In 2013, the protracted impasse between the Islamic Republic of Iran and the international community over Tehran’s steadily expanding nuclear program was suddenly galvanized by newfound diplomatic momentum. A decade of negotiations had failed to restrain Iranian nuclear ambitions and while Washington and its allies had managed to wreak unprecedented havoc on the country’s economy with innovative financial sanctions, Iranian leaders insisted they would not bend.

Then, seemingly without warning, the tectonic plates of the US-Iran stalemate began to shift. Iran’s reprobate president, Mahmoud Ahmadinejad, was replaced by a more urbane power broker who campaigned on ending the nuclear standoff; Iran’s lead negotiator, who saw the nuclear talks as a forum for expounding on the Prophet Mohammed’s diplomacy, was sidelined in favor of a diplomat who had spent as much of his life in the United States as in Iran; and what had been until that time a far-fetched—and largely fruitless—Obama administration effort to engage in back-channel dialogue with Tehran took on a new life as a mechanism for hammering out a formula to resolve the nuclear issue.

This diplomacy and its results—an interim nuclear accord in November 2013 and a comprehensive deal in July 2015—rocked a Middle East that was already in turmoil. The Iran nuclear deal became a litmus test for the future of the region across the Middle East and an irresistible lightning rod in a hyper-partisan Washington. Time has not mollified the passions; instead, the debate over the deal has shifted away from the infinite technical details contained in the meticulously parsed 159-page Joint Comprehensive Plan of Action (JCPOA) and squarely onto the dynamics between Iran and its neighbors.

As former President Barack Obama repeatedly insisted, the accord addressed only one dimension of the Iranian challenge, and in those narrow terms, it can be judged a relative success. Thanks to the JCPOA, the number of Iran’s installed centrifuges has been cut by two-thirds, its stockpiles of low-enriched uranium are capped, its plutonium reactor rendered inoperable, its nuclear research curtailed, and every aspect of its nuclear program is now subject to intrusive international monitoring.
and verification. Despite some fears, the prospect of a regional cascade of proliferation appears to have receded since the agreement was inked. Amidst the turbulence and tragedy that continues to beset the Middle East today, the absence of an agreement constraining Iran’s nuclear capabilities would magnify the risks in truly terrible ways. The July 2017 North Korean test of an intercontinental ballistic missile, and Washington’s challenge in devising an effective response, offers a powerful reminder that even imperfect constraints on Iran’s nuclear ambitions help manage escalatory pressures in the region.

However, it is equally clear that the nuclear agreement’s ramifications are finite. In Washington, the hard-fought gains of diplomatic engagement over the nuclear issue helped to cultivate sanguine expectations among some within the Obama administration that a deal might initiate a wide-ranging process of moderation in Iran’s approach to the world. “My hope is that building on this deal, we can continue to have conversations with Iran that incentivize them to behave differently in the region, to be less aggressive, less hostile, more cooperative, to operate the way we expect nations in the international community to behave,” President Obama declared in his first press conference on the deal, adding the caveat that “we’re not counting on it.” Iranian officials cynically exploited this US interest in expanded engagement during the talks, repeatedly suggesting that a deal would facilitate meaningful dialogue and bilateral cooperation on regional issues.

Unfortunately, these expectations have proven unfounded, at least in the short term. Instead, through the painstaking negotiations and since the deal’s implementation, Tehran has continued to do what it has done consistently since the 1979 revolution: attempt to extend its influence throughout the broader Middle East. And it is succeeding in seizing the advantage in the roiling sectarian conflict that has infected the region, consolidating a predominant position across the broader Middle East, and tentatively reorienting the regional order in its favor. That outcome was not a deliberate product of the nuclear deal or American diplomacy, as some conspiracy-minded analysts have suggested. However, the confluence of the two developments—the amplification and entrenchment of Iran’s regional position even as the nuclear deal was being negotiated—intensified the perception of threat among some of Iran’s neighbors, provoking newfound assertiveness among Iran’s rivals such as Saudi Arabia and an escalating struggle for regional predominance. As a result, the challenges posed by Tehran to US interests and allies, and the responses to them, remain as relevant and alarming as they have ever been.

Successful stabilization of the region’s three chief battlegrounds—Iraq, Syria, and Afghanistan—will require mitigation, neutralization, or transformation of the Iranian role, and any prospect of a more peaceful, prosperous future for the region as a whole must entail a lessening of the sectarian and strategic rivalry between Tehran and its most influential competitors in the Gulf. Understanding what drives Iran’s regional policies will be crucial to that challenge. Like any other state, the Islamic Republic’s regional agenda incorporates a core realpolitik, but this is not the sole or even the primary driver of Iranian policy. The analysis below outlines five core factors that have enabled Tehran to extend its reach over the course of the past thirty-eight years and, in particular, to exploit the chaotic environment created by the US interventions in Iraq and Afghanistan, as well as the Arab Spring.

**Imperial Legacy**

Under almost any conceivable leadership, Iran would seek to play an outsized role in the broader Middle East. Even in pre-modern Iran, the leadership based in the territory that today comprises Iran could boast a long reach. After its territorial claims were shrunk, primarily by Russia, the emergence of a modern nation-state during the Pahlavi period reinvigorated its leaders’ determination to position Iran as the dominant regional power broker with an independent and activist foreign policy within its neighborhood. This contemporary vision of Iran’s natural predominance has been reinforced throughout the modern era by a deliberate invocation of the country’s legacy as the heir to the ancient Persian empire and a great civilization, and thus this vision of Iran’s imperial entitlement today continues to loom large for its population as well as for its leadership.

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The modern Iranian state owes much to its historical lineage, which dates back at least as far as 559 BCE, when Cyrus the Great launched the conquests that would amass a vast Persian empire stretching from northern India to Greece. Iran's historic coherence as a state belies its ethnic heterogeneity; only just over half its population is ethnically Persian, with Azeri Turks (approximately 25 percent), Kurds (estimated between 8 and 10 percent of the population), and a varied assortment of Qashqais, Boir Ahmadis, Turkomans, Afshars, Bakhtiaris, Baluchis, Arabs, and Lurs constituting the rest. Although Iran was conquered by Arab Muslim armies in the seventh century, the gradual conversion to Islam by the majority of the population of contemporary Iran was not accompanied by a wholesale adoption of Arabic language, culture, or customs.


This diversity and the extensive tradition of minority rule (several of Iran’s most consequential ruling dynasties have emerged from its Azeri Turk population) has long empowered the development of shared loyalties on bases other than simple ethnic nationalism. Since the late nineteenth century, Iran’s modern state-building efforts have deliberately invoked its cultural heritage and imperial lineage as a means of bolstering unity and fostering a sense of national identity. The ideational roots are epitomized by Iran’s national epic, the *Shahnameh* by Abdolqasem Ferdowsi, written more than a thousand years ago. The *Shahnameh* glorifies Iran’s great kings and warriors, and more generally connects Iranians as well as the inhabitants of former territories of the great Persian empires to “an imagined shared cultural past.”

These traditions and myths have become incorporated in contemporary political life as key frames of reference. Reza Khan, founder of the Pahlavi monarchy, appealed assiduously to the country’s glorious imperial history, going so far as to change its name from Persia to Iran in order to emphasize the broad geographical sweep of the great Persian empires. For Reza, the exploitation of history was designed to consolidate his authority; his son Mohammad Reza saw himself and his country as the rightful successor to Cyrus the Great and Iran’s storied empires. He briefly altered the official calendar to one that was based on the origins of Persian kingship, and in 1971, he staged a grandiose celebration for the ostensible twenty-five-hundred-year anniversary of the founding of the Achaemenian Empire at Persepolis, where, before throngs of foreign dignitaries, the Shah addressed the tomb of Cyrus the Great and linked himself to this legacy as shahanshah (king of kings).

It would be tempting to dismiss the Pahlavi vision for Iran as simply extravagance or egoism, except for the fact that this conception of Iran has deep roots in the Iranian national self-identity and has proven to be remarkably enduring. The inculcation of the exploits of the ancient Persian empire have shaped the worldview of Iranians throughout the modern era—even those who rejected it. Iran’s imperial past occupies a central place in daily life, expressed through the enduring allegiance to the solar calendar and the festivals around No Ruz, the Zoroastrian New Year, as well as through the abiding reverence for the poetic traditions of Persian culture.

Iran’s superior demographic, economic, military, and other characteristics only reinforce the perception of entitlement and supremacy. “Iran believes it has the historical, cultural, even moral weight to powerfully shape the region where classic Persian empires have at one time held sway.” This great power pride infuses Iranian strategic thinking and conveys a sense of hegemonic destiny, particularly along its borders.

Iran’s Islamic revolutionaries resented this vision, both for its subordination of Islam as well as its infatuation with the West. Formally, Iran’s leadership insists that “the time of empires in the region is over,” and in the early years of the revolutionary state, the cultural aspects of Iran’s pre-Islamic past were actively discouraged in an explicit reversal to their cultivation during the monarchy. And yet, in practice the imprint of an “ingrained sense of Persian historical entitlement” remains evident in the way Tehran approaches its environs, and in the way that other regional powers perceive Iranian actions and intentions.

Many of the pre-Islamic traditions were revived during the war as a means of revitalizing public support. Official rhetoric episodically betrays a sense of imperial prerogative in references to countries that were once part of greater Persia, such as Bahrain. The inequitable agreements that winnowed the modern state, such as the Treaties of Golestan and Turkmenchai, which ceded most of the Caucasus to Russia, are frequently invoked as a cautionary tale for contemporary diplomacy. The Islamic Republic has sought diligently to expand its security, political, and economic influence over its “near abroad,” particularly around western Iraq and across the Levant. As Iran’s former Intelligence Minister Ali Younesi said in 2015, Tehran views Iraq as “not only part of our civilizational influence, but it is our identity, culture, center and capital...Because Iran and Iraq’s geography and culture are inseparable, either we fight one another or we become one.”

Shia Islam

The 1979 revolution invested Iran’s regional policies with an additional, powerful formative factor, the mobilizing force of Islam. Religion ranked as a central factor in the revolution itself and in the state that followed; the charismatic leadership of Ayatollah Ruhollah Khomeini effectively coalesced an opposition that was ideologically diverse and advocated divergent interests, while religious ceremonies and rituals offered convenient and compelling logistical networks for mobilization and financial support. And the state that was forged in the revolution’s aftermath relied on a novel interpretation of Shia jurisprudence to empower a hybrid system with unique theocratic elements.

So, it is hardly surprising that the Islamic Republic’s foreign policy has been shaped by the religious character of the state and its leadership. There is, of course, ample precedent in Iran’s history for the strategic deployment of religious identification as a tool of foreign and domestic policy; Iran was a predominantly Sunni country until the first Safavid empire (1501-1722). Struggling to forge consensus and physical control of the country, the Safavids astutely gauged the utility of national conversion and the promulgation of a unifying religio-political myth, particularly in a country with a long reverence for kingship.

Revolutionary Iran retained the messianic ambitions of its imperial predecessor, with a distinctly religious flair. The new state accorded ultimate authority to its supreme religious leader under the doctrine of vilayat-i faqih, or guardianship of the supreme jurisprudent. The initial outlines of the Islamic Republic’s regional policy can be found in its 1979 constitution, which charges Tehran with “the defense of the rights of all Muslims.” According to the constitution’s preamble, Iran’s armed forces and Islamic Revolutionary Guard Corps (IRGC) are responsible “not only for guarding and preserving the frontiers of the country, but also for fulfilling the ideological mission of jihad in God’s way; that is, extending the sovereignty of God’s law throughout the world. This is in accordance with the Quranic verse “Prepare against them whatever force you are able to muster, and strings of horses, striking fear into the enemy of God and your enemy, and others besides them.” [8:60] 10

In this fashion, the Islamic Republic cast itself as the inspiration and model for the broader Muslim world. Iran’s revolutionaries fully anticipated that their historic establishment of an Islamic government would be replicated in other Muslim countries. Khomeini rallied his followers to disseminate the message of the revolution beyond Iran, declaring that the revolution was undertaken “for an Islamic goal, not for Iran alone. Iran has only been the starting point.” 11 Thirty years later, Khomeini’s heirs would view the uprisings in Tunisia, Egypt, and other Arab countries during the course of 2010-11 as a vindication of that expectation.

Iran’s early appeals for revolutionary activism were felt most immediately among the Shia population of Iraq, where such ferment unnerved Iraq’s brutal leadership. Baghdad moved against its own Shia population and then trained its sights on the provocateurs themselves. The September 1980 Iraqi invasion and the eight-year war that followed initially magnified the religious dimensions of Iran’s foreign policy. The leadership urged Iranians to take up the defense of their nation on the grounds that it was the only “liberated part of the country of Islam” (qesmat-e azad shoda-ye mamlekat-e eslam). 12

The circumstances of the war corresponded well within the revolutionary themes of martyrdom, sacrifice, and struggle. The conflict was presented as a reenactment of the prophet’s wars against unbelievers or, more pointedly, likened to the defining event in Shia history—the conflict between Hussein and Yazid. 13 By evoking the central images and emotions of Iranians’ religious identity, this rhetoric sought to justify the heavy human toll of the war and to appeal to the presumably divided loyalties of Iraq’s substantial Shia population.

The latter proved unsuccessful, at least insofar as the war was concerned; however, in the long run, Tehran’s investment paid almost unparalleled dividends. The

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Iraqi Shia organizations established by Tehran and nurtured over the subsequent decades emerged as indispensable political actors and powerful levers for the early extension of Iranian influence in the aftermath of the US invasion of Iraq. This relationship is bolstered by a wealth of personal ties developed over generations of association through the seminaries of Najaf and Karbala, and the cultivation of these networks in the post-revolutionary Iranian power structure.

Although doctrine as well as interests shaped a universalist appeal, Iran’s aspirational pan-Islamism has, in practice, translated to sectarian chauvinism on behalf of fellow Shia in the Gulf states, Iraq, and Lebanon. In these environments, existing networks and domestic grievances have tended to generate greater traction for Iranian overtures and initiatives. Even here, Tehran has repeatedly found itself confronted by the limitations of sectarian interests. One central mechanism for overcoming these constraints is the strategic deployment of anti-Israeli sentiment to broaden Iranian appeal. In this way, “antagonism to Israel enforces the clerical regime’s claims to regional leadership…Iran’s anti-Semitic assault is one of the few rhetorical weapons the clerics can deploy that has broad popular appeal among Sunni Muslims.”

Religion has not simply framed the Islamic Republic’s regional rhetoric and imperatives; religious networks and institutions have facilitated these ties, providing operational inroads in much the same way that mosques and mourning ceremonies facilitated revolutionary mobilization. Iran’s deep involvement in Lebanon, Iraq, and Syria has been amplified by the religious ties among their populations—the bonds of seminary education, religious tithing, familial and marriage connections, and the continuing salience of the shrines, Islamic charities, and other religious institutions.

The Roots and Evolution of Iran’s Regional Strategy

The Islamic Republic relied on these networks and has invested copiously in their intensification, making sure to advantage Iran’s own interests. In addition to expanding indigenous religious institutions in Qom and Mashhad, Tehran has also established cultural centers around the Muslim world and has “restored and restyled” important Shia shrines in Damascus to “signal a clear Iranian presence.”  

After Saddam Hussein’s 2003 ouster, Iranian leaders reinvigorated the tradition of pilgrimage to Najaf and Karbala as “a way for Tehran to celebrate what it portrays as an Islamic victory. … [while it] also continues a centuries old tradition of Iranian state patronage of Iraq’s Shiite shrines.”

Tehran has used the major pilgrimage to Mecca in a different fashion but with similar premeditation, to enhance the standing of the post-revolutionary state relative to a key rival, Saudi Arabia. Since the revolution, Iranian pilgrims have utilized rituals associated with the hajj to denounce the United States and Israel and to praise their own leadership. “The political aspects of the hajj are by no means inferior to its religious aspects,” Khomeini proclaimed in 1983.

This has led to repeated clashes with Saudi authorities, whose more ascetic interpretation of Sunni Islam is at odds with Shia practice and whose claim to leadership of the Islamic world is explicitly threatened by Iranian agitation.

The one religious institution that the Islamic Republic has not managed to hijack successfully for its own purposes is that of the traditional position of clerical leadership, the marja-ye taqlid (source of emulation). Since 1989, that clerical distinction has been detached from the Islamic Republic’s political hierarchy, and efforts to reintegrate them in the person of Iran’s current supreme leader, Ayatollah Ali Khamenei, have failed to gain traction. This shortcoming looms all the larger since the emergence of Ayatollah Ali Sistani as a potent political force in post-Saddam Iraq. Sistani’s brand of Shia orthodoxy represents a formidable challenge to Iran’s predominance among Shia across the Middle East, and Tehran has sought to position itself for maximum influence in the wake of his inevitable passing from the scene.

Anti-Imperialism

Iran’s regional approach also reflects an ingrained rejection of superpower hegemony and fierce defensiveness of the country’s independence and autonomy. Although Iran was never colonized, its experience in the nineteenth and early twentieth centuries as a playing field for the great powers has instilled a deep commitment to national sovereignty and a passionate rejection of foreign influence. Resentment of foreign influence has emerged repeatedly in the country’s foreign and domestic politics: in 1892, when popular opposition forced the revocation of a tobacco concession awarded to a British conglomerate; in 1911, when British and Russian intervention prompted the dismissal of the parliament and the demise of the hopes of the Constitutional Revolution; in 1941, with the Allied invasion and exile of Reza Shah; and, of course, in the 1953 coup that unseated Iran’s nationalist prime minister.

It remained a central element through the revolution; it was resentment of the 1963 decision to grant legal immunity to US citizens living in Iran that prompted Ayatollah Khomeini to violate the government’s strictures against political activity, which subsequently resulted in his deportation. One of the most devastating intellectual critiques of the monarchy focused on the wholesale insertion of Westerners and foreign values; Jalal al-e Ahmad diagnosed the problem as gharbzadegi, or “westoxification,” which he compared to cholera infecting Iran.

The post-revolutionary government adopted a formal policy of non-alignment—“neither east nor west”—however, captivated by a sense of religious messianism, the determination to protect Iran’s independence helped energize a set of policies antagonistic toward


21 Jalal al-e Ahmad, Plagued by the West (Gharbzadegi) (Delmar Caravan Books, 1982).
the United States as well as other major powers. Closer to home, Iranian leaders assembled the infrastructure to “export the revolution,” through support of terrorist organizations, subversion of its neighbors by force as well as through propaganda, and threats and assassinations of individuals abroad who are deemed enemies of the Islamic Republic.

While it contains an injunction against interference in other countries’ internal affairs, the Constitution pledges that the Islamic Republic “supports the just struggles of the freedom fighters against the oppressors in every corner of the globe.”22 What began with a sort of “demonstration effect“23 of opposition among Shia populations in Kuwait, Bahrain, and Saudi Arabia evolved into a vast official administration for seeking to topple the status quo in the Persian Gulf and the larger Islamic world by word or by deed, conducting proxy wars in Lebanon and Iraq and sponsoring violence against a loosely defined set of adversaries throughout the world.

This deep strand of anti-imperialism also shapes Tehran’s persistent antipathy to the United States, which looms large in Iranian interactions with its neighbors, as well as with a host of non-Muslim states and leaders who share its anti-American orientation. Since the revolution, Iranian leaders have rejected the legitimacy of a US security role in the region and have sought to dissuade or eject all external forces from the Gulf.

For Iran, its relationship with neighboring countries that are aligned with Washington is ripe with threat that can only be met by confrontation. Iranian intervention across the region is intended to raise the costs of that alignment, through violence directed at US interests and installations, as well as to penalize its regional rivals for their cooperation with US security priorities.

Domestic Politics

Iran’s domestic dynamics have also had a direct impact on its regional agenda and approach. In the past, factional infighting has precipitated some of the most provocative elements of its foreign policy, such as the 1979 seizure of the American Embassy. Today, internal rivalries continue to infiltrate Iran’s external activities, and as a result, Iran’s multiplicity of official institutions often pursue policies in direct contradiction to one another.

The institutional dimensions of consolidating the new regime played a major role in shaping the foreign policy of the post-revolutionary state. A significant proportion of Iran’s “export of the revolution” was carried out by organizations and individuals associated with, but not entirely sanctioned by, the formal government. Indeed, some of the more egregious breaches of the accepted protocols of international politics—such as the seizure of the American embassy—were initiated by groups outside the state. In this respect, the increasing schism between the traditionalist and radical elements of the clergy, as well as Khomeini’s tendency to lead through distant mediation over contentious groups, empowered rival factions to engage in what amounted to parallel foreign policies.

The post-revolutionary history of Iran is replete with examples of its domestic competition spilling over into its regional and foreign policy; one of the most infamous was Khomeini’s February 1989 fatwa condemning Salman Rushdie to death for his novel *The Satanic Verses*. The fatwa revived popular furor and the spirits of the Islamic Republic’s more radical factions at the cost of degrading Tehran’s budding post-war rehabilitation of its diplomatic relations.

A similar tension has played out in the dynamics between Iran and Saudi Arabia, as well as with the other Gulf states, where tensions are already high as a result of their opposing positions in Syria. After the Saudis executed a Shia dissident in early 2016, Iran’s leadership appeared to favor restraint in its response—only to see the Saudi embassy in Tehran attacked and torched with
the active collaboration of Iranian security forces. In the same vein, Iran's diplomatic overtures toward Egypt have always remained constrained by the continuing bitterness over that country's peace agreement with Israel, as is manifested in the stubborn unwillingness to change a Tehran street sign that honors the Islamist assassin of former Egyptian President Anwar Sadat.

Iran’s internal power struggle initially served as a point of weakness—the erosion of military readiness as a result of mistrust of the armed forces contributed to the initial devastation of the Iraqi invasion, for example. However, over time this internal competition has helped to generate and elevate coherent, well-resourced institutions for regional power projection, most notably the IRGC, its international wing the Quds Force, and the Basij paramilitary organization. As a result, the Islamic Republic has gained a dramatic advantage over its regional rivals: “the institutional and bureaucratic capabilities to conduct a long, multi-dimensional engagement in another country.”

Shifts in Iran's internal dynamics have buffeted Iran's relationships with its neighbors. After the war, the advent of pragmatic conservatives around then-President Hashemi Rafsanjani were responsible for advancing a slow and sometimes fitful process of rapprochement between Tehran and the Arab states. More recently, as domestic political contention helped facilitate the ascendance of a younger generation of conservatives, the influence of Iran's military establishment on its day-to-day politics appears to have increased. The number of elected representatives and senior officials who can claim some past or present affiliation with the IRGC or other elements of the security bureaucracy has expanded rapidly over the course of the past fifteen years. That same period has seen dramatic growth in the economic holdings associated with the IRGC. As the domestic influence of the security services has grown, so too has a much more jaundiced approach to diplomacy with Iran's regional rivals.

Paranoia and Regime Security

Perhaps the most important factor governing Iran's ambitions and activities within the broader Middle East is the acute, abiding sense of insecurity in its leadership, a function of historical memory and searing experience. Iran’s post-revolutionary leaders are steeped in a political culture that is obsessed with the country’s historical victimization at the hands of foreign powers. The “Great Satan” is merely the latest in a line of rapacious world powers that have exploited Iran and eroded its sovereignty in pursuit of their own interests. This “conspiratorial interpretation of politics” continues to shape an innate mistrust of foreign governments and their objectives in engaging with Iranian politics. The events of the revolution’s first decade—years of violent challenge to the theocracy’s existence from within and without—only fed this persistent sense of vulnerability and mistrust.

Those early years compounded Iran’s sense of isolation and estrangement from the international system. Saddam Hussein’s invasion of Iran reinforced the revolutionary leadership’s paranoia, appearing to fulfill their expectations of a US-backed military effort to force a pliant, pro-Western leader back into power. After a surprisingly successful counterattack to liberate captured Iranian territory after the Iraqi incursion, Tehran briefly debated how to proceed. Ultimately, the conviction expressed by Khamenei that the invasion was “not a war between two countries, two armies; it was a war between an unwritten, global coalition against one nation,” bolstered the case made by headstrong military commanders for taking the war into Iraq. The Islamic Republic was convinced of its moral and military superiority, and its leaders saw any settlement short of victory as inherently dangerous. The international community’s tepid response to the invasion and Saddam Hussein’s subsequent use of chemical weapons cemented the conviction among Iran’s leaders, particularly within the security bureaucracy, that international norms constitute a sham to shield the essential avarice of the United States and its allies. Self-reliance was the only option for the Islamic Republic, a principle that became enshrined within the strategic worldview of its leadership.

24 Emile Hokayem, “Iran, the Gulf States and the Syrian Civil War,” Survival 56:6 (December 2014/January 2015): 81. See also 77-78.
As a result of its early ordeals, Tehran prioritizes regime survival above all else, and self-preservation has become intertwined with a deeply ingrained conviction that the world, led by Washington, is bent on the revolutionary state's eradication. These innate suspicions and estrangement from the international system lie at the core of the intransigence of Iran's political and security leadership. “In confronting a system of domination, there are two choices: submission or resistance. According to the IRGC narrative, victory belongs to the resistance axis.”

There is a kind of paradox to Iran's entrenched suspicion: it tends to engender a parallel response. Tehran's mistrust of great powers has played a role in the turn toward unconventional warfare and the repeated investments in proxy groups across the region to augment or extend its reach, and yet the unintended consequence of this reliance on proxies has “left the Islamic Republic vulnerable to periodic threats of entrapment and abandonment by its allies.” It has also contributed to the very outcomes that Tehran (and, at times, its regional adversaries) claims to oppose, namely the expansion of the US military presence in the Gulf, justified on the basis of the Iranian threat.

Iran's underlying insecurity is hardly unique. Despite their robust and long-standing security relationships with Washington, most of its neighbors share some sense of precariousness in the regional environment, often exacerbated by domestic uncertainties. As Thomas Juneau points out, the intrinsic strategic rivalry between Iran and its Gulf neighbors elevates this aspect of Iran's worldview in its near abroad. “Iran's insecurity dilemma is structurally severe; its relations with its neighbors are acutely vulnerable to mistrust and miscalculation and to potential spirals of conflict escalation.”

Perhaps the most destructive example of this cycle has played out in Syria over the past six years, where Iran's conspiratorial threat perception has shaped its ever more costly investment on behalf of the regime of Bashar al-Assad. “Iran's portrayal of the uprising as manipulated by foreigners and driven by sectarianism was in line with its existing ideological, political and religious orientation. As the Syrian opposition fractured, radicalised and sought foreign assistance, the lie became truth to some extent.” The rise of the Islamic State of Iraq and al-Sham (ISIS) as both an ideological and a military force has only hardened the perception of the stakes in Syria among the Iranian leadership, as well as the population at large. ISIS represents a US-orchestrated plot, with the Islamic Republic as its ultimate target. “Our main enemy is America. America and the West wanted to break down Syria, as one of the allies of the Resistance, and then conquer Iran,” a former IRGC commander explained in early 2017.

The evolution of the Islamic Republic's approach to the region
Since the revolution, Iran's regional policies have been characterized by a considerable degree of continuity. Enduring bilateral frictions between Iran and most of its neighbors are periodically stoked by Iranian agitation and interventionism; US pressure is abetted by its regional allies; all sides remain loathe to see unchecked escalation of regional hostilities. The end result has been a kind of managed instability, with Washington playing an essential role as balancer. However, over the course of the past fifteen years, any balance has been eroded, beginning with the removal of Saddam Hussein. That development eliminated Tehran's most dangerous adversary and, together with the US-led campaign in Afghanistan, spawned an unprecedented array of regional opportunities and threats. The revolution was simultaneously encircled and emboldened, and—steeped in the conviction that compromise begets further pressure—its guardians have instead gone on the offensive.

Thus far, their calculation has paid off; Iran's place in the regional order is stronger today than prior to 2003, and the corresponding inflation of the sectarian and strategic rivalry between Iran and its neighbors appears to be working in Tehran's favor. Modest initiatives to provide funding, training, materiel, and operational support to opposition forces in Yemen and Bahrain has energized two new fronts along vulnerable fault lines in the Arab world and has drawn the Saudis into a militarily and economically debilitating quagmire.

32 Tasnim news agency, January 5, 2017.
For many in Washington and the Gulf region, Iran’s expanded reach represents a direct byproduct of the nuclear deal and its unshackling of the Iranian economy. This interpretation overlooks the far more relevant facilitating factors—the foothold in a key Arab capital that was furnished by the US intervention in Iraq as well as the access afforded by the turmoil unleashed by the Arab Spring along with the authoritarian backlashes that followed in its wake. And the consternation over Iran’s apparent ascendance fails to acknowledge the compromises that this has entailed for the Iranian leadership. This development has required an important, if implicit, shift in tactics, away from the illusion of fostering replica revolutionary states under the auspices of vilayat-i faqih. That objective has manifestly failed—no other country in the world has adopted Iran’s unique hybrid theocracy, and meanwhile, Tehran has invested heavily in co-opting and controlling the influential Iraqi seminary system, but the authority and autonomy of Grand Ayatollah Ali Sistani offers a powerful reminder that clerical rule has eroded the moral and political sway of religious institutions in Iran.

Instead, Iran’s regional influence has been enhanced by at least two factors that fundamentally violate its long-held precepts. First, the theocracy’s role in Iraq and Syria has marked the beginning of a transformation in Iran’s military doctrine and force posture, away from a primarily defensive orientation, where its power projection capabilities were modest and concentrated around unconventional warfare, to a more conventional model of expeditionary warfighting. In other words, Tehran’s regional influence has come not from the power of its ideas or inspiration or even its guidance to like-minded adherents, but rather through the deployment of its regular military to fight wars beyond its own territory.

This, together with the formalization of Iranian influence in Iraq through the absorption of the Iranian-backed Shia militias into Iraq’s official security establishment, is increasingly inconsistent with Iran’s perennial insistence that its military aims are purely defensive. The result may be the erosion of Iran’s deterrent capabilities and its exposure to the same antipathies toward “bullying powers” and “imperialism” that have for so long characterized the essence of the Islamic Republic’s own ideological claims. Iran’s wide-ranging engagement in the internal conflicts along its periphery beget similarly expansive expectations and obligations in any post-conflict future for Iraq and Syria; this will test Iran’s capacity and willingness to contribute effectively to stable, sovereign outcomes.

“The Tehran’s regional influence has come not from the power of its ideas or inspiration or even its guidance to like-minded adherents, but rather through the deployment of its regular military to fight wars beyond its own territory.”

In addition, the conflict in Syria has effectively conceded Tehran’s objections to the intervention of external powers in regional conflicts. Overt Iranian cooperation with Russia, including unprecedented authorization for Moscow to utilize Iranian airbases in support of its mission in Syria, undercuts one of the cardinal principles of the Islamic Revolution and appears to bend the constitutional prohibition on foreign military basing. It also speaks to a readiness within both governments to deepen their coordination over Syria. The relationship between Tehran and Moscow is often characterized as a marriage of convenience, but their cooperation in Syria appears to have developed into a strategic partnership, albeit an inherently precarious one.

Finally, Iran’s regional policies are primed for greater prioritization of economic interests. Iran’s broad interests in maintaining and expanding international trade and attracting foreign direct investment have shaped its approach to the world; however, historically, commercial ties with its neighbors have been relatively inconsequential for Tehran. All that has begun to change; Washington’s removal of its most formidable regional adversaries, the Taliban and Saddam Hussein, expanded two markets where Iran could claim the benefits of proximity, familiarity, and familial and ethno-religious ties. They also served as an increasingly vital

channel for hard currency and other necessities during the most severe periods under sanctions. Tehran moved quickly to muscle in on opportunities in both countries, helped along by the establishment of free trade zones in Iran's border provinces.

The result has been a dramatic increase in Iran's regional trade and investment, the overwhelming majority of which is outside the energy sector. In the long term, this could bode well for modulating Iran's propensity for violence and intervention. A country whose economy is interdependent on that of its neighbors will inevitably see a greater stake in regional stability. There is some precedent for shared economic interests serving as a de-escalation mechanism; after a ruinous experience in the 1980s, Tehran and Riyadh came to appreciate that their interests were better served by mutual compromise within the Organization of the Petroleum Exporting Countries (OPEC) over oil production and price strategy. It is hardly obvious that Iran's leaders are capable of embracing such a shift more widely. Still, there is some evidence that elements of the Iranian leadership do recognize the extent to which the ideological framing of their regional policy has undermined the country's more immediate interests. In early 2015, Iran's president, Hassan Rouhani, noted in a speech that the country's economy "pays subsidies both to foreign policy and domestic policy. Let us try the other way round for a decade and pay subsidies from the domestic and foreign policy to the economy to see [what] the lives and incomes of people and the employment of the youth will be like."34

None of these developments has occurred in isolation; rather, Iran's consolidation of an upper hand in the region coincided with epic tremors within and across Arab states, exacerbated by evolving trends in energy markets, information technology, and the demographics of both the rulers and the ruled. Iran's regional rivals perceived a fundamental rebalancing of the regional order in Tehran's favor was underway, and they initially fell back on the approach that had served them well since the 1980s—reliance on Washington's security umbrella and the inherent overlap between their interests. For a variety of reasons, this did not suffice, and the generational transition underway at the senior ranks of the Arab Gulf states has prompted a more assertive effort to contest Iran's gains on the battlefield and to impose greater strategic discipline over what has historically been a fractious Arab front. Driven by a sense of opportunity as well as threat, newly minted Saudi Crown Prince Mohammad bin Salman has escalated the Kingdom's campaign against Iran. As of July 2017, that clash remains uneasily contained to a series of proxy wars, but the signs of a newfound Saudi maximalism and the core Iranian inclination toward counterattack rather than compromise—compounded by an erratic new administration in Washington—foreshadows significant risks of escalation in the region.

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