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Summary

Iranian power projection and regional ambitions are among the most pressing foreign policy challenges facing the United States. U.S. observers of the Islamic Republic, regardless of their political persuasion, have noted with alarm the country’s new assertiveness on the Middle Eastern stage, its buildup of conventional military capability, and its apparently inexorable drive for nuclear energy in defiance of international criticism. The challenges posed by the Islamic Republic are especially acute from the perspective of the USAF: Airpower will likely be the military instrument of “first resort” to project U.S. power into Iran’s unstable neighborhood, reassure allies, and dissuade Iran from aggression or adventurism. In the minds of Iranian policymakers, U.S. airpower has assumed a similar prominence. Tehran’s fear of encirclement and strangulation by the United States stems in large measure from the proximity of the USAF’s presence in neighboring states. And as evidenced by the 1996 Khobar Towers bombing,1 this proximity places USAF lives and assets at risk from asymmetric terrorist attacks and, increasingly, Iran’s ballistic missiles.

To accurately gauge the strategic challenges from Iran over a ten-to fifteen-year horizon, this study sought to assess the motivations of the Islamic Republic, not just its capabilities. This approach, although difficult given the complexities of the Iranian system, is critical in identifying potential sources of caution and pragmatism in Iran’s policy formulation. Our exploration of Iranian strategic thinking revealed

that ideology and bravado frequently mask a preference for opportunism and realpolitik—the qualities that define “normal” state behavior. Similarly, when we canvassed Iran’s power projection options, we identified not only the extent of the threats posed by each but also their limitations and liabilities. In each case, we found significant barriers and buffers to Iran’s strategic reach rooted in both the regional geopolitics it is trying to influence and in its limited conventional military capacity, diplomatic isolation, and past strategic missteps. Similarly, tensions between the regime and Iranian society—segments of which have grown disenchanted with the Republic’s revolutionary ideals—can also act as a constraint on Iranian external behavior.

This leads to our conclusion that analogies to the Cold War are mistaken: The Islamic Republic does not seek territorial aggrandizement or even, despite its rhetoric, the forcible imposition of its revolutionary ideology onto neighboring states. Instead, it feeds off existing grievances with the status quo, particularly in the Arab world. Traditional containment options may actually create further opportunities for Tehran to exploit, thereby amplifying the very influence the United States is trying to mitigate. A more useful strategy, therefore, is one that exploits existing checks on Iran’s power and influence. These include the gap between its aspiration for asymmetric warfare capabilities and the reality of its rather limited conventional forces, disagreements between Iran and its militant “proxies,” and the potential for sharp criticism from Arab public opinion, which it has long sought to exploit. In addition, we recommend a new U.S. approach to Iran that integrates elements of engagement and containment while de-escalating unilateral U.S. pressure on Tehran and applying increased multilateral pressure against its nuclear ambitions. The analyses that informed these conclusions also yielded the following insights for U.S. planners and strategists concerning Iran’s strategic culture, conventional military, ties to Islamist groups, and ability to influence Arab public opinion.

**Assertiveness and Caution Define Iran’s Strategic Culture**

Our assessment of Iranian leadership dynamics, threat perception, and regional strategy reveals competing tendencies toward adventurism and pragmatism. This stems from a number of factors.
Many within the current regime appear to view Iran as an indispensable regional power, but not necessarily a revolutionary hegemon. There is the further belief that the Islamic Republic is a model for Islamic enlightenment everywhere and the preeminent Islamic state in the region, providing a geopolitical bridge between Asia and the Middle East. As a result of these perceived attributes, the Iranian leadership has shown a marked tendency not only to push for a greater role in regional affairs but also to exaggerate Iran’s strategic profile on the world stage.

Yet it does not follow that Iran is currently an expansionist, revolutionary state. Its revolutionary ideology has certainly featured prominently in the rhetoric of its officials. However, the record of Iranian actions suggests that these views should be more accurately regarded as the vocabulary of Iranian foreign policy rather than its determinant. Nationalism, sovereignty, and regime survival are the more fundamental drivers of Iran’s external behavior. For example, even in Shi’ite-dominated Iraq, Iran is not seeking to export its revolutionary goals, despite the fact that it would ultimately prefer clerical rule as a final outcome. Today, many officials in Tehran see the United States as an anti-status quo, revolutionary power seeking to reshape the Middle East by exporting secularism, democracy, and, more recently, sectarianism. (See pp. 8–14.)

The Iranian threat perception blurs internal and external concerns. The regime has a marked tendency to conflate domestic instability with external meddling. Although the U.S. invasions of Afghanistan and Iraq eliminated Iran’s most serious regional adversaries, it still faces serious threats with the potential to wreak internal havoc. The spread of crime, weapons, and sectarian tensions from Iraq has animated ethnic activists in the provinces of Kordestan and Khuzestan (which border Iraq) and even in the eastern province of Baluchestan. These concerns have informed Iran’s trilateral cooperation with Syria and Turkey over the Kurds, its involvement in Iraq, and its decision to repatriate Afghan refugees. Leading clerics in Iran are also concerned about the theological challenge stemming from Shi’ite seminaries in Iraq. The learning centers of Najaf and Karbala long dominated Shi’ite discourse before being suppressed by Ba’athist regimes in Iraq; they
are now reemerging with the potential to overshadow their Iranian counterparts in Qom. Finally, the Iranian leadership continues to perceive an existential threat posed to the Islamic Republic by the United States. This has made it highly sensitive to internal “interference” by the United States, particularly U.S. promotion of civil society and support for ethnic activists. One result of these fears has been an intensified crackdown on academic exchanges, social liberalism, and freedom of expression. In some cases, however, the regime is cynically exploiting this threat to bolster sagging popular support for the revolution. (See pp. 15–22.)

Regime factionalism affects external behavior. The Iranian system is beset with factionalism. Decisionmaking requires consensus; therefore, the number and complexity of these factions, combined with the individual reluctance and inability to make decisions, make it very difficult for the system to change course or to make significant decisions. Moreover, competing factions frequently use foreign policy issues to subvert or outmaneuver their rivals. This is particularly the case given the Revolutionary Guard’s efforts to consolidate its control over key domestic institutions. Also, the country’s worsening economic situation and increasing isolation over the nuclear issue has been a boon to factional opponents of President Ahmadinejad. Finally, the ongoing nuclear crisis may be at least partially fueled by internal maneuvering and bureaucratic competition. The net effect of these internal dynamics is an erratic, unpredictable, and frequently escalatory foreign policy. (See pp. 22–31.)

**Iran Pursues a Multifaceted Regional Strategy Marked by Strengths and Limitations**

As noted above, Iran views itself as a status quo power, preferring to assert a greater role for itself within the existing regional system rather than refashion that system according to its revolutionary vision. This has resulted in an ambitious, activist policy that hinges on three themes: deterrence and homeland defense, support for Islamist militant groups (both for symbolic reasons and as a retaliatory capability),
and the currying of favor with publics in the Arab world to circumvent official hostility from other regimes in the region. Within each of these vectors are factors that both aid Iranian power and circumscribe it. (See pp. 31–37.)

Despite asymmetric doctrinal ambitions, Iran fields a weak conventional force. Iranian leaders have long trumpeted their shift to an asymmetric strategy of homeland defense that would exact intolerable costs from an invader. Much of this rests on notions of “mosaic defense,” partisan warfare, and popular mobilization of Basiji auxiliaries. On the whole, however, Iran’s military remains mired in conventional doctrine because of bureaucratic inertia in procurement and frequent infighting between the Revolutionary Guard and conventional forces. Most of Iran’s military equipment is out of date and poorly maintained, and its ground forces suffer from both personnel and equipment shortages. With its outdated aircraft, the Iranian Air Force, in particular, is no match for its neighbors and certainly not for U.S. airpower. (See pp. 58–64.)

Tehran’s layered and overlapping security structures, while useful for regime survivability, inhibit battlefield performance and reduce its capability to defend against external threats. This is reflected in the shortcomings evident in Iran’s nationwide exercises between the air, ground, and sea components of the Revolutionary Guard and regular forces. Although touted as “joint,” they usually devolve into organizational or service-specific training that appears highly scripted and choreographed. (See pp. 42–49.)

Some of Iran’s asymmetric capabilities are threatening. Because of its inferior conventional military forces, Iran’s defense doctrine, particularly its ability to deter aggressors, relies heavily on asymmetric warfare. Iranian strategists favor guerilla efforts that offer superior mobility, fighting morale, and popular support (e.g., the Hezbollah model in Lebanon) to counter a technologically superior conventional power—namely, the United States. At the high end of the spectrum, Iran has strong motives and means to develop advanced ballistic missile and nuclear weapon capabilities. This reliance on asymmetric capabilities can threaten Western interests in a variety of ways, particularly on the naval front. Iran’s mining capability, antiship cruise missiles, and inno-
“swarming” tactics could impede maritime access in the Strait of Hormuz. (See pp. 64–70.)

The Revolutionary Guard also possesses a significant arsenal of short- and medium-range ballistic missiles that can reach the small Persian Gulf states, Afghanistan, Israel, eastern Turkey, and most of Saudi Arabia. Although these missiles are currently inaccurate and thus have limited military utility, improvements in their range, ability to carry unconventional warheads, and accuracy would significantly enhance Iran’s ability to threaten large population centers, economic infrastructure, and military bases. (See pp. 65–66.)

Iran has limited leverage over so-called proxy groups. To compensate for its conventional inferiority, Iran has long provided financial and military support to a variety of non-state Islamist groups. According to Revolutionary Guard doctrine, this “peripheral strategy” is intended to give strategic depth to Iran’s homeland defense, taking the fight deep into the enemy’s camp. In the cases of Hamas and Hezbollah, this strategy also buys Iran legitimacy among Arab publics who are frustrated with their regimes’ seemingly status quo approach. In effect, Tehran is being “more Arab than the Arabs” on issues such as Palestine. (See pp. 34–35 and pp. 84–86.)

In supporting major Shi’ite militant groups in Iraq and Lebanon, Tehran may expect a degree of reciprocity. This is particularly the case in the event of a U.S. strike, in which Iran might expect these groups to act unflinchingly as retaliatory agents. Yet this expectation may be misplaced. In Iraq, for instance, Iranian funds and military assistance are not essential to the survival of major Shi’ite political factions. Furthermore, some of these groups depend extensively on promoting an image of Iraqi nationalism for domestic support and thus prefer to maintain a degree of separation from Tehran. In Lebanon, Hezbollah’s behavior is also informed by questions of domestic legitimacy; it has recently taken great pains to publicly distance itself from Iranian patronage. (pp. 86–123.)

Thus, in the event of conflict between the United States and Iran, the willingness of these groups to retaliate purely in the service of Tehran should not be assumed as automatic. Instead, they will carefully weigh the benefits of such actions against the risks to their own
local agendas. Fractionalization and dissent may occur between pro-Iranian, anti-Iranian, and neutral factions. In some cases, Tehran may actively cultivate these splits, or the groups’ leadership may secretly subcontract attacks to a spin-off or “rogue element.” (See pp. 102–103 and p. 123.)

In short, it is best to conceive of Iran as exerting influence over its Shi’ite allies, but not control.

Iran has long sought to exploit Arab opinion, with mixed success. Aside from its support to non-state actors, Tehran also views Arab public opinion as an important vector for power projection. Tehran uses this strategy to exert pressure on unfriendly regimes and their Western allies. Employing both local media and its own transnational outlets (such as its Arabic-language satellite channel al-Alam), Iran has portrayed itself as a populist challenger of the status quo, a champion of the Palestinian cause, the patron of Hezbollah, and a beleaguered victim of Western double standards on the nuclear issue. Tehran’s belief that it can count on Arab public support and its attempts to be “more Arab than the Arabs” have resulted in frequently bellicose behavior. Indeed, Ahmadinejad’s antagonism toward Israel, defiance of U.S. pressure on the nuclear program, and populist charisma have earned him accolades from Arab publics. Iran’s appeal in the region skyrocketed following Hezbollah’s summer 2006 war with Israel. (See pp. 36–37 and pp. 129–130.)

However, our analysis of key media outlets and external polling reveals that popular Arab support for Iran remains a fickle strategic resource. In many cases, Arab opinion can rapidly swing from praise to condemnation based on events that are beyond Iran’s control or because of its own strategic missteps. Growing sectarian tensions in Iraq and the perception of Shi’ite political ascendancy in the region have spurred trepidation about Iran throughout the Arab world, particularly after the execution of Saddam Hussein. Arab governments in particular are concerned about Tehran’s ability to circumvent official diplomatic channels and appeal directly to ordinary Arabs, thereby threatening their own legitimacy. Among the Persian Gulf states, the Saudi and Bahraini governments fear Iran’s attempts to mobilize Shi’ite populations within their borders, particularly in the event of a
U.S. strike. Yet our own field research on this issue reveals these worries are overblown: Most Shi’ite groups have worked peacefully within the system for political change and reject Iran as a political patron. (See pp. 131–144.)

Arab opinion on Iran is often split between publics and their regimes. Arab regimes fear Iran’s nuclear aspirations but are cognizant that its nuclear program is largely endorsed by their Arab publics as a critique of Western double standards and interference. Consequently, they are reticent about appearing too hostile to the prospect of an Iranian bomb lest their publics perceive this as tacit support for a U.S. strike. As a result, some Arab officials are exploiting Sunni Arab fears of Shi’ite ascendency and sectarian strife in their media outlets to curry favor for what is essentially a classic balance-of-power strategy against Iran. Regarding a U.S. attack against Iran, both official and popular opinion is largely opposed, voicing deep concern about Iran’s retaliatory options and insufficient U.S. protection. These divergent and ambivalent views suggest caution for U.S. policymakers who would take Arab hostility toward Iran as de facto support for a U.S. attack or U.S. efforts to contain Iran through a Cold War–style bloc of Sunni states. (See pp. 144–151.)

Recommendations: Toward a New U.S. Policy Paradigm

Over the years, the United States has attempted a variety of approaches to address the Iranian challenge. To date, none has succeeded in making Iran less menacing to U.S. interests or more compliant with United Nations Security Council resolutions. The existing policy of creating a Cold War–like containment regime against Iran does not take into account features of the regional geopolitics and Iranian strategic culture discussed in this report. Although more appealing, policies relying only on bilateral engagement and/or hopes for some sort of grand bargain are equally unrealistic. And efforts to foment internal unrest and to play one faction off another within Iran are also likely to backfire because of limited U.S. understanding of Iran’s complex
political landscape and the regime’s ability to manipulate such interference to its advantage. (See pp. 163–174.)

Given these shortcomings, we propose a different approach that involves a series of unilateral de-escalation measures by Washington and continued muscular multilateral efforts targeted at Iranian behaviors that are at odds with international norms (e.g., the nuclear issue and links to terrorism). Rather than a broad U.S.-based containment strategy, we suggest leveraging international pressure while unilaterally de-escalating U.S. rhetoric and policy toward Iran (essentially, reversing the traditional good cop/bad cop roles). Keeping the pressure components of this approach multilateral (including support from Russia and China) is critical because it helps deprive the Iranian leadership of the ability to deflect domestic critique by focusing discontent solely on the United States and the United Kingdom or other European Union powers. At the same time, the United States should avoid unilateral actions that would escalate conflict with Iran, as these are unlikely to work and are likely to exacerbate tensions significantly. Although no panacea, multilateral pressure—when combined with less-hostile U.S. rhetoric and policy—may prove more effective than past policies, at least in terms of the more limited aims regarding Iran’s nuclear ambitions. That said, the likelihood of sustained support for this approach by Russia and China remains questionable. The specific components of this approach are as follows (see pp. 175–179):

- **Continue strengthening international sanctions and other financial pressures targeted on the nuclear issue, but avoid unilateral punitive measures that are not likely to generate broad support.** Secondary sanctions are particularly counterproductive in maintaining European and international support for nuclear-related sanctions in the United Nations.
- **Pursue bilateral dialogues related to areas of common interest, such as instability in Iraq and Afghanistan, narcotics trafficking,**

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natural disaster relief, refugees, and other humanitarian crises. The United States should identify and exploit areas where genuine collaboration can be productive and profitable, without harboring expectations for broader diplomatic breakthroughs. These more-limited efforts should not be trivialized by over-hyping them. News of good works will spread on its own. That said, the United States should temper any expectation that engagement will produce dramatic results. However, even limited engagement efforts may improve the prospects for a broader dialogue and normalization process should political conditions improve.

- **Issue unambiguous statements about U.S. interests and intentions in the region, particularly regarding Iraq.** These must be simple and easily understood, and the United States must stick to them long enough for them to be taken seriously. The United States should reinforce the Status of Forces Agreement with Iraq by clearly stating that it has no long-term interest in occupying Iraq or establishing a permanent military presence there. At the same time, the United States has a right to maintain a military presence in the region and to use force to protect its interests and those of its allies against threats from both state and non-state actors. These statements would underscore that U.S. military postures are for defensive purposes and to ensure stability, not to develop U.S. bases for launching attacks on regional neighbors (i.e., Iran).

- **Engage in efforts to build a multilateral regional security framework that is simultaneously inclusive of Iran and sensitive to the needs of the United States’ Arab friends and allies.** The Arab states remember the exceedingly close U.S.-Iranian relations during the Pahlavi era and thus would be ambivalent at best about closer ties between Tehran and Washington. Yet despite these difficulties, the United States needs to aggressively pursue a broad-based multilateral regional security framework that would include Iran alongside Washington’s traditional Arab allies, as well as key international players like the European Union, Russia, and China. Such a structure would not be based on a specific threat (such as a collective security organization like NATO), but would
provide an open-ended security forum where regional states could discuss and address a range of regional challenges (starting with more-consensual issues such as narcotics trafficking, responses to natural disasters, maritime security, and economic and energy development) and engage in military confidence-building measures. The model for such a forum could be a cooperative security organization like the Organisation for Security and Co-operation in Europe, where mutual threat perceptions are aired and conflict resolution measures pursued.

Although an inclusive multilateral security structure in the Persian Gulf region would take time to build, it would contribute more to regional stability over the long run than would continuing to rely solely on competitive, balance-of-power strategies designed to isolate Iran. Such narrow strategies are more likely to encourage, even reify, Iranian hegemonic aspirations than remove them. Furthermore, a U.S.-led “containment” of Iran is also unlikely to be sustainable among Persian Gulf states that desire to maintain cordial relations with Iran, if not active political and economic engagement.