



 REPORT ARAB REGIONAL SECURITY

# No Country for Oversimplifications

Understanding Iran's Views on the Future of Regional Security Dialogue and Architecture

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In the eyes of many of the Arab countries in the Middle East, Iran is a disruptive and difficult power to deal with. But Iran's goals are no different from those of other countries: it seeks to preserve its territorial integrity and secure its borders, ensure long-term development, and expand ties with other countries.<sup>1</sup> Outside of specific interests in regional conflict zones, Iran also wants to ensure that it remains a force to be reckoned with. And importantly, Iran wants to minimize the risk of conflict on its borders and ensure that any foreign presence is removed from the Middle East: Tehran believes that regional security should be managed by the countries of the region, whereas the Arab countries of the Gulf aim to internationalize their security. Iran's aims and interests are, no doubt, sometimes at odds with those of Arab countries. But they are hardly more odious than their neighbors', and certainly not illogical—although the means Iran uses to achieve and protect its aims and interests are problematic.

The Islamic Republic does not aim to gratuitously disrupt the region, but rather to secure its interests and its influence over various Middle Eastern actors. It is a pragmatic actor that wants a seat at the table and to establish dialogue with regional and international powers—but never at the expense of its interests. From Syria to Yemen, and especially in Iraq, Iran has interests that it aims to defend, often placing it at odds with other countries in the region, especially its Gulf Arab neighbors. In Iraq, Iran wants a unified but not overly strong country, with a central authority it can work with to secure its economic, security, religious, and political interests. In Syria, it supports the regime of President Bashar al-Assad, which pits it directly against the Arab countries of the Gulf. Yet Tehran has taken this position not to aggravate the Gulf, but rather to safeguard its interests in Syria—interests that it calculates are too vital to leave unprotected. In Yemen, by contrast, Tehran has few local interests, and has become involved only opportunistically, to push back against Saudi Arabia and its allies, who consider Yemen their backyard.

Today, simplistic depictions of Iran's motivations and capabilities—some of which paint it as blindly antagonistic and ideological, and expansively powerful— are rife, particularly among Gulf leaders and in conservative quarters in the United States and Europe. In 2015, for example, the foreign minister of Bahrain asserted that “Iran wants to control the region,”<sup>2</sup> words that were repeated almost exactly two years later, in May 2017, by Mohammed Bin Salman, who was deputy crown prince of Saudi Arabia at the time and is now next in line to become king.<sup>3</sup> To be sure, parts of Iran's leadership echo this hyperbole, adding fuel to the fire.<sup>4</sup> Nevertheless, misunderstanding Iran's intentions endangers regional security and increases the chances of conflict in the region. Although it is undeniable that Iran's interests sometimes put it at odds with other actors in the Middle East, it is vital to understand Tehran's motivations in order to create the conditions for Iran and its neighbors to engage in dialogue and find solutions to regional crises. Today, despite a downward spiral of sectarian warfare and high tensions, such opportunities exist and must be pursued.

## Iran in the Middle East

Iran is one of the dominant states of the Middle East. It is large, rich in resources, and a potentially powerful and relatively stable partner in an unstable area. It is the largest country in the Middle East with the capacity to pursue a serious international agenda. The Islamic Republic holds elections every four years, and although there have been irregularities and the list of individuals allowed to run must be vetted,<sup>5</sup> there are also public debates, and the lead candidate emerges based on the population's preferences, much like elections elsewhere. The government is also relatively stable, and decisions are the product of discussion and debate, with a great deal of politicking among numerous, changing factions. This is in stark contrast to the Arab monarchies of the Gulf, which are more or less pure autocracies with opaque decision-making processes. Iran also is located in a strategically significant area. It has an extensive Gulf coastline in the south that culminates in the Strait of Hormuz, giving it strategic control over the waterways through which a huge proportion of the world's oil travels. As the easternmost country of the Middle East, it sits closer than its neighbors to trade partners in the rest of Asia.

By virtue of its size and location, Iran is also a major regional power broker, albeit a relatively isolated one. It is a reactive power, adept at responding to changing and difficult circumstances to get the best out of them. However, Iran's limited and outdated conventional military capabilities restrict its ability to project power. As a result, and to many Arab governments' dismay, Tehran has focused on developing its ballistic missile capability and rocket systems, and relies on proxy groups to advance its interests in the region. Iran is skillful at using soft power to gain influence, evidenced by the infrastructure it helped build in Lebanon and the high volumes of trade it has with Iraq—though Iran's support for the Assad regime in Syria and the perception that it is stoking sectarian tensions there have eroded its standing. As a result of Iran's efficient use of its limited military and diplomatic resources, the Arab countries of the Gulf perceive Iranian influence as being prevalent throughout the region, often overestimating Tehran's actual strength. Indeed, even though it seems that Iran's disruptive fingers are in every pie in the region, much of Iran's involvement in regional conflicts has not always played out in its favor. Syria is a good example: Iran has devoted an unprecedented amount of economic, military, and human resources to ensuring the Assad regime's survival. Today, Assad remains in power, but he has lost what regional credibility he had, and Iran has lost favor with other players on the ground, including the Kurds, despite its best attempts at cultivating ties with them.<sup>6</sup> Further, Iran's role in Syria has become secondary to that of Russia, which means that while Tehran's acquiescence is necessary for a resolution of the crisis, it is not as indispensable as Moscow's. Many of Iran's other interventions in the region follow the same pattern. Tehran attempts to build ties with multiple players on the ground because it wants lasting influence in these arenas. But it sometimes comes up short because of either its proxies' overtly sectarian stance (not condoned by all factions in Tehran) or the Islamic Republic's shortsightedness and rhetoric—some Iranian leaders' bold statements about the extent of Iranian influence in the Middle East play into the perception that it is, or seeks to be, a regional hegemon.

Following the 2015 nuclear agreement known as the Joint Comprehensive Plan of Action, political space for dialogue

with Iran has emerged. The resolution of the nuclear weapons program issue removed a significant barrier to engagement with Iran, and its participation in the talks on Syria in Vienna in October–November 2015 and negotiations to free the American sailors captured by Iran in January 2016 are evidence of the new space for dialogue. But overall, the nuclear deal has had a mixed impact on Iranian regional policy. Although Tehran claims to want to mend the divide between itself and its neighbors, it has not scaled back its disruptive activities in the region. To the Arab countries of the Gulf, and many in the Western world, Iran continues to involve itself in Arab affairs in damaging ways: it stands by the discredited and brutal Assad regime in Syria, antagonizes Saudi Arabia and its allies in Yemen, and fosters discontent among Shia minorities throughout the region.

## Order from Ashes

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## The Driving Principles of Iran’s Foreign Policy

Since the Islamic Republic was established in 1979, a number of principles have guided contemporary Iran’s foreign policy. The Iranian state today is a direct product of a revolution based on a transnational ideology, one that the resultant government endeavored to spread throughout the region in the years immediately after the revolution. Initially, identity-based considerations often took precedence over other more practical ones, giving Iran the image of being driven by its ideology. But today, the Iranian state has become more pragmatic, putting its interests ahead of its ideology.

Nationalism is another important foreign policy consideration for Iran. When the Islamic Republic took power in 1979, it initially downplayed the role of nationalism and national identity in its politics and foreign policy and focused on religion as the basis for its identity. But following the outbreak of the devastating eight-year Iran–Iraq War, the revolutionary establishment quickly recognized the limits of religion as a galvanizing factor. As a result, nationalism partially replaced identity and ideology as an important driving force for the Islamic Republic. Tied to this is prestige as a motivation for foreign policy. Iran believes that it deserves respect in the region, for its power and its rich history. As a result, it believes that it must project power to maintain this prestige.

In Iran, more often than not, policy decisions are a direct result of internal politicking and bargaining. Domestic political pressure influences which courses of action are chosen over others. In making foreign policy decisions, the supreme leader is the final arbiter and Iran's Revolutionary Guards are an implementing agent. In some instances, such as under Hassan Rouhani, president since 2013, the administration is also allowed to influence foreign policy decisions. This influence usually depends on the relationship between the president and the supreme leader. As a result, the leadership of the Islamic Republic is constantly trying to find justifications for its foreign policy decisions to convince different factions within government, and the public, that they have chosen the right course of action. As the Syrian conflict has become increasingly unpopular in Iran,<sup>7</sup> Supreme Leader Ayatollah Khamenei and his advisers have had to frame Tehran's involvement in Syria as part of the government's counterterrorism strategy to justify its presence there and the increasing number of body bags returning home. The June 2017 Islamic State-led terror attacks in Tehran played into the Guards' and the supreme leader's rhetoric that Iran's involvement in the fight against the Islamic State abroad is necessary to keep the fight away from Iran's streets. In fact, whereas Iran's Gulf Arab neighbors and the West see Iran's activities in the region as "expansionist,"<sup>8</sup> Tehran sees much of them through the lens of defense and security—projecting power abroad to ensure security at home.



RUSSIAN PRESIDENT VLADIMIR PUTIN MEETS WITH IRANIAN PRESIDENT HASSAN ROUHANI IN TEHRAN IN NOVEMBER 2017.  
SOURCE: KREMLIN.

Finally, along with general economic interests, the multilayered sanctions regime on Iran, which was intended to isolate it following the development of its nuclear program, was a significant driver of its foreign policy for more than a decade and still is today. The measures imposed on Iran by the international community have pushed Tehran to look to other potential international partners, such as China and Russia, to offset efforts to isolate it. Sanctions, coupled with domestic economic constraints, have also curtailed Iran's available resources for its foreign policy.

Whether one agrees with Iran's foreign policies or not, it should be clear that they follow a logic grounded in its interests and its domestic political realities. But the common view in the region is that Iran is an expansionist, ideology driven country, bent on spreading its revolution. It is true that, after the 1979 revolution, Iran attempted to establish ties with minority Shia communities throughout the region, including the Shia population of Saudi Arabia's oil-rich Eastern Province. But disagreements and differences between them made this relationship a difficult one.<sup>9</sup> Today's Islamic Republic is different. It is an opportunistic country, involving itself in regional affairs after it has been presented with an opportunity to strengthen its position that is too good to pass up. Its involvement in Bahrain after the mass mobilizations and protest movement of 2011, and more recently, in the Yemen conflict, are examples of this activity. The discontent in Bahrain, contrary to what was sometimes argued, was not the product of Iranian meddling. Bahraini Shia have legitimate political grievances, including persistent discrimination by the ruling Sunni minority.<sup>10</sup> Iran's involvement with the Bahraini Shia community grew gradually after the protests had begun, as the community turned to Tehran for assistance. The same can be said of the Houthis in Yemen.

To achieve its aims, and to compensate for its historically weak military, the Islamic Republic relies on its Revolutionary Guards and regional proxies. Iran's proxies deter conventionally superior forces from attacking Iran and from operating in its spheres of influence. Iranian control over its proxies is perceived as total, but this is not always the case, and partially autonomous actors can actually be a liability for Iranian leaders. This was the case in Yemen in 2014, when the Houthis took over the Yemeni capital, Sana'a, against Iran's advice.<sup>11</sup> Iran's command and control over a proxy also depends on the level of trust it has in the group. Generally, when groups do not proclaim loyalty to Velayat-e Faqih—the Shia principle that gives custodianship over the people to the "Islamic jurist" (a position filled by Iran's supreme leader)<sup>12</sup>—it means Iran has less control over that group's final decision-making. Also, proxies have an incentive to demonstrate their relative independence from Tehran and make their causes appear more grassroots and voluntary—an additional risk for Iran that emphasizes the precariousness of some of its regional activities. In Iraq, for example, the influential Shia leader Muqtada al-Sadr called for the disbanding of the Iranian-backed Popular Mobilization Forces (al-Hashd al-Sha'abi), a Shia paramilitary umbrella organization, following their involvement in the fight against the Islamic State.<sup>13</sup> Further, Sadr recently went to Riyadh to meet with Prince Mohammed in order to mend ties.<sup>14</sup>

Still, Iran's strides in cultivating deployable proxies allow it to boost its capacity to conduct unconventional warfare to advance its interests in the region. This often results in shaky central authorities in the states where Tehran deploys such proxies. But for Iran, spheres of overlapping and fragmented authority are not a problem; if anything, they allow it to achieve its objectives, provided the state and its borders remain intact. Managed instability is to Iran's advantage. This puts Tehran at odds with its regional rivals and their allies.

# Key Regional Security Issues for Iran

Today, Iran is involved in several regional security crises. Although in some areas its goals are in line with those of its neighbors and the West, in others, it is in direct opposition to them. Iran's methods, however, have always been the subject of criticism.

## *Iraq*

Iraq is a vital security concern for Tehran.<sup>15</sup> The two countries share a porous, 910-mile border, and Iran also has significant ethnic and religious ties to Iraq. To Iran, Iraq's Shia community—some two-thirds of the population—is an Iranian constituency. Cities such as Najaf (the heart of Iraqi Shiism) and Qom, Iran (the heart of the Islamic Republic's clergy) compete for influence. Iran's economic interests in Iraq cannot be discounted either, as Iraq played a vital role in helping Iran ride out the effects of international sanctions through an extensive blackmarket trade. Finally, Iranian officials have not forgotten that the most recent conflict between Iran and Iraq was a devastating eight-year war, which almost toppled the new Iranian government and profoundly affected its psyche.<sup>16</sup>

Today, Iran's objective in Iraq is to balance the preservation of Iraq's unity and its territorial integrity. It achieves its objective by helping the central government and its armed forces fill the power vacuum in the country and by fighting the Islamic State, while at the same time preserving a degree of influence in Baghdad and making sure the country is not strong enough to challenge Tehran again. In other words, Tehran aims for either manageable instability or an easily influenced government. Such instability gives it the maximum opportunity to increase its influence through available means, such as its notorious proxies.



IRANIAN SUPREME LEADER AYATOLLAH KHAMENEI (IN FOREGROUND) CONGRATULATES IRANIAN REVOLUTIONARY GUARDS CORPS QUDS FORCE COMMANDER GENERAL QASEM SOLEIMANI (FAR LEFT) ON DEFEATING ISIS IN IRAQ. SOURCE: KHAMENEI.IR.

Iran is heavily involved in Iraq, not least of all in the fight against the Islamic State. This is unlikely to change anytime soon. After the initial surprise of the Islamic State's victories in Iraq (and Syria) in the summer of 2014, Iran rapidly committed significant political, military, and intelligence assets to fighting the group.<sup>17</sup> Tehran also effectively took advantage of the influence it wielded among different groups in Iraq to coordinate the fight against the Islamic State. In the process, Tehran continued to build ties with significant players in Iraq, including the Kurds, the clergy, and the Sunnis. Iran has even tried to help the Iraqi government boost Sunni recruitment in its armed forces.<sup>18</sup> Iran works with Shia militias in Iraq because they are efficient fighting forces—despite and not because of their sectarian stance. Iran is a large and efficient ground presence that significantly adds to the small elite units of the Iraqi army, which have also been indispensable in the fight against the Islamic State. Significantly, Iran's goals of pushing back the Islamic State in Iraq are in line with those of the United States, the European Union, and the Arab countries of the Gulf. This alignment of goals makes an expansion of the limited dialogue and coordination that occurred under Barack Obama's watch in this field desirable, although not necessarily achievable in the immediate term under Donald Trump's presidency and following the growing crisis within the Gulf Cooperation Council (GCC).

But even as the fight against the Islamic State progresses and the international community begins to think about what Iraq will look like after the fall of the self-styled caliphate, Iran will continue to be a major player. All those with a stake in a relatively stable and unified Iraq will need to work together to ensure that the current political crisis between Iraqi



political factions (which has been ongoing even though the fight with the Islamic State has grabbed headlines) does not spiral out of control. The post-Islamic State political scene and reconstruction efforts must be conducted in an inclusive and effective manner, which means that Iran must wield its influence over various groups to ensure they respect the post-Islamic State order and work as one effective government, and must help build an effective and sustainable political and security apparatus.<sup>19</sup>

## *Syria*

To Iran, Syria is a symbol of and a means for its influence in the region. It is a conduit that allows Iran to extend its reach all the way to the Mediterranean and right up to Israel. Syria also allows Tehran to continue to arm its vital proxies in the Levant by serving as a channel for Iranian money, weapons, personnel, and expertise, made possible by the long-standing and loyal alliance Tehran has maintained with the Assad family. It is precisely because Syria is a rare and loyal Iranian ally that Tehran continues to funnel money, surveillance equipment, and military assistance to the Syrian government, under the guidance of the notorious Quds Force of the Revolutionary Guards, despite Iran's professed support for popular revolutions and democracy in the region and the Assad regime's blatant stifling and repression of political opposition. Besides this material support, after months of quiet involvement Iran has added overt political support by sending Iranian political figures such as Saeed Jalili, the secretary of Iran's Supreme National Security Council, to express support for Iran's effort in Syria, or publicizing General Qasem Soleimani's visits to the country to coordinate Iran's efforts. More recently, Tehran's public relations campaign included openly and publicly repatriating the bodies of Revolutionary Guard fighters who had been "martyred" in both Iraq and Syria.<sup>20</sup>

In Syria, Iran aims to ensure the survival of some parts of the Assad regime in order to avoid chaos, as well as to secure its access to the Mediterranean. Many officials in Tehran have come to terms with Assad's gross credibility loss and his potential departure, but they are adamant that the regime's institutions must remain to ensure a smooth transition.<sup>21</sup> Foreign Minister Mohammad Javad Zarif's four-point plan allows for Assad's departure, provided it occurs after national elections.<sup>22</sup> But not everyone in Tehran shares this view, which explains the current inertia in Iran's policies in Syria. The extensive Iranian public relations campaign described above is intended to reassure the Iranian public and galvanize support for Iran's efforts in the region. The heavy cost of Iranian efforts in Syria has become particularly unpopular domestically, including with some political elites, who have begun questioning why precious Iranian resources are being wasted outside Iran.

Another reason for Iran's presence in Syria is the international clout it buys Tehran. It now appears to go without saying that there will be no resolution to the Syria crisis without Iran and its partner, Russia. This puts Tehran in the same league as some of the other major powers involved in the Syrian conflict. Finally, Tehran sees its presence in Syria as a

critical component of its counterterrorism strategy, which involves fighting the war on terrorism outside its national borders rather than on its own territory.<sup>23</sup> This strategy was successful for a time, but it may have backfired: as the fight against the Islamic State progressed in Iraq and the group lashed out abroad, Tehran became the victim of Islamic State–conducted terror attacks in June 2017.<sup>24</sup>

Iran’s efforts in Syria are problematic. Even though its fight against the Islamic State in Iraq broadly aligns with the interests and alliances of the international community, Tehran’s support for the Assad government clashes with American, European, and Gulf Arab interests. The United States and its allies have expended significant resources training, arming, and supporting some of the rebels fighting Assad, as well as Iranian forces.<sup>25</sup> They disagree on Syria’s legitimate leadership, the postwar transition, and the conflicting goals of fighting the Islamic State and ending the Syrian civil war. In addition, the Trump administration’s Syria policy has been inconsistent, further complicating matters.<sup>26</sup> Iran’s support for Assad also complicates its own objectives—even as it fights the Islamic State in Syria, there are reports that Assad has used the group’s growth in Syria to help his forces regain territory.<sup>27</sup>

Although some of the political elite in Tehran had begun questioning the government’s involvement in Syria when Assad’s forces were retreating in 2013 and after the regime used chemical weapons on its own people, unfolding events have allowed the Iranian government to quell some of the internal debate on its involvement in Syria. The Syrian regime has advanced, thanks to Russian assistance. Meanwhile, the Islamic State’s terror attacks in Tehran have played into Iranian government rhetoric that the fight against the group must be waged abroad in order to avoid battling the terrorists in Iran.<sup>28</sup> (Still, doubts about Iran’s involvement in Syria resurfaced during Iran’s presidential elections in spring 2017.)<sup>29</sup> On the whole, it is likely that Iran will continue on its current trajectory in Syria. Tehran believes that it has invested too much to give up at a time when the course of the war is broadly going in its direction. But many within the Iranian political elite are also aware both that Iran’s reputation has taken a beating following its intervention in Syria and that siding with Assad is to some degree inconsistent with the fight against the Islamic State, which has taken on new urgency after the terror attacks in Tehran. It is unclear whether this awareness will be enough to change Iran’s strategic calculation, or whether it may shift Iran’s efforts toward diplomacy and attempts at reaching modest political settlements as opposed to a military-only strategy.

## *Yemen*

As the conflict in Yemen drags on and its humanitarian impact becomes increasingly impossible to ignore, Iran’s role has been thrown in the spotlight. Iran’s Gulf Arab neighbors pointed to Tehran’s links to the Houthis as justification for their actions in Yemen. “The strategic change in the region to Iran’s benefit, whose banner was carried by the Houthis, cannot be ignored,” said the United Arab Emirates’ foreign minister Anwar Gargash in March 2015.<sup>30</sup> But Iran’s involvement in

Yemen is not as clear-cut as is often depicted. Yemen is a low-priority issue for Iran. Unlike Iraq, Iran has no border with Yemen, and the country has no covetable natural resources. In addition, the Houthis—often depicted as Iran’s puppet—do not respond to Iran as its other proxies do. Rather, many Houthi grievances are legitimate and local, and as a result the group has been known to dismiss Tehran’s recommendations when it has judged that they do not align with its interests.<sup>31</sup> It is clear the Houthis do not respond to Iran in the same way its Lebanese proxy, Hezbollah, does. Rather, the Houthi-Iran relationship is more similar to Tehran’s relationship with Hamas: the Yemeni group receives varying degrees of resources and support from Iran without fully reporting to it. Instead, over the years, Iran has focused on building the Houthis’ internal administrative capacity to manage security, expand religious education, and boost trade ties. As a result, for Iran, its involvement in Yemen is expendable and more hands-off than its involvement in Iraq or Syria. Further, Iran’s leadership does not believe that it is entrenched in Yemen, but rather that it can disengage easily if it needs to. After all, Tehran is more committed to Iraq and Syria and cannot afford to be involved in drawn-out conflicts on multiple fronts. Yemen is only useful so far as it allows Iran to antagonize Saudi Arabia when it chooses to do so.

For Iran, Yemen is a bargaining chip. It is interested in maintaining its presence there because it knows that Yemen is a first-order priority for Saudi Arabia; Iran does not specifically intend to worsen relations with its neighbors, but it will not pass up an opportunity to gain the upper hand. Indeed, after the leaders of the Arab states of the Gulf pointed to Tehran and accused it of being closely involved in Yemen, it was easy for Tehran to play along—to appear as a master puppeteer, and to project power. Thus, even if Iran’s ties to the Houthis have been growing because of the perception and subsequent actions of the Gulf Arab states, they are not what dictate Iran’s involvement in Yemen.

Today, developments in Yemen—along with the worsening crisis among the members of the GCC and the deteriorating relations between Gulf Arab capitals and Tehran—are not promising. But if any progress is to be made toward stabilizing the region, Yemen is key. The country’s relative unimportance to Iran and Tehran’s willingness to use its presence there as a bargaining chip,<sup>32</sup> combined with Saudi Arabia’s view of Yemen as a first-order priority, make dialogue between Riyadh and Tehran on a resolution of the conflict a possibility. Iran could even use Yemen to offer the Gulf Arabs an olive branch by providing them a face-saving exit by promising to withdraw from the conflict in exchange for Gulf Arab understanding that all-out victory for anyone in Syria will be difficult and ultimately will negatively affect the fight against the Islamic State.<sup>33</sup> Iran does not have specific goals for its intervention in Yemen; there is nothing it wants out of the conflict other than to use it as a bargaining chip in dialogue with its Gulf Arab neighbors. The need for dialogue is quite urgent: as the conflict progresses, all the actors involved become further entrenched, making it more difficult to reach acceptable, face-saving solutions or a drawdown. Shared concerns over al-Qaeda in the Arabian Peninsula and the growing presence of the Islamic State in Yemen only increase the need for dialogue.

# Relations between Iran and Its Gulf Arab Neighbors

Relations between Iran and its Gulf Arab neighbors have been rocky at best. Long-standing distrust and political, religious, ideological and economic rivalries continue today. Iran and Saudi Arabia's regional competition has played out in battlefields across the Middle East, but neither country has achieved its objectives in the countries in which they are engaged.

The tensions between Iran and some of the leadership in the Arab states of the Gulf have, however, been punctuated by moments of pragmatism where Iran and Saudi Arabia have been able to set aside their differences and work together. It was partly thanks to dialogue between Iran and Saudi Arabia that Tehran's proxy, Hezbollah, offered its support to Michel Aoun to win the Lebanese presidential election in 2016, ending a two-year stalemate in Beirut.<sup>34</sup> A similar dialogue helped secure Iranian pilgrims' participation in the 2017 hajj in Saudi Arabia, even as the Riyadh-Tehran relationship was at a particularly low point.<sup>35</sup>

The Arab countries of the Gulf are fearful of Iran's perceived regional expansionist policies and are skeptical of the possibility that dialogue with the Rouhani administration will lead to any meaningful changes in Iran's behavior. Following the 2015 nuclear deal, the need to counter Iran became further entrenched in the minds of some Gulf Arab leaders, including those of Saudi Arabia and the Emirates. The differences in opinion on Iran in the Gulf region have exacerbated existing rivalries and suspicions among the countries of the GCC, in part helping to trigger the June 2017 crisis with Qatar.<sup>36</sup>

Iran, for its part, is split when it comes to its outlook on its Gulf Arab neighbors. Traditionally, Iran has not given its immediate neighborhood much thought, preferring instead to focus its time and efforts on courting larger powers. But when Rouhani came to power in 2013, he made it clear that mending relations with Iran's neighbors would become a foreign policy priority. From that time until January 2016, in an effort to establish some kind of regional dialogue, Iranian officials conducted outreach toward the traditionally warier GCC states. Iran's relations with its Gulf Arab neighbors vary depending on the country. It maintains good relations with Oman, which traditionally has been the most sympathetic Gulf state. Omani officials rationally state that "Iran is a big neighbor, and it is here to stay."<sup>37</sup> Although the 2015 nuclear deal and the rising tensions between Iran and Saudi Arabia have stirred internal debates in Oman about its policy toward Tehran, for now it maintains this neutral stance, at a significant political cost to its relationship with its GCC allies.<sup>38</sup> Iran's relations with Kuwait and Qatar have been more nuanced. Both countries are closer to their GCC allies than Oman is, but both also believe that Iran is a force to be reckoned with in the region and that they must work with it. Qatar, for example, shares jointly operated gas fields with Iran, requiring dialogue and cooperation. Iran's relations with the Emirates and Saudi Arabia have been the most fraught, and this despite Iran's significant ties to the

emirate of Dubai. As a result, in December 2013, Iranian foreign minister Mohammad Javad Zarif went on a charm offensive in the GCC, visiting Kuwait, Oman, and—importantly—the Emirates. He also made it clear that he wanted to visit Saudi Arabia to discuss regional tensions.<sup>39</sup> He conducted similar visits in 2014, and called for direct dialogue with Saudi Arabia in 2015.<sup>40</sup> But Iran feels that its efforts to reach out to its neighbors, and especially to Saudi Arabia, were repeatedly rebuffed.<sup>41</sup> Following the execution of Shia cleric Sheikh Nimr al-Nimr in Saudi Arabia in January 2016, efforts toward establishing talks became politically costly in Tehran, with hard-liners pushing back against the Rouhani administration's overtures.<sup>42</sup> As tensions worsened, the Iranian public became even less receptive to the already unpopular idea of dialogue with the Arab countries of the Gulf, especially Saudi Arabia. Personal frustrations and pressure from hard-liners stalled Iranian outreach toward the Gulf Arabs throughout the rest of 2016, and although the idea of dialogue resurfaced in early 2017 owing to a Kuwaiti initiative on this front, it was quickly brushed aside following Trump's visit to Saudi Arabia and the worsening of the GCC crisis in spring 2017.

Even though Tehran always has been aware that different GCC states have different perspectives and policies on Iran, it became increasingly willing to take advantage of these differences as its calls for dialogue were repeatedly rejected. If working relations with some GCC countries were difficult, Tehran would then focus on building ties with friendlier members in order to avoid too many confrontational fronts and to continue boosting economic and political ties. Tehran would also use these additional ties to demonstrate that it was willing to mend relations with all its neighbors. Iran could not have asked for a better opportunity than the crisis between Qatar and some of its GCC allies that came to a head in June 2017. When Doha found itself isolated and attacked by a number of Arab states led by Saudi Arabia, Iran was all too ready to come to its aid, flying food to Qatar to help it overcome potential shortages and urging a rapid resolution to the crisis.<sup>43</sup>

## Is Regional Dialogue Possible?

From Tehran's perspective, dialogue with its neighbors is desirable. After all, Iran is currently involved in multiple drawn-out conflicts in the region, and even though the fight against the Islamic State is making slow but steady progress, Iran cannot afford to be indefinitely involved on these multiple fronts. For example, conservative estimates put the cost of Iran's involvement in Syria at \$6 billion a year, while others put it at \$14 billion to \$15 billion in 2012 and 2013—at a time when Iran itself was subject to costly sanctions.<sup>44</sup> Although some argued that lifting the sanctions might make it easier for Iran to fund its regional policies, not only was it difficult for Iran to use some of the released funds to pay for its regional activities, but the sanctions relief also was not as comprehensive as anticipated.<sup>45</sup> In addition, the human toll of Iran's involvement in regional activities is steadily increasing,<sup>46</sup> which has further raised the financial (and reputational) cost of involvement as the Iranian government is forced to compensate families for their losses.<sup>47</sup> Tehran is

trying to offset this deficit by relying on regional proxies instead, but it is already heavily involved in some arenas. Tehran has also repeated time and again that one of its main priorities is the “fight against extremism,” and it knows it cannot do this without its Gulf Arab neighbors.<sup>48</sup> In 2015, during his visit to Kuwait, Foreign Minister Zarif called on the region’s leadership to work together against the threat of terror: “Iran stands behind the people in the region to fight against the threat of extremism, terrorism, and sectarianism. . . . Our message to the regional countries is that we should fight together against this shared challenge.”<sup>49</sup> Iran certainly is not without fault, particularly in the spread of sectarianism, but sectarianism is not in Iran’s interest given that the Shia are a minority and that Iran aspires to lead all Muslims. It is actually in the region’s interest to call Iran out on such statements by accepting its offers to dialogue. All parties can also discuss other shared problems, including environmental concerns, water scarcity issues, nuclear safety and security, and narcotics trafficking.

As a result, both Iran and the Arab countries of the Gulf should seize the opportunity to expand on the hajj talks and the Kuwaiti initiative, launched earlier this year to begin dialogue between Iran and its Gulf Arab neighbors,<sup>50</sup> to normalize dialogue. Dialogue in the region should follow a two-pronged strategy; both prongs can be pursued in parallel.

The first should address existing regional conflicts in order to find a workable solution to them. Given the increasing tensions between Iran and its neighbors, this would be the harder but more important track. But such political dialogue can be successful only if Iran’s regional drawdown is the subject of the talks rather than a precondition to them. Recently, officials in the Gulf Arab countries have called for a unilateral Iranian withdrawal from Arab affairs in the region before a conversation between them and Tehran can begin.<sup>51</sup> This is unacceptable to Tehran, which does not understand the purpose of negotiations if they involve Iran making a significant unilateral concession before dialogue even begins.<sup>52</sup>

The second track could be conducted at lower levels, and would establish durable links between expert communities on specific areas of joint concern such as drug trafficking, environmental issues, and nuclear safety and security— the last of which is an issue of particular concern for the Arab countries of the Gulf.<sup>53</sup> High-level political discussions are difficult and controversial at times, inviting pressure and scrutiny. The second track would enable both sides to maximize opportunities for low- and mid-level officials, as well as nonofficials, to meet and discuss issues of concern that are not political and thus are relatively uncontroversial. Any kind of regular, sustained dialogue will help dispel misperceptions about one another and encourage trust-building.

For this to happen, though, the United States and its European partners have to use their influence to push Riyadh and its partners to the negotiating table. Today, this seems to be difficult to imagine, especially from Washington. Rather, the United States’ escalatory rhetoric risks exacerbating tensions with Iran. As a candidate, Trump made it no secret that he did not approve of the 2015 nuclear deal with Iran.<sup>54</sup> Today, his administration continues to implement it only

reluctantly.<sup>55</sup> The United States' more intransigent approach to Iran, whether on the nuclear deal or on Iran's foreign policy, makes managing tensions like those likely to arise in the Gulf, including between the two countries' naval forces, more difficult. Importantly, the Trump administration's clear green light to and support for its Arab allies in the Gulf has made some of the leadership in those Arab countries more intransigent toward Iran. Shortly before Trump's long-awaited visit to Saudi Arabia in May 2017, where he pledged support to Saudi Arabia and its allies in the region to help contain the threat posed by Iran,<sup>56</sup> Prince Mohammed asserted that dialogue with Iran was off the table.<sup>57</sup>



IRAN NUCLEAR DEAL OFFICIALS FROM CHINA, FRANCE, GERMANY, RUSSIA, UNITED KINGDOM, UNITED STATES, EUROPEAN UNION AND IRAN DURING TALKS THAT LED TO THE HISTORIC IRAN NUCLEAR DEAL ON JULY 14, 2015. SOURCE: FLICKR/EUROPEAN UNION EXTERNAL ACTION SERVICE

Although the United States and its allies must contain and counter Iran's nefarious activities, Tehran's intentions should not be misjudged and its capabilities blown out of proportion on every issue. The Yemen conflict is a good example of the negative effects of giving Iran too much credit for stirring instability in a country, leaving Saudi Arabia and its allies stuck in a protracted conflict that shows no signs of abating. Today, the Trump administration holds political capital with the governments of the Arab countries of the Gulf in a way that Obama did not. But both throughout his campaign and since becoming president, Trump has said that he wants American allies to be more independent. As a result, he should leverage his influence with the Arab countries of the Gulf to encourage them to take ownership of regional security—which requires establishing dialogue with Iran.

This is only an outline of the beginning steps of regional dialogue, a longterm endeavor that seems almost impossible to achieve in the immediate future. A question in the United States, at least, is whether even more challenging diplomacy could eventually be possible, such as more open channels between Iran and Israel. A discussion of this topic is outside the scope of this report, but it is worth noting that Iran's efforts to cultivate proxies and allies in the Levant mean that the Islamic Republic could be a factor in any eventual work on Palestinian issues. This is a useful fact to keep in mind when considering the possible secondary benefits of developing dialogue between Iran and the Arab countries of the Gulf, even

if Tehran is not considering the issue at the moment.

## Conclusion

The 2015 nuclear deal sparked a fear in the Middle East that as a result of the deal, Iran would no longer be constrained and consequently would be able to expand its nefarious activities in the region. Indeed, for the Arab countries of the Gulf, the nuclear issue was always secondary; what mattered was Iran's perceived expansionary agenda. This fear has partly materialized as Iran's regional presence has grown, from Syria to Yemen. And to make matters worse, Iranian hard-liners continue to draw attention to Iranian efforts abroad by making incendiary statements. In September 2014, Iranian legislator Ali Reza Zakani, a relatively minor politician, boasted that with its efforts in Yemen, Iran now controlled four Arab capitals,<sup>58</sup> a statement rapidly picked up by the media on the other side of the Gulf. Iran clearly bears some responsibility for regional impressions of its activities. Just as often, though, the rhetoric and actions emanating from antagonistic Arab neighbors and the Trump administration have exacerbated those activities, or at least the perceptions of them.

There is no doubt that Iran seeks to expand its influence in the region to safeguard its borders, government, and people—hardly a unique set of policy goals. The fight against the Islamic State and extremism more generally have only gained in importance following the Tehran terror attacks in June 2017, convincing even the elite and the skeptical of the utility of Iran's foreign military presence. Nevertheless, many within the Iranian leadership, including the Rouhani administration, understand the need for dialogue and stable relations with their Gulf Arab neighbors. Even though they face growing opposition from more hard-line quarters in Tehran—especially as Saudi and Emirati rhetoric becomes increasingly antagonistic—they continue to call for dialogue. The problem is that Iranian moderates cannot sustain this policy of attempting engagement if they are repeatedly rebuked. It is imperative that the United States and its European allies, as well as those within the GCC who traditionally are more nuanced with their policies on Iran (such as Kuwait, Oman, and Qatar) use their influence and relationships with the leadership of the other Gulf Arab states to convince them of the utility of dialogue with Tehran. Only then will tensions be lessened in the region.

**COVER PHOTO: IRANIAN SUPREME LEADER AYATOLLAH KHAMENEI PRESIDES OVER A GRADUATION CEREMONY AT THE POLICE ACADEMY IN SEPTEMBER 2017. SOURCE: KHAMENEI.IR.**

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