

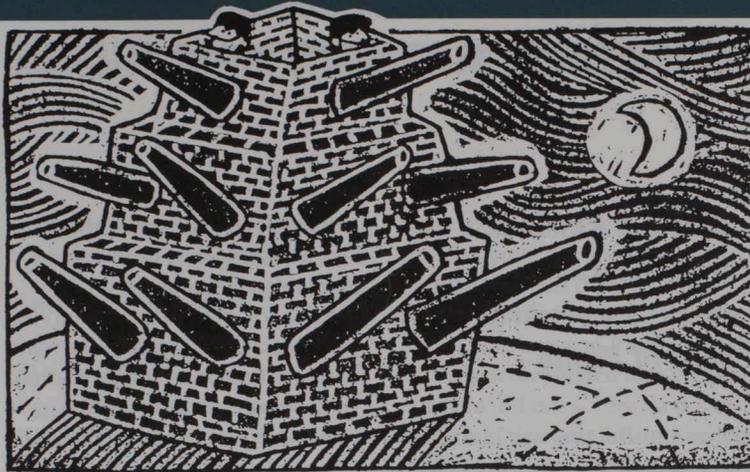
countries – one example is Tunisia – have declared an open war on Islamic fundamentalism.

IRANIAN DIPLOMACY COMBINES revolutionary fervour with a pragmatic stance made necessary by the economic difficulties in which the country has found itself. The costs of the war, as well as the decline in both local oil production and in oil prices have depressed the economy. An array of other economic problems has emerged: industry operates well below capacity and the unemployment rate has risen to twenty-five percent in some areas; oil revenues serve in large part to finance the war, to rebuild what the war has destroyed and to support the day-to-day costs of a very inefficient economy. Long planned investments in infrastructure and extensive development projects have been postponed, as have improvements in social services and agriculture.

Given Iran's restricted economic relationship with the United States and its fear of dependence on the Soviet Union, it is easy to see why it wants closer economic links with its immediate neighbours. Within the region, Turkey and Pakistan, both pro-Western regimes, are its major trading partners. In 1985, these three countries formed the Organization for Economic Co-operation to encourage trade and the transfer of technology. A 1987 agreement between Teheran and Ankara envisioned a trade volume in the range of two billion dollars. It should be added that a large proportion of Iran's exports pass through Turkish and Pakistani territory.

Despite the hostility of the Iranian regime towards the Arab monarchies of the Gulf – as a result of their “anti-Islamic” leadership and their financial and material support of Iraq in the war – Iran has tried to establish co-operative economic links with them. Significant among these are the existing commercial ties with the United Arab Emirates and the agreement concluded with Saudi Arabia at the OPEC meeting last year on a new strategy on prices and quotas.

The Iranian attitude towards the Gulf monarchies continues to be



ambiguous, and is linked to the on-going power struggle in Teheran between radicals and moderates. The riots in the summer of 1987 during the annual pilgrimage to Mecca which resulted in several hundred casualties, mostly Iranian, did not improve the situation. These bloody confrontations are a reminder that Iran and Saudi Arabia, centres of power respectively of Shi'ite and Sunni Moslems, are struggling for leadership of the Islamic world.

Iranian nationalism – nationalism in the conventional sense – was central to the policy of the Shah, and has not completely disappeared, even though it is formally incompatible with Khomeini's ideology. Iran's press often stresses the importance of the “national interest” and Iranian leaders draw upon nationalist feeling to justify elements of the country's foreign policy.

It is important to recognize that the regional policy of Iran is also based on wider international imperatives. It is in the country's best interests to escape from the diplomatic isolation into which it fell after the demise of the Shah. Regardless of its intentions in the Middle East, Iran cannot continue to play a solitary hand – solitary even if one counts the links with Syria and Libya. Teheran is particularly opposed, and has been for a long time, to the presence of the US and the USSR in the Persian Gulf. The view is widespread among the Iranian leadership that almost any scenario is preferable to the continuous presence of either of those countries in the Gulf. In this setting, Iran would certainly seek advantage from shifting its alliances, even to the point of a

rapprochement with Saudi Arabia. Furthermore, the proximity of the Soviet Union, and its invasion of Afghanistan, creates fears in Teheran similar to those felt by its neighbours Pakistan and Turkey. In short, whether its goal is to oppose Western or Soviet “imperialism” or to pursue its own designs in the region, Iran can only benefit from having some solid allies in the area.

GIVEN THE UPHEAVALS THAT FOLLOWED the rise of Khomeini the successful exportation of the Iranian Revolution cannot be excluded, especially if Iran wins the war with Iraq. A Shi'ite fundamentalist wave could sweep through the Gulf states, to Jordan and Lebanon and even to Syria and Egypt. Nevertheless, the ideological expansionism pursued by the Khomeini regime is not necessarily destined for success. The search for economic partners and the need for allies is likely to temper Teheran's revolutionary fervour. Furthermore, it is difficult to see how Iran can continue its war effort indefinitely, when its economy is failing and its access to military resources remains precarious.

To these fundamental factors one must add other considerations. The conditions which favoured the unfolding of the Iranian revolution are not found in other countries of the region. The modernization programme undertaken by the Shah encouraged the emergence of a social model copied from the West, a model which proved to be incompatible with the traditional structure of Iranian society.

The Shi'ite branch of Islam led by Khomeini differs sharply from

the Sunni branch which predominates in the area. One of the main points of divergence between the two Moslem groups relates to the type of government deemed suitable to govern the civil state. There would probably be considerable resistance from Sunni communities to orders given by the religious leadership in Teheran. Even the Shi'ites in the region (and in Iraq Shi'ites have not responded to appeals from Khomeini) would not necessarily be won over to the cause, since ethnic and cultural loyalties could prove more important than religious ones.

Finally, the leadership of Khomeini will not last forever and dissension is already evident among different factions of the current regime. Radicals and moderates disagree on how to interpret Islam, on what model of economic development to adopt and on the possibility of reconciliation with either Washington or Moscow. Ayatollah Montazeri, the designated successor to Khomeini and main promotor of exporting revolution, has many enemies. With Khomeini's death, the political cohesion of the regime could be seriously compromised.

Despite all the differences between the regime of the Shah and that of the Ayatollah Khomeini, both have deeply influenced the politics of the region. Khomeini's Middle East policy, which contains ideological and pragmatic elements, is conditioned both by the revolution which has shaken the country, and by the war against Iraq. Opinions vary on the degree of influence of one factor or the other on the events since 1979. Nevertheless, the transition from secular state to a fundamentalist Moslem one has not altered the basic factors which govern Teheran's relations with its neighbours. □

Further Reading

Mohammed E. Ahrari, “Iran and the Superpowers in the Gulf,” *SAIS Review*, Winter – Spring 1987.

Ralph King, “The Iran-Iraq War: The Political Implications,” *Adelphi Papers* 219, IISS, Spring 1987.

Bassina Kodmani (editor), *Quelle sécurité pour le Golfe?*, Paris, Institut français des relations internationales, Paris, 1984.