

Headlines & Highlights

Since its 1979 revolution, the Islamic Republic has been an ever-increasing challenge for the West to understand and to engage. But Tehran's controversial nuclear program, disputed 2009 election, growing violations of basic human rights, and angry rhetoric have generated deeper hostilities with the outside world than at any time since the revolution's early days. The stakes – and consequences – are greater than ever. Fifty experts – half Western, half from the Middle East – came together in "The Iran Primer: Power, Politics and U.S. Policy" to explain what lies ahead.

U.S. – Iran relations

Prospects for reconciliation with the United States are low while Supreme Leader Ali Khamenei remains in power. At the same time, any engagement policy Iran that aims to ignore or bypass Khamenei is equally unlikely to succeed. In both the domestic and international context, Khamenei is averse to compromise under pressure, fearful of projecting weakness and inviting greater pressure. **Karim Sadjadpour**

Some U.S.-Iran trade continues, especially in food. Iran is a large wheat importer; some years, it buys as much as \$200 million in U.S. wheat... U.S. airlines pay several million dollars a year in fees to the Iranian government for air traffic control services while overflying Iran. Taking advantage of the peculiar U.S. classification of tobacco as a food for trade purposes, Iran bought large amounts of American cigarettes...While Iran has often complained that the United States does not allow Iran Air to buy spare parts for its aging Boeings, in fact, the Bush administration issued a license for such exports but Boeing has been unable to make a sale. **Patrick Clawson**

The Algiers Accords ending the [1979-1981] hostage crisis returned only a fraction of Iran's frozen assets...Iran received only \$4 billion or one-third of its original assets. The cash loss to Iran amounted to about \$150 million per hostage, or roughly \$300,000 per day for each hostage. The cost, and the incalculable loss of international legitimacy that has dogged Iran ever since, suggest that the hostage episode is not a model that is likely to be attractive to other countries and is unlikely to be repeated. **Gary Sick**

Politics

Supreme Leader Ayatollah Khamenei and the Revolutionary Guards have formed a symbiotic relationship that buttresses the supreme leader's authority, and preserves the status quo...The Guards may be able to maintain the political status quo if they remain a unified force. However, they face internal divisions, which could potentially weaken Khamenei's hand in a moment of crisis. **Alireza Nader**

Khamenei initially supported President Ahmadinejad, but the distance between the two men has been growing...Ahmadinejad has been able to build a base of support among the very constituencies on which Khamenei depends: the Revolutionary Guards, the paramilitary forces, the security agencies and the judiciary. **Shaul Bakhash**

Short-term, the opposition faces political purgatory. The regime has been willing to use unprecedented brutality to maintain power. Long-term, Iran's many challenges are likely to be solved only in a democratic environment. These challenges include a dominant, Internet-savvy youth, an assertive women's movement, structural economic difficulties (including double-digit unemployment and inflation), badly needed large investments in the oil and gas industries and a dying private sector. **Abbas Milani**

The impact of Iran's baby boomers, born in the 1980s, is only beginning to be felt. Now in their twenties, the boomers will become even more important as they age in defining – and potentially redefining – Iran's political, economic and social agenda over the next quarter century. **Omid Memarian and Tara Nesvaderani**

Iran also has the largest number of executions of any country proportionate to its population. In 2005, the year President Mahmoud Ahmadinejad assumed office, Iran executed 86 individuals. In 2009, Iran executed 388 people. Crimes punishable by death under Iranian law include armed resistance against the state (defined as enmity against God), murder, drug trafficking, rape, adultery, and homosexuality. **Hadi Ghaemi**

Islam

The clerical state may be undermined in the next generation by either a lack of interest in religion or an enthusiasm for unorthodox forms of Islam such as Sufism, which is now widespread among Iran's youth...Iran is a regional player, but the monolithic Shiite crescent feared by some Sunnis has not materialized. **Juan Cole**

The quality of seminary education has declined significantly. The establishment is now producing mostly missionaries and preachers, rather than true scholars of Islamic law and theology...As Islamic scholarship decays, so too will the clergy's ability to provide convincing religious justification for the government's actions. **Mehdi Khalaji**

Women

In 2009 elections, 42 women registered to run for the presidency. All were disqualified by the Guardian Council. But for the first time, the council also indicated that women were not banned from running for the top political job...

Because of growing pressure from both reformers and conservatives, women's rights became one of the four top issues in the 2009 presidential election. Women's issues are important to both the modern and traditional sectors of society. So the pressure for expanded rights will continue, no matter who is in power... In 2010, 65 percent of all university students were female. **Haleh Esfandiari**

Despite prohibitions on women's dress and make-up, Iranian women account for almost one-third of all cosmetics bought in the two dozen countries of the Middle East. **Omid Memarian and Tara Nesvaderani**

Society

In 2010, the Islamic Republic had some 1.2 million hardcore drug addicts, with another 800,000 casual users...Another 130,000 become addicted to drugs annually... The U.N. 2010 World Drug Report said Iran had one of the world's highest rates of heroin addiction, with some 20 percent of the population aged 15 to 60 involved in illicit drug use. **Omid Memarian and Tara Nesvaderani**

The number of Internet users in Iran has grown from less than 1 million in 2000 to about 28 million, or 38 percent of the population, in 2009. The Persian blogosphere is considered one of the most active in the world [with] 60,000 routinely updated blogs...All Internet Service Providers are routed through a central hub owned by a company under the command of the Islamic Revolutionary Guards. **Geneive Abdo**

The Economy

The world's major oil players have largely abandoned Iran, but are active in Iraq. If Iraq achieves its ambitious oil targets, it could surpass Iran as the Gulf's second largest producer within a decade. This would have repercussions for the regional balance of power. **Afshin Molavi**

A lower oil price would destabilize the Iranian economy, since Iran balances its external accounts around \$75 per barrel... Oil and gas sectors have critical structural problems. Subsidized prices and a population that has doubled since the revolution have created excessive demand. Supply has been stymied by underinvestment caused by financial constraints, technical shortages and sanctions. Iran is a net importer of gas and is under pressure to avoid becoming a net importer of oil. **Fareed Mohamedi**

The Revolutionary Guards are also currently Iran's most powerful economic actor, reinforcing their influence over political decisions. [But] the Guards' involvement in the business world may erode its credibility to the extent that it will not be able to function as an effective security or military force in the future. **Alireza Nader**

The government generates only about 300,000 of the roughly 1 million jobs needed annually to absorb young people entering the labor market. Unemployment among youth has almost doubled since 1990. Young people between 15 and 29 make up 35 percent of the population but account for 70 percent of the unemployed. **Omid Memarian and Tara Nesvaderani**

The post-election unrest aggravated Iran's economic dilemmas, intensifying the brain drain and capital flight. It also fueled European support for vigorous economic pressure. New U.N. sanctions in mid-2010 boosted the U.S. effort to cut off Iran's access to the international financial system...Paradoxically, the 2010 sanctions also provided a modest, temporary boost. The departure of foreign investors opened opportunities for

domestic firms, particularly those with Revolutionary Guard connections, and boosted the Tehran Stock Exchange. Sanctions also generated new pragmatism on economic liberalization. **Suzanne Maloney**

Iran has subsidized petroleum products, basic foodstuffs, medical goods and utilities since 1980.... They were estimated to eat up around 25 percent of Iran's gross domestic product of \$335 billion in 2009...Iranians paid as little as 38 cents for a gallon of rationed gasoline, cheaper than bottled water. Gas cost 10 center per liter, while a liter of bottle water cost around 25 cents. **Semira Nikou**

Nuclear Program

It is not known whether Iranian leaders intend to break out and build a nuclear weapon. A breakout using facilities under safeguards at Natanz is likely to be detected within weeks...Iran said it will begin construction on the first of 10 new sites in March 2011. But Iran lacks the capability to outfit 10 [uranium] enrichment sites. **David Albright and Andrea Stricker**

Iran envisages an energy program that encompasses 10 to 12 reactors generating some 24,000 megawatts and several enrichment plants...Bushehr's 1,000 megawatt light-water reactor was built by Russia and took 15 years to complete...The average reactor takes at least a decade to construct and a minimum of \$1 billion before start-up, with costs likely to increase with inflation and sanctions. **Shahram Chubin**

A significant percentage of young Iranians are believed to support Iran's quest for nuclear energy as a key to economic development – and their own futures. Even reform advocates may be reluctant to compromise with the outside world on issues viewed as impinging on national sovereignty. **Omid Memarian and Tara Nesvaderani**

Iran's Military

Iran has the largest and most diverse ballistic missile arsenal in the Middle East. (Israel has more capable ballistic missiles, but fewer in number and type.) Most were acquired from foreign sources, notably North Korea. The Islamic Republic is the only country to develop a 2,000-km missile without first having a nuclear weapons capability.

Iran should not be able to strike Western Europe before 2014 or the United States before 2020 – at the earliest...There is no strong evidence that Iran is actively developing an intermediate-range or intercontinental ballistic missile. And a new system can't be deployed out of the blue. If Iran decides to pursue an intermediate-range capability, the necessary flight testing will provide a three-to-five year window for developing countermeasures...The military utility of Iran's current ballistic missiles is limited because of poor accuracy, so missiles are not likely to be decisive if armed with conventional, chemical or biological warheads. **Michael Elleman**

The United States could destroy all key elements of Iranian military power in virtually any scenario in a matter of weeks, if Washington had the support of Iran's neighbors. It could inflict devastating damage in a matter of days...

Iran could not win any serious confrontation with Turkey, and cannot match the rate of modernization and defense spending by Saudi Arabia and the five other Gulf Cooperation Council sheikhdoms. **Anthony H. Cordesman**

To challenge a technologically superior adversary, such as the United States, Iranian doctrine emphasizes aspects of asymmetric warfare that play to Iran's strengths, including geography, strategic depth and public willingness to accept casualties...[But] Iranian military doctrine is primarily defensive in nature and based on deterring adversaries. Iran is unlikely to seek a direct, force-on-force confrontation with the United States...However, there is ample room for miscommunication between Iranian and U.S. forces at the tactical and operational levels. The recent push to decentralize command and control within the IRGC could have unintended consequences in terms of escalation, especially in the Persian Gulf. **Michael Connell**

The Military Option

Using a military strike to significantly set back Iran's nuclear program poses immense difficulties. Many of Iran's nuclear facilities are constructed partially or entirely underground. Research and development as well as centrifuge manufacturing facilities – at least those that have been identified – are widely dispersed and often located in major population centers. **David Albright and Andrea Stricker**

Israel is capable of launching an attack against Iran's nuclear related infrastructure, but could not sustain an offensive or have high confidence in a successful outcome.

If Israel attacked Iran, it could deploy over 100 long-range fighters and ground attack aircraft as well as refueling, reconnaissance, and combat search and rescue assets. Israel also has large stocks of JDAMS, the precision-guided bomb to attack the kind of facilities that Israel would target. Iran has 45 SA-2 and 10 SA-5 high altitude surface-to-air missiles to defend against an Israeli attack. Simulations suggest that these would be insufficient to foil an Israeli attack. **Steven Simon**

A single bombing raid, even several raids, is not likely to terminate the Iranian program. An American aerial strike might be more successful, but it also may not shut down Iran's program. Only a series of ongoing attacks is likely to accomplish that goal.

Yet an overt military operation could make Tehran even more determined to acquire a weapons capability as a deterrent to future attacks. The military consequences and political costs could, over time, mount for whichever nation attacked Iran. Retaliation could play out across the volatile region and potentially far beyond. **Dov S. Zakheim**

Foreign Relations

Iraq: Extensive political, economic, religious and cultural ties provide Iran the potential for significant influence in Iraq. Iranian attempts to wield this influence, however, have often backfired, leading to a nationalist backlash by Iraqis and tensions with the Iraqi government. Iran-Iraq relations will continue to be bedeviled by a variety of unresolved issues dating to the Iran-Iraq War, and by an Iranian tendency to pursue policies viewed as harmful to Iraqi interests. **Michael Eisenstadt**

Afghanistan: Compared to other aspects of its foreign policy, Iran's policy toward Afghanistan has been relatively moderate... Like the United States, Iran seeks a stable Afghanistan free of the Taliban and al Qaeda, which it considers a strategic menace. It also supports the government of President Hamid Karzai, contributes to Afghanistan's reconstruction and fights against its narcotics trafficking.

Iran has created a sphere of influence and a security buffer zone in the Herat region, the industrial heart of Afghanistan and its most secure region. Most of Iran's pledged reconstruction assistance, estimated at \$660 million, is in Herat ... As Iran's role in reconstruction of Afghanistan is likely to increase, and as more Iranian-educated Afghan refugees return to Afghanistan, Iran's influence is likely to increase in the coming years... Iran is now among the top five exporters and importers of goods to and from Afghanistan. **Mohsen Milani**

The Gulf States: Iran's population of 74.5 million is roughly equal to the seven other Gulf states combined... Iran and Oman serve as joint "policemen of the Straits of Hormuz," the world's most important oil chokepoint. Some two-fifths of the world's globally traded oil passes through the Strait, which at its narrowest point is only 21 miles wide. [But] Iran's threats to "close down the Strait" in the event of U.S. or Israeli strikes ring hollow, as a closure would damage Iran's own oil industry, the most vital source of state revenues. **Afshin Molavi**

Turkey: The Turkish government – despite its sympathies and expectations of greater trade opportunities – is not an ally of Iran. It sees itself in a long-run competition with Iran for influence... In the region, Turkey can use its assets, improved diplomatic position, robust economy and willingness to engage with all parties to eclipse Iran. **Henri J. Barkey**

Israel: In the heyday of Israel-Iran relations during the 1970s, Israel sold Iran about \$500 million per year in weapons and planned to launch a \$1 billion joint program to develop a surface-to-surface missile. After the revolution, between 1980 and 1983, Israeli sales totaled an additional \$500 million, including TOW anti-tank missiles, spare parts for armor and aircraft and ammunition... Today, Hezbollah has approximately 45,000 rockets and anti-ship cruise missiles for use against Israel. **Steven Simon**

Lebanon: Hezbollah is valuable to Iran, but Iranians have also begun to grumble about the financial and political costs of supporting the Lebanese militia. Hezbollah's

fate now depends more on Lebanese politics and tensions with Israel than on Iran...Hezbollah will be a major component in any conflict involving Iran. Yet, its participation may not be automatic. Hezbollah will weigh domestic considerations, including a war's impact on the Shiite community. **Emile Hokayem**

Russia: Russia was the first country to recognize Ahmadinejad's re-election in the disputed June 2009 vote... In November 2009, a Russian news service published a poll showing that 93.5 percent of Iranians have a negative opinion of Russia...In December 2009, Ahmadinejad began calling on Moscow to pay compensation for the Soviet occupation of northern Iran during World War II. **Mark N. Katz**

China: An unintended consequence of U.S.-led sanctions is more opportunity for Iran and China to cooperate. For China, fewer European and Asian investors means less competition for its companies in Iran and more access to Iranian energy. For Iran, China provides a coping mechanism amid international efforts to squeeze Tehran. **John Park**

The future

In the 21st century, Iran's unique version of God's government must prove its viability on earth – and that it can deliver what its people want – or risk the same fate as other utopian ideologies. No Islamic country is likely to replicate the Iranian experience. The costs are too high, the results too controversial. The Shiite character of the revolution also makes it unlikely to be repeated among Sunni-dominated societies. Yet Iran's Shiite alliance remains a major power bloc capable of heavily influencing the outcome of elections and conflicts – and sparking tensions with Sunni communities.

Iran's labyrinthine political system – and competing sources of power – complicate all forms of diplomacy. Engagement, especially with the United States, has become a domestic political issue – unrelated to the merits of rapprochement...Iran's resources also create a huge cushion against punitive actions such as economic sanctions. In an oil-hungry world, they also undermine international cooperation. **Robin Wright**