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Iran and the Arab Spring: Ascendancy Frustrated

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Shahram Chubin

Summary:

Over the past decade, no region of the world has been more important or more conflictual than the Middle East. At the center of this region is the Islamic Republic of Iran (IRI), feeding on its instabilities, while pursuing an ambitious, if ambiguous, nuclear program. Iran's revolutionary behavior, combined with these ambitions, has added to its neighbors' anxieties about its goals.

Iran's regional policy cannot be divorced from Tehran's approach to the United States. Confronting the US and the US-sponsored regional order has been a core interest of the IRI since its inception. In the past decade, the goal came tantalizingly close, only to be swept away by the advent of the Arab Spring in 2011. Since then the IRI has confronted a less tractable regional environment, with allies weakened and adversaries emboldened. Iran's power and influence – always exaggerated – has since taken a nosedive.

Middle East politics are now increasingly national and local, resistant to transnational and trans-regional appeals to 'resistance' and to external influence.

How has Iran reacted to the tightening of the noose of international sanctions and the adverse trends noted in the region: the increased sectarian cleavage which is not in Iran's favor; the new-found unity and determination of the GCC to confront Iran, if necessary; the defection of Hamas from the 'resistance front', the erosion of Iran's regional appeal; and the weakening if not actual reversal of Assad's Syria? In theory, Iran has three alternative responses:

- To show flexibility in negotiations and seek to dilute and deflect the sanctions. This includes attempts to find new oil customers, imaginatively circumvent sanctions and find new allies;

- To ‘push back’ against these new constraints in the region ‘by raising the ante’;
- To hunker down and live with the new reality, stressing the benefits of self-reliance and the determination not to be deflected from its principles.

In practice, Iran has done a little of all three, using nuclear negotiations to suggest at flexibility and seeking to divide the P5+1, with some receptivity in Russia and China. Iran has taken to selling its oil privately (i.e., through traders) rather than through governments. Nonetheless, sales have dipped and prices have been discounted, so the cost of sanctions is being felt.

Iran has often threatened desperate action if cornered, quoting the proposition that “either all are safe or no one is” an adage it sought to operationalize during the ‘tanker war’ with Iraq, in the 1980s. That episode ended badly for Iran, despite selective memory. As we have seen, Iran is already “pushing back” regionally in Yemen, Syria and possibly Iraq as well as in its ‘shadow war’ with Israel. It may continue to do this but is unlikely to “lash out”, as this would invite responses from US forces positioned nearby and at an all-time peak.

Finally, there is the domestic front where Iran calls sanctions a blessing and a test of the revolution’s principles, especially steadfastness. It will make sure that despite inflation, its core constituency is not adversely affected and will try and blame the discomfort on outside forces, while appealing for internal unity rather than factional rivalry or self-criticism.

Introduction: The Geopolitics of the Region

The Arab Spring has yet to give way to the hoped-for glorious summer, but for Iran it has already turned into a ‘winter of discontent.’ Iran finds its revolutionary message diluted and overtaken by events. Characteristically, Tehran has raised the stakes by increasing its involvement in Syria and Yemen. Widespread regional instability has not been conducive to the extension of either its power or influence, and Iran finds itself reacting – often defensively – to events rather than dictating them. The fluidity of the region today leaves prospects uncertain, giving Iran the hope that matters may yet improve. But there are structural constraints limiting Iranian influence which, if anything, have aggravated in recent years, that make this unlikely. We therefore examine these constraints and the background, before coming to the Arab Spring itself.

Since 1990, the Middle East has become the key region geopolitically and will remain important even if it cedes priority to Asia in the coming years. Meanwhile, the center of gravity of the region has shifted from the Levant to the Gulf. Over the past decade, in particular, the US military presence has expanded considerably, even though it has become ever clearer that US influence in the region has not grown commensurably and is, in fact, declining. The era of unipolarity, which had already demonstrated the limits of US influence, as it gives way now to one of non-polarity, is likely to see an acceleration of this trend. There are several reasons for this unrelated to US will or power.

Regional and local forces and trends, such as demography, literacy, urbanization and political mobilization which are ‘structural’ rather than military/diplomatic and deep rather than ephemeral, make the exercise of external power over such fundamental issues ineffective. The dominance and variety of local and regional factors, giving rise to diverse situations and conditions, makes the formulation of a consistent “policy” problematic for an external power.¹ All this has been evident for decades but was ignored; the Cold War paradigm with emphasis on arms, alliances, deterrence, and reassurance obscured the steady creep of deeper, subterranean political forces in the region, which had cumulative consequences, so evident in the revolution in Iran in 1979, which transformed the region for the next 30 years. As state structures have become more fragile, the paradigm of ‘Lebanonization’ has definitively replaced the ‘Finlandization’ of the Cold War era.

1. This means a more complex, variegated region resistant to “doctrines” or labeling (or stereotyping). Thomas Friedman tries to capture this in his article “End of Mideast Wholesale,” *International Herald Tribune*, May 9, 2011. See also Simon Sebag Montefiore, “All Revolutions are Local,” *International Herald Tribune*, March 28, 2011.

Regional politics is now more complicated, with cross-cutting alliances and linkages and multiple issues, sectarian, territorial, and political. The US found itself a bystander in the region during the Arab Spring, failing to anticipate it, but given its 'democratic' flavor some were tempted to claim paternity.² Against the backdrop of an increased reluctance to get involved directly and in "leading from behind", the US tried once again to reconcile its strategic interests with its values, especially tested in the case of the GCC intervention in Bahrain.³

The US now finds itself relegated to the sidelines by circumstances and choice, unable to influence domestic forces and unwilling to take sides on local issues. As in the case of Egypt in 2011, this is not reassuring for its local Gulf allies, who took the initiative in Bahrain leaving the US simultaneously appalled and relieved. Consistency is not possible in such circumstances, leaving the US open to the charge of hypocrisy and double standards.

The Arab Spring is likely to leave the region more complicated. Some state structures are already under threat, notably Syria, Libya, and Yemen but also potentially Iraq and Lebanon. Whatever the eventual shape and orientation of regimes in Egypt, Libya, Tunisia, Yemen and Syria, they will doubtless be more independent, less tractable, nationalistic, and locally preoccupied.

With the US less able or willing, regional order will be harder to maintain. Israel and Iran may see openings for dealing with their own priorities in the absence of US power. US friends in the region, notably the GCC countries, are still very much dependent on the US security relationship (as exemplified in the large sales agreements for advanced arms). However, there are some points to note about the US-GCC relationship:

- First, the GCC states do not trust US judgment and seek to diversify their security options.

2. Fuad Ajami, writing a month before the Arab Spring, concluded there was little hope for democratic change: "Five years ago, it felt like a democratic springtime of the Arabs. But no longer." See "The Strange Survival of the Arab Autocracies," <http://www.hoover.org/print/publications/defining-ideas/article/58836>, December 13, 2010 (accessed May 22, 2011); on receptivity or otherwise to the US in the region, see Lexington, "Was George Bush Right?" *The Economist*, February 5, 2011 which commented: "Whatever they think of the freedom message, most Arabs utterly reject the messenger."
3. On US marginality, see "The Disarray of Student Obama" *Le Monde* (edit) February 12, 2011; Ray Takeyh, "A Post-American Day Dawns in the Mideast," *International Herald Tribune*, June 9, 2011, 6; David Ignatius, "Writing the Middle East's New Narrative," *Washington Post*, May 19, 2011; James Traub, "The End of American Intervention," *International Herald Tribune*, February 18-19, 2012; on reconciling US strategy and values, Henry Kissinger, "Defining a US Role in the Arab Spring," *International Herald Tribune*, April 2, 2012.

- Second, the US connection is of little use to these states when/if the threat that emerges is a domestic one.
- Third, there is always in this dependency relationship the fear of abandonment – in this case, the fear of an eventual “grand bargain” between Washington and Tehran at GCC expense.⁴ Some in the region fear that the nuclear issue may be the first step in this process.

Iran’s World View: US and the Region

The foundational myth of the Islamic Republic of Iran (IRI) is hostility toward the US enemy. This hostility is based on the IRI’s perception that the regional order created by the US services Washington’s needs, and not those of the region. Specifically, it believes that the US plays ‘security manager’ to control the region’s resources. This implies that only client states will be ‘permitted’ in the region, explaining for the IRI, the intrinsic hostility of the US to the IRI (as Tehran sees it) standing as it does for independence and self-reliance.⁵ A second unjust product of the US-ordered system in the IRI view is that it enables the US to impose (or try to) an unfair, one-sided ‘peace agreement’ on the Palestinians, which implies their perpetual subservience. Naturally, the IRI sees its own role as opposing this and is not shy about its self-appointed role challenging the US. In fact, it advertises its prowess: “Iran has brought the whole US might and power into question.” It also warns the US against placing faith in numbers: “Do not think that just because idiot leaders of regional countries support you, you will cement your basis in the region.”⁶

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4. Even a reasonable formulation of this can be interpreted as prescriptive. “In the long run, Iran also has to be assimilated into a process of regional accommodation.” See Zbigniew Brzezinski, *Strategic Vision: The Crisis of Global Power* (NY: Basic Books, 2012), 123.
 5. Iranian leader Ali Khamenei has expressed this clearly: The real reason “behind the enmity of the bullying powers is not the nuclear issue or human rights” but “that the Islamic Republic and the Iranian people proudly protect Iran’s oil and gas resources.” See “Supreme Leader: Intimidation, Main Goal of Enemy Threats,” <http://khamenei.Ir>, March 20, 2012. Iran’s challenge to the US-sponsored regional order inevitably pits the challenger against the US; see Robert Kagan, *The World America Made* (NY: Knopf, 2012), 63. Iran’s view of US goals is not so unusual. It is shared by the Taliban, for example. See Alissa Rubin, “US and Afghans Agree on Strategic Pact,” *International Herald Tribune*, April 23, 2012.
 6. See, respectively, a senior defense official Seyed Jamaleh Mohammadi’s statement, “Official: US Power in Region Undermined by Iran,” Fars News, no. 9101140693, April 7, 2012 and Mahmoud Ahmadinejad, “Iran Tells West To Drop ‘Bullying’ Tone,” *Gulf Times*, March 12, 2012, http://gitm.Kcorp.net/index.php?id=593490&news_type=Top&lang=en. “Commander: Iran Will Change the Enemies’ Equations with Persian Gulf Missile,” Fars News, no. 8101300945, April 24, 2012.

What is not clear about Iran's hostility toward the US is whether this is ultimately susceptible to peaceful resolution, i.e., whether Iran opposes its own current status within the current international/regional order, or whether the hostility is fundamental, intrinsic to the Islamic Republic's very identity, and so shapes its quest for an *alternative* regional and global order. While loudly proclaiming the decline of the US, Tehran also fears US 'soft power' and its "Satanic" attraction to Iran's youth. This ambivalence about American values, which comprises both hostility and the simultaneous urge to imitate, reflects ultra-nationalism, confusion, and self-centredness. This "vicious cycle between self-abasement and self-aggrandizement," is not unique to Iran.⁷

Iran thus opposes the US regional order and its regional clients, especially Israel but also "American Islam" represented by Saudi Arabia. Iran wants to undermine this 'exploitative' regional order by weakening US allies and speeding the departure of the US from the region. It seeks to do so by playing on and exploiting regional grievances and conflicts (notably Palestine). As a spoiler, it can complicate issues and their settlement. In practice, this approach is a pre-requisite for the creation of Iranian regional hegemony.

Opportunities and Constraints

Iran presents itself to the region as an alternative regional manager, but not quite in those terms. It wants to demonstrate that only its model of implacable "Islamic resistance," first used in the war with Iraq and demonstrated 'successfully' by Hizbollah in its 33-day war with Israel in 2006, can give the Palestinians and other oppressed Muslims their rights. By holding up its resistance model, Iran has sought, hitherto with some success, to appeal to the "Arab street" and to outflank the Arab monarchies. Its talk of "independence" and an Islamic identity has also found resonance in a region that has usually suffered from repressive, corrupt, and dependent regimes. Iran's appeal has thus been a function of others' defects, frustrations arising from the status of Palestinians, anger at the repression of minorities, US over-reach or arrogance, and Israeli intransigence. Iran's power has sought to feed, parasitically, on turbulence in the region. It is the power to aggravate or exploit, not to construct or conciliate.

Iran also suffers from a number of disadvantages. Its revolutionary ideology and hostility toward the West are clearly a threat to the monarchies in the Gulf which depend, in varying but significant degrees, on the US for security. The IRI sees the

7. China is in a comparable position. See Jane Perlez, "China Sees US as a Declining Power," *International Herald Tribune*, April 3, 2012; and Didi Kirsten Tatlow, "In a New Book by Dissident, a Warning," *International Herald Tribune*, December 1, 2011.

region and world in zero-sum terms, a perspective at variance with the facts, which does not enhance its diplomacy.

- The rivalry for the position of the leading regional power concerns not only the Arab states, Egypt or Saudi Arabia, but also Turkey, a complication if Tehran seeks good ties with Ankara.
- Persian Iran has no natural constituency in the Arab world.
- As a leading Shia power, Iran suffers from a number of handicaps in the quest for regional leadership. At best, the Shia constitute a minority, perhaps 15 percent, of Muslims. Shi'ism may be useful in mobilizing people against government but is "unimpressive as a modern state ideology." Furthermore, the Shia are themselves split with different *marjabs*, different doctrines (e.g., quietism vs. political activism) and a decentralized leadership.⁸
- Iran's leadership efforts are seen by others in sectarian terms, whether in Lebanon, Iraq, Syria or the Gulf, which is undoubtedly a limiting factor in its regional appeal, Iran's protestations about Muslim unity notwithstanding.
- As the *largest* power in the Gulf, whatever its government or ideology, Iran is inevitably the object of suspicion and distrust.

The Background: Iran in the Region 2005–2010

Events since the Arab Spring can best be understood in reference to the immediately preceding period. By the middle of the last decade, the US was deeply entangled in Iraq and Afghanistan, bringing US power directly up to Iran's borders. Tehran's reaction was to cultivate anti-US forces in those countries and supply them with arms for use against the US occupiers. While Iran continued its controversial nuclear program, it widened its 'security perimeter' to the Levant; henceforth, the defense of the Gulf was to begin in Palestine. This new 'strategic' rationale for assisting Hamas and Islamic Jihad was accompanied by a new activism in foreign affairs. President Mahmoud Ahmadinejad criticized his predecessor for being excessively reactive and defensive, for not taking the battle to the enemy camp. He made up for it by visits to Central America and the Caucasus, and by joining the Shanghai Cooperation Organization as an observer, besides touring Muslim countries of South East Asia.⁹

8. See Malise Ruthven, "The Revolutionary Shias," *The New York Review of Books*, December 22, 2011, 89–96; and Mehdi Khalaji, "The Future of the Marjaya," *Majalla*, April 3, 2012.

9. For sources and other examples, see Chubin, "Iran's Power in Context," *Survival* 2009; Suzanne Maloney, *Iran's Long Reach: Iran as a Pivotal State in the Muslim World* (Washington, D.C.:USIP 2008); Mohsen Milani, "Tehran's Take: Understanding Iran's US Policy," *Foreign Affairs* 88, no. 4 (July/August 2009): 46–62; and Ali Raghieh-Aghsan and Peter Viggo Jakobsen, "The Rise of Iran:

Iran's meddling in Iraq, however logical given the ties between the two neighbors, antagonized and unnerved the leading Sunni state and neighbor, Saudi Arabia. Talk of the dangers of a Shia arc intensified with Iran's increased involvement in Lebanon and Hizbollah's 33-day standoff with Israel in mid-2006, depicted by Tehran as the resistance model in successful action.

Increasingly in this decade, the Gulf States have begun to view Iran, not Israel, as their principal security concern. A Sunni front was developing. Iran did not help matters by its actions. In response to Israeli/US threats of military action against its nuclear installations, Iran threatened to retaliate against US bases in the Gulf, or to close the Strait of Hormuz, actions directly affecting Iran's Gulf neighbors.¹⁰ To demonstrate its preparedness, Iran continued its practice of holding frequent military exercises and maneuvers in the Gulf, often coinciding with publicized missile tests. Intended for deterrence to make up for a weak conventional military and little power projection capability (Iran's military expenditures were one-tenth that of the GCC), these exercises were seen by its smaller and vulnerable neighbors as sabre-rattling. Threats by Iranian officials to dominate and control the Gulf only reinforced this mindset.¹¹

By now, Iran's tactics were clear enough. Like the Soviet Union, Iran wanted to be in a position in which no regional issue could be decided without reference to it. To ensure this, it would get involved in all issues, whether to hedge against an unwanted outcome, or to acquire bargaining chips to exchange for things of more direct interest to it. This implied a region-wide presence politically and investment across-the-board in Shi'a and Sunni groups (Hizbollah, Hamas and Islamic Jihad) or as in Iraq the Mahdi army, *Al Dawra* and SCIRI, and in Afghanistan anti- and pro-Taliban forces, including Al Qaeda. The instrument for this regional involvement has been the Qods Force of the Revolutionary Guards (IRGC).¹²

How Durable, How Dangerous?" *The Middle East Journal* 64, no. 4 (Autumn 2010): 559-573. For more recent evaluations, see Frederick Kagan et al., "Iranian Influence in the Levant, Egypt, Iraq and Afghanistan," (Washington, D.C.: American Enterprise Institute, May 2012); Sinan Ulgen et al., "Emerging Order in the Middle East," Carnegie Endowment Policy Outlook, May 2012; Mohammad Reza-Djalili and Thierry Kellner, "Quand le vent du 'printemps arabe' soufflé sur le golfe Persique" (Paris: *Note de l'ifri*, Septembre 2011).

10. First Vice President Mohamad Reza Rahimi warned that "not even a drop of oil will be allowed through the Straits of Hormuz" in the event Iran was attacked. Press TV, www.presstv.ir/detail/226482.html (accessed February 13, 2012).

11. For example, the IRGC Naval Commander Ali Fadavi's claim that the US needed to get Iran's permission to move in the waterway. "Commander Stresses IRGC's Full Control over US Navy in Persian Gulf," Fars News, no. 81013000959, April 24, 2012.

12. See, *inter alia*, Anna Fifield, "Washington Charges Tehran with Al Qaida Links," *Financial Times*,

All this “resistance” activism has been intended to ratify Iran’s claim to be a regional power to the point that the enemy accepts this and declares that “we have no choice but to accept Iran’s significant role in the region.”¹³ Several analysts have accepted this claim. For example, Milani wrote: “Iran now *rightly* considers itself an indispensable regional player”¹⁴ (emphasis added). The question is whether Iran’s claim to regional power is credible when it derives from others’ errors and consists of spoiling tactics, which cannot deliver constructive solutions, and when this claim is resisted by most of the region. The claim might have been tenable in the period *before* the Arab Spring, but the shifting regional environment has made it a far less permissive arena for Iranian activism, exposing many of the IRI’s weaknesses, and thus making the claim fanciful.

The Islamic Republic and Domestic Politics

From its inception, the Islamic Republic has sought to bridge the gap among the supporters of the revolution by straddling and trying to reconcile the requirements of a ‘republic’ with that of an ‘Islamic’ state. In practice, this has meant balancing the accountability of a popularly elected President with the authority of an unelected Supreme Leader, accountable to no one on earth. The in-built tension created by this has been dealt with both by informal means that limit (or stymie) the power of the President, or by the simple expedient of the manipulation of elections to deliver the desired result to the self-appointed ‘guardians of the revolution’, whether clerical or military. Hence, in foreign policy even in the periods of pragmatic Presidents (such as Rafsanjani and Khatami), security policy has been under the control of the ‘deep state’, whose default position has been hardline.

Differences between ‘republicans’ and Islamists could be managed as long as the state reflected both elements, but from the Majlis 2004 elections onward, it was becoming apparent that the latter group was moving to monopolize all seats of power. In the wake of a particularly divisive first-term presidency of Mahmoud Ahmadinejad,

July 29, 2011 (based on a US Treasury Report to Congress); Jay Solomon and Siobhan Gorman, “Iran’s Spymaster Counters US Moves in the Mideast,” *The Wall Street Journal*, April 6, 2012; Thom Shanker, Eric Schmitt and Alissa Rubin, “In Iran’s Actions, a Murky Provocateur,” *International Herald Tribune*, April 4, 2012.

13. This is in the words of a website friendly to the IRGC. “*Taghi pour-rezaie, Doctrine-e moghavement: rabbord jomhuri-ye eslami dar mobarezeh ba estekar*” (“The resistance doctrine: The Islamic Republic’s strategy in combating arrogance”) *Basirat.ir*, quoted in Farideh Fahri, “What To Do about US Sanctions and Israeli Threats: Iran’s Muted Nuclear Debate,” Crown Center Middle East Brief no.61 (April 2012).

14. Milani, “Tehran’s Take,” 55.

in 2009, the security-state elements manipulated the Presidential elections in a blatantly offensive manner. The result was the birth of the Green Movement, which in demanding “where is my vote?” in peaceful demonstrations anticipated the Arab Spring 18 months later. The subsequent repression and intimidation was to tarnish the Islamic Republic as a model well before the Arab Spring.

The Supreme Leader’s identification with the President against the Green Movement ended an era when the leadership balanced among the various societal and elite tendencies. Henceforth, the regime was to rest on a narrower base (a specific constituency such as rural, militias, and Revolutionary Guards) exacerbating what could become a gap between state and much of society. At the same time, the marginalization of the reformist element meant the elimination of the internationalist input in policy making. Always opaque in decision-making, the IRI was coming to resemble a conspiracy more than a government, where major decisions were concerned.

Khamenei’s unequivocal support for the incumbent President did more than show up his true colors; it gave the ambitious, populist President the space to challenge the Supreme Leader in deciding key personnel appointments (e.g., in the Intelligence ministry). Such power struggles are a dress rehearsal for the next challenge: determining the identity of the next President in 2013, which could decide the orientation of Iran in the longer term, post-Khamenei. The upshot was that by 2011, the Supreme Leader’s choice as President had become a lame duck. At the same time, the regime used familiar methods to deal with the aftermath of the Green Movement: torture, repression, intimidation, and sloganeering.

The regime paid a price as it came to rely more on coercion than consent. The IRI’s legitimacy was manifestly eroded as a result of its brutality toward its own citizens. Disunity could no longer be disguised. Second, dependence on the Guardians of the Revolution and associated militias/vigilante groups (such as *Basij and Hezbollahi*) were bound to remind people of the soon-to-be defunct “security states” of Iraq, Syria and Libya.¹⁵ The beneficiaries of the system, the Revolutionary Guards, became a praetorian force guaranteeing state security. In the process, they became not merely one interest group among several, but the dominant group with an effective veto power. In foreign policy, the Qods brigade of the IRGC became not just the executor of regional foreign policy but also its formulator, subject to no civilian institutional control.

15. See Shaul Bakdash, “The Security State and its Fractured Elite,” in “Iran: Turmoil at Home, Assertiveness Abroad?” Wilson Center, Middle East Program, Occasional Paper Series, Winter 2011.

While the Iranian regime was preoccupied with domestic opposition and declining legitimacy,¹⁶ it also came under renewed pressure for its continued refusal to heed UN Security Council resolutions referring to its nuclear program. Although Iran had withstood symbolic sanctions, even for an oil producer ‘crippling’ sanctions were another matter, and Iran’s obduracy had finally invited such sanctions. The cumulative effect of sanctions and especially those affecting its banking sector had made commercial activity with Iran more costly and difficult, hence less attractive. Sanctions on Iran’s oil sector (together with corruption and unprofessional business practices) prevented the maintenance of the country’s oil fields, with a resultant declining production of oil for export. The EU’s decision to cease importing oil from Iran by mid-2012 was already having its effects in the spring. In addition, China, Japan, and India all cut their purchases. Iran’s oil output fell to 3.2 m b/d, down 150,000 barrels in two months (its lowest level in 20 years),¹⁷ while oil prices were declining because of reduced demand following the worldwide recession. Since oil (and gas) receipts account for half of revenues, the impact of such a decline was bound to be felt. As a result of reduced exports and discounted sales, it was estimated that Iran’s oil revenues could be halved in 2012.¹⁸ In 2011, the value of the rial fell 50 percent against the dollar, and inflation had considerably eroded people’s purchasing power. This together with unemployment was bound to focus resentment on a government that was in equal parts incompetent, corrupt, and unaccountable. The domestic economy, not the risks of an Israeli strike, was and is the foremost concern of most Iranians.¹⁹

16. See Ray Takeyh, “Why Iran’s Mullahs Cannot Rest Easy,” *International Herald Tribune*, April 19, 2012; Ali Ansari, “A Tale of Two Elections,” *The World Today* (April/May 2012): 29-30.

17. Iran’s exports in July were said to be 1.1mn b/d. See <http://www.reuters.com/article/2012/07/05/us-iran-oil-exports-idUSBRE8640HL20120705>. Iran was said to be losing \$133mn/day. See <http://www.sfgte.com/business/bloomberg/article/Iran-loses-133Million-a-Day-on-Embargo-as-Oil-3757459.php>. See also Michael Levi, “Why Oil Sanctions Are Biting,” http://blogs.cfr.org/levi/2012/08/08/why-the-iran-oil-sanctions-are-biting/?cid=nic.public-the_world_this_week-link4-20120810

18. Guy Chazan and George Parker, “Iranian Oil Output Forced to Decade-Low,” *Financial Times*, March 15, 2012; Una Galani, “Tehran’s \$50 Billion Problem,” *International Herald Tribune* March 30, 2012; and Rick Gladstone, “Iran Can Endure Embargo on Oil, Ahmadinejad Says,” *International Herald Tribune*, April 12, 2012; Javier Blas, “Iran Woos Oil Buyers with Easy Credit,” *Financial Times*, April 12, 2012; Javier Blas, “High Oil Prices Help Shield Iran from Sanctions,” *Financial Times*, April 18, 2012. See also Una Gilani, “Sanctions Squeeze on Iran Set to Get Tougher,” Reuters, *International Herald Tribune*, June 14, 2012.

19. For a clear demonstration of this, see Christophe Ayad and Assal Reza, “A Teheran la classe moyenne redoute un conflit militaire avec Israël,” *Le Monde*, April 15-16, 2012; “Life in Iran: Non-nuclear Families,” *The Economist*, April 21, 2012; Tara Mahtafar, “Business Expert: Crisis Shaking Social Order,” Tehran Bureau, April 24, 2012.

One part of this saga that Tehran did not anticipate was that serious oil sanctions could be contemplated during a downturn in the global economy. Far from being indispensable and hence untouchable, Iran was being targeted even at the risk of an oil price spike. This was made possible in part by Iran's regional rival Saudi Arabia, which had made it clear to consumers that it would, to the extent possible, fill any shortfall arising from a boycott of Iranian oil. Given that Saudi Arabia had resorted to using the oil weapon in the late 1980s during the Iran-Iraq war driving the prices down, the threat was credible.²⁰

Iran's parlous economic situation and its political isolation were compounded (as we shall discuss later) by a deteriorating regional environment. It led to an authoritative public expression of criticism of Iran's foreign policy. Former President Rafsanjani, for example, asked, "If we had good relations with Saudi Arabia, would the West have been able to impose sanctions?"²¹ The implication was clear enough: under Rafsanjani and his successor Khatami, a pragmatic foreign policy had yielded results in terms of regional relations. In contrast, an ideological foreign policy under President Ahmadinejad (and by implication, Khamenei) had succeeded in isolating and weakening Iran: predictably this approach had alienated everyone, with nothing to show for it.

In theory, Iran under international pressure economically and politically, and with domestic preoccupations foremost, has three choices:

- Seek a (strategic) compromise on the nuclear issue to reduce the pressure;
- Lash out regionally to improve its bargaining position (e.g., up the ante in Syria or Yemen);
- Settle for riding out the pressure with tactical adjustments and 'concessions,' without yielding much of substance or foregoing its revolutionary role.²²

One complication for Iran is the degree to which its revolutionary foreign policy is

20. Guy Chazan and Najmeh Bozorgmehr, "Saudi Oil Minister Reassures on Global Oil Supply," *Financial Times*, January 31, 2012; Javier Blas, "Riyadh Risks Iranian Anger," *Financial Times*, February 7, 2012; Javier Blas, "Saudis Move to Cool Oil Price," *Financial Times*, March 20, 2012; Iranian officials denied Saudi leverage. See "Oil Official: Saudis Unable to Replace Iranian Supply in World Market," *Fars News*, no. 9102110365, May 3, 2012. Iran-Saudi rivalry now extends to the choice of the next OPEC Secretary General. See Javier Blas, "Riyadh and Tehran To Face Off in Vienna," *Financial Times*, June 9, 2012.

21. Rick Gladstone, "Impact of Sanctions Widens," *New York Times*, April 3, 2012; A. Savyon and Y. Mansharof, "Rafsanjani Calls for Dialogue with the US," *MEMRI (Inquiry & Analysis Series Report No. 821)* April 4, 2012.

22. Iran can be hurt by sanctions but with oil income at \$100 billion a year (with exports of around 2m/bd at \$100/barrel) and reserves of \$120 billion, it is far from being on its knees.

hostage to domestic politics: can Iran afford in terms of its revolutionary identity – an intrinsic part of its legitimacy – to become a ‘normal’ state? Can it afford politically to abandon the ‘sense of embattlement’ which it utilizes domestically?

The Arab Spring

The upheaval called the ‘Arab Spring’ transformed the politics of the region in early 2010. Starting in North Africa and spreading to the Levant, it reached the Gulf in a matter of weeks. Tunisia, Egypt, Libya, Syria and then Bahrain and Yemen were all involved, testifying to the cultural and political affinities of these states. Although no single transnational ideology or grouping was behind these events, they were linked in that they had much in common, namely similar circumstances such as political repression, corruption, unaccountable and ineffective governments, and unemployed urban youth. Demands across these countries were strikingly similar: respect and dignity of the citizens, human rights, jobs, and effective, representative and accountable government. The solutions or responses to these demands, however, would necessarily depend on individual and local conditions, which clearly varied in terms of resources, political inheritance, and ethnic make-up. Still these events had in common a political mobilization of the citizenry which served notice on all regional governments. As one observer noted: “The idea that Arab governments should respond to their citizens instead of ruling them is almost unprecedented.”²³

In a profound sense, the widespread popular discontent reflected an attempt to retrieve a sense of “national identity” to reconcile sect, clan and ethnicities: “The old examples have been largely of failure: the rule of strongmen in Egypt, Syria, Libya and Yemen; a fragile equilibrium of fractious communities in Lebanon and Iraq; the repressive paternalism of the Persian Gulf, where oil revenues are used to buy loyalty.”²⁴ Although no one can predict the “outcome(s)” of an ongoing process spread over a diversity of situations, certain elements appear clearer 18 months after their onset: First, the eventual success of this political awakening “will depend, in large part, on how religious and ethnic tensions are managed.” Second, the most important struggle will not be between Islamists and secularists “but rather among

23. Wendell Stevenson, “The Talk of the Town, Comment: Pessoptimism,” *The New Yorker*, March 14, 2011, 18.

24. Anthony Shadid and David Kirkpatrick, “Promise of Arab Uprisings Is Threatened by Divisions,” <http://www.nytimes.com/2011/05/22/world/middleeast/22arab.html?r=todaysheadline&emc=th28pagewanted=print>.

Islamists themselves.”²⁵ Third, it was clear that the leaderless movements were not ideological but sprang from local grievances; there was no call for an Islamic state or “down with US imperialism.”²⁶

The Arab Spring marked a turning point in Middle East politics by raising questions about democracy and human and citizens’ rights before worn-out slogans about jihads against the West and wars against Israel. Seemingly overnight, despite sympathy for the Palestinian cause, “Iran’s effort to focus on Israel comes across to many Arabs as doctrinaire and shopworn.”²⁷ Similarly, Iran’s attempts to appeal to the ‘Arab Street’ through its “resistance” stance seem tired and forlorn when its ally in Damascus was massacring citizens protesting peacefully. Even in the stronghold of Iranian influence, Lebanon, critical slogans appeared: “The resistance is only resisting our freedom.”²⁸ In this context, Iran’s own recent example of repression of its citizens in 2009 was recalled with its obvious unfavorable parallels with comparable Arab regimes.²⁹

Iran’s Reading of the Arab Spring

The Islamic Republic’s initial response to change in the region was positive. After all, upsetting the status quo, especially the reversal of a US client in Egypt, would – it was thought – rebound to Iran’s benefit. It could lead to a significant strengthening of Islamist forces in the region and reanimate hostility toward Israel. Furthermore, any weakening of important Arab states such as Egypt would magnify Iran’s regional influence. Khamenei referred to the US’s “irreversible defeat” in Egypt and welcomed (rather hopefully) “the Islamic awakening” as opposed to the Arab’s “political

25. See, respectively, David Gardner, “Why Managing Religious and Ethnic Tensions Will Be Vital,” *The Financial Times*, October 1, 2011; and Anthony Shadid and David Kirkpatrick, “Arab World Turns to Defining Islam after the Revolt,” *International Herald Tribune*, September 30, 2011.

26. As Olivier Roy noted, “Where Were the Tunisian Islamists?” *International Herald Tribune*, January 22-23, 2011.

27. Robert Worth, “The Unwavering Arab Spring,” *International Herald Tribune*, February 3, 2012. For a sense of an end of an epoch, see also Michael Slackman and Mona el-Naggar, “The People’s Radical Revolution,” *International Herald Tribune*, September 10-11, 2011.

28. Quoted by Thomas Friedman, “Words of the Prophet,” *International Herald Tribune*, April 30, 2012; Fuad Ajami quotes another “meaningful chant of protesters” in Beirut: “No Iran, no Hezbollah; we want rulers who fear Allah.” See “The Arab Spring at One,” *Foreign Affairs* 91, no. 2 (March/April 2012): 62.

29. For a discussion of how the regional environment turned unfavorable to the extension of Iran’s influence, see Dalia Dassa Kaye and Frederic Wehrey, “Arab Spring, Persian Winter,” *Foreign Affairs* 90, no. 4 (July/August 2011): 183-188.

awakening.”³⁰ This became an article of faith, an empty slogan repeated to revive spirits rather than analyze events. Even a year later when it was clear that the Islam of the Arab awakening had nothing to do with Iran and that the 1979 revolution had been invoked by no one, the mantra was repeated relentlessly.³¹ More accurate was the analysis of a prominent but independent scholar in Iran who noted that the democratic elements of the Spring and the ‘moderate Islam’[were]... “neither anti-western nor anti-American ...not even anti-Israel” and “more inclined to the Turkish than the Iranian model.”³²

The second theme plugged by Iranian officials was the danger of sectarian polarization and the foreign plots to that end. This was a constant theme in Khamenei’s discourses and was taken up by President Ahmadinejad and Speaker of the Majlis, Ali Larijani.³³ The difficulty with this is that Iran posed as the champion of the “oppressed,” which happened to coincide with the status of the Shia in Bahrain against Saudi Arabia. In addition, Iran’s foreign policy in the past decade, with increased involvement in Lebanon and then Iraq, not to mention support for the Alawi regime in Syria, was not a convincing case for Tehran’s non-sectarian approach. At the same time, although many Arab states entertained doubts about the reliability of the US, regarding a strategic choice between Sunnis and Shia some Europeans were convinced that the US and UK had, indeed, made a strategic choice in favor of the Sunnis and decided to back the emerging political Islam (e.g., the Muslim Brotherhood in Egypt) against a Shiite front (i.e., Iran and Syria).³⁴

The Islamic Republic was in fact surprised by regional events and uncertain how to respond as it also had to consider the possible negative consequences. These could include the weakening of Syria and Hizbollah as the ‘resistance model’ was overtaken

30. Meris Lutz, “Iran’s Supreme Leader Calls Uprising an ‘Islamic Awakening,’” *Los Angeles Times*, February 4, 2011. (This was promptly repudiated by the Muslim Brotherhood in Egypt. Commentators struggling to make sense of the events in the immediate aftermath had a similar take on events, suggesting that Iran was poised to benefit). See Michael Doran, “The Heirs of Nasser,” *Foreign Affairs* 90, no. 3 (May/June 2011).

31. See, for example, Ahmad Bakhshi, “The Arab Spring is an Islamic Uprising,” *Mehr News*, February 5, 2012.

32. Sadegh Zibakalam, “The Landscape of the Arab Spring,” *The Arab Revolutions: Strategic Assessment* 111, ed.16 vol.10, May 3, 2012 (bitterlemons.international.org).

33. President Ahmadinejad was quoted as saying: “The West is trying to foment sectarian conflict in our societies as part of their goal of keeping Israel alive.” See Worth, “The Unwavering Arab Spring,” *International Herald Tribune*, February 3, 2012. “Larijani Warns of Arrogant Powers Plots to Sow Discord between Shi’ites, Sunnis,” *Fars News*, no. 901251335, March 6, 2012; see also *Fars News*, February 13, 2012.

34. See Alexandre Adler, “L’Europe face au bloc anglo-saxon,” *Le Figaro*, April 28-29, 2012, 19.

by local events; the polarization of the region along sectarian lines; the reduced salience of the struggle against Israel; the emergence of an Arab model of political Islam quite different from the one the IRI was touting in the region; and even the spillover of popular civil disobedience, re-energizing the Green Movement. It was, therefore, not surprising that Iran's reaction throughout 2011 was one of confusion and inconsistency; exultation and anxiety about the course in Egypt; paralysis and restraint in the case of Bahrain; and concern mixed with doubts in the case of Syria. In each case as well as in Yemen and Libya, the immediate causes and principal actors were local, Islam was invoked only ritually and (positive) reference to Iran was strangely absent. In Yemen and Libya, Iran's interests were involved only indirectly, but in others, notably Syria and Bahrain, this was not the case.³⁵

Broadly speaking, Iran's next reaction was to revert to its default position of activism and touting a hardline, including naval visits to the Mediterranean, assistance to different elements in Yemen, and support for the beleaguered regime of Bashar al-Assad (in addition to its continued ties with Hizbollah and the Iraqi government). This carries its own risks, of over-extension³⁶ and, more importantly, of stimulating a regional backlash, given the reigning distrust of Iran's motives in the region. The Supreme Leader gave voice to this strategic defiance by candidly admitting for once Iran's role as principal arms supplier to Hizbollah and Hamas, boldly challenging the US and Israel thus: "From now on we will support any group that will fight the Zionist regime."³⁷ Iran clearly did not expect the deafening silence from the Arab world – government and street – that followed this.

By the end of 2011, it was clear that the Arab Spring had left Iran marooned, its one ally embattled while its other assets (e.g., Hamas) were reconsidering their options. Two years earlier, Iran had been able to benefit from the suffocating US

35. See Muhammad Sahimi, "Egypt's Revolution Terrifies Iran's Hardliners," Tehran Bureau, February 7, 2011; and Alex Vatanka, "Iran's Approach to the Arab Uprisings" (a case by case approach), Tehran Bureau, February 25, 2011; Ali Alfoneh, "Mixed Response in Iran [to] Middle Eastern Upheavals," *Middle East Quarterly* (Summer 2011): 35-39.

36. As one Israeli analyst noted: "The more Iran intervenes in additional theaters or deepens its involvement in existing theaters, the closer it gets to overstretching." Ron Tira, "The Breakup of Israel's Strategic Puzzle," *Strategic Assessment* 14, no. 3 (October 2011): 51.

37. Khamenei claimed it was Iranian arms that accounted for the success of the wars in 2006 in Lebanon and 2008 in Gaza. See *Arab News*, February 4, 2012; Najmeh Bozorgmehr and James Blitz, "Khamenei Pledges No Retreat," *The Financial Times*, February 4-5, 2012; "Israel and Iran Closer to Take-off," *The Economist*, February 11, 2012; Scott Peterson, "Iran's Top Ayatollah: We're Trumping the West but Beware Infighting at Home," *Christian Science Monitor*, February 3, 2012, *CSMonitor.com*.

presence, unpopular governments supported by the West, and a focus on Israel in the aftermath of Gaza (2008). All this had evaporated by 2011 and it was difficult to argue with the proposition that: “The assumption that Iran is the emerging regional power has been shattered.”³⁸ How has Iran responded in specific cases during a period of international pressure, domestic divisions and preoccupations, and regional transformation?

The Gulf Region

The Arab Spring unfolded against the backdrop of bitter Iran-Saudi regional rivalry.³⁹ While there had been periods of rivalry in the past, they had been about relative prestige and influence; this time, the stakes are bigger: it is about defining the shape of the wider regional order. Under the Shah, this mutual jealousy had been buffered by the two states’ common orientation to the West, the belief in kingship, and a certain pragmatism that saw the two states cooperate against Abdul Nasser’s incursions into Yemen in the 1960s. In the 1980s, the Islamic Republic threatened Saudi Arabia on security, religious and ideological grounds, leading to an intense rivalry throughout the Middle East and North Africa, South Asia, and Central Asia. Revolutionary Iran’s attempts at ‘exporting the revolution’ in the Gulf compounded the distrust between the two littorals of the Gulf. This was only alleviated by the emergence of pragmatic Presidents in Iran – first Rafsanjani, then Khatami – in the mid-1990s who tried (with limited success) to reassure their Arab neighbors.

Disputes about the nomenclature of the Gulf camouflage the real concerns of the smaller states about Iran’s hegemonic intentions, which they see in territorial terms. In reality, Iran, which seeks recognition as the leading power and appropriate respect and deference, is *not* territorially revisionist. The Shah had relinquished Iran’s claim to Bahrain (1970), which he recognized as incompatible with good relations with Saudi Arabia. As compensation, he took the islands of Abu Musa and the two Tunbs. This inheritance has proven poisonous for the IRI, which insists on their retention in

38. Ian Bremmer and David Gordon, “An Upbeat View of America’s ‘Bad’ Year,” *International Herald Tribune*, December 28, 2011.

39. For background until 1996, see this author’s work with Charles Tripp: “Iran-Saudi Arabia Relations and Regional Order,” Adelphi Paper no. 304 (London: IISS, 1996); and Lars Berger, “Iran and the Arab World: A View from Riyadh,” *MERIA* 13, no. 3 (September 2009). For a recent analysis, see Andrew Scott Cooper, “Iran, Saudi Arabia and a Global Game of Risk,” May 31, 2012, http://www.pbs.org/wgbh/pages/frontline/tehran_bureau/2012/05/comment-iran-saudi-arabia-and-a-global-game-of-risk.html#ixzz1TMXuyNX.

the face of Arab pressure for their “return.” Such symbolic issues are useful for ‘Arab unity’ and serve to underline the foreign-ness of the Persians in the neighborhood.

Insensitive, Iran in turn has its own gripes, seeing the Gulf States’ increased dependency on the US as a *de facto* challenge to its own regional position. One element of this is the US naval presence, most conspicuously in Bahrain. Although this is longstanding, following the creation of the 5th Fleet in the 1990s, US presence has increased over the decades and now is complemented by a major airbase in Qatar. This, together with continued sales of sophisticated arms and their deployment to the Gulf, is countered by the Iranian emphasis on its sea-denial missile capability.⁴⁰ Iranian officials denounce the deployment of F-22 (Raptor) aircraft to the UAE as harmful to regional security.⁴¹ Iranians insist that militarily they have “brought the whole US might and power under question.”⁴² Their military exercises and intemperate rhetoric only feeds regional concerns.

The Gulf Arab States’ reflexive reaction to insecurity *vis-a-vis* Iran has been to seek additional arms from the US, both to seek reassurance from the US and to outpace Iran militarily.⁴³ This they have already done given the relatively dilapidated state of Iran’s conventional military, but they have yet to be fully reassured. For conservative states, the very pace and depth of regional change and the marginal role of the US (where it has not been seen as harmful, as in Egypt) has not been reassuring.⁴⁴ (The exception is Qatar which has ridden and embraced the transformative wave).

40. The US announced a \$30 billion agreement to sell F-15 aircraft to Saudi Arabia as part of a 10-year \$60 billion agreement approved by Congress in 2010. Mark Landler, “US-Saudi Jet Deal Comes at Crucial Time in Mideast,” *International Herald Tribune*, December 30, 2011. Iran refers to a new missile named “Persian Gulf,” a 200 km range missile. See “Commander: Iran Will Change Enemies’ Equations with ‘Persian Gulf’ Missile,” Fars News, no. 8101300945 April 24, 2012. See Anthony Cordesman, “Iran and the Gulf Military Balance,” http://csis.org/files/publication/120221_Iran_Gulf_MilBal_ConvAsymm.pdf. Ch 1V. Iran and the GulfMilitaryBalance II http://csis.org/files/publication/120612_Burke_IRan_Gulf_Military_Balance.pdf http://csis.org/files/publication/120222_Iran_Gulf_MilBal_11_WMD.pdf

41. Iranian Defense Minister Brig. Gen. Ahmad Vahidi noted that this deployment was ‘detrimental to regional security.’ Fars News, no. 810130711, April 30, 2012.

42. Seyyed Jamaleh Mohammadi, senior IRGC defense official. Quoted by Fars News, no. 9101140693, April 7, 2012.

43. For an Egyptian observation on this, see “Saudis Seeking Arms amid Growing Fears,” *The Egyptian Gazette*, July 14, 2011, http://213.158.162.45/~egyptian/index.php?action_news&cid=1908title=Saudis%20seeking%20arms%20amid%20growing%20fears=20analysts.

44. Against this, of course, is that politics is not zero-sum. While conservative monarchs may have been weakened, so have the radicals. Iran certainly was worse off. See Mohammad Reza Djalili and Thierry Kellner, “L’Iran: la spirale infernale de l’isolement,” *Le Temps*, February 21, 2012.

The differing reactions of Iran and Saudi Arabia to the Arab Spring have further exacerbated Iran-Saudi rivalry which one observer suggested: “is now the most important international factor in the Middle East.”⁴⁵ One of the revelations of the Arab Spring has been Saudi Arabia’s activism and willingness to “push back.”⁴⁶ As noted earlier, a critical factor has been Iranian involvement in Iraq. Until 2000, Iraq constituted one side of a triangle in Gulf politics which made for a regional balance, preventing any one state from achieving supremacy. The elimination of Iraq as a regional player, and worse the possibility that it might become an Iranian Shii vassal state, has triggered concerns – and reactions – in Riyadh. The elimination of the Iraqi buffer means a more direct Iran-Saudi confrontation. Whether or not Iran extends its influence durably into Iraq, the fact remains that the latter is likely to be ‘more stage than actor’ in the coming years. Meanwhile, the deepened sectarian cleavage in the region has been brought home in the case of Bahrain. What’s new is the risk of direct physical confrontation between Iran and Saudi Arabia. In the past, the two states have competed and even engaged indirectly in a shadow war, with Iran targeting US assets or Saudi nationals in Al Khobar and the eastern province. But in recent years, the gloves have come off, and Iran has been accused of targeting Saudi ambassadors in Washington and Egypt.⁴⁷ If true, this is a step toward direct confrontation and the likeliest place for this is the Gulf itself.

Bahrain, the Disputed Islands, and the GCC

Iran’s relations with its Gulf States neighbors, never warm and seldom cordial, have – at their best – been correct. Appearances have barely hidden mutual suspicions and tensions (Recall the Qatar Foreign Minister: “They lie to us and we lie back to them”).⁴⁸ It is in the Gulf that Iran and Saudi Arabia are in close proximity and where their claims to be the regional leader and protector of Muslims, is most directly tested. Manifestations of the Arab Spring in the Gulf raised much broader questions than Bahrain alone; they challenged the entire edifice of the states there, the rich, *rentier*, city- and quasi-states, which were rushing toward modernity in a

45. Gregory Gause, “The Gulf Regional System and the Arab Spring,” *The Montreal Review*, March 2012. Note also Roulfa Khalaf, “Saudis Keep an Eye on Iran as They Spell out Syrian Stance,” *Financial Times* January 30, 2012.

46. See Yoel Guzansky, “Saudi Activism in the Changing Middle East,” *Strategic Assessment* 14, no.3 (October 2011): 57-69. Mustafa Alani, “How Iran Nuclear Standoff Looks from Saudi Arabia,” *Bloomberg*, February 15, 2012.

47. See “Iran Plot ‘Targeted Saudi Envoy,’” *GulfTimes*, May 2, 2012.

48. Shaikh Hamad bin Jassim al Thani, Wikileaks.

building spree on the back of foreign workers. Had their model failed and was Iran about to deepen and steer regional change in its own favor?⁴⁹

Iran was as surprised and unprepared for the Arab Spring as others. It was also further surprised by the unexpected unity of the GCC and its unusual decisiveness in response to developments in Bahrain. Clearly, under Saudi leadership, the GCC had decided to “draw the line” in Bahrain. Iran’s reaction, bemused, passive (or risk-averse), showed that Tehran was unwilling to hazard its overall relations with the GCC over the future of Bahrain. However welcome, change in Bahrain was not worth alienating all of Iran’s southern neighbors, by confirming their suspicions, polarizing the Gulf, or risking a direct military confrontation. Iran’s frustrated reaction was thus muted.⁵⁰

The Arab side of the Gulf attributed disturbances in Bahrain to Iran. Despite the absence of concrete evidence, it was clear enough that Iran still occasionally puts forth its affinities with, and claims to, Bahrain.⁵¹ The leader of the opposition Al-Wefaq, Ayatollah Issa Qassim, had studied in Iran and his sermons clearly reflected and echoed Iranian opinions and interests. Furthermore, the opposition apparently was not interested in compromise or reform, which made dialogue problematic.⁵²

The significance of Bahrain transcended the fate of that state, however. Whether or not Iran instigated or encouraged the opposition; whether that opposition – divided or not – was amenable to compromise or not; whether the issue was one of sectarian conflict versus representative government, the temper of the times was to see and act on the larger stakes. In the context of the growing, bitter, and region-wide Iran-Saudi rivalry, the temptation to see the unrest in Bahrain as a test of Arab resolve was irresistible. From the Saudi perspective, successful Shii unrest might infect its Eastern province of Qatif, which periodically erupts into disturbances.⁵³ The Saudi

49. See the editorial “The Economics of the Arab Spring” suggesting that “rentier states – natural or artificial – ought to be disbanded” in the *Financial Times*, April 25, 2011.

50. Ali Khamenei gave vent to this frustration by noting that Iran had *not* supported the Shii protesters but that had it done so, the result would have been different. Nahjmeb Bozorgmehr and James Blitz, “Khamenei Dismisses Pressure on Iran,” *Financial Times* February 3, 2012, <http://www.ft.com/cms/s/0/31c0fc74-4e5c-11e1-8670-00144feabdc0.html>

51. Iran’s “support” for fellow-Shii – an article of faith for the IRI – is seen by the Arab states as a “plot.” See Georges Malbrunot, “Les pasdarans iraniens s’activent contre les pays du Golfe,” *Le Figaro*, April 23-24, 2011.

52. See Ed Husain, “The Prince and the Ayatollah,” *International Herald Tribune*, May 2, 2012.

53. Iran-Saudi rivalry, the deepening sectarian divide, and events in Bahrain have damaged the status of Saudi Shia. See Safa Al Ahmad, “Diary” *London Review of Books*, June 2011, 33-35. See also the “Normalisation en trompe-l’oeil dans le Golfe,” *Le Monde* (edit), April 16, 2012.

leadership in dealing with Bahrain was thus inclined to nip in the bud any spillover of unrest.⁵⁴ The GCC military intervention in Bahrain served notice to Iran of Arab determination to resist its subversion and to bolster the hardline elements in the Bahraini court against the softer line of the Crown Prince. In all of these, Saudi Arabia was successful – at least in the short term. Iran did not react; the opposition has been intimidated and divided (though not eliminated), and unrest in the region has not spread. However, in considering banning the *Wefaq*, and denying or ignoring the Shia grievances, the government has made a durable political solution more difficult.⁵⁵

Iran reacted to rather than drove events, and appeared uncomfortable doing so. The new Foreign Minister Ali Salehi, with previous experience in the Gulf, was sent on repeated tours of the Gulf, covering five states in three weeks with visits to Doha, Baghdad, Kuwait, Muscat and Abu Dhabi. Intended to limit damage and prevent polarization, his message was that all states favored regional cooperation, security, and good neighborly relations.⁵⁶

The dispute over the three islands dating to 1971 has remained a thorn in relations with the GCC, especially as vigorously championed by Abu Dhabi. As an irritant, the islands' dispute tends to surface when relations are especially strained. Not particularly important in terms of resources or strategic significance, with a modicum of goodwill, the fate of the islands could have been long since settled amicably. Instead, the islands are invested with symbolic significance by both sides, as a barometer of relations, rising in salience when relations are bad but otherwise left dormant.

So it has proven since the Arab Spring. President Ahmadinejad's visit to the principal island Abu Musa near the Strait of Hormuz in April 2012 evoked the usual reactions. The UAE called the visit "a flagrant violation" of its sovereignty and recalled its ambassador to Tehran for consultations, raised the issue with Arab foreign ministers,

54. See Kristin Smith Diwan, "Bahrain's Unfinished Revolution Holds Lessons for the West," *Financial Times*, February 14, 2012.

55. Michael Slackman and Mona el-Naggar, "Revolts Face Leaders with Firmer Backbones," *International Herald Tribune*, April 29, 2011; Roula Khalaf, "How Repression Only Sharpens Hunger for Regime Change," *Financial Times*, February 19-20, 2011; Simeon Kerr, "Bahrain Moves to Outlaw Main Shia Opposition Party," *Financial Times*, April 15, 2011; "Shiites Feel Intimidation from Sunnis in Bahrain," *International Herald Tribune*, April 12, 2012; Simon Kerr, "Bahrainis Remain Poles apart a Year after Unrest," *Financial Times* February 15, 2012.

56. "Iran's FM: Persian Gulf States Seeking Regional Cooperation To Establish Security," Fars News, no. 9002292193, May 19, 2011, <http://english.farsnews.com/newstext.php? nn=9002292193>.

and repeated its insistence on taking the dispute to the International Court. This was followed by GCC military exercises and the convening of a seminar on the legal implications of the occupation of the islands by Iran.⁵⁷ For good measure, the Saudi government reiterated its total support for the UAE in its denunciation of the visit.⁵⁸

The Iranian action and timing was cynical and its response to the GCC reaction was equally intemperate, with the leader of Iran's ground forces threatening military action to keep the islands.⁵⁹ Ahmadinejad's gratuitous visit was intended as a warning, probably serving as a substitute for Iran's inaction in Bahrain. No doubt, domestic factors also played their part in what appears to have been a decision by the President to make this visit. It served as a diversion from Iran's flat-footedness in Bahrain and the daily tightening of sanctions on the nuclear issue. The islands issue was a useful tool for a populist president to reinvigorate personal support by appealing to a sense of frustrated Persian nationalism.⁶⁰

The lingering islands dispute remains, like the nomenclature of the Gulf itself, a symbol of differences between the two shores of the waterway, leading to occasional storms-in-the-teacup. The dispute serves political interests on both sides, providing the usually divided GCC with a rallying point and Iran with an ostensibly concrete (but threadbare) 'national' cause. The Arab Spring has not managed to deflect either side from continuing this state of affairs but by souring overall relations has surely complicated its resolution.

More fundamental for Gulf security has been the longstanding efforts of the littoral states to work out an indigenous solution for security. Starting with the British withdrawal in 1971 and the US reluctance to replicate the imperial role, the states

57. "UAE Recalls Envoy from Iran in Row over Gulf Island," <http://www.jpost.com/MiddleEast/Article.aspx?id=265887>, April 13, 2012; "UAE to Sharpen Island Strategy," *Khaleej Times*, April 22, 2012; "GCC Forces in Military Exercises," *The National*, April 26, 2012; and "Documents Prove UAE's Sovereignty over Three Islands," *Khaleej Times*, May 10, 2012.

58. "Ahmadinejad's Abu Musa Visit a 'Setback to Peace Efforts': Saudi Cabinet," *Arab News*, April 17, 2012.

59. Najmeh Bozorgmehr et al., "Iran Commander Escalates Gulf Islands Dispute," *Financial Times*, April 20, 2012, <http://www.ft.com/cms/s/0/ee83997e-8a21-11e1-a0c8-00144feab49a.html>.

60. Arash Karami "Small Islands, Gross Appeal to Persian Nationalism," Tehran Bureau, May 2, 2012; Michael Theodoulou, "High Politics in Iranian Belligerence over Islands," <http://www.thenational.ae/news/world/middle-east/high-politics-in-iranian-belligerence-over-islands>; Thomas Erdbrink, "Making a Stand in the Gulf," *International Herald Tribune*, May 5, 2012. See also Sultan Souod Al Qassemi, "Iran Picks Awkward Time to Escalate Gulf Tensions," <http://www.al-monitor.com/cms/contents/articles/opinion/2012/al-monitor/iran-picks-awkward-time-to-escalate.html>.

on both shores of the Gulf looked at various options. Initially, these efforts did not yield concrete results blocked as they were by two obstacles:

- disagreement among the principal states about their respective rights and responsibilities;
- structural obstacles in which the smaller (newly independent) Gulf States preferred to balance among the three principal states, rather than commit to any one or to a process of integration.

The issues were simplified by the outbreak of the Iran-Iraq war when, at the initiative of Saudi Arabia, the Gulf Cooperation Council (GCC) was formed in May 1981 without either Iran or Iraq. It was understood that the US would be the ultimate security guarantor of the region's security with an 'over the horizon' (i.e., offshore) presence. The situation changed in the 1990s when in the wake of Iraq's aggression in Kuwait the reliance of the GCC on the US became more explicit with the stationing of forces in the region in the service of "dual containment."

This link became even more pronounced in the next decade as a weakened Iraq provided opportunities to an Iran, apparently an aspirant for nuclear weapons and regional hegemony. The Arab Spring found the Gulf itself in the throes of a transition, richer and more vulnerable than ever, with growing doubts about US judgment. In the absence of an alternative guarantor, these doubts could not be translated into policy, so the arms/security relationships continued and grew.⁶¹ At the same time, the threat from Iran appeared to be growing with a weakened Iraq potentially serving as a Shi'ite springboard to the Arab world. As noted, political stirrings in Bahrain were seen by nervous Sunni regimes in the Gulf as instigated by Iran (its logical beneficiary) and the beginning of a wave in other states with Shia minorities, notably Saudi Arabia.

Consequently, in the wake of the GCC intervention in Bahrain in the spring of 2011, Saudi Arabia cast around once again to find a more permanent answer to the problem of the now-accentuated structural imbalances in the Gulf. It was vaguely suggested in mid-2011 that the GCC should expand its membership and include Jordan and Morocco, moderate monarchies sharing the values of the current members. However, at the end of the year, there was no sign of movement on this. In December 2011, Saudi Arabia flew another trial balloon: a union of Bahrain and the Kingdom, as a first step toward a tighter union of the GCC. The conception may have been vague but the motivation was not; it was to offset Iranian power.

61. Cordesman, CSIS: The Gulf Balance 2012.

Although the GCC has no hesitation in siding with the UAE on the islands dispute and criticizing any Iranian interference, there is still little enthusiasm (at least among governments) for a closer political union.⁶²

Iran's stance on Gulf security is based on its regional ambitions and its relations with the United States. This translates into support for 'regional cooperation' (including occasional joint military exercises) among the littoral states with the clear proviso that outside powers (i.e., the US) have no right to a military presence or a security role in the region. Iran has traditionally played on the reluctance of the smaller GCC states to identify too closely with Saudi Arabia, by cultivating relations notably with Oman and Dubai but also Qatar and, sometimes, Kuwait. Iran is opposed to the expansion of the GCC which it dubs the *Persian Gulf Cooperation Council*. It also sees any tighter union as an extension of Saudi power in the region.

All of these considerations were at the fore when rumors of a closer union between Bahrain and Saudi Arabia surfaced. Iranian parliamentarians signed a letter of protest, and the Speaker and Presidential aspirant Ali Larijani declared that "no one can swallow Bahrain." The hardline newspaper *Kayhan* noted that "Not only is the 'union' scheme incapable of preventing the victory of Bahraini Muslims (i.e., Shia), it will also enhance the capabilities of the Shia in the eastern province of Saudi Arabia." Another news source *Raja News* threatened that, in the event of a union, Iran would revive its claim to Bahrain. All of this predictably elicited critical responses from Bahrain.⁶³

After three decades, the GCC has hardly put much flesh on its original skeleton. A decade after a customs union, not much progress has been made even in this non-controversial area. In the more sensitive security area where real defense cooperation

62. For GCC criticism of Iran, see "Saudi Support for UAE Sovereignty over Islands," *Khaleej Times*, May 11, 2012, and "Gulf Council Warns Iran about Stirring up Trouble," RFE/Radio Liberty, May 3, 2012, http://www.rferl.org/content/iran_gulf_cooperation_council_/24568076.html. See also Simon Kerr, "Gulf Arab Rulers Look to Closer Political Union," *Financial Times*, May 15, 2012; Roula Khalaf, "Modest Goals Must Come before Full Political Union," *Financial Times*, May 18, 2012; Andrew Hammond, "Saudi Gulf Union Stumbles as Wary Leaders Seek Detail," [http://af.reuters.com/article.worldNews/idAFBRE84G0WR20120517?sp=true](http://af.reuters.com/article/worldNews/idAFBRE84G0WR20120517?sp=true); Georges Malbrunot, "Les monarchies du Golfe en quete d'union face a l'Iran," *Le Figaro*, May 15, 2012.

63. See Larijani and parliamentarians, *Iran News Roundup*, May 14, 2012, *Kayhan*, *Iran News Roundup*, May 15, 2012; *Raja News*, *Iran News Roundup* May 17, 2012; (Ali Alfoneh: *IranTracker.org*). Mohammad Farazmand, "Union Proposal a Continuation of Saudi Intervention in Bahrain," *Tehran Times*, May 21, 2012; Jasim Husain, a Wefaq member, stated his opposition: <http://www.insideiran.org/featured/qa-shias-express-reservations-about-potential-gcc-union/>; Bahrain's response: "Bahrain Warns Iran against Interference," *Kuwait Times*, May 18, 2012; and "Bahrain Slams Iran's 'Flagrant Meddling,'" *Gulf Times*, May 21, 2012.

and joint procurement could see tangible dividends, the smaller states have held jealously to their sovereign prerogatives. The impulse to confront the looming threat of Iran may still provide the motive force for greater integration against the centrifugal forces pushing toward informal cooperation and balancing. A tighter union may pay security dividends for the most exposed states but it will come at a price. It will freeze Bahrain's status quo, making (necessary) political reforms problematic, and will codify and institutionalize the polarization with Iran. This will extend the current cold war in the region and make any reconciliation more difficult. A Gulf NATO is neither needed nor feasible.⁶⁴ Without Iran and Iraq, and with a mission comparable to the Holy Alliance of upholding the status quo, such a grouping would be quickly discredited.

Iran can count on 'regional contradictions' to prevent its complete isolation, but it will need to try much harder if it is to return to a position where it is not seen as the region's pre-eminent threat.

Yemen

Yemen has been called a "quintessential failed state" and the Arab world's "least governable country." Lacking resources (notably water), but with many warlords and tribal antagonisms, it resembles 'Afghanistan but with a coastline.' A fractured state and segmented society marked by clan and regional antagonisms obscure to the outsider, Yemen has been barely held together in recent years by President Ali Abdullah Saleh's expert manipulation and maneuvering.⁶⁵ Yemen shares a long and porous border with Saudi Arabia, and the Kingdom has long had a proprietary interest in developments in its neighbor. In addition to Saudi Arabia's usual subsidies to the northern tribes for influence, in the past decade, funds have flowed from Washington for the "war on terror." Still the writ of the government over such a fractious society has been limited, allowing Al Qaeda in the Arabian Peninsula (AQAP) the space to establish a presence.

The Arab awakening came to Yemen for all the reasons it came elsewhere: corrupt and centralized rule; ineffective governance; unemployment, illiteracy, and a youthful

64. US-centered policy analogies are unhelpful, e.g., Robert Haddick, "The Persian Gulf Needs its Own NATO and America Needs to Lead it," <http://www.foreignpolicy.com/articles/2012/05/18/the-persian-gulf-needs-its-own-nato?page=fullforeignpolicy.com>. For a thorough discussion of a regional security structure, see Robert Hunter, *Building Security in the Persian Gulf* (Santa Monica: RAND 2010.)

65. See Ajami, "The Arab Spring at One" 59, 61; "Yemen and the Arab Awakening: Who's Next?" *The Economist*, June 11, 2011; Laura Kasinof, "Tribal Support Slipping from Yemen Leader," *International Herald Tribune*, March 25, 2011.

population. What distinguishes Yemen from other cases is not just its poverty but the “incoherence of the opposition comprising upwards of 100 distinct groups.”⁶⁶ Yemen had been battling a sporadic Houthi insurgency since 2004 and had already been buffeted by sectarian conflict in 2009-10 when restive Houthi tribes in the north had breached the Saudi frontier in Saada province eliciting a (rare) Saudi military response. At the time it was believed that the Zaydi Houthis, an offshoot of the Shia, had been encouraged by Iran. Similar sectarian clashes between the Shii Houthis and Sunni Salafis were reported in Saada province in January 2012. The Houthis aligned themselves with the protesters, inspired by developments in other Arab states.⁶⁷

In seeking to gently steer President Saleh out of office, the GCC led by Saudi Arabia sought to ensure a peaceful transition leading to a predictable and secure outcome. They proposed, and offered to subsidize, the creation of a national unity government. This initiative had the implicit support of the US, which shared these states' interest in avoiding a political void or an extremist successor, either of which could open the door for exploitation by Al Qaeda elements.⁶⁸ The lengthy and bumpy transition process over several months until President Saleh's eventual political departure underscored governmental weakness leaving a void for various groups: Al Qaeda, Houthis, tribal elements, and secessionists in the south, the Hirak, “long seething at the region's marginalization under northern rule.”⁶⁹ In the north, tribal elements increasingly appeared to control most of the territory, while in the south the secessionist movement by creating chaos opened up the country as a sanctuary for jihadists.⁷⁰ At the same time, more democratic elements chafed at the longstanding influence and intervention of Saudi Arabia in the country, seeing its objective as being the preservation of the status quo which in turn was viewed as an impediment to democracy and needed change.⁷¹

66. Isa Blumi, “In Yemen, Hardly a Revolution,” *International Herald Tribune*, April 11, 2011.

67. Abigail Fielding-Smith, “Rebels Claim Control of a City,” *Financial Times*, March 25, 2011; Laura Kasinof and Robert Worth, “Yemen Blast again Dents Authority,” *International Herald Tribune*, March 30, 2011; See also AP, “Sectarian Clashes in Yemen,” *International Herald Tribune*, January 27, 2012.

68. Abeer Allam and Roula Khalaf, “Saudis Prepare to Abandon Troublesome Neighbour,” *Financial Times* March 23, 2011.

69. See Daniel Dombey and Abigail Fielding-Smith, “Al-Qaida Exploiting Turbulence, Saleh Told,” *Financial Times*, April 5, 2011; Noah Browning, “Clash with Islamists Looms in Yemen Power Vacuum,” *Financial Times*, June 25-26, 2011.

70. Robert Worth, “Yemen Leader Says He Agrees to Exit, but Protesters Are Wary,” *International Herald Tribune*, April 25, 2011.

71. See notably an article by a Yemeni leader of the democratic youth movement Tawakkol Karman, “Yemen's Unfinished Revolution,” *International Herald Tribune*, June 20, 2011.

As noted earlier, in the 1960s, Iran and Saudi Arabia, sharing a similar sense of threat from the Nasserite intervention, had cooperated to resist Egypt in Yemen. However, the upheaval in Yemen this time is largely a product of domestic forces and needs and comes at a period of heightened Iran-Saudi rivalry and deepened sectarian divisions. How has Iran reacted this time? Traditionally, Iran has not taken much interest in Yemen and the purported sectarian links with the Zaydi Houthis, are – at best – tenuous. There are few affinities between Iranians and Yemenis, and little historical interaction. Yemen has been *de facto* the Saudi backyard, and more or less treated as such. Iran made few public declarations on the unfolding instability in Yemen. But instability in the Peninsula has proven a temptation for Iran.

Iranian declarations have tended to focus on the Saudis' alleged fear of a successful revolution in Yemen spreading to the Kingdom.⁷² True to form, Iran has avoided direct intervention or confrontation, but it has not been inactive. While Saudi Arabia has pledged \$3.5 billion in aid to Yemen and cooperated with the US in dealing with the Al-Qaeda threat, Iran has been exploiting local grievances to increase its leverage.⁷³ Iran has followed its usual practice of covering itself and spreading its bets by supporting as many dissident local players as possible (Houthi in the north and secessionist Hiraq in the south) with political and financial aid. Given Saudi sensitivities, this course holds the risk of a proxy war between Iran and Saudi Arabia.⁷⁴ Iran's interest in Yemen may be seen principally as a means of putting pressure on the Kingdom through its 'soft underbelly', and as a bargaining chip. There are reports that Iran seeks a foothold in Yemen to achieve broader influence on the Arabian Peninsula and is coordinating Hamas's and Hizbollah's cooperation with south Yemeni dissidents. According to the same source, Iran's aid includes military assistance and training.⁷⁵ American sources refer to a "shadow war" between Iran and Saudi Arabia throughout the region including Yemen, pointing to "a much more aggressive Iranian effort to become involved in a number of areas

72. See, for example, "Political Activist: S. Arabia Seeking to End Yemen's Revolution at Any Cost," Fars News, no 901215833, March 10, 2012.

73. "Saudi Arabia Pledges \$3.5 billion for Yemen," BBC News Middle East, May 23, 2012; Geoff Dyer and Michael Peel, "US Warns on Yemen Terror Threat," *Financial Times*, May 5, 2012; Robert Worth and Eric Schmitt, "US-Saudi Effort Derailed Bomb Plot," *International Herald Tribune*, May 11, 2012; "Al Qaeda Allies Take Responsibility for Suicide Bombing," *International Herald Tribune*, May 23, 2012.

74. See especially Bernard Haykel, "What Next for Yemen after Saleh?" <http://www.majalla.com/eng/2012/03/article55230344>. For concern about a proxy war, also see the *Financial Times*, "Trouble in Yemen" (edit), March 17, 2011.

75. "Iran Trying to Expand its Influence in Yemen," interview of US ambassador Gerald Feierstein, *Al-Hayat* reported in *Arab News*, March 26, 2012.

and activities” (including Syria). These sources confirm that Iran is providing arms to rebels in Yemen via the Qods Force of the IRGC.⁷⁶ Iran appears to have recognized that its rivalry with Saudi Arabia has entered a new phase, as extensive regionally as it is intense. Yemen thus provides the opportunity and terrain to ‘respond’ to Saudi Arabia’s forceful action in Bahrain where the Kingdom is vulnerable.

The Levant: Syria, Lebanon, Hizbollah and Hamas

In Syria, the Arab Spring has hit a brick wall with the longest, costliest (as of August 2012, 20,000 plus dead), and most inconclusive result. This messy outcome was almost preordained; the country is at a geostrategic crossroads, with the intersecting interests of regional and outside powers, making external intervention less likely than in Libya, and an Alawi officer corps unlikely to desert the minority Alawi regime. Syria represents a higher stake for all concerned: Iran, Israel, Saudi Arabia, and the external powers Russia, Europe and the US. Neighboring states like Turkey have an interest in the stability of their frontiers and they need assurance that Syria would not become a sanctuary for Kurdish extremists (PKK). Spillover from a Syrian civil war is no longer a hypothetical concern as refugees have flooded into Turkey.

Inevitably, the upheaval in Syria has become tied to the sectarian concerns of regional states like Saudi Arabia. Lebanon, long under Syrian influence, and itself burdened by confessional cleavages, is directly interested in the fate of the Alawite (a Shi’i offshoot) regime and the character of its possible replacement.⁷⁷ Neighboring Iraq with a majority of Shi’i and a Shi’i-led government has been concerned about the possible resurgence of Sunnis in Syria and the effect this may have on its own restive Sunni population.⁷⁸

For Iran, Syria constitutes a ‘forward operating’ post, a strategic buffer, and a means of projecting power and influence into the Levant. Given the minority status of the

76. See especially Eric Schmitt and Robert Worth, “A ‘Shadow War’ in Yemen” *International Herald Tribune*, March 16, 2012. The phrase was used by Centcom commander Gen. James Mattis in Congressional testimony.

77. For discussion, see Thomas Friedman, “The Keystone Nation,” *International Herald Tribune*, May 23, 2011. Syria has “punched above its weight.” Thus “Syria has been a regional nuisance but one that can rarely be ignored or kept down for long.” See “The Revolt in Syria: Not So Easy,” *The Economist*, April 30, 2011.

78. Iraq’s sectarian cleavages were already accentuated by Bahrain where Iraqi Shia sympathized with their protesting fellow Shia while in Syria the situation was reversed as the Iraqi Sunnis sympathized with the opponents of Assad. See “No Better with no Uncle Sam,” *The Economist*, April 14, 2012; Christophe Ayad, “Irak, les fractures d’un retrait,” *Le Monde*, April 15-15, 2012.

Alawi regime, any replacement will likely be Sunni, possibly drawn from the Muslim Brotherhood, calling into question Iran-Syrian defense cooperation. Syria is thus perhaps the only country where the Arab Spring “could change the geopolitical concept of the region.” The Sunni leaders now have “a golden opportunity to push back against Shia Iran and sever its alliance with Syria.”⁷⁹ Similarly, Israel, which has had pragmatic relations with Damascus and a stable frontier, now calculates that even with the risk of a Muslim Brotherhood regime as replacement, the advantages of weakening the Syrian-Iranian axis are worthwhile, seeing in such a change, “a chance for a new phase in regional politics.”⁸⁰

However, precisely because of the high geopolitical stakes, a common international response was never a realistic prospect. Especially after the Libyan case, when Russia said its assent was misinterpreted and stretched by NATO, Moscow has been unwilling to agree to any measure that pressures Damascus. In addition to *amour propre*, Moscow is protecting the principle of sovereignty and also its commercial and strategic interests. These include arms sales and access to ports for its navy. But more important are the geopolitical concerns that “another” Western intervention should not “succeed” (as in Libya) and a certain reluctance to see a possible Islamist government in Damascus.⁸¹ As a result, with no credible threat of decisive intervention and with intensified repression, political unrest in Syria after 15 months has taken on the character of a civil war with sectarian overtones.

The insurgency in Syria, starting in tandem with the awakening elsewhere in the Arab world in early 2011, was motivated by the same concerns: ineffective, unrepresentative and arbitrary government, corruption and repression. The biggest fissure here (as elsewhere) was between “...haves and have-nots rather than between religious or ethnic groups.”⁸² As the unrest and the repression grew, the Assad regime depicted it

79. See, respectively, Steve Erlanger quoting Olivier Roy, “With Syria, a Vortex of Global Risks and Tensions,” *International Herald Tribune* February 27, 2012; David Gardner, “The Arab League Finally Finds its Voice on Syria,” *Financial Times*, November 15, 2011.

80. See Itamar Rabinovitch, “The Devil We Knew,” *International Herald Tribune*, November 19-20, 2011; Tobias Buck, “Mixed Feelings in Israel on Syria,” *Financial Times*, March 23, 2012; and Ephraim Halevy, “Iran Must also Quit Syria,” *International Herald Tribune*, February 9, 2012; Rick Gladstone, “Pressure on Syria is also Squeezing Iran,” *International Herald Tribune*, February 2, 2012.

81. See Natalie Nougayrede, “Le dossier Syrien, ou comment la Russie veut tenir tete aux Occidentaux” *Le Monde*, May 18, 2012; Charles Rizk, “Syrie: au dela de Bachar el-Assad,” *Le Monde*, May 16, 2012. Charles Clover, Anna Fifield and Roula Khalaf, “Russia Defends Syria Veto as Best Hope for Peace,” *Financial Times*, October 6, 2011; “Russia Rebuffs West over Syria,” *Financial Times*, February 22, 2012.

82. “Could the Assad Regime Fall Apart?” *The Economist*, April 30, 2011. Within a few months,

as a foreign plot and a conspiracy against the secular state, but above all appealed to the Alawite community (and other minorities) to stand firm against a Sunni threat, with an implicit invocation that the regime was the last barrier standing before a terrible sectarian-motivated vengeance.⁸³

By depicting the uprising as a Sunni fundamentalist rebellion, the Alawite regime “is keeping minorities, particularly Christians, on its side.” At the same time, the leading voices in the Alawite community said that the regime was “taking the community hostage.”⁸⁴ Intensified repression, the continued loyalty of the security forces, and the unwillingness of outside powers to get involved or provide arms and training to the opposition, as well as the fear of further insecurity among many within Syria, ensured that the upheaval in Syria would drag on.

Iran’s stake in the preservation of the Alawite Assad regime cannot be exaggerated. It is Syria that has stood between Iran and Arab/Persian polarization, a role it first took on in the Iran-Iraq war. Quite apart from the practical aspects of cooperation, this symbolic role is very important for an Iran that seeks general recognition of its regional role. The geopolitical fit between the two states is not perfect; for Iran, the Gulf is the primary theater, the Levant a discretionary arena. For Syria, the priorities are reversed. Nonetheless, the foundation of the relationship has made it durable. Syria is Iran’s oldest, most dependable, and finally its *only* Arab ally. Over the past decade as Assad’s relations with the US and the Arab states declined, the relationship with Iran warmed and became “strategic.” Iran invested \$1.5 billion in the construction and infrastructure sectors of the Syrian economy and supplied

sectarian conflict surfaced. “Sectarian tensions did not motivate this conflict, not initially. But they have begun to emerge.” Michael Slackman quoting Andrew Tabler, “Syrian Troops Fire on Protesters as Unrest Spread to More Cities,” *International Herald Tribune*, March 26-27, 2011.

83. Anthony Shadid and David Kirkpatrick, “Promise of Arab Uprisings is Threatened by Divisions,” www.nytimes.com/2011/05/22/world/middleeast/22arab.html?_r=I&nl=todaysheadlines&emc=th2&pagewanted=print (May 22, 2011). They quote one Alawi: “My Sunni friends want me to be against the regime but I feel conflicted. We want freedom but freedom with stability and security.”

84. Abigail Fielding-Smith and Roula Khalaf, “Arab Sanctions Move Closer for Damascus as Deadline Passes,” *Financial Times*, November 21, 2011. Abigail Fielding-Smith and Roula Khalaf, “Tyrant Now a Pariah,” *Financial Times*, August 11, 2011; On minorities, see also Jonathan Steele, “Syria Diary,” *London Review of Books*, March 22, 2012 (“The fact that minorities are often the first victims in chaos is a major concern.”), 46. The International Crisis Group (2011) in its report noted the regime’s tactic of inflaming sectarian sentiments. See Roula Khalaf, “Sanctions Push Damascus to Point of No Return,” *Financial Times*, November 30, 2011. See also Laure Stephan, “Le regime Assad a reussi a semer la haine entre sunnites et alouites,” *Le Monde*, April 26, 2012.

cheap oil. The two states signed a mutual defense pact in 2006 and another military cooperation agreement in 2007. Iran's ties with Hizbollah – and later Hamas – went through Syria, and the two states cooperated in Lebanon.⁸⁵

Hence it was inevitable that Iran, to preserve what remained of its strategic assets in the region, would come to the assistance of Syria. It was equally inevitable that such assistance would “reduce its image and appeal” in the Middle East and “spawn[ed] accusations of sectarian behavior.”⁸⁶ Before elaborating on Iran's response, it is worth emphasizing the regional stakes involved in Syria. For Iran, it was a case of supporting a beleaguered ally, ‘pushing back’ in what was becoming a proxy war with the Sunni states, and maintaining a strategic presence in the Levant for regional policy.⁸⁷ Iran's support for the Assad regime and the Saudi-Qatar support for the opposition, deepened in 2011-12, leading observers to see this tug-of-war as “a chaotic and unpredictable proxy battle between the Sunni Muslims Gulf States and Shia Iran.”⁸⁸ The Arab press, especially those under Saudi influence, emphasized the sectarian dimensions of the rivalry in Syria: “There will be slaughter and killing in every Arab country if the Syrian revolution is extinguished... Shiites are worse than Jews...and Sunnis are one blood.”⁸⁹ Despite this bloodcurdling rhetoric, the opponents of Assad's regime showed restraint, eschewing the supply of major arms to the rebels.⁹⁰ The upshot was that the Assad regime was able to rely on a Russian veto and obstruction in the Security Council and arms, Iranian assistance, and GCC/US restraint in supplying military equipment. This left the rebels under-armed and at the mercy of the regime's superior firepower. France's Defense Minister concluded: “Iran has won the round and Russia was its accomplice.” It was certainly the case that Assad's allies had proven more dependable and willing to escalate the conflict than his foes.⁹¹

85. Mohammed Bazi, “We Don't Want to Lose You, but We Think that You Ought to Go,” *London Review of Books* June 2, 2011, 13-14. One newspaper accurately called Syria a “priceless Arab ally” for Iran. “Syria's Regime Must Be Held to Account,” *Financial Times*, May 2, 2011.

86. Emile Hokayem, “Syria and its Neighbours,” *Survival* 54, no. 2 (April/May 2012): 7-14.

87. Concern about a proxy war between Sunnis led by Saudi Arabia and Shii led by Iran focusing on Syria has been a common concern. See Pierre Rousselin, “La Syrie, enjeu regional,” *Le Figaro*, August 9, 2011. There was also another consideration: a successful uprising in Syria might encourage the resurgence of the Green Movement in Iran. See Montefiore, “All Revolutions Are Local,” *International Herald Tribune*, March 28, 2011.

88. Michael Peel and Roula Khalaf, “Where Harsh Realities Meet,” *Financial Times*, February 22, 2012.

89. Quoted in Sam Dagher, “Arab Media Clash over Syria,” *Wall Street Journal*, March 24, 2012.

90. Observers argued that arms supplies would tip “still closer to a disastrous full-blown proxy war between Tehran and its enemies in Gulf politics.” Michael Peel and Roula Khalaf, “Syria Rebels Forge Military Links,” *Financial Times*, March 2, 2012.

91. Gerard Longuet, French Defense Minister quoted in John Vinocur, “On Iran, Reality Bites,”

In the Western debate about the appropriate response, there was little understanding of Iran's methods and interests. Observers tended to project their own preferences/practices on Iran, hence one could write: "It is inconceivable that Iran which is fully occupied with its own defense, would lend substantial military muscle to Syria's government."⁹² Of course, much depends on how one defines "fully occupied" and "substantial." US official sources reported that Iran's support included "weapons and teams of experts that have flown to Damascus to provide intelligence and eavesdropping capabilities to locate and suppress opposition networks." Intelligence detected an escalation in "lethal support from Iran" going beyond training and equipment to suppress the opposition to "sending small arms and sophisticated equipment," and in short, weapons.⁹³

Given Iran's interest in the survival of the Assad regime and the strategic partnership, Iran has done its utmost to shore up the regime, repeating its "unswerving support" for Assad's continued rule, while warning off others from intervention or arms supplies.⁹⁴ Indeed as the insurgency grew into a full-scale civil war in 2012 and deaths moved above the 20,000 mark, Iran hardened its stance. Khamenei's envoy to Syria Said Jalili warned that Iran would not stand idly by as outside powers sought to weaken the "resistance front".⁹⁵

President Ahmadinejad warned the GCC states that this could backfire: "If you

International Herald Tribune, April 10, 2012; Roula Khalaf, "West Must Go beyond Diplomacy to Unseat Assad," *Financial Times*, March 12, 2012 (quoting the ICG report).

92. Jonathan Tepperman, "The Perils of Piecemeal Intervention," *International Herald Tribune*, March 10-11, 2012.

93. See Karen de Young, "Assad's Forces Gaining in Momentum in Syria, US General Warns," *Washington Post*, March 7, 2012. (The quote is from Gen. James Mattis, Head of CENTCOM, to the Senate Armed Services Committee); See also Gen. Martin Dempsey, Chairman of Joint Chiefs of Staff, testimony to Congress, quoted in Elizabeth Bumiller, "Obama Asks for Military Options against Syria," *International Herald Tribune*, March 8, 2012; Elizabeth Bumiller, "Pentagon Presses Warnings on Syria," *International Herald Tribune*, March 12, 2012; "Iran Helping Assad to Put Down Protests: Officials," *Gulf Times*, March 25, 2012. Iran was later accused of breaching UNSC sanctions in shipping arms to Syria (*Global Security Newswire*, March 22, 2012.)

94. See Neil MacFarquhar, Rick Gladstone and Alan Cowell, "UN Envoy Asks Iran to Help with Syrian Peace Plan," *International Herald Tribune*, April 12, 2012; "Deputy Foreign Minister Accuses Others of Smuggling Arms to Syria," *Fars News*, no.9012151343, March 10, 2012; Chairman of Iran's parliament's Defense Commission Gholam Reza Kharami, "S.Arabia Repeatedly Warned by Iran over Syria," *Fars News*, no.9101140040, April 3, 2012.

95. See especially Pierre Roussel, "L'Iran s'engage dans le conflit syrien" *Le Figaro*, August 9, 2012; and Damien Cave and Thomas Erdbrink, "Iran Warns the World it Stands by Syria," *International Herald Tribune*, August 8, 2012, 1,5.

send your money to pay for weapons and supply guns and disturb other states, you should know some day the arrogant powers may do the same to you.” Supreme Leader Khamenei also made clear his support for Assad to the visiting Turkish Prime Minister Recep Tayyip Erdogan.⁹⁶

Meanwhile, echoing President Putin’s line, Iran sought to depict the problem as stemming from foreign intervention including by the US, whose interests are served by the instability. Iran also sought to tie the instability to the interests of those seeking to support Israel and weaken the ‘resistance front.’⁹⁷ Iran has gone beyond words. By means of elaborate deception and subterfuge, Iran is helping Syria defy the UN oil embargo by shipping oil on its own and other carriers, prolonging the life of its ally.⁹⁸ Iran also candidly admits to having elements of its Qods Force present in Syria, though it does not claim that they have participated in the harsh daily repression and killings.⁹⁹

Since there is no international unity and Iran opposes a regional (such as an Arab League) solution, Syria is unlikely to be spared prolonged instability. The longer this goes on the more it will weaken the regime although, absent a unified opposition and the disintegration of the state security services, the regime will survive in some form. However, Syria is unlikely to be able to take on a very meaningful regional role. Recognition of this and hedging against it has been another element of Iran’s policy in the Levant.

Lebanon, Syria’s neighbor and the base for Iran’s preferred and most important militia

96. “Ahmadinejad Warns Qatar and Saudi Arabia,” Fars News, no.9101141391, April 11, 2012; Ann Barnard, “Syrian Rebel Factions Try to Unify,” *International Herald Tribune*, March 31-April 1, 2012.

97. “Iran Stands by Syria, Blames US for Unrest,” *Khaleej Times*, March 13, 2012; see also Foreign Ministry spokesman Ramin Mehmanparast’s comment quoted by SANA in Rod Nordland, “China, Iran and Russia Reaffirm Ties to Syria,” *International Herald Tribune*, February 22, 2012; “Supreme Leader Khamenei: Iran Will Defend Syria because of its Support for the Line of Resistance against the Zionist Regime,” *Iran News Roundup*, March 30, 2012.

98. Lina Saigol, “Iran Ships Syrian Oil to Breach Sanctions,” *Financial Times*, May 18, 2012.

99. Commander Yadollah Javani ‘Defends IRI support for Syria’ in *Sob-eh-sadegh* editorial quoted in *Iran News Roundup* May 3, 2012, <http://www.sobesadegh.ir/1391/0547/MOI.htm>. General Esmael Ghaani corroborates this, see *Baztab* quoting ISNA (May 28, 2012), <http://bit.ly/MOINH4>, <http://baztab.net/fa/news/8156/%D8%AC%D8%A7%D9%8>. See also the report that the Qods Force prevented further instability in Syria, <http://www.digarban.com/node/6870>. Saeed Kamali Dehghan, “Iranian Forces in Syria, Claims Top Officer,” *Irish Times*, May 29, 2012. Hassan Firouzabadi, Chief of Staff of Armed Forces, admitted Iranian assistance. See *Iran News Roundup*, May 30, 2012 (Fars News, no. 13910309000323) in Persian, May 31, 2012.

ally Hezbollah, has been destabilized by the upheaval in Syria. As the conflict in Syria has become increasingly sectarian, “Lebanon’s own confessional and political divide has been amplified.”¹⁰⁰In short, the sectarian war in Syria has spilled over regionally and exacerbated delicate, existing sectarian divisions in Lebanon (as well as Iraq). Sunni and Shii communities were bound to have different sympathies in looking at events in Syria and to want quite different responses. But differences leading to conflict have emerged even *within* the Sunni community, with some wanting to support, and others to oppose Assad. In Tripoli, inter-communal fighting between Sunni and Alawite, low-level and sporadic since 1990, increased. Kidnappings of Shii pilgrims also increased. Without the Syrian role as power broker, Lebanon has to negotiate a new reality.¹⁰¹

Iran has responded by stressing its interest in Lebanon as a whole, not simply Hezbollah or the Shii constituency. To that end, it has offered to replicate its relationship with Hezbollah in terms of supplying credits, investments, training and technical assistance to the Lebanese people as a whole, thus going beyond the narrow sectarian constituency hitherto cultivated. Whether this will be seen as largesse and goodwill or as a means of enhancing Iranian influence for strategic purposes, or “a cultural and military colonization...” through “stealth” is not yet clear. What is clear is that Iran has been energized by adverse developments in ally Syria to step up its investment in Lebanon.¹⁰²

Iran’s relations with Hezbollah have been the keystone of Tehran’s regional policies. Hezbollah exemplifies for Iran the power of religious motivation in “resistance” and embodies Iran’s support for the “oppressed.” The marginalized Shii community in southern Lebanon, which Iranian support and generosity empowered, is a parable of Islamic consciousness, solidarity and strength, (testifying in Tehran’s view) to the Islamic republic’s selflessness. Above all, Hezbollah — in Iran’s view — represents a “model” of faith over technology and of political organization designed to overcome adversaries. Iran has sought to argue that Hezbollah’s “success” against Israel in 2000 (in pushing Israel to retreat from Lebanon) and in 2006 (in holding off Israeli power for 33 days) is a “model” that is not limited to the Shii but can be generalized in the

100. Emile Hokayem “Syria and Its Neighbours,” 11.

101. Abigail Fielding-Smith, “Arrest Sparks Violence in Lebanese City,” *Financial Times*, May 14, 2012; “Syria’s Strife: from Bad to Worse,” *The Economist*, May 26, 2012. “Lebanon Says Captives Held in Syria Are Freed,” *International Herald Tribune*, May 26-27, 2012.

102. “Envoy Underlines Close Relations between Iran, Lebanon,” Fars News, no. 9012151749, March 10, 2012; Neil MacFarquhar, “Iran Begins Fervent Courtship of Lebanon,” *International Herald Tribune*, May 25, 2012.

Muslim world. The implication is that Hizbollah's patron — Iran — is the natural leader in the region.

The potential loss of Syria as a base and transit point to Lebanon and Hizbollah is a new complication for Iran.¹⁰³ Another longstanding consideration is that the relationship with Hizbollah has always been complicated by the fact that the organization is both a *national* political party and, in theory at least, a national (not just confessional) militia. Too narrow a focus on its Shii constituency, or too subordinate a relationship with Iran, its generous donor, would undermine Hizbollah's claim to a national as opposed to a sectarian role. These considerations have been underscored by regional developments and especially the increasingly sectarian civil war in Syria.

The Arab Spring threw Hizbollah's choices into stark relief. First, Hizbollah, like its patron Iran, sought to coopt events "saying they were simply Islamic derivatives of Iran's own 1979 revolution."¹⁰⁴ Even more important both sought to maintain for the Arab Spring the centrality as they saw it of Israel and 'resistance', "mostly" (as one observer accurately noted) "because the protesters themselves had not made such a link."¹⁰⁵ The attempt to bend the Arab Spring toward their agenda was not credible, not least because they both supported Assad's repression of his Sunni citizens. In this new context, 'resistance' could only mean one thing; resistance against unrepresentative and corrupt regimes. Iran and Hizbollah were not merely guilty of 'old thinking', they were aligned with reactionary, oppressive forces in the case of the Syrian regime. Hizbollah's reputation and standing was bound to suffer from this, and the organization as a result faced its gravest challenge since its inception. The contrast between Hamas and Hizbollah was stark. As Hamas leaders praised the revolution in Syria, crowds shouted: "No, no Hizbollah."¹⁰⁶

For the past decade, Iran had looked on Hizbollah's presence in Lebanon as a strategic asset versus Israel. The provision of tens of thousands of missiles to the organization was intended to warn Israel of Iran's ability to use this forward defense base as a means of compensating for the imbalance in missile ranges. If Israel were to

103. By 2006 Iran supplanted Syria as "Hezbollah's direct supervisor in the Lebanese arena." See Paul Salem, "The Future of Lebanon," *Foreign Affairs* 85, no. 6 (November/December 2006): 16.

104. "The Autumn of the Patriarchs," *The Economist*, February 19, 2011, 35.

105. Benedetta Berti, "Beyond the 'Divine Victory': New Challenges Facing Hezbollah," *Strategic Assessment* 14, no. 4 (January 2012): 105.

106. See Ann Barnard, "Tumult in Syria Endangers Hezbollah," *International Herald Tribune*, April 6, 2012; Roula Khalaf and Abigail Fielding-Smith, "Latest Unrest Exposes Dual Standards of Hezbollah," *Financial Times*, August 6-7, 2011; Jonathan Spyer, "Hezbollah and the Arab Revolutions: The Contradiction Made Apparent?" *Meria* (Gloria Center) April 15, 2012.

launch an attack on Iran to destroy its incipient nuclear capability, Iran would have the means (it was thought) to retaliate. Even better, such a known capability might act as a deterrent, presenting Israel with unattractive choices.¹⁰⁷

As a result of the 2006 war, this deterrent had been weakened; it “wasted much of the deterrent power [Iran] had vested in Hezbollah for its own hour of need.”¹⁰⁸ Even if the stocks of missiles had been refurbished and increased by 2012, the question remained the same: was Hezbollah acting as a Lebanese political actor (in Lebanon’s interests) or as an instrument of a foreign power? As the pressure on Iran’s nuclear program increased and with it the threat of an Israeli strike, the threat came not from incidents in Lebanon involving Iran as in 2006 but the reverse: events in Iran involving Lebanon.¹⁰⁹ Here Iran’s interests were mixed: while it wanted Hezbollah’s missiles as a deterrent, it did not want to undermine the organization by making it a mere sectarian grouping, still less a strategic pawn devoid of legitimacy in Lebanese politics.

Iran’s policy has had to balance these various considerations. Usually the formula has been that Hezbollah and Tehran have exceptionally close ties, but that the organization “does not take orders” from Iran. Supreme Leader Khamenei broke a precedent by acknowledging in February 2012 Iran’s military ties with Hezbollah. Hezbollah officials while acknowledging Iran’s leading role and influence, also insist that Iran does not *dictate* the organization’s actions.¹¹⁰ One expert has argued that “Tehran has never overseen Hezbollah’s operational planning. That task long fell to Damascus.”¹¹¹

Without stressing their own role, Hezbollah’s officials tend to emphasize the region-wide consequences of an Israeli-Iranian clash. For their part, Iranian officials try

107. See this author’s “Whither Iran? Reform, Domestic Politics and National Security,” *Adelphi Paper* 342 (Oxford: IISS, 2002).

108. Salem, “The Future of Lebanon,” 13. It is worth emphasizing that for Israel the war in 2006 was seen as a proxy war with Iran. Ze’ev Schiff, “Israel’s War with Iran,” *Foreign Affairs* 85, no. 6 (Nov/Dec. 2006): 23-31.

109. Already in 2006 one observer had concluded that “A war with Iran would necessarily include Lebanon.” Salem, “The Future of Lebanon,” 22. American officials’ comments on this have been naïve, mistimed or exaggerated, e.g., former acting director of CIA John McLaughlin, “Ex-CIA Chief Warns against Iran Strike,” *Presstv*, January 18, 2012.

110. “Iran Has Played Leading Role in Hezbollah Victories: Nasrallah,” *Tehran Times*, May 27, 2012; “Iran Doesn’t Dictate Hezbollah’s Actions,” *News ynet*, February 7, 2012. David Schenker, “To Retaliate or Not: Hezbollah’s Calculus Following a Strike on Iran,” *Policywatch* #1907, March 13, 2012, <http://www.washingtoninstitute.org/templateC05.php?CID=3458>.

111. Volker Perthes, “The Syrian Solution,” *Foreign Affairs* 85, no.6 (November/December 2006): 36.

and play the role of responsible state: Major General Qassem Suleimani, the Qods Force commander, is reported to have restrained Hassan Nasrallah by telling him of the dangers of “any preemptive strike against the Zionist regime.”¹¹² As prolonged instability in Syria stimulates unrest in Lebanon, the contradictions between Hizbollah’s role as a political actor in Lebanon and its role as an ally and instrument of Iran will become more pronounced, with consequences which will weaken the relationship.

Another potential casualty of the Arab Spring is Iran’s relationship with Hamas. Over the past decade, Iran has made a ‘crossover’ from a Shii state sponsoring Shii groupings (like Hizbollah, *Dawa*) to a Muslim state supporting groups on a non-sectarian basis. Hamas (and Islamic Jihad) were beneficiaries of this broadening of support. Accounts vary but Iran’s support probably amounts to several hundred million dollars a year. This support is intended to dilute the influence of other funders (such as the GCC states) and give Iran credentials as a disinterested ally, without some narrow agenda. In reality, Tehran’s agenda is clear enough: to find new allies and entry points in the Levant and diversify its bases of influence.

The revolt in Syria in which Assad used his military to kill protesting (mainly Sunni) citizens put the Hamas leadership based in Damascus under pressure. Hamas could not condone the killings, if only because as the Palestinian wing of the Muslim Brotherhood, it could not take sides against Assad’s Muslim Brotherhood opponents. To avoid further embarrassment, Hamas under Khaled Mashal, the leader of its external leadership (as opposed to the internal leadership in Gaza) left Damascus without finding an alternative base. Mashal thus distanced himself from Syria and Iran who sought other leaders through whom to funnel aid. In February 2012, Mashal under the auspices and financial assistance of Qatar signed an agreement in Doha with the Palestinian Authority’s Mahmoud Abbas to form a temporary technocrats’ Unity Government. The split between the two wings of Hamas was sharpened by Ismael Haniyeh’s tour of the Gulf States in early 2012, his courtship of Iran, and his opposition to cooperation with the Fatah.¹¹³

Iran viewed the failure of Hamas to support another member of the ‘resistance front’ and the incipient signs of a movement to a diplomatic as opposed to “armed

112. See, respectively, “Attack on Iran Would Set the Mideast Ablaze,” *Gulf Times*, March 2012; As reported by *Botia News* in Kerman, see *Iran News Roundup* May 16, 2012, <http://www.irantracker.org/analysis>.

113. Ehud Yaari, “The Agony of Hamas,” *Times of Israel*, February 27, 2012, <http://www.washingtoninstitute.org/templateC^\.php?=-1829>; Khaled Abu Toameh and Reuters, “Haniyeh Trip to Tehran Highlights Hamas Rift,” *The Jerusalem Post*, February 12, 2012.

resistance” approach, as a threat. Tehran moved its funding from Hamas to Islamic Jihad, a competitor of Hamas, and from Mashal to Haniyeh. Unlike Hamas, the chief of Islamic Jihad stayed in Syria, and the organization has challenged Hamas in Gaza.¹¹⁴

As in its relations with Hizbollah, Iran was bound to experience complications in its patronage of Hamas. Both organizations had their own *raison d'être* and both – to their detriment – could be accused of being tools of external powers, with their own agenda, i.e., of being subject to an Iranian veto.¹¹⁵ For Iran, Hamas as a Sunni organization is important as evidence of Tehran's non-sectarian agenda. It remains key to Iran's strategy of maintaining or constituting a strong rejectionist front, now endangered by events in Damascus. A shift in the leadership toward political accommodation with Israel or reconciliation with the moderate Fatah/PA would count as a major strategic setback for Tehran. In this regard, the move of some elements toward Qatar or other GCC states' funding is seen as part of the wider regional rivalry.¹¹⁶

Tehran's sensitivity on this issue was not assuaged when talk of an Israeli strike on Iran intensified in early 2012. At first, a spokesman was quoted as saying that Hamas would stay out of any Iran-Israel war, but after an uproar this was amended to say that of course the entire region would, inevitably, be involved.¹¹⁷

The fluidity and unpredictable nature of change in the region and consequent shifts in alignment make it unlikely that Iran will be frozen out for long. Hamas's elections, which are still unfolding, may strengthen the military wing and weaken Khaled Mashal, make reconciliation with the Palestinian Authority more problematic, and

114. Tobias Buck, “From Exile to Engagement,” *Financial Times*, February 15, 2012; Isabel Kershner and Fares Akram, “Islamic Jihad and Israelis Back Truce with Caveat,” *International Herald Tribune*, March 14, 2012.

115. See notably Stephen Farrell, “Hamas Has the Wind at its Back Entering Power-sharing Talks,” *International Herald Tribune*, November 23, 2011.

116. See the shrill discussion of some of these issues reported in A.Savyon and Y.Mansharof, “Iran-Hamas Crisis: Iran Accuses Hamas of Relinquishing the Path of Resistance,” *MEMRI* (Inquiry and Analysis Series Report No.808), March 9, 2012. See also the report: “Pure-minded Islamists Accuse Hamas of Forsaking its Official Name – the Islamic Resistance Movement – for the Pursuit of Power” and “The Gaza Strip: Will Normality Ever Return?” *The Economist*, June 16, 2012.

117. “Hamas Official: We Will Stay out of War between Israel and Iran,” *Haaretz.com*, March 6, 2012; AP, “Hamas: We Will Stay Out of any Israel-Iran War,” March 7, 2012; “Hamas Rejects BBC Claims, Vows Crushing Response to Israeli Aggression against Iran,” *Fars News*, no. 901251489, March 10, 2012.

preserve close collaboration with Iran while possibly forging closer ties with Egypt.¹¹⁸ In that event, Iran may come to compete with a newly elected government in Egypt for influence over Hamas. How far such a government will be anxious to renew conflict with Israel remains to be seen.

Turkey: the Emergence of a Regional Competitor

Since the 1979 revolution, Iran has taken an active and controversial role in the Middle East. In contrast, Turkey, like Iran a non-Arab country dealing with a largely Arab Middle East, has been more reticent. Only in the last few years has Ankara become interested in playing a more important role.¹¹⁹

Turkey is unlike Iran's other neighbors; it is too strong to intimidate, too big to impress, and too stable to invite intervention or assistance. With its NATO membership and independent foreign policy, it is also hard to classify. For the Islamic Republic, Turkey presents a problem. With its Islamic identity, democratic, secular government and impressive economic performance, Turkey is the very antithesis of Iran. Making no claims on its Arab neighbors, it is an acceptable interlocutor and possibly a "model" for those in transition from authoritarian regimes.

Revolutionary Iran and Turkey have maintained stable, correct, but not especially warm relations. Nonetheless, proximity has given the two states practical areas for cooperation, and bilateral trade has grown appreciably (mainly gas exports) while Turkey has kept a relatively open visa system for Iranian tourists. Common concern regarding Kurdish separatism (PKK, PJAK) also has seen some coordination between the two states. Despite this — perhaps inevitably — the two states have been in a form of an unacknowledged rivalry in the Arab world.

Some Iranian clerics see the US as promoting liberal Islam in Turkey to "replace the true Islam" of Iran. Egypt and Tunisia have shown an interest in Turkey, Hamas has distanced itself from Iran, and Turkey appears (from this perspective) to be leading an arc of Sunni Muslims.¹²⁰ Since 2011, Iran has seen Turkey as its "primary

118. Ehud Yaari, "Secret Hamas Elections Point to Internal Struggle," *Policywatch* 1936, May 16, 2012, <http://www.washingtoninstitute.org/policy-analysis/view/secret-hamas-elections-point-to-internal-struggle>.

119. Stephen Larrabee, "Turkey's New Geopolitics," *Survival* 52, no. 2 (April-May 2010): 157-180.

120. Mustafa Aykol, "Turkey Vs Iran: The Regional Battle for Hearts and Minds," <http://www.foreignaffairs-com/articles/137343/mustafa-aykol/turkey-vs-iran> (Council on Foreign Relations); "Turkey's Foreign Policy: Growing Less Mild," *The Economist*, April 14, 2012. See also Landon Thomas Jr., "Cairo May Find a Roadmap in Ankara," *International Herald Tribune*,

regional rival”, working with the US and anti-Iran Arab states like Saudi Arabia against it.¹²¹

In Iran, policy toward Turkey has not been a high priority or much discussed publicly. But the hitherto largely theoretical competition in the region has been thrown into sharper relief and exacerbated by the Arab Spring. The two countries differ on “both means and ends in virtually every regional contingency.”¹²²

This is especially true with regard to the differing approaches to Syria but also toward Iraq. In Iraq (see next section), Iran has supported Nouri al Maleki of the (Shii) *Dawa* party as Prime Minister. Turkey, by contrast, has supported the secular pan-Iraq movement of Ayad Allawi.¹²³ Differences on Syria are more serious, with Iran increasing its support for the Assad regime while Turkey has warned Damascus about its crimes against humanity and expelled its diplomats. “Syria” in the words of two analysts, “has exposed the fragile underpinnings of Turkish-Iranian rapprochement.”¹²⁴

Iran appears uncertain how to react to this. One approach (which, based on experience, we can call the default position) is to treat Iran-Turkey rivalry as zero-sum and all-encompassing in the region: in Iraq and Syria but also in Egypt, the Gulf, Gaza, and so on. This approach would emphasize not just Turkey’s longstanding pro-Western orientation, but its continuing NATO links today. Another, more pragmatic, approach acknowledging differences on specific cases, would play down the sectarian dimension of differences and stress the practical benefits of maintaining reasonable ties with Turkey.¹²⁵

Iran-Turkey differences on Syria have exacerbated relations but not yet reached a

February 5-6, 2011.

121. Alex Vatanka, “Uneasy Reliance: Iran Frets about Turkey,” April 3, 2012, <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2012/04/analysis-uneasy-reliance-iran-frets-about-turkey.html#ixzzlgvF8cMcd>.

122. Philip Bleek and Aaron Stein, “Turkey and America Face Iran,” *Survival* 50, no. 2 (April-May 2012): 31.

123. On Erdogan’s concern about Maleki’s behavior, see *Saudi Gazette*, April 21, 2012 and *Gulf Times*, April 23, 2012.

124. Rick Gladstone, “New Syria Atrocity Reported in East,” *International Herald Tribune*, May 31, 2012; Bleek and Stein, “Turkey and America Face Iran,” 36. See also Soner Cagaptay, “Next up: Turkey vs Iran” *International Herald Tribune*, February 15, 2012.

125. See the discussion in Soner Cagaptay and Alex Vatanka, “How Iran and Turkey See Each Other,” *Hurriet Daily News*, April 13, 2012, <http://www.washingtoninstitute.org/templateC06.php?CID=1860>.

point of no return or direct confrontation. Syrian sectarian divisions threaten to spillover into Turkey, whether or not its (very different) Alevi community of some 10 million becomes restive. Syria has some two million Kurds with perhaps one-third being PKK sympathizers. Syria and Iran could seek to punish Ankara by “unleashing” the KWP (PKK).¹²⁶ The longer and bloodier the civil unrest in Syria, the more aggravated sectarian relations and the more poisoned the relations between the two communities and their respective supporters. Iran and Turkey thus find themselves on opposite sides in the emerging regional system, an additional headache for the former self-isolated in the region.¹²⁷

Iraq: Buffer or Client?

Iraq is the only Arab state territorially contiguous with Iran. With important Shii shrines and a majority of its population Shii, Iraq is linked to Iran in ways unique among the Arab states.

The Islamic Republic, which helped provoke the eight-year war with Iraq, is bound to look at its neighbor through the lens of that bloody and inconclusive conflict. Consequently, relations between the two states, linked in some ways organically, are also clouded by mutual suspicion. Iraqis may be largely Shii but even so they are also, Arabs and Iraqis first. Their brand of Shiism is also very different (quietist vs. activist) and takes its cues from the Najaf/Karbala seminary, and not Qom. Ayatollahs Sistani and Khamenei reflect and personify these differences, which are at least as apparent as the similarities between the two countries.

The US invasion of Iraq may have dispatched Iran’s enemy Saddam Hussein, but it did so at the price of establishing a US military presence on Iran’s doorstep. Iran’s response until December 2011 was motivated by the desire to ‘bleed’ the US military, even at the risk of empowering militias which might lead the country into disintegration or civil war.¹²⁸ Thereafter Iran has had to consider its priorities

126. Dan Bilefsky, “Turkey Weighs Perils and Promises of Syria,” *International Herald Tribune*, March 16, 2012; Soner Cagaptay, “Arab Spring Heats up Kurdish Issue,” *Jane’s Islamic Affairs Analyst*, March 2012, 8-10; “Turkey and the Kurds: Rebellious Days,” *The Economist*, March 24, 2012.

127. One analyst has suggested “The Iran-Turkish conflict about the future of the Assad regime in Syria has the potential to set back relations between Ankara and Tehran by decades.” Alex Vatanka, “Syria Drives a Wedge between Turkey and Iran,” <http://www.mei.edu/content/syria-drives-wedge-between-turkey-and-iran>

128. For a short discussion of Iran’s policy, see “Iran’s Strategic Offensive” July 13, 2011, <http://www.irantracker.org/analysis/iran-strategic-offensive-iraq>. The US occupation was a strategic failure on almost every level. See Anthony Cordesman et al., *The Real Outcome of the Iraq War* (CSIS, March

separately from the zero-sum approach that motivated its policies during the military occupation. This means that Iran now has more invested in keeping Iraq united and intact.¹²⁹ As Iran views it:

- An Iraq that is friendly and sensitive to Iranian interests would *not* be under the influence of another state (or likely to give it bases);
- An Iraq that is weak would constitute less of a threat to Iran and presumably be more susceptible to influence. (Hence, an Arab Nationalist Iraq is to be avoided).¹³⁰
- An Iraq that is *too* weak or disintegrating would constitute a threat and might invite regional instability and intervention.

Getting the balance right may be easier in theory than practice. For a start, Iraq after the US (military) withdrawal will continue to have military ties with it.¹³¹ As and if Iraq manages to re-establish security and a minimal political consensus, its oil exports will grow and if corruption is checked, its economy will revive. Under these conditions, Iraq may become a competitor to Iran. At the very least, Iran's influence through economic ties will be curtailed insofar as Iraqi nationalism will increase suspicions about Iran's designs, while dissatisfaction with Iranian goods will also surface.¹³²

There is also a self-limiting phenomenon at work in Iran-Iraq relations. The greater the perception (or reality) of Iranian influence, the greater the reaction to it among Iraqi nationalists and the Sunni and Kurdish communities. This suggests that any

8, 2012); Robert Fry, "A Strategic Own Goal?" *Prospect*, May 2012; Gideon Rachman, "Farewell to a Dumb War," *Financial Times*, December 20, 2012; Christophe Ayad, "Iraq, les fractures d'un retrait," *Le Monde*, April 15-16, 2012, 18. For a brief discussion of Iran's ties with the Iraqi Shii, see Andrew Cockburn, "Making Money," *London Review of Books* (December 1, 2011): 20-21.

129. This means that Iran is invested in no one individual, but also that it must exercise its influence to buttress stability. In the current context, this implies an attempt to keep the Maliki coalition in power but also to restrain him from using political tactics such as demonizing Sunnis and Kurds which could adversely affect stability. See "Iran Rallies to Aid of Iraq's Embattled Leader," *Mercury News*, June 5, 2012; Michael Knights, "The Effort to Unseat Maliki: Lessons for US Policy," *WINEP: Policywatch* 1947, June 5, 2012.

130. Notwithstanding Khamenei's fulsome insistence to the contrary. See "Supreme Leader: Iran Pleased To See Iraq's Growing Power," *Fars News*, no. 8101300797, April 23, 2012.

131. Iraq will be receiving the first 24 of 36 F-16 jets ordered from the US in 2014. Training, resupply and on-going upgrades and re-orders mean that security relations with the US will continue after the occupation. *Khaleej Times*, April 30, 2012.

132. Michael Peel, "Shoddiness and Officialdom Hinder Tehran's Iraqi Aspirations," *Financial Times*, April 12, 2012.

attempt to foist an exclusively Shii government on the country, or a government too subservient to Tehran, will be met by resistance in Iraq as a whole. Iran will have difficulty enough keeping the various Shii forces (Maleki, Sadr etc.) on the same page. There is also a lot of mileage to be had in Iraqi politics in demonstrating one's independence from Iran, and even Iran's 'nominees' are aware of it.¹³³

At the same time, any attempt at sectarian exclusion will stimulate its own counter-reaction which could destabilize the country. Maleki's behavior after the US withdrawal has been close to the line and has encouraged sectarian divisions.¹³⁴ This is unlikely to be Iran's preferred course, which would prefer a power-sharing arrangement, though naturally with its Shii protégés in command.

Iran already has strong ties with the security services and militias but these could always be superseded as Iraq rebuilds its state machinery. Nonetheless, one cannot discount over-reaching on the part of Iran. Religious hardliners, Qods Force elements or others may argue for Iran to seek to tie down its influence in Iraq before that country is able to stand on its feet alone. An indication of this was evident in 2012 when Iraqi-born Iranian Ayatollah Mahmoud Hashem Shahrudi seemed to be attempting through patronage and influence in Iraq to be maneuvering to succeed Ayatollah Sistani, thus extending the influence of Iran's Qom seminary to Najaf and Karbala in Iraq.¹³⁵ Whether or not this is successful, or indeed has the blessing of the Iranian government, it is precisely the kind of action that will galvanize Iraqi nationalist forces to respond negatively and block any attempt to convert Iranian influence into a permanent client relationship.

In terms of regional politics, "Iraq is re-emerging as the border state between the region of Turkish influence in northern Iraq and the region of Iranian influence among the Shi'ites in the country. Thus, the border between Sunna and Shia are

133. The Iraqi government chose not to invite an Iranian delegation to the Arab League summit in Baghdad, as a "sop to its Arab neighbours." See "Iraq and its Neighbours: Bombing a Charm Offensive," *The Economist*, March 24, 2012.

134. Liz Sly, "US Policy on Iraq Questioned as Influence Wanes and Maleki Consolidates Power," *Washington Post*, April 9, 2012; Michael Peel "Singular Ambition," *Financial Times*, May 8, 2012; Michael Peel, "Tale of Two Sheikhs Highlights Iraq's Rising Inner Tensions," *Financial Times*, April 13, 2012. For some insightful comments on Maleki and Iraq's take on the Syrian upheaval, see Fuad Ajami, *The Syrian Rebellion* (Hoover Institution: Stanford University, 2012), 104-107.

135. On this episode, see Fiona O'Brien, "Iran Manoeuvres for Influence in Iraq's Holy Cities," *Gulf Newsletter*, May 10, 2012; Reidar Visser, "Maliki's Meeting with Shahrudi in Iran," <http://gulfanalysis.wordpress.com/2012/04/24/malikis-meeting-with-sharudi-in-iran/>; Tim Arango, "Iran Backs Own Man to Succeed Iraqi Shiite Leader," *International Herald Tribune*, May 12-13, 2012.

being redrawn.” How far sectarian loyalties have superseded those of common ideology is illustrated by anti-Baath Iraq lending its support to the Baathist (but Alawite) Syrian regime “in their joint struggle against their Sunni enemies.”¹³⁶

Like the Arab Spring countries, Iraq has a young, expectant population as well as a citizenry that after Saddam Hussein’s rule and US occupation, is ready for more participation in their own future. It is doubtful that Iran’s political model commends itself to them or makes it easier for Tehran to extend its influence much beyond where it is today. The risk for Iran is that even in Iraq this may be the high-water mark of its influence, here as elsewhere, ready to recede.

Conclusions and Prospects

Iran and the Arab Spring

The Arab Spring hastened the passing of an era; not merely a changing of regimes, it reflected the ‘expiration of the old order.’¹³⁷ In a period of such flux and turmoil, much must remain shrouded and uncertain. What is clear is that secular politics has declined with the defeat of Arabism, a process increasingly evident in the last two decades.¹³⁸ Also there is the more recent phenomenon: of the receding attractiveness of the Western secular, democratic and liberal model as a source of emulation. This has gone hand-in-hand with declining Western influence, in part due to the emergence of the deeper forces of society, economy, and demography as conditioners of the region’s politics. As Asher Susser has noted, against this background (and despite the modernity of the state and complexity of society) we are witnessing “the revival of traditional or neo-traditional political forces in all the Arab states without exception. Political Islam, sectarianism and tribalism [strongest in Libya and Yemen] once again dominate the politics of all Arab countries.”¹³⁹ Consistent with the ‘secular retreat,’ countries “no longer distinguish between themselves based on regimes, republicans against monarchies...” [or on pro- or anti-US criteria], and “...inter-state relations are presently governed by the religious sectarian fault line of

136. Asher Susser, “Tradition and Modernity in the ‘Arab Spring,’” *Strategic Assessment* 15 no.1 (April 2012): 36, 39.

137. In the words of Paul Salem, quoted in David Gardner, “The Middle East: Febrile and Fragmented,” *Financial Times*, May 15, 2012.

138. See in particular Asher Susser’s excellent analysis, “Tradition and Modernity in the Arab Spring,” 29-41.

139. *Ibid.*, 37.

Sunnis versus Shiites: Turkey and the Sunni Arabs are in one camp, and Iran with the Shiites of Iraq and Shiite Hezbollah in Lebanon, are in the other. Syria finds itself at the heart of the regional struggle of rival sectarian camps...”¹⁴⁰

For our purposes, the question is where does this leave Iranian influence and place in the region? It may appear paradoxical but while political Islam may be the big winner in these changes, Iran is one of the principal losers.¹⁴¹ That political Islam is likely to emerge as a central factor in the future politics of many countries should not surprise us. Islam is an integral part of the cultural identity of the peoples of the region and has served as a mobilizing element against the older, secular order. It is also indigenous and by and large inclusive, as opposed to the more particularistic ideologies and movements that compete with it. Of course, much depends on the kind of political Islam that emerges. In countries like Egypt and Tunisia, it will be constrained by pragmatic considerations, such as the need to attract tourists and foreign investment and to placate the educated, urban young and middle class. In Syria, the cry for good, effective governance is as loud as any sectarian slogan. Extremism and jihadism as political Islam is not a likely product of the Arab Spring here, though in weak, poor states like Yemen, it may be. Even the emergence of Muslim Brotherhood-type regimes in Egypt and Syria will not be in Iran’s interests.

Geo-strategically, the situation has also changed for the worse for Iran. The decline of Egypt’s power has left only Saudi Arabia to contain Iran. In this effort, it has two allies, Turkey and Israel.¹⁴² Arab perceptions of Iran have evolved to seeing it taking the place of Israel as a major threat to the Arabs. They now see their Persian neighbor as “a hegemonic state that is attempting to implement aggressively interventionist and potentially expansionist policies.” These perceptions are reflected in polls on Iran’s popularity in the region which registered a “shocking drop” (from post-2006).¹⁴³ Another major change on the Arab side is the willingness of Saudi Arabia to challenge Iran directly and of the GCC to close ranks on this issue. This may reflect the Sunnis

140. Ibid., 36.

141. Amos Yadlin, “The Arab Uprising One Year On,” in “One Year of the Arab Spring: Global and Regional Implications,” eds. Yoel Guzansky & Mark Heller, *INSS Memorandum 113* (March 2012): 15.

142. See Yadlin, “The Arab Uprising One Year On,” 15; Efraim Inbar, “The 2011 Arab and Israel’s National Security,” *Mideast Security and Policy Studies No. 95* (BESA: Bar Lev University, February 2012): 4-6.

143. See, respectively, Khaled Sheikh Ahmed, “The Iranian Threat in the Arab Media,” *Iran Pulse no. 50*, March 20, 2012; Alani, “How the Nuclear Standoff Looks from Saudi Arabia”; Zogby Poll, “Shocking Drop in Iran’s Popularity in the Arab World,” July 26, 2011, http://aai.3edn.net/fd7ac735539e31a321a_r9m6iy9yo.pdf (accessed August 31, 2011).

increasing confidence, partly as result of the Arab Spring, in their own role models and in the fact that “they are winning the global contest” with the Shia.¹⁴⁴

Iran’s confidence in turn is declining. Its principal – indeed, only state – ally is crumbling, giving Iran a choice between defection and raising the stakes by getting more directly involved, risking turning a proxy war into a region-wide war. Whatever be the outcome in Syria, the Assad regime will not be a weighty regional player in the near future. In the recent past, Iran could exploit the US presence in Iraq and Afghanistan, to entangle and bleed its forces, recklessly sowing instability. With a reduced US presence, it falls to Iran to act more responsibly. To ensure stability on its frontiers, it must promote a government in Iraq that includes Sunnis and Kurds, and to prevent a Taliban resurgence, find a similar formula in Afghanistan.

Iran no longer finds an audience for its slogans about “resistance.” Hamas has repositioned itself and even Hizbollah has to consider its own interests and future as a Lebanese player. The international squeeze on Iran has seen it react with characteristic (strategic) defiance. In February 2012, Khamenei openly and unprecedentedly admitted Iran’s support for Hizbollah. He went further saying that henceforth Iran would support *anyone* that opposed Israel. The generosity of the offer reflects the current market: there are few takers.¹⁴⁵

While barely discussed here, there is a relationship between Iran’s nuclear ambitions and its regional ambitions. Whatever Iran’s other goals (such as deterrence, status, and hedging), an important component of a nuclear capability (or weapon) is the “shadow effect” it would have on regional politics, i.e., the pall it would cast on all aspects of regional politics from deterrence to alignments and guarantees. One of Iran’s obvious goals in continuing its ambiguous program is to extract benefits from the major states, and to force the West and its regional allies “to recognize Iran’s strategic interests.” Indicative of this is the fact that Iran’s “comprehensive proposal in discussions with the P5+1 in Baghdad, included ‘regional issues’.”¹⁴⁶ Linking the

144. “Sunni-Shia Strife: the Sword and the Word,” *The Economist*, May 12, 2012, 53-54. An indication of this confidence is the following article in London-based Saudi daily *Al Sharq Al Awsat*: “Confront Iran on Its Own Turf,” *MEMRI*, Special Dispatch no. 4735, May 17, 2012.

145. Reiterated by the Chief of Staff Maj-Gen. Hasan Firouzabadi, “Top Commander Reiterates Iran’s Commitment to Full Annihilation of Israel,” *Fars News*, no. 9102112759, May 20, 2012, <http://english.farsnews.com/newstext.php?nn=9102111759>.

146. See Mehdi Khalaji, “Ayatollah of Rejection,” May 14, 2012; Steven Erlanger, “Iran Is Offered Plan for Defusing Nuclear Standoff,” *International Herald Tribune*, May 24, 2012. Iranians were also reported to have “left behind” in the Baghdad round of the nuclear negotiations, documents outlining their positions on Syria and Bahrain, suggesting a linkage. See David Ignatius, “A Step

nuclear issue with regional status may be part of Iran's goals. How these are defined, and at whose expense, is of obvious interest to Iran's regional neighbors.

Iran might also react by over-reaching, stepping up its disruption of the status quo in Yemen, outbidding the Sunni GCC states in Syria, excluding Sunnis from rule in Iraq, cultivating the disillusioned in Bahrain, and pressuring Hizbollah for more aggressive acts against Israel. As poker players, the Iranians might seek to raise the stakes through bluff, to cover their vulnerability. As chess players, however, they would be advised to look to their primary long-range strategic goal – regime survival.

This will depend largely on domestic factors; Iran may be vulnerable but it is not about to collapse. The regime benefits from societal fractures that still give it a large-enough constituency to stay in power by force if necessary. What could change things is a combination of a significant, precipitate and sustained decline in oil prices, reduced production capacity, and the cumulative bite of sanctions.

Wild Cards and Game-changers

So far, the GCC has been immune to instability. A combination of oil income, relatively small populations and effective government has insulated these states so far. All of this could change with time. The GCC states have taken a “giant step backwards” with regard to the forces of dissent in Bahrain. Painting this as a sectarian issue and not one of democratic representation, however useful tactically, cannot be sustained over time. It may be useful to identify the principal dynamic elements that might change or reverse things radically. Without making any attempt to rank these in terms of probability, we list them for consideration.

- If Iran crosses the nuclear threshold, the ramifications for regional politics would be significant, not least because it may encourage Tehran to expand its goals and to foster unrealistic expectations.
- If the US or Israel attack Iran's facilities, there will be regional repercussions, possibly including region-wide conflict extending to Lebanon.
- Buying off reform and promoting sectarian division are tactics that can backfire for the Kingdom itself. A major change in Saudi Arabia due to internal changes could destroy the GCC.¹⁴⁷ A further risk is from the widening of instability

Forward in Nuclear Negotiations,” *Washington Post*, June 11, 2012, http://www.washingtonpost.com/opinions/a-step-forward-in-iranian-nuclear-talks/2012/06/11/gJQAaptvVV_story.html?hpid=z3.

147. For a recent discussion, see “The Long Day Closes,” *The Economist: Briefing*, June 23, 2012, 27-29;

from Yemen, which would radically and directly affect Gulf politics.

- How Iraq evolves in the course of the next decade – whether as an independent state or a dependency of Iran – will affect the balance of power in the Gulf. In part, this will depend on its oil potential being realized.
- The internal conflict in Syria, already prolonged, may become a regional proxy war and result in more massacres and last many more months. If the trickle of military defectors becomes a flood and significant arms reach the insurgents, a full-scale civil war could result. This would increase regional polarization between Iran and Iraq on one side and the Sunni Arabs on the other. Whatever transpires, Syria will be a weaker regional player.
- A strategic reconciliation between Turkey and Israel could – with Saudi participation – see a new ‘front’ opposite Iran’s faltering ‘axis.’
- The appeal of Iran’s revolutionary militancy could be revived in the region by a resumption of conflict between Israel and the Palestinians starting in Gaza or perhaps sparked in Lebanon; or by frustration at Israel’s refusal to work out a serious and just compromise on territorial issues and its continued annexation of Palestinian territory.
- In theory, Iran could evolve into a more moderate state, less ambitious regionally, confining its energies to the Gulf region and not disturbing the status quo on principle. This could be the result of cumulative pressures on the regime noted earlier and internal shifts within the regime. The IRI’s involvement against Israel and in the Levant is a discretionary one, based on an original, domestic (and some would say, eccentric) definition of Iran’s national/regime interest, which could be modified. This would reduce competition with Iran’s Arab neighbors. It would also be a quite different Iran. Whether *this* regime is capable of such an evolution is, at best, unclear.
- Finally, the emergence of an extremist regime in Egypt, adamantly hostile to Israel and insistently ‘independent’, could change the tenor of regional politics in Iran’s favor.

Any of these are possible and more than one may take place. Some of these would favor, others further weaken, Iran. But as of this writing, Iran must be considered a major casualty of the Arab Spring.

and Ray Takeyh, “Tensions in the House of Saud,” *International Herald Tribune*, June 21, 2012.

About the Author

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