

**Speech in Ohio**  
**Nov 2, 2006**

Thank you.

Let me start off with telling you how great it is to be back here in Ohio. Though I was born in Iran, and grew up in Sweden, I did a high school exchange student year here in Ohio. I spent quite a lot of time in Columbus back then and I am really excited to be back here.

I am much less excited about America's position in the Middle East. We are facing great difficulties. Unfortunately, most of them are of our own making.

One of the issues that has become a major problem – partly because of the way we have dealt with it – is Iran's rise as a regional power in the Middle East.

The title of our discussion today is *Iran Rising – U.S. Options in a Changing Middle East*.

It is sad to say, but there is very little with Iran that we have done right. To begin with, we don't even have a strategy when it comes to Iran.

We may have a set of loosely connected tactics – but not a strategy. Mindful of the fact that we don't at the Middle East from a geo-political perspective – but rather from an ideological perspective – that may not be too surprising.

The result has been that geopolitical factors – and geopolitical consequences – are things that we do not take into account.

What I would like to do today is to take us away from this ideological perspective and spell out a more pragmatic approach that I believe is the best way to deal with Iran.

Let's deal with the realities of the Middle East. Reality is that Iran is a rising power.

And it is so for a couple of reasons. The ones that we hear most often – and that I believe hold a lot of truth in it – point to US mistakes. We made Iran a power by defeating its competition – Saddam and the Taliban.

Other experts point to the fact that Iran is a giant in the region by virtue of its size and population. In a region where most countries have populations of less than 20 million, Iran clearly stands out with its 70 million. And this population is well-educated. Iran's infrastructure is well developed, it has oil and gas.

Though these factors are all important, there is one more factor that I believe is critical.

Unlike all of its neighbors, Iran has since 1979, pursued a policy of independence and self-sustainability in a few critical areas: energy – by virtue of being an oil exporter, agriculture, and to a large extent, defense.

Iran's success has varied and it has come at a high cost for Iran's overall development, but it has been successful enough to avoid being in a position of asymmetric interdependence with the US.

Iran is one of the few countries in the region that can act independently of the US, without the US being able to exert effective political influence on Iran to force it to change course. As President Bush said on Dec 21, 2004 – we have sanctioned ourselves out of influence with Iran.

It is Iran's hard power – due to all the factors mentioned above – in combination with Iran's ability to act

independently of the United States that makes Iran a key regional player.

Now, this is not accepted in Washington. The idea that you can prevent Iran from being this power is still very tempting. It has been the preferred course of the US for the last 15 years, but it has been pursued at huge strategic cost and in many ways, it has been counterproductive.

One of the biggest geopolitical disasters in our approach to Iran over the last 15 years has been the way we have – through our containment policy and trying to prevent Iran’s rise – pushed Iran deeper and deeper into the sphere of influence of Russia and China – two states that in this century are most likely to emerge – or in the case of Russia – reemerge as America’s greatest competitors.

As paradoxical as it may sound, a very large number of Iran’s political elite are US-educated. They did their PhDs and law degrees at US universities. They send their own kids to study in the US. They have a connection to the US; it may be an odd connection, but it’s a connection.

Partly because of these people, Iran’s strategic orientation since the 1990s has been to reposition itself with the US. This may come as a surprise. But Iran is a country with no regional friends. It cannot afford not to have global allies. So it looks around, and the options aren’t many. It is basically the US, the EU, Russia and China.

Iran’s first choice has – in spite of its ideology and its rhetoric – been the US. This is not because of a special love for the US, but because the alternatives are even less attractive.

The EU is seen as weak incapable of acting independently of the US. Russia has traditionally been an enemy of Iran, and

neither China nor Russia are attractive sources for the much needed technology for Iran's economic development.

Now let me emphasize: This does not mean that the Iranians would give up their ideology or revolutionary image. They need that to justify their position in the Arab world and to counter efforts by the US to push them back into isolation. But the Iranian government thrives in contradictions. Adopting an anti-US rhetorical stance while expanding cooperation with the US would be nothing more than yet another one of its many contradictions.

But more than a decade of sanctions has pushed Iran – largely against its will – into the sphere of influences of its third and fourth choices – China and Russia.

This can have long ranging effects. Because of the new visa regulations, it has become too difficult for Iranian students to come and study in the US. So instead, large numbers of Iran's top students are now going to Russia and China to study. These students will lead the country in a decade or two, and their frames of reference will be Chinese – not American.

America's approach to Iran is drastically different to its approach to China. With China, we understand that it is too big to be contained. We understand that containment is more likely to turn it into an irredeemable foe. We understand that objectionable Chinese policies can better be changed through helping China integrate into the international system, rather than keeping it out.

Clearly, Iran is not China on a global scale. But in the regional setting, Iran *is* the China of the Middle East. It is the country that cannot be contained, it is the country that becomes more hostile when we try to isolate it and it is the country that we can better change through integration than confrontation.

We should have learnt that lesson from the early 1990s. After the first Persian Gulf War, the Iranians were very eager to amend ties with the US. During the war itself, they had quietly helped the US in the background and they were hoping that their good behavior would be rewarded through their reintegration into the Middle East's political structure.

Instead, the US chose to intensify Iran's isolation, imposed sanctions on it and sought to create a new Middle East order based on Iran's isolation – the Dual containment policy and the Middle East peace process.

Realizing that the New Middle East – as it was called back then – would leave it in a prolonged state of isolation, the Iranian chose to act against it in whatever way they could. The weakest link in the American strategy was the peace process. Without a successful peace process, none of America's other objectives could be achieved. The rest is history.

The lesson we should learn from this is that even when the US was at its strongest in military and diplomatic terms, and Iran was much weaker than it is today, Iran could still not be contained.

America was at its peak after the first Persian Gulf War and the fall of the Berlin wall. It was America's moment in the Middle East according to a high level US diplomat. Iran, was not very strong. It was still just a few years away from the devastating Iraq-Iran war, its relations with the Arab states and the EU was very poor.

Today the situation is quite different. The US is far from the strength it was in the mid-1990s due to the disaster in Iraq. And Iran is in a much better position. Partly because of Iraq, partly because of its efforts to improve relations with both Arab states, the EU and Russia and China.

Yet, in spite of all of this, the Bush Administration is going down the very same path that already has proven to fail.

Just as we did in the 1990s, Secretary Rice is going to the Middle East to convince the Arab states that Iran is a threat and that they should join efforts to isolate it. Just as we did in the 1990s, we are unilaterally going ahead with new sanctions against Iran.

And just as we did in the 1990s, all this will amount to is to push Iran further into China and Russia's orbit.

There is another strategic asset that we risk squandering by continuing on this path – and particularly if we decide to take military action against Iran.

It is a well known fact that America has lost much - if not most - of its soft-power in the Middle East. The Muslim streets are angry at us, particularly in countries whose governments we tend to be on good terms with.

In 2003, according to a Pew Poll, only 15 % of Indonesians – the world's largest Muslim state – viewed America favorably. In Pakistan, only 13 %, Turkey 15% and Jordan, a whopping 1 percent.

Winning the hearts and minds of the peoples of the region is extremely important. We cannot achieve any other of our objectives if the masses in the Middle East oppose us. At a minimum, the idea that we support democracy rings very hollow if we don't care what the peoples of the region think of us.

We clearly have to do more – much more – to win the hearts and minds of the peoples of the Middle East.

By all accounts, however, we don't face this problem in Iran. The population in Iran tends to have very favorably views of American culture, American values – and of Americans. There probably isn't a single Iranian that doesn't have a relative that lives in the United States and is part of the approximately one-million strong Iranian-American community. These Iranians hear from their American relatives of all the opportunities that exist in America, of the good lives that they have here.

This does not mean, however, that they also favor US foreign policy. In fact, polls show that they don't.

But their favorably views of America is a great strategic asset that can help advance American interest in the region for generations to come – particularly if Iran is a rising power.

So while we have to continue to work to win the hearts and minds of other people in the Middle East, in Iran, all we need to do is to make sure that we don't lose them.

By the first bullet, by the first bomb, or by the first boot on the ground, we will lose this asset.

Perhaps the reason why Iranians like Americans so much is because they are so similar. When under attack, when terrorist fly into the Twin Towers, Americans unite, they rally around the flag.

Iranians do the same. They are no different. In fact, there is very compelling historical evidence for this.

In 1980, Ayatollah Khomeini was in the midst of a vicious political struggle for the future of the Iranian revolution. He had not consolidated his power – not yet.

Then, in September 1980, Saddam Hussein invaded Iran.

In spite of their differences, Iranians rallied around the flag. They united. Within weeks, more than 100,000 volunteers rushed to the front lines to fight the invaders.

In fact, according to many experts, Ayatollah Khomeini and the Islamic Republic survived not in spite but because of the Iraqi attack.

If history repeats itself, as it often does, then an attack on Iran would likely result in:

- Iranians rallying around the flag - rather than people turning on their government as Saddam thought,
- The Iranian government would strengthen its hold on the country - rather than being toppled,
- The hearts and minds of the Iranian people (which has taken us a full generation to win back) would be lost - rather than America being greeted as a liberator.
- And, I might add, the Iranian nuclear program would most likely accelerate – rather than being destroyed.

## **CONCLUSION**

To sum up, Iran is a rising power and efforts to reverse this trend have proven unsuccessful and actually undermine US strategic interest in the region, particularly if we were to confront Iran militarily.

There are ways that we can handle a rising Iran, however. We have to work with geopolitical forces rather than against them. A rising Iran does not necessarily have to be a problem IF we can impact Iranian policies.

Let me emphasize – if we define a powerful Iran as a problem in and of itself even if it moderates its policies, then we are setting ourselves up for conflict and a permanent presence in the Middle East.

Forget about withdrawing from Iraq by 2010 – we will be in the Middle East in the long run with 100,000 plus troops. Because no regional state can hold Iran down. If we want to keep Iran down, then we have to try to do it ourselves – and so far, we have not made much progress on this front.

But if we recognize that a powerful Iran can be a force for stability if we can influence its policies, then, opportunities for solutions can emerge.

And the first step to take is to initiate direct negotiations with Iran on a variety of issue - not just the nuclear impasse. Through the dialogue, we can explore opportunities to win Iranian compromises in critical areas, such as the nuclear issue, Iran's position on Israel and the human rights situation in Iran, in return for an end to containment policy of Iran. Reduced US-Iran tensions will also aid the cause for democracy in Iran, since democracy cannot root in Iran amid the tensions that currently exist.

Dialogue may not succeed. At a minimum, it will be very very tough. The Iranian government is probably not the easiest people to deal with.

But absence of dialogue will guarantee failure. And in the Middle East, mindful of its strategic importance, we simply cannot afford another failure.

Thank you!