Developments in post-Saddam Iraq will not only affect its foreign relations, they will also significantly affect the foreign policy framework and even the fractious political system of its most geopolitically significant neighbor—Iran. Although Tehran and Baghdad have dominated the security picture of the Persian Gulf for more than 20 years, Iran and Iraq are not somehow destined to be rivals. Despite severe tensions through the years, since the end of the Iran-Iraq War in 1988, these two countries have demonstrated the capacity to cooperate with one another. Nevertheless, several fundamental problems must be resolved before Tehran will view Iraq as a reliable neighbor. With the spotlight now very much on the political contours and emerging structures of a post-Saddam regime in Iraq, the situation is opportune to explore Tehran's concerns and the methods available for addressing them, as well as the effects of the demise of the Ba'ath regime on Iran's regional policy and the prospects for U.S.-Iranian relations.

A Recent Rivalry

Certain myths about Iran's relationship with Iraq must be laid to rest, the first being the persistent notion that the two countries are somehow destined for rivalry. The notion that ancient geopolitical animosities underline relations between the modern states of Iran and Iraq is false. Indeed, when viewing the region through the lens of history rather than contemporary realpolitik, the strategic partnership that has emerged between secular, pan-Arabic Syria and Islamic Iran is difficult to explain. Yet, interest dictates policy, and history informs it—not the other way around. In other words,

Anoushiravan Ehteshami is a professor of international relations at the University of Durham and vice president of the British Society for Middle Eastern Studies.

Copyright © 2003 by The Center for Strategic and International Studies and the Massachusetts Institute of Technology
The Washington Quarterly • 26:4 pp. 115–129.

The Washington Quarterly • Autumn 2003
the tensions in modern Iranian-Iraqi relations have virtually nothing to do with the Ottoman-Persian competition over Mesopotamia or theological and ideological differences between Sunnis and Shi‘as, though both sides have routinely ripped pages from the history books to justify their own actions. Unearthing the complexities of contemporary Iranian-Iraqi relations, therefore, requires accepting the fact that tensions between the two countries have their roots in more recent developments.

**The Iranian Revolution**

Among the factors that have overwhelmingly influenced Iranian-Iraqi relations, the 1979 Iranian revolution is one of the most important. It is not surprising that relations would be tense between a revolutionary, clerical, Shi‘a-dominated Iran and an Arab, nationalist-secular, Sunni-dominated, one-party dictatorship ruling over Iran’s only Shi‘a-majority neighbor in Iraq. Even though the revolution removed Baghdad’s strongest Gulf rival and one of the West’s strongest regional allies, Muhammad Reza Shah Pahlavi, from Iran, Iraq’s response was understandably less than sanguine, not sharing in Iran’s jubilation.

The new revolutionary leadership in Tehran inherently challenged the new Iraqi president, Saddam Hussein, who had only taken control of the Iraqi regime months before in July 1979. Iraq was also forced to trade the known quantity of the shah for the unpredictability of Ayatollah Ruhollah Khomeini. Ironically, Iranian fears of Iraqi hostility against the Islamic regime, informed by Khomeini’s assessment of the Iraqi regime that had acted as his host in the holy city of Najaf from 1965 to 1978, mirrored Iraqi mistrust of Iran. Through an accident of history, personal mistrust inflamed political tensions, as Khomeini had experienced firsthand the systematic suppression of the Shi‘a clerical establishment and its flock by the Ba‘th leadership in the 1960s and 1970s. In Khomeini’s eyes, Saddam himself had been implicated in the regime’s anti-Shi‘a campaign even before rising to the pinnacle of power in Iraq.

Since its inception in 1979, Iraq has been one of the Islamic Republic’s main foreign policy challenges. Iraq not only challenged Iran’s regional ambitions before the revolution but also did its best to isolate it from the Arab world, posing a direct security threat to its territory, economy, and population. Iraq had engaged in the destabilization of the border region soon after the victory of the revolution, for example, and had started shelling Iran’s strategic economic targets well before its invasion of Iranian territory in September 1980.

Despite the tensions in Iraqi-Iranian relations during the shah’s reign, the revolution in Iran did not ease the atmosphere between the two countries.
With the uncompromising Khomeini in charge, the new and inexperienced Iranian leadership, also drenched in revolutionary fervor, found it almost impossible to resist the temptation to taunt Saddam and challenge his regime’s legitimacy in a pointed and public manner.

**The Iran-Iraq War**

The eight years of fighting that followed the revolution and the geopolitical changes that occurred in its wake merely underlined the depth of animosity between the revolutionary regime in Iran and Saddam’s government. Personality clashes, geopolitical rivalries, regime types, and deep suspicion at the leadership level combined to escalate a manageable border dispute into a more general conflict, which resulted in all-encompassing interstate war. The war—sparked by the Iranian revolution, as it shook the foundations of the regional order and unhinged the U.S.-imposed “twin pillars” security doctrine of the Nixon administration—was sustained by the hegemonic instincts of Tehran and Baghdad, both of which desired to be the dominant Gulf power. The war was ultimately about territory, influence, and survival—it was not about religion or some historically rooted difference.

Iran ultimately lost the war for two primary reasons: its blunders on the battlefield as well as in the diplomatic arena and the strategic as well as political support that the United States and its allies were prepared to lend Iraq in its campaign against the Islamic Republic. Iran at that time was considered to be an irredentist power bent on redrawing the strategic map of the region in its own revolutionary Islamic image. As a result, Saddam managed to leverage that threat and outlast both of his twentieth-century foes, Khomeini and U.S. president George H. W. Bush, by skillfully turning Iraq’s geopolitical weaknesses into military virtues. Iraq used its maritime handicap and vulnerabilities, for instance, to secure the use of France’s antiship Exocet missile system on the Super-Etendard platform for attacking Iranian shipping the length and breadth of the Gulf. In a period of four years from 1984, it systematically attacked commercial shipping and military targets and forced Iran to respond by attacking neutral or Iraq-bound shipping traffic. Baghdad’s military responses to its geopolitical vulnerabilities, in short, had given birth to the “Tanker War.”

The war between these two major oil producers created a host of policy dilemmas for the energy-hungry United States, which had just lost its most reliable regional partner to Islamist revolutionaries in Iran and was con-
cerned that the revolutionary storm from Iran might shake the foundations of the House of Saud (the other important U.S. ally) as well as the smaller and more vulnerable Gulf Arab states. Although the war would check the power of Iran’s revolutionaries, Washington did not cherish the prospect of the Iran-Iraq War spinning out of control and affecting the stability of the entire region. That would be too high a price to pay for the containment of the Iranian revolutionaries. Nonetheless, in the absence of one of its main security twin pillars in the Gulf, the United States had little option but to increase its military commitment to the region while taking advantage of the war to check Iran’s ambitions and expand U.S. influence in Baghdad.

U.S. fear of the Iranian revolution caused a change in U.S. policy toward the war in 1980. Essentially, it used the war and the wider security crisis in the Gulf as an opportunity to extend its reach and consolidate its partnerships with several Gulf Arab states. Washington tightened its sanctions regime on Iran while slowly shifting its weight behind Baghdad. Iraq’s Gulf Arab backers feared the growing influence of the Iranian revolution and saw Iraq as the first line of defense against revolutionary Iran, further encouraging the U.S. shift toward Iraq and the other Arab states. The only U.S. support for Iran during the Iran-Iraq War came during the Iran-contra affair of 1986–1987, when the United States covertly supplied Iran with badly needed war material (HAWK missiles, TOW antitank missiles, and spare weapons parts) in exchange for the freedom of U.S. citizens held hostage in Lebanon. Despite some significant policy differences with Baghdad and Iraq’s “accidental” missile attack on the USS Stark in May 1987, Washington maintained its pro-Iraq stance until the end of the war in 1988. 2

**The Lasting Legacy**

The absence of a formal peace treaty with Iraq since the end of hostilities in 1988 has intensified Iran’s policy challenges toward Baghdad. More recently, Iraq’s invasion of Kuwait in 1990 reinforced Tehran’s perceptions of Saddam’s Iraq as a politically challenging and, possibly, militarily superior neighbor. Along with the United States, Iran was unable to find suitable solutions to the range of security challenges presented by Iraq, including its possession of weapons of mass destruction (WMD), territorial encroachment on neighboring states and Iran itself, potential to disintegrate into a vacuum of ministates with huge geopolitical consequences, and powerful position in the oil market.

Yet, Iran had to face other challenges unilaterally, such as Baghdad’s support for armed Iranian opponents of Iran’s government, the sociopolitical effects of hosting a large Iraqi exile community, and the influence of domestic Iraqi ethnic divisions on Iran. The depth of Iran’s problems with Iraq stands
in stark contrast to Tehran’s singular failure to deliver a consistent set of policy options toward Baghdad. Instead, it has taken a shortsighted approach toward Iraq.

Many Iranians now in positions of power and influence served on the front lines and still speak bitterly of the war years. They openly curse Saddam for the damage inflicted on their country and for the misery he brought them, their families, and associates. Iranians generally regard the war as the root cause of the economic and social problems their country faces today; by extension, they have held the former Iraqi regime responsible for these difficulties for the last decade. To some extent, this idea of Iraq as the source of all evil is a fig leaf that disguises incompetence and corruption at home; capable technocrats argue reasonably, however, that the socioeconomic legacy of the 1980s has undermined the attempts of Iranian presidents Ali Akbar Hashemi Rafsanjani (1989–1997) and Muhammad Khatami (1997–present) to introduce socioeconomic and political reforms.

The war’s broader impact on Iran can be divided into two sets of domestic developments: socioeconomic and security related. Socioeconomically, the war created a vast national welfare network that now provides an impressive range of benefits for the families of war victims. With easier access to education, “jobs for the boys” to provide employment opportunities, and financial benefits, wartime service became a social ladder for veterans and their families to climb. A social security system emerged for which the main eligibility requirement has been loyalty to the regime. This structure in turn produced vested interests in preserving the regime that had helped support their livelihood and has proven quite resistant to change. These forces stand to gain from the legacy of the war, providing lingering support for the ruling elite in Iran and demonizing Iraq as a source of problems. Their activism, however, also shapes the wider national perceptions of Iraq and thus inevitably affects Iran’s relations with that country, as well as its policy options toward it.

The debate about the conduct of the war further contributes to popular Iranian perspectives on, as well as Iran’s more formal policy toward, Iraq. A growing body of opinion in Iran holds that Tehran’s unconditional acceptance of United Nations Security Council Resolution 598, which produced a cease-fire in July 1988, marked only a dubious victory for the Islamic Republic because, in the end, none of Iran’s war aims were realized. Iran had failed to topple the Iraqi regime, to secure a border treaty with Iraq, or to extract war reparations in exchange for a cease-fire.
Such revisionist views of the Iran-Iraq War form a new battleground for the main Iranian power blocs. As “public ownership” of policy toward Iraq has increased—where motion pictures, documentaries, and even war memories fuel the debate about the war—Iranians are openly articulating their views on the best course for their country in the aftermath of the U.S. military assault on Iraq: whether U.S. action will serve Iran’s broader long-term interests or whether Iran should support the return of UN personnel to Iraq and oppose unilateral U.S. action. Notably, 127 members of parliament out of 286 legislators in Iran penned an open letter to Supreme Leader Ayatollah Ali Hoseini Khamenei in May 2003 asking him to “drink from the chalice of poison” and allow for the broadening of the reform process at home as well as a comprehensive review of Iran’s relations with the United States. The debate is raging now and will have direct policy consequences.

For Iran, another social legacy of the war has been a culture of remembrance and commemoration including the fountain of blood (oozing red liquid) at the entrance to Tehran’s main war cemetery, streets named after war heroes, and the regularity with which key dates and events of the war are marked. Although state-level exchanges between Tehran and Baghdad had become commonplace as early as the mid-1990s, and the physical scars of eight years of conflict had all but disappeared, state and civil society structures in Iran have combined to perpetuate more subtle reminders of the war and anger toward Iraq for its past misdeeds. As a result, until the fall of Saddam’s regime, no government spokesperson could openly support reassessing Iranian attitudes toward Iraq. The presence of some 600,000 Iraqi refugees of various ethnic and political backgrounds in Iran has also kept Iranians’ interest in, and awareness of, developments across the border very much alive.

In the security realm, Iran’s defense strategies and many of its military purchases have continued to reflect a preoccupation with Iraq as a potential enemy. At both the theoretical and practical levels, Iran had been preparing, if only subconsciously, for another encounter with Iraq. Iran’s military acquisition and development programs have been dominated by perceived shortcomings exposed by the war during the 1980s, including weaknesses at sea (as revealed by the “tanker war” and encounters with the U.S. Navy in 1987), in air defense (manifested in the “war of the cities” and in Iraq’s superior airpower and ability to strike at strategic targets), in the maneuver-
ability of ground forces, and in deterrence. Tehran remains extremely concerned about Iraq’s WMD potential, which of course guided Iranian defense purchases until recently, and has developed sophisticated surface-to-surface missiles and imported Russian-supplied long-range strike aircraft, at least in part as a counterforce to those unconventional Iraqi weapons. It has also been building up air defense systems around strategic targets. In the wake of Saddam’s regime, however, Iran’s military machine is, on balance, far larger and more sophisticated than Iraq’s. Tehran failed to anticipate the virtual destruction of the Iraqi war machine arsenal, as well as Iraq’s placement under the protection of a country with a far superior military—the United States.

Just as the strategic relationship between Damascus and Tehran since 1980 has arisen out of shared objectives and fears, the distance between Tehran and Baghdad has not been bridged because of mutual suspicion and fear. Yet, events show that this suspicion and fear is relatively young—not ancient—and rooted in actual, everyday quality-of-life issues and practical, strategic interests, not a deeply embedded ideological opposition.

Moreover, although the geopolitical realities which continue to divide Iran and Iraq should not be underestimated, the two neighbors have demonstrated a remarkable capacity, despite lasting tensions, for bilateral cooperation in pursuit of each of their interests in Gulf security since the end of their war in 1988. The two countries reestablished diplomatic relations, rebuilt some of their old economic ties, and broadened intergovernmental exchanges during the 1990s on the issues of war reparations, their common border, and prisoners of war. If Iran could deal with a more moderate political leadership in Iraq instead of Saddam, they should be able to develop this relationship further.

Shifts in Gulf Security

Although the UN declared in late 1990 that Iraq was the aggressor in the Iran-Iraq War, setting the stage for a cold peace that would hang over Iran and Iraq for most of the decade, Iraq’s invasion of Kuwait had so weakened the position of Iraq as a regional actor and the Ba’thist regime internally that Tehran thought it impractical to seize on the UN’s declaration to push for reparations and an Iraqi admission of guilt for starting the war. Instead, Tehran chose to isolate the pariah regime in Iraq diplomatically, maintaining concern that dealing with Saddam would only help him domestically and hoping that Saddam would be overthrown. Thus, Iran chose not to realize one of its key war aims, a return to the 1975 Algiers accords (which had delineated the border between Iran and Iraq and had provided the basis for
cooperative relations between them), even though Saddam was now offering it as the basis for negotiating a new border agreement with Iran.

The 1990s marked continuing steady tensions between Iran and Iraq despite the emergence of a U.S. policy that should have brought the two nations closer together. The Clinton administration marked the onset of a policy of dual containment toward Iran and Iraq as part of the new U.S. designation of rogue states. The United States, seemingly tired of playing the two countries against each other and having been burned by both, adopted a policy of dual isolation, in which neither would be assisted and both would be pressured to conform to international norms considered vital for the preservation of regional and international security. Although Iraq was technically the only one of the two under U.S. and UN sanctions, dual containment effectively placed Iran and Iraq in the same boat, despite the many significant differences between the two countries’ political systems and socioeconomic compositions. Throughout the 1990s, the two neighbors continued to view each other and not the United States as their greatest source of insecurity. The Iranian armed forces remained fearful of the Iraqi regime’s posturing toward Iran and had contingency plans for renewed Iraqi provocations over the Shatt al Arab border issue.

With the departure of the Clinton administration in 2000 and the erosion of dual containment as the European powers, Russia, and China deepened their diplomatic and trade links with Iran, Tehran hoped that a better working relationship could be established with the new Republican White House. It was an open secret in Tehran that the leadership expected better relations with the Republicans in particular. Despite some evidence of flexibility on both sides (during the campaign, Governor George W. Bush’s team focused more on Iraq as a foreign policy problem than Iran, for example, and Tehran let it be known that it hoped a president from the United States’ own oil state would better understand the complexities of the Gulf region), Iran’s anxiety was heightened in 2002 when it found itself portrayed by the new U.S. president as Iraq’s bedfellow—this time, in an “axis of evil.” Only this time, whereas dual containment had sought to isolate Iran and curtail its regional influence, Tehran calculated that the new doctrine targeted specific ruling regimes as “evil” powers and potentially subjected the Iranian leadership to direct U.S. pressure.

When the United States eventually implemented its new doctrine and took military action against Iraq, Iran, which under other circumstances would have welcomed any effort to remove the Iraqi regime, was unprepared and unwilling to lend any direct support to the U.S. effort. The reason was simple and understandable: Iran itself was in the U.S. crosshairs as an evil power. It was no longer sufficient for Iran to be in the containment zone (à
la the Clinton doctrine), and the Bush administration introduced the axis of evil concept that proved to be a far more aggressive doctrine. Why should Iran help overthrow Saddam when rapid success may have facilitated U.S. efforts then to overturn the regime in Tehran?

Instead, U.S. strategic moves after 2001 seemed to cause Iran’s policy to become increasingly nuanced. Tehran no longer automatically objected to U.S. actions and was prepared to listen to Iraqi U.S.-backed opposition leaders as well. A year before the commencement of hostilities in Iraq, Tehran had already sanctioned direct contacts between the Iran-based Supreme Council for the Islamic Revolution in Iraq (SCIRI) and Ahmed Chalabi, leader of the main U.S.-backed Iraqi opposition group at the time, the Iraqi National Congress (INC). Indeed, Chalabi traveled to Tehran in March 2002 and asked for permission to open an office there. He returned to Tehran in January 2003 for another round of meetings about post-Saddam Iraq and was followed by another opposition leader, Jalal Talebani of the Patriotic Union of Kurdistan (PUK).

At the same time, however, Tehran reportedly may also have secretly received Qusay Hussein, Saddam’s second son, in 2002 for wide-ranging security and military discussions that included the possibility of Iran assisting Iraq in its counterstrategy against the United States. That Iran kept a hand extended toward the Iraqi regime was highlighted just two months before the start of the war when Iraq’s foreign minister, Naji Sabri, was received in Tehran to deliver a personal message from the Iraqi president. Rumor had it that Saddam had asked Iran, of all parties, to deliver a message on his behalf to the foreign ministers of the European Union. Also interesting is that Iraq’s deputy prime minister, Tariq Aziz, expressed his regrets about Tehran’s position on the war in an interview with Lebanese satellite television in April 2003. Then, in a subsequent interview, he seemed to suggest that Tehran’s neutral stance suited the Iraqis, claiming that “we never thought that Iran would be with us in this struggle, and Iraq is quite happy with a positive neutrality on the part of Iran.”

Such a nuanced policy is only natural given the wide range of domestic, regional, and international factors affecting Iran’s strategic thinking on the Gulf subregion and on Iraq in particular. On the domestic front, although time seems to be healing some of the wounds of the Iran-Iraq War, Iran remains cautious toward Iraq. Tehran fears that the new Iraqi regime, because of domestic factors and deep-rooted regional ambitions, will still pursue an
anti-Iran policy. With unpredictable domestic political situations in each country, neither party is likely to be able to follow a consistent policy toward its neighbor for some time to come. In Iran, for example, the power struggle between reformers and conservatives routinely shifts foreign policy, including policy toward Iraq.

Regional tensions, from Afghanistan to Palestine, also shape Iran’s foreign policy. With the Taliban gone from power in Afghanistan and Iran’s northern borders relatively quiet, Iraq would have emerged naturally as the most immediate security concern for Tehran. Obviously, the timing of the emergence of Iraq as a security concern has had much to do with U.S. policy toward Iraq. In addition, Tehran is seriously concerned that current U.S. attitudes toward Iran will make coordination with its Gulf Cooperation Council (GCC) neighbors on its policies toward Iraq impossible. As the argument goes, in the present situation Iran can hardly expect an automatic place at the table when the future political map of the subregion is drawn. Tehran seems therefore to consider it prudent to keep all its options open; hence, its declared position of “active neutrality” in the war on Iraq and its willingness to extend its reach into Iraq’s Shi’a strongholds. The Iranian foreign minister summarized Tehran’s position on the conflict prior and during the conflict as “neutral but not indifferent.”

**Triangulating Relations with the United States**

Tehran’s more immediate concerns lie not with Iraq, however, but with Washington’s intentions toward the Islamic Republic itself. The view persists in Tehran, as indeed it does in Damascus, Riyadh, and even Cairo, that after Iraq their country is likely to be the next target on the U.S. hit list. Accordingly, going by past performance, it should be expected that Tehran would be fully preparing itself for the possible outbreak of hostilities with either the United States itself or with its designated regime in Iraq.

From the perspective that Iran is next, Tehran would sensibly regard Iraq as its first line of defense and thus find ways to prevent the United States from finding the time or opportunity to secure decisive control of it. One option toward this end would entail keeping Washington fully occupied in Iraq by flexing its muscles through Iraq’s large Shi’a constituency. Indeed, since late March, Tehran has been an active player in shaping the Iraqi Shi’a debate and their policy alternatives regarding a future government. This would be a risky strategy for Tehran to follow, however, for three main reasons.

First, any exercise of influence in southern Iraq would allow Washington to easily accuse Iran of meddling in Iraq’s internal affairs and would expose it to even more U.S. pressure. Second, even if Iran pursued this course,
Iraq’s diverse Shi’ā population would not necessarily listen to it. Indeed, Iraq’s Shi’ās form many communities and speak with several, often competing voices—sometimes tribal, other times religious. To many Iraqi Shi’ās, for example, Najaf, Iraq, is the seat of Shi’ā learning (and power), not Qom, Iran. While Saddam was busy dismantling the Shi’ā seat of learning in Iraq, all the time he was actually strengthening the Iranian Shi’ā elite and the place of Qom as the guardian of the Shi’ā world.

Indeed, as many Iraqi Shi’ā leaders actually took refuge in Iran, it was possible for Iranians to claim that Khomeini’s doctrine of political Islam were dominant in Shi’ism rather than the traditional “quietist” school, which firmly believed in a clear separation between politics and religion and between religious and political authority. With Iraq liberated, there is every chance that the pendulum will slowly but surely begin to swing toward Najaf (and Karbala) at the expense of Qom. Furthermore, having just shaken off the shackles of Saddam’s regime, the Iraqi Shi’ā community is unlikely to take kindly to Iranian dictats. An indiscrete Iranian attempt to assert authority in Shi’ā Iraq, therefore, could easily cost Tehran and Qom prestige as well as influence in Shi’ā communities in the wider Arab world, suffering a backlash from the very forces it aims to rally.

Finally, and perhaps most importantly of all, the liberation of the Iraqi Shi’ās is likely further to deepen the policy and doctrinal cleavages in Iran’s own unique Islamic political system. In a country where both influence and political power are derived from religion and the religious hierarchy, where Tehran and Qom stand united only through the maintenance of the velayat-e faqih system—rule through a clerical jurisprudential system in which a senior cleric acts as the spiritual leader of the Islamic state—a new and powerful source of religious authority beyond Tehran’s control could act as a lightning rod, seriously testing the doctrinal basis of a regime founded on a fairly narrow interpretation of Shi’ā thought. Najaf’s rise will not only challenge Qom and give Arab Shi’ās a bigger say in Shi’ā affairs (from Lebanon to Yemen) but will also raise considerable intellectual support for those forces in the Iranian power structure who now openly question the prudence of religious-political authority centralized in the hands of the Faqih (the “Leader,” or just jurist) and a small group of his trusted allies in the Guardian Council, the judiciary and security forces, and the Expediency Council.

Saddam’s fall will thus affect factional rivalries in Iran. Some elements in Iran will point to U.S. behavior in Iraq—the apparent renewed support for
the Iraq-based anti-Tehran Mujahideen-e Khalq organization, the imposition of a U.S. political model on a Muslim state, the establishment of military bases, and the control of Iraq’s oil wealth—as well as the expansion of military facilities in the small Gulf Arab states of Bahrain and Qatar and the perceived encirclement of Iran through an elaborate network of alliances—as justification to encourage some Iraqi Shi'a forces to assist Tehran in extending its power in Iraq by infiltrating the emerging post-Ba'hist polity. Tehran does have a potentially powerful ally among Iraqi Shi'as (notably SCIRI's Badr Brigade) who regularly mounted military and logistical operations in Iraq during Saddam's rule.10

Tehran has also been heavily engaged in training and maintaining the al-Hakim group as well as the well-established Kurdish PUK and the Islamist al-Da'wa party. As the SCIRI gets embedded in Iraq itself, however, Tehran's grip over it is bound to loosen, particularly because SCIRI's leadership will have to strike compromises with an emerging Iraqi leadership if it is to remain a force in the post-Saddam power structure. Another possibility is that Iranian control of SCIRI could bring Iraqi Shi'a influences into Iran and encourage fresh thinking on Shi'a issues, thereby endangering the semi-unity of the religious establishment in Iran over matters of state (such as the future role of the Faqih, the clergy's future role in day-to-day affairs, curtailment of the Faqih's constitutional powers, and relations with the United States) and national political issues (such as the distribution of power between the three branches, social and political reforms, freedom of the press, and organization of political parties).

Those in Tehran who are deeply worried about developments in Iraq and the domestic and foreign policy consequences of manipulating Iraq's large Shi'a community for narrow political ends counsel caution. Far from seeking to meddle in Iraq's internal affairs, they desire to protect Qom's place as the beating heart of Shi'ism.

They also wish to use the opportunity afforded by Saddam's overthrow to deepen relations with the GCC countries (Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and Saudi Arabia). The end of Saddam's regime has removed a stiff barrier to closer Iranian links with the GCC states. Tehran no longer has to worry about the GCC states keeping their distance in fear of Iraqi pressure, and the fall of Baghdad has allowed for the emergence of the Shi'a issue into the open. The fear that Saddam's removal would somehow lead to the rise of an Iranian-controlled, Shi'a-dominated

Iran faces a choice: resist U.S. penetration or broaden its economic and political gains.
state in Iraq, as expressed in 1991, has not come to pass, and the Shi'a dimension of Iraqi society is no longer seen as a security threat but rather a part of the country's reality. The Shi'as no longer stand in the way of closer relations between Tehran and the GCC states. U.S. removal of the Ba'athist regime in Iraq has allowed Arab Shi'ites in that country to make their presence known, and Iran no longer has to fear negative fallout in the Arab world from its own association with this community.

Iran's moderates and pragmatists point to the rapid dismantling of U.S. military deployments in Saudi Arabia as proof that Washington has no intention of targeting Iran and further argue that the United States may well be ready for inclusive discussions about collective security arrangements in this vital subregion. Tehran, they argue, should maintain its steady course of détente and take advantage of the new situation to underline its cooperative nature and enter into deeper dialogue with the United States as well as the EU about the future shape of the Gulf security framework. They see an extended role for Iran in helping to reduce sources of tension in the Gulf as in their national interest.

As already noted, however, the liberation of Iraq and of the Shi'a communities within it could widen Iran's own political fault lines. For this reason, Iran's leaders will struggle to balance the adventurous tendencies in Iran that desire to take advantage of the confusion in Iraq, to penetrate and control its Shi'a establishment, against the deeply conservative and cautious instincts of the majority who wish to avoid danger by adopting a minimalist posture. Although Iran will find it impossible to distance itself entirely from the Iraqi Shi'as and is likely to try to exert its influence in post-Saddam Iraq, it does recognize that it can only pursue its aims within a rapidly changing regional geopolitical environment and strategic setting.

**Facing New Regional Realities**

Effectively, Tehran and others in the region must accept that unchallenged U.S. force has removed the greatest source of insecurity to the Gulf (and to Iran in particular),\(^1\) and in doing so, the regional balance of power has again been shifted as a consequence of U.S. action. They must also recognize opportunities for greater investment and commerce across the Middle East that are emerging from Washington's operation in Iraq and its carefully laid-out road map for the resolution of the Palestinian/Arab-Israeli conflict.

In this new environment, Iran faces a stark choice: either continue to resist U.S. penetration of the region by heavy investment in what has become a shrinking circle of allies or exploit its considerable tactical advantages to broaden its policy of détente and diplomacy for greater economic and politi-
cal gains. Washington’s behavior and its decision on what it means for Iran to be one of only two remaining members of an axis of evil will of course partly determine which path Tehran can choose. Iranian concerns about being pressured to accept the road map in the Arab-Israeli conflict or about Iraq’s next government being a U.S. puppet regime may manifest themselves in Iranian foreign policy initiatives with such rejectionist actors as Syria, Hizballah, and perhaps other willing partners feeling the chill from the U.S. presence in the new regional order.

More broadly, when it comes to relations with the “Great Satan,” ideology more than policy tends to define the place of the United States in Iran’s agenda. Tehran still clearly separates its bilateral concerns with the United States from any potential common interests in Iraq, a separation that is favorable to the U.S. Iraq strategy but does not assuage Iranian perceptions of the United States as the leader of a cultural invasion. Thus, although the United States has finally delivered on the most important of Iran’s goals in its eight-year war with Iraq—the removal of the Ba’thist regime—the tensions between Washington and Tehran have presented the removal of the Iraqi regime as a new “poisoned chalice” with which Tehran must contend.

With national elections looming in both countries in 2004–2005, it remains to be seen how the two countries’ future leaders will address their respective fears and respond to their mutual suspicions and concerns about the strategies, intentions, and actions of the other. The best that can be hoped for, in the current climate, is for Washington and Tehran to continue to separate Iraq from their bilateral problems and try to ensure that their respective strategies toward Iraq do not widen and thereby engulf the other party in situations which are likely to prove to be beyond its control.

Notes

3. SCR 598, July 20, 1987, stated in part:
   "The Security Council ...
   1. Demands that ... Iran and Iraq observe an immediate cease-fire ... and withdraw all forces to the internationally recognized boundaries without delay;
   2. Requests the Secretary-General to dispatch ... Observers to verify, confirm and supervise the cease-fire and withdrawal ... ;
   3. Urges that prisoners of war be released and repatriated without delay ... ;
   4. Calls upon Iran and Iraq to cooperate with the Secretary-General in ... mediation efforts ... ;
5. Calls upon all other States ... to refrain from any act which may lead to further escalation and widening of the conflict ... ;
6. Requests the Secretary-General to explore ... entrusting an impartial body with inquiring into responsibility for the conflict.