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When this decade began Iran was flanked by two sworn enemies: the Taliban regime in Afghanistan on the east and Saddam Hussein in Iraq on the west. The Taliban received substantial support from Saudi Arabia and Pakistan, and Iraq was believed to have weapons of mass destruction. The 1980-88 Iran-Iraq war resulted in more than a million casualties, ended with no peace treaty, and left major territorial disputes unresolved. On the other side, a war between Iran and the Taliban was averted in 1998 following the Taliban's killing of eight Iranian diplomats and a journalist.

Since then, the regional security landscape and Tehran's security outlook have dramatically changed. A few weeks after the 11 September terrorist attacks on the United States, an American-led international coalition invaded Afghanistan and overthrew the Taliban. Less than two years later, in March 2003, another US-led international coalition toppled Saddam Hussein's regime. The removal of these two regimes and the deployment of American troops in both countries were perceived in Tehran as a "mixed blessing." Iranian officials became concerned that their country would be America's next target for "regime change" in the Middle East. Feeling vulnerable, Iranian leaders signaled their willingness to conduct talks with the United States on a number of issues, including their nuclear program and support for the terrorist organizations, Hezbollah and Hamas.

However, the international coalitions' failure to decisively defeat the insurgent threats and establish stable governments in Afghanistan and Iraq has altered regional security dynamics. As a result, the likelihood of another

US-led international military confrontation with Iran has been substantially reduced. The continued fighting in Afghanistan and Iraq and the lack of any clear exit strategy have empowered Iran and given it much needed "breathing space." Indeed, Iran feels stronger now than it has in decades. As Martin Indyk, a former US Ambassador to Israel, argues, "After a decade of being on the defensive, the regime in Tehran now feels that its moment has arrived."[1] Consequently, the Iranians have been more aggressive asserting their claim for regional leadership. This includes an ambitious nuclear program.

This "Iranian moment" has been further reinforced by developments in Israel and Lebanon. Hamas won a free election in the West Bank and Gaza Strip and formed a Palestinian government that has refused to recognize Israel and the framework for peace endorsed by the United States and other moderate Arab states. In Lebanon, Hezbollah, another ally of Iran, survived a 34-day war with Israel that expanded its popularity throughout the entire Arab world.

Despite this favorable strategic environment, Iran feels it is vulnerable to international pressure and looks for support from its Arab neighbors to consolidate its status as a rising regional and international power. However, as analyst Shahram Chubin asserts, "As a non-Arab Shiite state, Iran lacks a natural constituency."[2] Furthermore, Iran and the majority of its Arab neighbors hold opposing views on matters related to regional security. While Tehran considers the United States a key factor influencing instability, its Arab neighbors see Washington as the foremost element in their defense posture. Iran has repeatedly called for a regional security system based on the active contribution of regional states and free from foreign influence. Concerned about Iran's rising power, neighboring Arab states have shown little interest in such proposals.

The argument in this article is twofold. Iran is a crucial player not only in the Middle East, but more broadly in west Asia and the international arena. It can be a critical factor in shaping the future of Afghanistan, Iraq, Lebanon, and the Arab-Israeli conflict. In order to solidify recent strategic gains, Iran needs to reach some accommodation with major Western powers. Likewise, the United States and Europe need to constructively engage Iran in

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an effort to foster greater political stability and contain the violence inherent in the Middle East and west Asia.

Iran's National Security Strategy

Despite extreme ideological rhetoric, Iran's regional-strategic goals are not all that different from those of other states in the Middle East. Iran seeks to expand its economic and cultural ties with neighboring states (except Israel), enlarge its sphere of influence, promote regional stability, and resist US military and political presence and policies. Iran's regional policy has two important characteristics. The first being that since the end of the war with Iraq in 1988, Iranian foreign policy in general and regional relations in particular, have been driven more by pragmatic national interests and less by ideological concerns. Former President Mohammad Khatami worked very hard to re-establish close and friendly relations with many regional and global powers.

The second characteristic influencing regional policies is the fact that several centers of power have taken active roles in the design and execution of Iranian foreign and military policy. In many ways, the Iranian regime "reflects a constant jockeying for influence between different interest groups, personalities and institutions."[3] Major foreign policy and military decisions are made by the Supreme National Security Council. Within this context, President Mahmoud Ahmadinejad's power is limited by the leverage of other members in the political and religious hierarchies. Shortly after Ahmadinejad's election in 2005, the Supreme Leader, Ayatollah Ali Khamenei, granted the Expediency Council, led by former President Ali Rafsanjani, supervisory power over the Iranian government.[4] In June 2006 Khamenei created a new Strategic Council for Foreign Relations (SCFR). Kamal Kharazi, who served as foreign minister from 1997-2005, heads the council. Other members include Ali Akbar Velayati, who preceded Kharazi as foreign minister and Ali Shamkhani, who served as defense minister from 1997-2005. The SCFR is seen as an attempt to balance the brash and inexperienced foreign affairs apparatus of President Ahmadinejad with the more measured input of elder statesmen.[5]

This jockeying for influence between competing factions within the political and religious establishments is further complicated by a number of restraints placed on the nation's military. With 545,000 people in military service, Iran has the largest army in the Middle East, larger than all other Persian Gulf countries (Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) combined.[6] However, Iran has not been allowed to buy Western weapon systems since the 1979 Islamic Revo-

lution. In response to these sanctions, Iran has pursued four overlapping strategies:

- Create a clandestine network of suppliers for its remaining Western weapon systems.
- Switch to non-Western sources, particularly Russia and China.
- Develop an indigenous military industry.
- Rely on missiles to overcome any weakness in conventional capability.

Anoushiravan Ehteshami, a RAND author, argues that in net terms the Iranian military "has never recovered from the cost of the revolution to its prowess and resources. Nor indeed has the Iranian military fully recovered from the eight-year long war with Iraq and the twenty plus years of military sanctions imposed on the country by the West."[7] With the exception of Iraq, most Arab states face little or no restraint on the purchase of the most advanced Western military technology.

In an effort to overcome its growing deficit in conventional military capability, Iran has invested heavily in an indigenous missile program. In the last few years, Iran has successfully completed several missile launches. These include an underwater missile named the Hoot (whale), a land-to-sea missile (Kowsar), and the most publicized Shehab-3 (shooting star), with a range of 1,300 miles.[8] In November 2004, Iran's Defense Minister, Ali Shamkhani, said that Iran was able to "mass produce the Shehab-3 missile."[9] A few months later, he announced that Iran had successfully tested a new solid fuel motor for its arsenal of medium-range ballistic missiles.[10] This particular technological breakthrough has the capability of making Iran's missiles much more mobile and easier to deploy.

Despite this ambitious military build-up, Iranian officials emphasize that their country does not make any claim on the territory of its neighbors. They also remind possible opponents that Iran has not initiated a regional conflict for more than 200 years.[11] Iran's rivals are nevertheless suspicious of these claims and of the Islamic Republic's intentions. This suspicion has focused on Tehran's nuclear ambitions since the early 2000s.

The prospect of an Iran armed with nuclear weapons has been a major concern for both regional and international powers.[12] The United States and several European nations have accused Iran of seeking a nuclear-weapons capability. Iran categorically denies these accusations and says its nuclear program is only for domestic purposes. The International Atomic Energy Agency (IAEA) has been vigorously investigating Iran's nuclear program for a number of years. The IAEA Board of Governors has issued several statements underscoring two critical points. First, Iran's nuclear activities have not been completely in keeping with its commitments to the Non-proliferation Treaty.

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Second, despite these violations and some serious irregularities, the IAEA has not been able to find evidence that Iran seeks to develop nuclear weapons. No "smoking gun" has yet been found.

Four characteristics of Iran's nuclear program deserve highlighting. First, Iran's desire for some form of nuclear development is rooted in its tumultuous history. Most Iranians perceive their nation as a great civilization that has been deprived of its "rightful" status as a regional superpower by foreign intervention. Accordingly, developing an indigenous nuclear capability would go a long way in restoring a sense of pride, respect, and regional leadership. Second, Dr. Javad Zarif, the Iranian Ambassador to the United Nations, and other top officials point out that their country is "party to all international agreements on the control of weapons of mass destruction."[13] These include the Non-proliferation Treaty, Chemical Weapons Convention, Biological and Toxin Weapons Convention, and the Comprehensive Test Ban Treaty. Third, a number of military analysts and policymakers are extremely doubtful that Iran fully complies with these treaties. John Chipman, director-general of the International Institute for Strategic Studies, concludes that "an Iranian nuclear capacity is both almost inevitable, and certainly bad."[14] Finally, there is concern about Iran's nuclear capability based on perceptions of the Iranian regime, what Dr. Peter Lavoy, Director for Counterproliferation Policy, Office of the Secretary of Defense, calls "political relativists."

Political relativists point to a country's system of governance, its political ideology, and its strategic culture as the surest indicators of its likely conduct as a nuclear power.[15] Specifically, there are concerns that a nuclear-Iran would intimidate its neighbors; challenge a US-based regional security system; and possibly lead to the transfer of nuclear weapons to terrorist organizations. These concerns will be discussed in some detail in the following sections.

Arab Reaction to Emerging Strategic Parameters

For decades US policy in the Persian Gulf sought to balance Iran and Iraq against one another. The two states had traditionally been stronger than

the other six gulf monarchies that share this oil-rich region. The removal of Saddam Hussein and failure to restore political and military stability in Iraq has opened the door for Iran to aggressively pursue its claim of regional leadership. The United States anticipated that the rivalry between Iraqi and Iranian Shias would be more intense than that between Iraqi Shias and Sunnis. However, developments in Iraq since 2003 seem to prove these expectations wrong. The rise of sectarian strife has gradually eroded the hoped-for sense of nationalism and has, in fact, reinforced sectarian identity. Thus, the sectarian violence in Iraq is driving Iran and the Iraqi Shias closer, while Iraqi Sunnis and Arabs are allying.

Since the fall of Saddam Hussein's regime and the end of Arab-Sunni domination in Iraq, Iran has wasted little time in building a broad infrastructure of influence. Tehran maintains close relations with major Iraqi-Shia political parties and their leadership, particularly the Supreme Council of the Islamic Revolution in Iraq, the Dawa Party, Moqtada al-Sadr and his Mahdi army, and Grand Ayatollah Ali al-Sistani.[16] A recent report issued by Chatham House concluded, "It is Iran, not the United States, that is the most influential 'external' power in Iraq, with an unparalleled ability to affect stability and security across most of the country."[17] These efforts are in keeping with what may be identified as Iranian strategy for a post-Hussein Iraq. This strategy seeks the following goals:

- Prevent the emergence of an Iraq dominated by Arab-Sunnis that might threaten Iran.
- Promote Iran's economic and religious interests in Iraq (several Shia holy shrines are located in Iraq).
- Prevent the emergence of a separate independent Kurdish state in northern Iraq. Such a state might encourage the Kurds in Iran to follow suit.
- Prevent a decisive US victory. Such an outcome would improve the US image in the Middle East and could encourage Washington to repeat the experience of "regime change" in Iran. Keeping American troops fighting in Iraq reduces the chances of a US attack on Iran.
- Prevent a full-scale civil war in Iraq. Such a war would threaten the Shia influence inside Iraq, destabilize Iran, and antagonize surrounding Sunni-Arab states.

Time will dictate whether Iran will achieve some or all of these objectives. The future of Iraq is uncertain at present. Still, a few trends can be anticipated. First, a Shia-dominated Iraq is certain to have much closer relations with Iran. Meanwhile, given the heavy US investment in Iraq, any new Iraqi government is sure to maintain relations with America. Second, the close cultural and political ties between Iraqi Shias and Iran does not mean that Iraq would establish an Islamic state similar to that in Tehran. His-

torically, Iraq is one of the most secular of the Arab states. Furthermore, top Iraqi Shia leaders, including Sistani, have not endorsed the Iranian model of *velayt e-faqih* (guardianship of the jurist), direct clerical control of the government. Third, by toppling Saddam Hussein and permitting majority rule, the United States made Iraq one of the first Arab countries to be ruled by Shias in recent history. This liberation and empowerment of Shias in Iraq has already had an impact on the region, what the author Vali Nasr calls "The Shia Revival."[18] This Shia empowerment is viewed with alarm by several Sunni-Arab governments. They are concerned about rising Iranian influence in the Middle East and its impact on their own Shia populations.

The Gulf Cooperation Council (GCC) states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) have maintained cultural, religious, commercial, and security ties with Iran for centuries. These relations have not always been amicable, however. Arab states bordering the Persian Gulf have always been suspicious of the intentions and capabilities of their larger neighbor. This suspicion is really more about Iran's size and its potential and less about the nature of any regime in Tehran. During the first decade of the Islamic Revolution (1979-89) relations between Iran and the GCC reached one of the lowest points ever. Iran was enthusiastic about exporting its revolution and the GCC countries sought to contain such a threat by supporting Iraq. Relations gradually improved in the early 1990s, and the presidency of Muhammad Khatemi (1997-2005) marked a dramatic improvement in relations between the two. However, since 2005 Ahmadinejad's foreign policy rhetoric, among other things, has caused a cooling of Iran's relations with its Arab neighbors.

Since the fall of Saddam Hussein, the GCC has been anxiously watching Iran's progress toward regional supremacy. In their eyes, Iran is emerging as the real beneficiary of the war in Iraq. Prince Saud al-Faisal, the Saudi Foreign Minister, summed up the Arabs' dismay noting that during the Iran-Iraq War the United States and Saudi Arabia intervened to save Iraq from Iranian attacks. Since the 2003 war, however, the United States has been accused by Saudi Arabia of permitting Iran to bring in people, money, and weapons. It seems Iran is being handed Iraq on a golden platter.[19] A major concern is how the rise of Iran's influence, and the growing power of Iraq's Shia majority might affect the delicate sectarian balance within the GCC. Another major concern is how the GCC might accommodate Iran while simultaneously maintaining close relations with the United States. The growing confrontation between Washington and Tehran over the nuclear issue has only served to heighten this dilemma.

There are a number of factors shaping the Arab states' position on Iran's nuclear ambitions. First, an Iran with nuclear weapons would have in-

creased leverage to influence regional policy, a greater ability to intimidate its neighbors, and an enhanced position from which to challenge US involvement in the region. Second, there is a concern about potential environmental hazards. Some of Iran's nuclear facilities are close to Arab states on the Persian Gulf. Furthermore, Iran depends heavily on Russian nuclear technology. Problematically, Russian technology has a questionable safety record as demonstrated by the 1986 Chernobyl disaster. Third, Arab states are placed in the unenviable position of not being able to demand action to prevent Iran from acquiring nuclear weapons without demanding that Israel forego its nuclear objectives, an option Israel is not willing to consider. Tehran's nuclear ambition even presents the possibility of inviting an Israeli pre-emptive attack. A potential Iranian-Israeli military confrontation would destabilize the region even further. Fourth, if the United States decides to take military action against Iranian nuclear facilities, Arab governments would have difficulty justifying the bombing of another Muslim country to their domestic constituents. Additionally, such a confrontation between a Western coalition and Iran might provoke Tehran to retaliate against its Arab neighbors if there is any suspicion of cooperation.

Against this backdrop, it is clear that the GCC states have no easy option in the intensifying dilemma over Iran's nuclear ambition. Thus, Arab states have decided to play a limited role, if any, in resolving the situation. Prince Saud al-Faisal summed up the Arabs' feelings, "We're hoping a diplomatic solution would work and would allow us to have a third option rather than the two bad options that are there—either atomic weapons in Iran or taking them out."[20] In addition, the Gulf Research Center, a think-tank in the United Arab Emirates, has called for designating the Persian Gulf a weapon of mass destruction free zone (WMDFZ) as an initial step toward a wider WMDFZ covering the entire Middle East. Given their close relations with both Iran and the United States, it would be unrealistic to expect the GCC to play a major role in ongoing negotiations.[21]

Iran's rising power, its nuclear ambition, and the potential confrontation with Western powers all are major concerns for the Arab states in the Persian Gulf. A relative détente between the Islamic Republic and the United States along with reduced tensions with Israel would go a long way in promoting greater regional stability.

Iran and Israel

Admittedly, Iran has never officially recognized Israel. Under the Pahlavi regime the two non-Arab states worked together to contain a common enemy, radical Arab nationalism. Consequently, they established close economic, technological, and military cooperation. The 1979 Islamic Revolution

brought a dramatic end to this discreet cooperation. Iranian leaders sought to "Islamize" the Arab-Israeli conflict and reject what they consider an Israeli occupation of Muslim land. For a short time in the mid-1980s Israel sold Iran some US-made weapons and spare parts in what became known as the Iran-Contra Affair. This affair, however, did not change the animosity between the two states. They continue to perceive one another as a sworn enemy.

Under Ahmadinejad's presidency, Iranian leadership has intensified its rhetoric against the Jewish state. The Iranian president expressed his desire to "wipe Israel off the map," and he even denied the Holocaust. Tehran has also strengthened its ties with Palestinian organizations such as Hamas and Islamic Jihad. Other factions within the Iranian leadership, however, have been more conciliatory about the Arab-Israeli conflict. Former President Muhammad Khatemi, for example, stated that Iran would accept a Palestinian state that is ready to live alongside Israel if the elected Hamas government freely adopted such an outcome.[22] Rhetoric aside, Israel does not represent a threat to Iran's national security. Statements against the Jewish state are made to reinforce the Iranian regime's revolutionary credentials. Thus, Tehran has avoided direct conflict with Tel Aviv and has instead opted for a proxy-war strategy. The 2006 war in Lebanon between Israel and Hezbollah is a case in point.

After 34 days of fighting without a decisive victory by either side, a cease-fire was adopted. Naturally, the Israeli government along with the Iranian and Hezbollah leaders all claimed to have achieved their strategic goals. Addressing the Israeli Knesset shortly after the cease-fire, Prime Minister Ehud Olmert said, "War had changed the strategic balance against Hezbollah . . . . [The] Party of God is no longer a state within a state."[23] Many Israelis, however, disagree with their government's assessment. Benjamin Netanyahu, former Prime Minister and leader of the right-wing Likud, declared, "There were many failures, failures in identifying the threat, failures in preparing to meet the threat, failures in the management of the war, and failures in the management of the home front."[24] Recognizing these failures, the Chief of Staff of the Israeli army, Lieutenant General Dan Halutz, resigned in January 2007.

On the other side, Sheikh Hassan Nasr-Allah declared that Hezbollah had achieved a "strategic historic victory" over Israel. He asserted that his fighters had succeeded where "big Arab armies had been defeated."[25] Indeed, the mere survival of Hezbollah in battle with the Middle East's most powerful army made it victorious in the eyes of many Arabs and Muslims. Ayatollah Ali Khamenei, Iran's supreme leader, echoed this sentiment in a message to Sheikh Nasr-Allah, "You have ridiculed the myth that the Zionist army is invincible."[26] However, the amount of destruction in Lebanon raises doubt on the validity of these declarations.

Euphoria often does not last long. The enduring lessons of the conflict will only become clear over time. Still, some fundamental changes in the region's strategic environment following the 2006 war can be identified.

First, the intensity and duration of the conflict raised doubts regarding Israeli deterrence. The concept of deterrence is largely about prevention, not retaliation. In other words, a successful deterrent works when enemies are convinced they would pay a high price if attacked. This price convinces a potential attacker to rule out any military option. In the 2006 conflict, Israel's conventional and non-conventional capabilities failed to deter Hezbollah. As a result Israeli strategists are presently reviewing their nation's military doctrine and strategy.

Second, as analysts in the London-based International Institute for Strategic Studies argue, "air power has proved of very limited usefulness."[27] In a few days, the Israeli air force ran out of targets and after thousands of air sorties, Israel failed to seriously impair Hezbollah's capabilities. The destruction of Lebanon's infrastructure also failed to provoke the Lebanese population to revolt against Hezbollah. Hopefully, these valuable lessons will not be lost on Israeli or American strategists if they pursue a military option against Iran's nuclear facilities.

Third, Israel has defeated the Arab armies in each of the previous wars (1948, 1956, 1967, and 1973). In 2006, however, Hezbollah fighters sustained the fight against Israel for more than a month and achieved an Israeli withdrawal. As a result, the popularity of Hezbollah and its prime supporter Iran has risen markedly among the Arab and Muslim masses. After some hesitation, Sunni governments in the region felt compelled to join in support of Hezbollah. Even Ayman al-Zawahiri, deputy leader of al Qaeda, released a taped message endorsing Hezbollah's fight against Israel.[28] This rising popularity and the apparent unity between Hezbollah and Iran certainly was welcome news in Tehran. In the long run, however, Sunni governments' suspicion of the Shias in general and Hezbollah and Iran in particular is not likely to wane. In late 2006, Egypt, Jordan, and Saudi Arabia, leading Sunni governments, supported the Siniora regime in Lebanon against attempts by Hezbollah to bring it down.

Fourth, the 2006 war and its outcome are likely to further radicalize the Arab and Muslim masses and fuel anti-Israel and US sentiment. For more than a month, Arab and Muslim television viewers watched the Israeli army destroying Lebanon, not to mention the creation of hundreds of civilian casualties. Arab commentators claimed that Israel was over-reacting to the kidnapping of its soldiers and praised Hezbollah's resistance as heroic. The Iranians supported Hezbollah by stating that armed resistance is the "only language the enemy understands."[29] Meanwhile, the United States failed to endorse early calls for a cease-fire. In Iraq, Grand Ayatollah Ali al-Sistani

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condemned the "Israeli aggression" and warned that Islamic nations will not forgive the entities that hinder a cease-fire.[30]

Fifth, as a result of the conflict Hezbollah is destined to figure prominently in Iran's strategic calculus. According to one Iranian analyst, "If Israel triumphs in this battle, not only the nuclear dossier, but also the territorial integrity of Iran will be jeopardized."[31] Put another way, support for Hezbollah was seen as a national security priority in Tehran. Thus, the conflict has strengthened the strategic alliance between Hezbollah and Iran. Tehran's extensive involvement in Lebanon's Shia community is not likely to fade in the foreseeable future.

Finally, the conflict demonstrated the fragility of the overarching security system in the Middle East and the implications that portends for regional and global instability. It is a fact that hundreds of Lebanese and Israelis lost their lives; there was genuine concern that the hostilities might even expand to Syria and Iran; and the conflict added pressure to already high oil prices. The military confrontation between Hezbollah and Israel brought the entire Middle East close to the edge of regional conflict with grave strategic and economic implications.

The regional security system faces another challenge created by Iran's nuclear ambitions and the associated uncertainty of Israel's response. The Israeli government believes that a nuclear Iran is an existential threat to the Jewish state. Similarly, some analysts argue that Israel cannot co-exist with a nuclear Iran. Bernard Lewis, for example, suggests that there is a radical difference between Iran and other governments with nuclear weapons. "This difference is expressed in what can only be described as the apocalyptic worldview of Iran's present rulers."[32] The mutually assured destruction balance that prevented a nuclear confrontation between the United States and the Soviet Union during the Cold War will not in all likelihood work between Israel and a nuclear Iran.

Some analysts make the distinction between being suicidal and extremist. They believe that Iran's nuclear program is not driven by an obsession to destroy Israel, but by "its determination to preserve its regime and establish itself as a strategic regional power, vis-à-vis both Israel and the Sunni Arab states."[33] Iranian leaders understand that a nuclear attack on Israel

would invite a harsh Israeli, and probably American, retaliation. Thus, the argument goes, "It is possible to build a stable system of future nuclear deterrence between Israel and Iran."[34] In order to establish such a deterrent, Israel will have to abandon its policy of nuclear ambiguity and declare itself a nuclear power, while continuing to build a second-strike capability.[35] Of equal importance is a fully capable and supporting missile defense system.[36]

In summary, the toppling of the Taliban and Saddam Hussein along with the continuing instability in Iraq have all contributed to Iran's rising power. The regime in Tehran feels less threatened by regional rivals and more certain in its quest for leadership in the Persian Gulf and the Middle East. For many years Israel has never had its military dominance challenged by a regional power. This emerging strategic configuration may well lead to a greater possibility of confrontation between Tehran and Tel Aviv. Anoushiravan Ehteshami suggests that the two countries see a historic opportunity "to stamp their hegemony on the considerably weakened Arab domain around them, and attempt to extend their reach into the other's zones of influence."[37] A confrontation between Tehran and Tel Aviv, however, is not inevitable. A strategic dialogue between the two states is not only possible but desirable. Such a dialogue would almost certainly enhance regional stability. Equally important is a well thought and executed US policy for the region. Such a policy can reduce the chances for confrontation and enhance the likelihood of a meaningful dialogue.

Policy Implications

A successful security paradigm has to acknowledge Iran's growing power and design a framework for incorporating it in a multilateral system that encompasses all regional powers, along with the United States. If Iran is to be truly successful as a leader in the region it needs to solidify its recent gains to reach some understanding or détente with the United States.[38]

The intense resistance to the US-led coalitions in Iraq and Afghanistan, the controversy over inadequate intelligence, and questions related to the existence of weapons of mass destruction have all enhanced the possibility of an American confrontation with Iran. Equally undesirable is any strategy of policy focusing on economic sanctions. For the past several years, Iran has successfully cultivated commercial and energy ties with major Asian and European powers. This web of business relationships explains why not all global powers are enthusiastic about imposing sweeping economic sanctions on Iran. Iran is a promising market, flush with oil wealth and many of its 68 million people yearn for consumer goods, largely unavailable for decades.[39]

Disruption of the flow of energy from the Persian Gulf will be a major consideration in any potential confrontation with Iran. In June 2006 Ayatollah Ali Khamenei warned, "If Americans make a mistake about Iran, the

flow of energy from this region will definitely be jeopardized."[40] Similarly, Ali Larijani, Iran's chief negotiator in nuclear talks, stated, "We are not interested in using oil as a weapon, but if the conditions change it could affect our decision."[41] However, Iran's overwhelming dependency on oil revenues raises serious doubt about the validity of such threats.

Zbigniew Brzezinski, former US national security adviser, urges the United States to engage in bilateral talks with Iran on mutually contentious security and economic issues.[42] The bipartisan Iraq Study Group, co-chaired by James Baker and Lee Hamilton, advocates that, "Of all the neighbors, Iran has the most leverage in Iraq." The group recommends that the United States "engage directly with Iran and Syria in order to try to obtain their commitment to constructive policies toward Iraq and other regional issues."[43]

In late 2006 significant developments in Washington and Tehran altered the political landscape in both capitals significantly enough to facilitate the adoption of a new approach. The Democratic Party won the election in America taking charge of both houses of the Congress, and in Iran elections for municipal councils and the Assembly of Experts (*Majles e-Khobregan*) were held in mid-December. The clear victory in that election by Iranian reformist and pragmatic conservatives dealt a heavy blow to the populist, hard-line faction led by President Ahmadinejad.

A constructive engagement with Tehran has the potential of convincing Iran to use its influence and intelligence capabilities to reduce tensions in Afghanistan, Iraq, Lebanon, and on the West Bank. Washington should also engage in a quiet diplomacy in an effort to reach a détente between Tehran and Tel Aviv. Such an initiative is likely to greatly enhance the prospects for political stability and regional security in the Middle East and west Asia. It is time that those responsible for crafting the policies and strategies for the region understand that US and Iranian interests are not by definition mutually exclusive.

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