilateral approach with Iran in parallel and coordination with members of that process.

Preparing Israel and Iraq with Iran, their national security and strategic edge will not be compromised. This may not be as hard as some may think. Israel has declared Iran's prospective nuclear bombs as an "existential threat," and many Israeli leaders know that only the U.S. is in a position to stop Iran from building those bombs. Most Israelis also know well that the U.S.-Iran spiral conflict has been harmful to their national security and that their opposition to a U.S.-Iran engagement may be viewed in Washington as disregard for American national interests. This is what concerned the late Yitzhak Rabin when he began encouraging President Bill Clinton to mend relations with Iran. The Israeli hawks will also have to go along as they have no better option and their choice of war with Iran was even rejected by President Bush.

From Iran, the Obama Administration must seek a message of willingness at the highest level of authority for better relations with the U.S. For this purpose, a draft of the Obama Speech along with a Roadmap should be confidentially sent to Iran for review. Iran will be expected to provide its reaction and offer suggestions. The U.S. will commit that the speech as seen by Iran will be delivered, and that it will be followed by the accompanying roadmap. Will Iran go along or will it reject the idea? The Iranian hawks will certainly resist it but top officials in the Government and many Islamic leaders will consent. The traditional motto of the Islamic Republic in the past several years has been that it will only normalize relations with the U.S. if it changes its "attitudes" and "policies."

The proposed Obama Speech and the Roadmap will relay a U.S. message that such changes are forthcoming. Together, they give Iran almost everything it has ever wanted to receive from the U.S.: respect, recognition, acknowledgement of guilt, and concrete material incentives. Most significantly, the Islamic regime may not have the courage to reject the proposed offer given that it no longer has the "no-war, no-peace" option. Rejecting the U.S. offer for better relations will, therefore, leave Iran with a greater conflict option, an alternative that Tehran cannot and will not take. The Iranian people are war-wary, anti-sanction, and desirous of a better life; they will bring significant pressure on the Islamic regime to accept the peace option, i.e., better relations with the U.S.

The final authority on this matter is Ayatollah Khamanei, the Supreme Leader. He has already said that Iran and the U.S. cannot remain enemies forever and that the time will come one day when they will mend relations. That day is when the interests of the Nizam and the



Iranian people are secured. Given such a statement from the Leader, it is unlikely that Iran will reject an idea that does account for the said interests. However, in the event that a rejection arrives from Tehran, the Obama Administration can still use the opportunity to create pressure on the Islamic Republic by telling its leaders that their "no-war no-peace" option has ended and that the U.S. will take the new policy directly and publically to the Iranian people and the world. President Obama's popularity is an additional pressure that the Islamic Regime must deal with.

Following these initial steps, President Obama should personally announce the policy changes in a carefully timed and highly publicized speech. A Persian translation of the speech must be simultaneously broadcast by the Persian services of the V.O.A. and Radio Farda and also made available to the Iranian media. The speech and its accompanying roadmap must do several things: remove the "no-war no-peace" option, restore respect to Iran, allay the Islamic Republics' security fears, correct the false assumptions about Iran's power and purpose, recognize Iran's regional role, and offer a meaningful incentive package that the Iranians will support.

## **II. A Visionary Obama Speech**

It must be kept in mind that a speech by President Barak Obama is not just addressed to the Iranian regime but also to the Iranian people. Despite being highly demonized by past U.S. policies, most Iranians continue to maintain a favourable view of Americans in a region that, generally speaking, dislikes America. Therefore, while it is necessary that the draft speech be sent to Tehran in some secrecy, in the continuation of its road to peace, the new policy must be transparent. Otherwise, it is almost certain that the new policy will end in disaster as did the previous secret talks between the two governments. Commensurate with President Obama's call for "change," and to successfully "uncle" the Iranian wrist, the speech should include the following key ideas.

1. For the past 30 years, the great nations of the United States and Iran have maintained a mutually destructive relationship. Washington has intermittently applied unilateral policies designed to change Tehran's behaviour, contain its power, to change its regime. Tehran has equally harmed our country by behaviour that undermines U.S. national security and interests. The time has come for replacing this mutually injurious relationship with a partnership that balances our interests, and both countries would reciprocate these changes in the same spirit.

2. As President of the United States, I declare my country's readiness for such a change and call upon Ayatollah Ali Khamenei, the Supreme Leader of the Islamic Republic, to join me in a mutually respectful direct and unconditional dialogue through our fully authorized representatives. The proposed exchange will be designed to improve relations between the two countries in a timely manner and on the basis of an interactive policy process, mutual accommodation and respect, and the application of the win-win principle.

3. The Iranian Supreme Leader has decreed that nuclear bombs are impermissible under Islam. On the basis that this is a serious and very important statement on which we can establish mutual trust, I wish to ask that the Supreme Leader Khamenei to direct the Iranian Government to take practical measures to demonstrate this decree and build trust with its neighbours. We also recognize the fact that Iran's civilian nuclear enrichment program has

become a matter of national honour and that any resolution of this issue must take into full account that reality.

4. The United States acknowledges the fact that Iran must be able to exercise its rights in international relations, including those in the NPT to uranium enrichment for civilian purpose, as well as its important regional role. The exercise of these rights and role, however, as is the case with every nation, cannot be separated from its obligations, and the United States expects Iran to observe and implement all of its obligations under the NPT.

5. The United States is mindful of the fact that at times, particularly during times of strained relations, leaders may make statements that reflect the emotions of the moment. This has most likely been the case when Iranian leaders have labelled the United States the "Great Satan," call for the "destruction of Israel," or categorize the "Holocaust as a myth." The same is true when the American leaders declared Iran as a member of a supposed "Axis of Evil" and Israeli leaders' referred to Iran as an "existential threat" to the Jewish state or wanting it reduced to its "Persian core". I ask that we all stop such name calling and demonizing characterizations. Changing these narratives is an important first step toward better relations.

6. The United States is mindful of the fact that the Islamic Republic currently prefers to maintain a state of "no-war no-peace" with the United States. However, we have concluded that this state of affairs no longer serves the interests of our nation and we hope Iran will determine the same. Therefore, we are determined to change, and will not maintain, the status quo. As a conflict of greater intensity is harmful to both sides and therefore unacceptable to the U.S., better relations remains the only option. The United States is ready to give better relations a real chance through a meaningful change in our approach to the Islamic Republic of Iran. We hope this view will also be shared in Tehran.

7. The United States will refrain from intervention in Iran's domestic affairs as it has committed to do in the Algiers Accord of 1981. The United States is ready to recognize the Islamic Republic and will uphold the principle that the Iranians deserve to live under democratic conditions where their dignity, liberty and justice is guaranteed. Just as in the case of other nations, the United States supports free and fair elections in Iran, and along with the United Nations and other democracies urges the Iranian Government to uphold and protect the human rights of the Iranian people.

8. The United States respects Iran's history and culture, as well as its independence and territorial integrity. Iran is more than just a strategic geopolitical entity with highly talented people, rich natural resources and a vast market. As the vessel of the great Persian civilization and one of the world's major religions, Islam, Iran has a special place in world history and among human cultures.

9. It is most unfortunate that the rich history of American-Iranian relations has been tainted by the misguided 1953 US-assisted coup against an Iranian democratic government, or by the 1979 hostage taking when American diplomats were kept as captives in Tehran for 444 days. We must forgive and we must forget this negative past to allow for the development of our future cooperation. The United States has real reason to be proud of its Iranian-American community, a majority of whom forms a natural bridge between our two great nations.

10. The United States understands that the transfer of Iran's nuclear file to the United Nation's Security Council because of Iran's lack of cooperation with the I.A.E.A. has been

counterproductive in that it forced Iran into a rigid position of defending its honor, pride and rights. To ameliorate this situation and open the way for Iranian cooperation, the United States will be willing, under certain confidence-building conditions, to see Iran's nuclear file returned to the I.A.E.A.

11. The United States is mindful of Iran's important regional role and strategic concerns, including the plight of the Palestinian people and their right to an independent state. Many U.S.-Iran issues arise out of these other regional problems. Therefore, an integrated and interactive regional solution is called for in which Iran, as a regional player, must also participate, along with other regional states and responsible non-state actors, in solving these problems. Such an effort should receive genuine, focused attention by both sides.

12. The United States and Iran often have disagreements on definition, cause, or significance of the critical issues that have highly influenced their troubled relationship. Such differences have regularly led to policy variation and contrary actions. We will be prepared to accommodate Iran's views on such matters, including terrorism, and are ready to help form a common ground for reciprocally acceptable understanding of the concerns as well as to find a mutually satisfactory roadmap for their resolution.

13. The assumption that a "Strong Iran is a Dangerous Iran" is a part of an age-old misperception and a current misunderstanding that must be corrected. The United States will be prepared to partner with Iran and other states toward collective gains and in our mutual interest in the development of economic prosperity. A strong Iran is a natural stabilizing force in the region. A growing and prosperous Iran can be a healthy contributor to the region and all other regional states.

14. Current "Spiral Conflict" between the U.S. and Iran is the result of both fact and fiction. An undue emphasis on divisive political issues has deprived the two nations of the possibility of developing common ground based on many unifying regional and global interests. These include destroying the Al-Qaeda terrorists, stabilizing Afghanistan and Iraq, finding a fair and equitable solution to the differences among the Palestinians and Israelis, creating a nuclear-free Middle East, improving regional stability, and providing for the production and safe passage of oil from the Persian Gulf.

15. The U.S. recognizes that Iran has many legitimate security concerns and is prepared to work with the Islamic Republic toward resolving these security challenges in the areas of energy and defence. The U.S. stands ready to remove from its Iran policy the use of force. It is willing to help Iran develop its vast oil and gas resources. The U.S. is also prepared to assist Iran to resolve potential threats, problems or issues, and recognizes Iran's legitimate regional role and right to enter into alliances for peace and development.

16. The ideas that I have spelled out here need to be complemented by carefully delineated procedures and meaningful measures. Iran has a vast market, a big economy, a large population, and very significant strategic resources. Our assistance and technical offers to Iran can be equally sizeable, commensurate with its needs and interests. I am pleased to announce that we will follow up with a bold roadmap designed to implement the ideas in this speech, to build further confidence with Iran, and prepare the ground for better relations.

### **III. A Bold Roadmap**

Such a speech by President Obama must be followed with a public statement by Iran's highest authority welcoming the new policy approaches as a positive step forward and that Tehran will do everything in its power to improve relations with Washington. Following Tehran's public acknowledgment, the Obama Administration should release its incentive package, which is built on the foundation of the Obama Speech, and offer Iran direct and unconditional talks. This roadmap should be mindful of the fact that it has to fully implement the ideas expressed in the Obama speech and that its policy measures must be respectful, concrete, meaningful, fair and equitable.

The roadmap should be cognizant of the fact that two approaches are not effective with Iran: (1) a coercive diplomacy that emphasizes sanctions or the threat of the use of force; and (2) an incremental approach that fragments issues, offer negligible incentives, is not transparent, and requires tedious negotiations to implement. The so-called "carrot and sticks" strategy ignores the immense value that Iranians have always placed on their pride and prestige. The Islamic Republic has further exacerbated this Iranian nationalistic view at a time when the Iranian nation has been highly demonized.

The roadmap should set in motion the "Big Push" way forward and act as "shock therapy" toward putting a large enough "crack" in the wall of distrust between the two governments. The "Big Push" way forward should include a considerable and well-publicized package of strategic and material incentives. The strategic reward package, not just the plain material incentives, would at the minimum: help remove Iran's sense of national, regime and energy insecurities, account for Iran's pride as a great nation and role as a regional power, recognize the Islamic system as legitimate and rational, and assist in democratic development of the country. The package should cause an "economic upsurge" in Iran once it is implemented.

The publicized reward package must be so large that the Iranian people would be moved to take it even if their government were to reject it. It must also make the loyal opposition want publically to support it. The key point is that the package must create domestic pressure on the Government and give it every reason to accept the offer. Indeed, a situation needs to develop inside the country that would make it impossible for the Government to refuse the package. Note that the Republic no longer can count on the US to ensure the continuation of the "no-war no-peace" option and rejecting the U.S. offer will be tantamount to accepting a greater conflict option with the U.S.

To satisfy Iran's pride, the U.S. and its allies should recognize its right and need to enrich uranium within the framework of the Nuclear Non-Proliferation Treaty as well as remove Iran's nuclear dossier from the U.N.S.C. and return it to the I.A.E.A. Iran's national security, at a minimum, requires that it be firmly sheltered from regional and perhaps non-regional nuclear weapons, a requirement that only the U.S. can provide. A regional security system along with arrangements that will put a lid on further regional nuclear weaponization can help with this requirement as well. In the longer term, the best guarantee will be to make the greater Middle East into a nuclear free zone.

Iran's energy security will require that sanctions on Iran's oil and gas sector are lifted and that the nation receives international financial support and technological assistance to advance its

capabilities not just for production of energy but also for production of energy-producing technologies, including nuclear and hydrogen fuel cell technologies. The U.S. must view this cooperation with Iran as a major stimulus for its own economy as well. Major American nuclear-reactor contractors, oil corporations, and information-technology companies will find unparalleled investment opportunities in Iran.

The Islamic regime's security is more complicated in that the immediate threat is external while in the long term its survival depends on its ability to reform the theocracy. The U.S. must transparently and convincingly withdraw its regime change policy, and dismantle all public funds and activities designed for the purpose. It must also stop support for groups and individuals wishing to overthrow the regime or harm the nation's territorial integrity. The VOA and Radio Farda must also change programs from propaganda to providing objective news and analyses as well as promoting ideas for partnership and the overall development of Iran.

The roadmap should also include incentives for the Islamic Republic gradually to reform its polity. This is a sensitive area that needs to be crafted carefully to avoid any hint of intervention in Iran's domestic affairs. The best approach to this end is to allow the two civil societies and economies interact freely and extensively. Trade, investment and socioeconomic development are the surest ways to support a more democratic future in Iran. The U.S. should also advocate free and fair elections in Iran, and support the U.N. call on the Islamic Republic to protect the human rights of its people.

The roadmap should include proposals for diplomatic contacts and posts. American diplomats are not allowed to have contacts with their Iranian counterparts and the Iranian UN personnel in New York City are not allowed to travel beyond 20 miles. These limits should be removed. The U.S. has long considered the idea of expanding the Interest Section in Iran now a completely Swiss operation. A concrete step in this direction is overdue. Iran maintains a large "Interest Section" in the Pakistan Embassy in Washington that provides visas and other services. The U.S. must aim for a similar Interest Section in Tehran. The Interest Sections should include respectively American and Iranian diplomats as well.

The U.S. and Iran should interactively design careful negotiation strategies and detailed procedural measures for resolving specific problems. Only a win-win strategy can help resolve U.S.-Iran disputes. On the nuclear matter, Iran and the US should accept the consortium idea to enrich uranium on the Iranian soil. On Iraq, they should work together to stabilize the country and allow it to maintain its full independence. On Afghanistan, they can cooperate to contain the Taliban and help the Afghan people freely elect their government. On Hamas and Hezbollah, they can meet each other half way between the U.S. view of them as "terrorist" and the Iran view of them as "freedom fighters." This requires full Israeli cooperation and the collaboration of the two groups.

Humanitarian measures in the early stages of direct talks between the two governments can particularly help to create goodwill. These could include the sale of civilian aircraft parts to Iran, de-conflicting their naval forces in the seas around Iran, and cooperation to lessen drug trafficking on Iran-Afghan border. The U.S. can also build significant confidence with Iran in the initial phases of their direct contacts if it were to release the remaining frozen Iranian assets, and to allow for direct air flight between Iran and the United States. Easing student and exchange visas and allowing for entrepreneurial contacts can particularly help with building important and long-lasting bridges between the two great nations.

Finally, the US-Iran negotiations will require that both governments to establish issue-specific institutions or forums of regional/global scope and importance. The United Nations must also establish parallel conference institutions or forums, especially for the cases of Iraq and Afghanistan. The US and Iran as well as the UN should also appointment respected and well-informed individuals as their special interlocutors. Their main task, in addition to working to solve mutual problems, would be to network among the various stakeholders and make sure that approved policies are implemented, and that they are well communicated to the highest authorities as well as to the public. Transparencies of purpose and policies as well as mutuality of interests are keys to rebuilding healthy U.S.-Iran relations.

### **The Concluding Words**

This paper has challenged the current and proposed coercive diplomacy (i.e., the "carrot and stick" policy) as "a road to nowhere," and rejects the use-of-force approach as "a road to hell." These approaches make incomplete assumptions about Iran and fail to realize that the prevailing "no-peace no-war" status quo is the Islamic Republic's best option. To entice Iran for better relations with the U.S, the Obama Administration should eliminate the "no-war no-peace" option and give Iran a "peace alternative." The Obama policy should be based on two pillars: a new paradigm of Iran predicated upon a more accurate set of assumptions and understanding as well as a bold roadmap that centers on irresistible material incentives. A visionary Speech by President Obama can set in motion this "Big Push" way forward.

Officials in the Iranian Administration take issue with the suspicion that Iran might develop bombs if its views are not addressed. Citing the I.A.E.A. findings and the declaration by the Supreme Leader that nuclear bombs are impermissible under Islam, Iran maintains that it has not diverted its civilian enrichment programs toward military use. However, the I.A.E.A. cannot determine whether or not Tehran has any undisclosed nuclear sites or that it will stay with the civilian track. The U.S. and its allies share this assessment given the lack of confidence in Iran's intention. Tehran must freeze nuclear enrichment and build trust before it can restart.

The multilateral and bilateral approaches applied thus far to resolve the deadlock have not worked. The new prescriptions that are being offered, as I have argued, will not work either. Some would consider the approach I have offered too ambitious or unrealistic. Others would see in it the beginning of some useful thoughts for ending the 30-year old conflict. Extremist groups opposing the Islamic Republic will dismiss the "Big Push" way forward as pro-regime, while the most zealous pro-regime crowds would suspect this roadmap as yet a new trick to endanger the life of their nizām. The problem with these groups is that they are either for greater conflict or the status quo.

True enough, the ideas outlined here are ambitious and require further refinements. However, I take issue with those who suspect my best intentions. Arguments should stand or fall based upon their merits. In my view, the "Big Push" way forward offered here is one that has the best chance to succeed if truly implemented. It leaves Iran with no option but better relations; it gives the Islamic regime the security it seeks; it accounts for the rights and interest of the Iranian people; it deals directly with the possibility of Iran building nuclear bombs; it grants Iran the credit it merits; it helps increase Israel's security and the prospect for a Palestinian state; and it opens Iran to American trade and investments, a bonus to both economies.

Iran and the U.S. should give the proposed approach a chance to succeed. They should be guided by trust and transparency, and avoid any game playing or deceptive behavior. Otherwise, the rapprochement can lead to a disastrous conflict. For Iran nothing could be more dangerous than a disillusioned Obama, who has become "globalized" and has the ear of the global community. This could happen if Iran were to reject the lucrative deal. The U.S. must also realize that there is no better approach than the one offered here. It makes Iran an offer to take a comprehensive peace in exchange for its future bombs. True, the U.S. will pay a price but that will be less than maintaining the status quo or engaging Iran in a war. President Barack Obama has called for "change" and the time has come for a change of direction in U.S. policy toward Iran.

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