
Iran: The New Claimant to Regional Power?

AN INTERVIEW WITH VALI NASR

Vali Nasr is Professor at the Naval Postgraduate School, Adjunct Senior Fellow at the Council on Foreign Relations, and Senior Fellow at the Belfer Center for Science and International Affairs at the John F. Kennedy School of Government, Harvard University. Beginning in the fall of 2007, he will be Professor of International Politics at The Fletcher School.

*Dr. Nasr is a specialist on political and social developments in the Muslim world and is the author of five books, including *The Shia Revival: How Conflicts within Islam will Shape the Future* (2006) and *Democracy in Iran: History and the Quest for Liberty* (2006), as well as numerous articles in academic journals and encyclopedias. His works have been translated into Arabic, French, Spanish, Portuguese, Indonesian, Italian, Turkish, Persian, Chinese, and Urdu. Dr. Nasr has also written for *The New York Times*, *The New Republic*, *Time*, *Christian Science Monitor*, *Foreign Affairs*, *Los Angeles Times*, and *The Washington Post*, and has provided commentary to national and international media. He has been the recipient of grants from the *John D. and Catherine T. MacArthur Foundation*, *The Harry Frank Guggenheim Foundation*, and the *Social Science Research Council*. He is a *Carnegie Scholar* for 2006.*

Dr. Nasr received his B.A. from Tufts University in International Relations summa cum laude and was initiated into Phi Beta Kappa in 1983. He earned his master's degree from The Fletcher School of Law and Diplomacy in international economics and Middle East studies in 1984, and his Ph.D. from MIT in political science in 1991.

The Fletcher Forum spoke with Dr. Nasr on March 16, 2007, about Iran, political Islam, and the future of politics and policy in Southwest Asia.

FLETCHER FORUM: *Your early scholarship focused on Maulana Mawdudi and the Jama'at-i Islami in Pakistan. What prompted you to shift your focus to Iran?*

DR. VALI NASR: My area of expertise was not country-focused. It was on political Islam and the various patterns in which we were seeing Islamic ideology operating in the political arena, articulating its view on politics, and implementing a social organization. Ultimately, even when I was working on Pakistan, I was interested in the comparative work of looking at this other arena, and that obviously involves the way in which the context is unfolding, which means the politics of the country. My third book, *The Islamic Leviathan*, was a comparison of Pakistan and Malaysia. I was also working on the issue of sectarian conflict as a manifestation of Islam as activism in South Asia.

After the Iraq War, I approached the sectarian issue again from a comparative perspective, not just with Iraq and the Middle East, but also with South Asia. The work on Iran was in the context of understanding relationships of religious ideology, Islamic activism, and democracy and how they unfold in this larger context. One of the projects I'm involved with right now is the study of Muslim democracy, which includes not just Iran but also South Asian cases, Turkey, and Southeast Asian cases.

FORUM: *So it was this comparative focus that led you to Iran?*

NASR: Yes, exactly. In all of these Muslim countries, you obviously have to be aware of the way in which political discourse is unfolding. What

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is the historical context? What are the economic realities? What is the debate in the political arena? Ultimately, in all of these cases you have a convergence of political issues with Islamic issues. And Islamic politics is ultimately operating in these arenas in the context of everyday politics. So just as it is with the comparative approach to Islam,

one then must situate that within the context of comparative politics of the countries at hand.

FORUM: *Could you give an example of the variety or differences you see in Muslim democracies in these various regions?*

NASR: First of all, you have countries in the Muslim world that have ongoing elections and democratic processes—countries like Malaysia, Indonesia, Pakistan, Bangladesh, and Turkey. And you have countries in which the debate is not about what is happening in ongoing democracies, but rather what is going to happen the very first time you vote, which is mostly the

Arab world. You have countries like Iran, where the debate is not between the secular state and Islamic opposition over democracy, but between the Islamic state and the secular opposition over democracy.

Within the Muslim world, there are different degrees of everyday experience with democracy. You have differences in the level and size of the middle class where this is happening. You have differences in the degree of economic progress and relative welfare of the country. There is a big difference between cases like Yemen and Malaysia. And you also have certain cultural and historical experiences that are different.

What we are seeing as a consequence of Iraq, which is also important, is that not all Muslim countries are actually homogeneous. But in some of them, the democracy issue will interact with the issue of ethnic, sectarian, and linguistic divisions of power.

FORUM: *In your recent book about the Shi'a revival, you stress the significance of this new Shi'i divide for policymakers. But you also talk about the specificities in different countries and stress that one cannot generalize about sectarian differences. How do you think that the shifting power dynamics in the Middle East will affect the interplay of these ethnic, tribal, and sectarian identities?*

Ultimately, because it involves the larger Arab world and because it involves the dynamics of Islamic ideology within it, what comes out of Iraq will not stay just within Iraq—it will travel.

NASR: In many ways, the question of distribution of power between ethnic groups, tribes, and sectarian groups is a function of the way in which a particular political arena has operated. In a case like Iraq, the sectarian conflict is largely a consequence of the combi-

nation of the legacy of Saddam's rule over the Kurds and the Shi'a, the manner in which his regime was removed from power, and the manner in which the occupation has unfolded. In many ways it is an Iraqi debate. Ultimately, because it involves the larger Arab world and because it involves the dynamics of Islamic ideology within it, what comes out of Iraq will not stay just within Iraq—it will travel. In other words, it will impact the Islamic ideology and the tenet of Shi'i political thinking. And even though the particularities of Iraq are responsible for the particularities of the outcome we're seeing, it will have broader implications.

FORUM: *How do you think that U.S. policy should account for these broader implications and for the spread of this ideology outside Iraq?*

NASR: The case of Iraq is particularly difficult because the United States' priorities in Iraq and what allows it to be able to achieve those priorities do not necessarily coincide very neatly with broader U.S. regional interests. For

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instance, closer engagement with Iran would help stabilize Iraq, but that does not coincide with broader U.S. policy towards Iran or Lebanon, or over the nuclear issue or the Palestinian issue. Moreover, close collaboration with the Shi'i government and the Kurdish region in Iraq, which together constitute the majority population of Iraq, does not have the support of the Arab world. The Arab world sympathizes with the Sunni minority in Iraq.

Part of the problem for the United States in Iraq is that it is dealing for the first time with a country where the issues in the political context of that country are not limited to that country. The United States has to constantly calibrate what makes sense in terms of its policy in Iraq with what makes sense in terms of its policy and interests in the broader region—and these don't necessarily go well together.

FORUM: *You mentioned the possibility of engagement with Iran. Can you elaborate on what the difficulties or advantages of that collaboration would be?*

NASR: The difficulties are that there are broader outstanding issues between the United States and Iran. Sometimes issues such as Iran's support of Hamas and Iran's nuclear program have been more important in guiding U.S. policy than the situation in Iraq. Within Iraq, the possibility early on was that Iran had a vested interest in the success of the Shi'i government in Iraq. Iran is still the only one of Iraq's neighbors that actually has a vested interest in the success of the government that the United States has brought to power and continues to support. At a formal level, Iran was the first country to recognize Iraq among its neighbors. It has signed agreements in support of it.

The problem is that even though the United States and Iran, in the context of Iraq, may have had certain strategic common ground, it was always overshadowed by the larger problems between the two countries, which have nothing to do with Iraq but instead have to do with Lebanon,

the Palestinian issue, and above all the nuclear issue. This underscores the dilemma for the United States: namely, the logic of U.S. Iraq policy can be driven not by the facts on the ground within Iraq itself, but by U.S. interests outside of Iraq. This applies to the way the United States handles Iran as well as how it handles Saudi Arabia, Egypt, Jordan, and others.

Now we've seen arguments made by Arab governments to connect Iraq to the Palestinian issue, which shows that their interest in Iraq doesn't have so much to do with Iraq. So in many ways the United States' Iraq policy is divided between its Iran policy and its Arab policy, and both the Iran policy and the Arab policy are far larger than Iraq—and the logic of those larger policies is not necessarily supportive of Iraq policy. That is why stability in Iraq may not coincide very neatly with the needs of those larger policies.

FORUM: *Given these larger policies—the Iran policy and the Arab policy—do you think it is possible that the U.S. will engage with Iran?*

NASR: I think at some point we would have to engage with Iran. The reason being that, first of all, the idea that you would not have any kind of relations, even minimal talking relations, with the largest power in the region, with the largest country in the region, is not productive. Even if we still want to contain Iran and we still would like to get it to do things that it doesn't want to do, this kind of strategy is not advantageous and is likely to fail.

However, even beyond that, if we looked at the region right now, Iran is a major power in the Middle East. It is involved in the region from Afghanistan to Central Asia to the Persian Gulf to Iraq and it proves that it can even be far more influential and important in far away places like Lebanon and Palestine, which were traditionally seen to be the backyard of the Arab government. Iran is also pursuing nuclear capabilities, which puts it on a completely different footing than most of its neighbors. Now the United States can deal with a rising power either by confronting it, or by trying to engage with it and influence it. Given the circumstances of the Iraq war, the mood of the U.S. Congress, and the mood of the American people, a confrontation at this point in time does not look like a very viable policy for the U.S. It is going to be costly in the long run. It is going to require depending on and extending American involvement in the region. And it does not even necessarily show any clear-cut path to success.

So there is only one alternative to the policy of confrontation, and that is the policy of engagement. In this case we can look at the history of U.S. foreign policy. This is not the first time that the U.S. has dealt with an

unpalatable driving power. We dealt with the rise of China in the 1960s. There, when the United States was confronting the problem, it was dealing with a country that was responsible for the death of tens of thousands of American troops in Korea and Vietnam; a country whose regime had killed millions of people in the Cultural Revolution and even before; a country whose leader said very nasty and threatening things about the United States; and a country that was, at that time in the 1960s, a threat to its own neighborhood from Indonesia and Thailand to Vietnam—the equivalent of the Hamases of today.

The United States had only two courses to follow. It either had to confront the extremely expensive and inconclusive policy of the United States at that time—inconclusive in the sense that it did not have a clear

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outcome at the outset—or it had to assume that the best way to influence Chinese policy would be to engage with China. In other words, we have to look at Iran not necessarily in terms of whether it is good or bad, or whether it is a source of trouble in its region. The question is: what is likely to be the most effective way of dealing with this challenge? That this challenge is not

absolutely new to American foreign policy suggests that there is a hitch in this country when dealing with these similar challenges.

FORUM: *When you refer to engagement, are you speaking purely in terms of opening up diplomatic relations? How do you envision a policy of engagement?*

NASR: Engagement broadly means deepening contacts and connections between two countries with the aim of creating a vested interest in your adversary through those relations so that they will reach a point where they see advantages in maintaining those ties. The belief in those advantages will begin to influence their negative behavior. The United States and Iran present an extreme case. They have no contact, not even verbal contact, so that when the American ambassador to Iraq appears with his Iranian counterpart in the same room and over orange juice they speak for two minutes, it makes world news. In such circumstances, dialogue is a major breakthrough. But engagement means increasing interaction and bringing your adversary into a relationship in such a way that they see the benefits of that relationship. They see the benefit in preserving and deepening it. And then, as a consequence of that, they would have to revise negative behavior.

Right now Iran has no relationship with the United States and there is no benefit to them from a relationship with the United States. They have a cost-benefit analysis in Lebanon over the Palestinians, over the nuclear issue, over Iraq. As a result, engagement with the United States does not play any role in Iran's decision-making. So, a very, very successful engagement ultimately should result in normalization—not only of relations, but normalization of the behavior of a country like Iran, which is a long-term process. But it has to start at some point.

FORUM: *How do you see economic interests as an incentive to engagement?*

NASR: Economic incentives are very important, but they become far more important when they are not just the promise and they become a reality. I mean, when a country like Iran talks about the economic benefits of having relations with the United States, you may think of them as positive. But, it does not depend on them. A country like China today does depend on its economic relationship with the United States. The more Iran is integrated into the world economy, the more its economy, its leadership, and its politics become dependent and a prisoner of those relationships. Isolated countries like Iran can look at this economic promise differently. It is a promise of better things down the road.

It is not tangible at the time being. Iran is not North Korea. It is not isolated from the world community. It has a great deal of trade with its own region. It has a great deal of trade with Russia, China, and particularly with the European community. It does need to depend on and expand those relations in order to be able to satisfy the demands of the job market in its own country. But those economic considerations are not right now pressing enough to change Iran's international behavior. Unless a level of United Nations sanctions was imposed that would completely change Iran's economic context, the promise of better economic relations with the United States at the moment are not compelling enough.

FORUM: *So Iran right now is more interested in building on the linkages it already has, rather than creating new ones?*

NASR: Yes. First and foremost, it is interested in preserving and building those linkages. Second, the Iranians are assuming that a certain degree of economic cost is bearable and justified in pursuit of gaining their nuclear capability. Right now, the economic pressure is not, in their eyes, sufficient to divert them from this goal.

FORUM: *What would it take economically for the United States to have influence over Iran?*

NASR: That is not easy to tell. There are many countries that accepted very high levels of sanctions, including for instance Iraq and Serbia, without changing their international position. The problem here is that economic pressure will only change a government's policies if the government feels political pressure domestically as a consequence. It is either capable of handling the political pressure domestically, or the population does not turn on the government because of the economic sanctions, and instead blames the outsider.

You're not likely to see the government changing its attitude. Economic sanctions as a policy generally take time to have an effect. So if you look at a country like Iran, which has amassed a very large reserve of foreign exchange because of high oil prices over the past year, it can probably tolerate economic sanctions for a while before it begins to really feel the effects. That might be a two- to three-year time frame, which might be sufficient to put them in a completely different category in terms of the nuclear issue.

FORUM: *Could you talk about the international linkages both within the region and outside the region that Iran has fostered to boost its status as a political power or a political hegemon?*

NASR: Some of Iran's economic relations with its own region are a consequence of sanctions and an absence of relations with other powers. For instance, Iran is very deeply tied into the economy of the Persian Gulf Sheikdoms, particularly that of Dubai.

Dubai has benefited enormously from Iran's troubles over the years because it served as an indirect conduit for goods that have been banned from going to Iran directly. Dubai has in turn served as Iran's financial and banking linkage to the outside world. Over the past twenty years, Dubai has benefited greatly from playing this role. But also as a result, Iran has become deeply invested in Dubai's banking and real estate market. There are large numbers of Iranian companies that operate as Dubai companies. So Iran has become very invested in the success and continuous prosperity, openness and stability of the Persian Gulf Sheikdoms.

Elsewhere, in places like southern Iraq or western Afghanistan, Iran has over the past twenty years—and in the case of Iraq since 2003—basically expanded its zone of economic influence. In other words, in Iraq, Iranian pilgrims and businessmen have been supporting the economy of southern Iraq. They take money in when they go on pilgrimage. They buy things. There is investment in hotels, restaurants, land, and all sorts of activities. During the Taliban years, western Afghanistan developed extremely close

ties with the economy of western Iran, partly because there were over two million refugees in Iran who continuously went back and forth to Herat [in Western Afghanistan]. They were very important in creating financial trade networks. Iran has a very robust trade relationship with the greater region of Central Asia, the Arab countries, and Turkey. In the 1990s, you had a boost in foreign multinational investments in Iran, most notably South Korean, Russian and Chinese companies, in everything from the oil industry down to retail and telecommunications. In addition, European companies became much more involved in the Iranian market.

When you have such a concentric circle in terms of Iran's integration and interaction with the world economy, obviously this is not a sort of rationalized methodical economic development program. But nevertheless, it has been evolving as an Islamic republic itself. Its economy has been undergoing change in the past twenty years.

FORUM: *Politically, would you say that Iran has been successful in increasing its influence on those in the region that view it as a hegemonic power within the Middle East?*

NASR: Yes and no. There are many great powers that face resistance in being recognized as a hegemon in their own region.

Let us look at India. Ever since 1947, India has wanted to be recognized as a hegemon in South Asia. Pakistan, Sri Lanka, and Bangladesh have resisted this recognition. The United States, for much of the time, supported that resistance. Russia wants to be seen as the absolute hegemon in the neighborhood, and countries like Georgia or Ukraine are resisting this hegemony with the support of the United States. That is causing a great deal of unhappiness in the Kremlin.

Now Iran, too, has hegemonic ambitions. That does not mean that countries in the Persian Gulf and the Arab world either accept or are happy about this. In the past, during the revolutionary years, Iran supported radical Islamic groups as a way of gaining political influence for Iran. In the past decade, Iran has abandoned support for subversive groups, with the exception of Hamas and Hezbollah, and has actually invested much more in building relations with governments. For instance, after 1996 it began to normalize its relations with Saudi Arabia and opened an embassy. Now you have routine high-level, government-to-government meetings. Iran has also deepened its relations with the Gulf. It normalized its relations with Egypt. It decided, for instance, to symbolically change the name of a street that was named after the person who assassinated Anwar Sadat, Khaled al-Istanbuli.

So Iran has begun to become much more of a power in the region. It tries to convince its neighbors that they have nothing to worry about with Iranian hegemony. But that doesn't mean that it doesn't face resistance. We have been watching very stiff resistance to the growing power of Iran over the past four or five months when Arab capitals have been extremely vocal in trying to rally American support to contain Iranian power.

FORUM: *Let us talk about Pakistan. What type of influence do you think Pakistan has over Iran, given Iran's resurgence?*

NASR: That is a very interesting question. You know, for most of Pakistan's existence, the time period between 1947 and 1979, Iran was Pakistan's closest regional ally in the Southwest Asia area. The main strategic balance in the region was between the axis of Iran and Pakistan versus that

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of Afghanistan and India. After the Iranian revolution, this picture began to change as Pakistan's relations with Iran began to grow distant, even though both countries were then much more Islamic, one under Khomeini, the other one under General Zia. Pakistan grew close to Iran's main rival in the

Persian Gulf, Saudi Arabia, and supported Taliban which was opposed to Iran's interests in Afghanistan. Pakistan, in Iran's mind, became far more pro-Saudi Arabia. Iran responded by growing closer to India.

This also has to do with the fact not only that it saw Pakistan as increasingly inhospitable for Iranian influence, as being very Sunni, as very pro-Saudi, but it also began to see India as a far better model and a far better partner for industrialization—and in many ways, a far better reflection of the way in which Iran saw itself as a regional power. So Iranians since the mid-1990s, I would say, have been very cool on the issue of Kashmir, having not been supportive of Pakistan's position. They were extremely critical of Pakistan's support of the Taliban.

Before the U.S. invasion, Iran was the main backer of the Northern Alliance against the Taliban in the region. And in fact, that was one of the reasons why it was so easy for Iran to collaborate with the United States in fighting against the Taliban. And Iran has been building steadily its energy, industrial, political, and economic relationships with India. The only question mark that always has come up and nobody has an answer is, how did Iran end up with Pakistan's nuclear technology at a time when actually

the strategic relationship between the two countries was going downhill? In many ways, Pakistan still thinks that they have it all in their corner, because there is the legacy of that earlier relationship that used to exist. Iran supported Pakistan very strongly in both the war of 1965 and the war of 1971. And the Soviet Union was an ally of India and Iran was supporting China and Pakistan against the Soviet Union, Afghanistan, and India. But all of that sort of strategic relationship actually was turned on its head during the Islamic period.

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FORUM: *Let us discuss the domestic situation, and specifically how Iran has a young, well-educated, and in some ways very progressive electorate who take voting very seriously. You've spoken a lot about how they have access to international media as well as having their own burgeoning local media. How do you think this young population will affect the future of democracy in Iran?*

NASR: Ultimately it is extremely important to the drive for democracy for Iran. The problem actually in Iran is that there is an enormous amount of support for democracy. In other words, all the indicators suggest that Iran should be more open and more democratic. The problem is that they are not properly organized. In other words, there is the basis, the fundamental basis for democracy, but there is no democratic movement. There is no organized democratic opposition that can help transform things. But, I think ultimately a literate, economically vibrant, activist, engaged, and democratically educated populace will bring pressure on the Iranian regime to continue to change itself. And if there is positive engagement between Iran and the world, it may actually help this process by bringing more resources to the opposition movement and also constricting the ability of the Iranian government to resist. The problem is that the pace of democratic change in the Iranian state and society cannot be estimated with any degree of exactitude. We don't know whether this is a process that will take ten years, five years, or two years. When you talk about Iran and the nuclear issue, we have a far clearer sense of the timeline. In other words, it takes Iran so long to achieve so much on the nuclear field. But measuring when and if democratic change will come to Iran is far more fuzzy. I have no doubt that ultimately the Iranian regime will have to accommodate the pressures for change. It will have to accommodate them more when those pressures for

change become properly organized, and when the Iranian government itself is under more pressure that will come from engagement with the West. But, those are two big ifs.

FORUM: *Thank you very much for taking the time to speak with The Forum.*

NASR: My pleasure. ■