

Covert Failure

U.S. INTELLIGENCE PRIOR TO THE IRANIAN REVOLUTION

Julie Orenstein

Julie Orenstein is a junior at Boston College, pursuing a major in political science and a minor in international studies. A member of the College of Arts & Sciences Honors Program and the Political Science Honors Program, her research interests include issues of terrorism, intelligence, national security, and military history. She is currently undertaking the beginning stages of a senior honors thesis in the political science department, and hopes to continue work in the field of foreign affairs upon graduating in May 2016.

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ccording to political scientist Robert Jervis, intelligence organizations do not necessarily hold prime positions for understanding revolutions and general political developments. “The CIA and its counterparts are in the business of stealing secrets, but secrets are rarely at the heart of revolutions,” Jervis writes.¹ Some would argue that one of the most significant instances of intelligence failure—what Jervis defines as “a mismatch between the estimates and what later information reveals”—occurred in the years immediately prior to the Iranian Revolution of 1979, as U.S. intelligence agencies mismanaged information about Mohammad Reza Shah and Iran’s domestic situation, or lacked information entirely.² Among the factors that contributed to this clear intelligence failure were the pre-existing beliefs that many American intelligence analysts held about Iranian politics, these analysts’ lack of comprehensive understanding about

the shah personally and politically, and their failure to fully recognize the importance of the religious component of the brewing revolution. about the shah personally and politically, and their failure to fully recognize the importance of the religious component of the brewing revolution.

Background

While Mohammad Reza Shah's rule experienced periods of political stability and prosperity, there were also times of unrest, economic decline, and growing tension between the shah's modernizing regime and traditional religious leaders. The regime's tenuous hold on power was challenged in the late 1970s by growing economic stagnation, undeniable social inequality, political repression, and cultural discrepancies between influential segments of the Iranian population. At the top of the Iranian social hierarchy was a small group of privileged urban residents that received the bulk of economic benefits, and beneath them sat a larger group of educated and reform-minded young professionals and bureaucrats, a growing middle class of smaller businessmen, white-collar employees, and middle-grade government servants that also emphasized the value of education.³ Below these groups were the remaining segments of society, including the bourgeoisie and bazaar merchants; the manual workers and low level government employees; and finally, the rural migrants, unemployed, peddlers, and urban poor, who did not receive much benefit from the country's economic gains as a result of the shah's policies.⁴ As Iranians—the educated young professionals and university students, in particular—realized that

the shah's rule was becoming increasingly repressive, they began to form the basis of the regime's principal opposition.

In the eyes of the U.S. Intelligence Community, the political realm of pre-revolution Iran was seemingly stable. A 60-page study completed by the CIA in August 1977, entitled "Iran in the 1980s," was based on the assumption that "the shah will be an active participant in Iranian life well into the 1980s," and that "there will be no radical change in Iranian political behavior in the near future."⁵ Perhaps most infamously, the CIA's National Foreign Assessment Center (NFAC)'s National Intelligence Estimate (NIE) on Iran in 1978 stated that Iran was "not in a revolutionary or even a pre-revolutionary situation."⁶ The NIE, Jervis notes, did not lead to much productive discussion on key issues surrounding Iran, as there was an unquestioned, unchallenged general consensus among participants in its drafting, and the final product embodied a writing style that was rambling, disorganized, and lacking a well-crafted argument.⁷ The Department of State's Bureau of Intelligence and Research (INR) did present a slightly less optimistic outlook than the CIA, indicating that the shah's prospects were "somewhat less favorable than portrayed in some parts of [the] NIE."⁸ The majority of the Intelligence Community, however, did not share this viewpoint.⁹

As the initial sparks of revolutionary action began to unfold, including the violent demonstrations in Qom in January 1978, American intelligence reports analyzing the situation in Iran slowly shifted in tone. Following the events in Qom, the NFAC reported that "religious dissidents would be considered a more serious threat if they were thought to be allied" with other opposition elements, not recognizing that the

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religious component of the opposition played a significant role already.¹⁰ In February, new reports claimed, “It seems likely that tension will continue between secular authority and the religious community with violence breaking out from time to time. Neither side will prevail completely but neither side can afford to capitulate.” This is yet another overestimation of the shah’s stability and underestimation of his opposition’s strength.¹¹

More disturbances throughout March and April indicated the growing dissatisfaction of conservative religious elements, though they were still not portrayed as overly dangerous threats to the regime’s hold on power. A mid-September 1978 edition of the National Intelligence Daily (NID) articulated the difficulties that the shah would face in dealing with the opposition pressure, indicating that the opposition leaders would have to show greater willingness to cooperate in order to reach a resolution. In the reports that began to emerge in the early fall of 1978, Jervis writes, the language shifted toward talk of problems and difficulties—both politically and economically—for the shah. “There is no sense that the shah will have everything his way. But the overall impression is still that he will probably be able to outmaneuver his opposition,” one report read.¹² It was not until the end of October in 1978—when the shah’s regime was unable to publicly divide Ayatollah Ruhollah Khomeini from less extreme ayatollahs—that the NFAC concluded that the shah’s chance of preserving the Pahlavi dynasty was substantially reduced, due to his failure to take action against his opposition.¹³

Political Analysis Falling Short

It could be argued that the central issue that caused the ultimate intelligence failure regarding the Iranian Revolution was related not to a misinterpretation of specific pieces of information, but rather to both a misguided analysis of the general situation before the revolution and strongly biased pre-existing beliefs about the events.¹⁴ For many American intelligence analysts, it was difficult to fathom that a well-entrenched leader such as the shah, with the support of powerful armed forces and security services,

could be overthrown, as indicated by then-director of Central Intelligence Stansfield Turner:

“We were aware the shah had opposition. One difficulty was it was hard to appreciate that a man who had the backing of the military and SAVAK [the shah’s secret police] would be toppled by people parading in the streets. When you make an intelligence forecast, you make an assumption.”¹⁵

Furthermore, many analysts did not look beyond the norm that had been established regarding the shah’s stability from the U.S. perspective: following the 1953 coup, the shah had turned Iran into “an oasis of stability in the Middle East” for the U.S, according to President Jimmy Carter, helping to contain communism and preserve access to oil reserves.¹⁶ With these facts in mind, analysts shared similar beliefs that fit pre-established views of the shah and had little incentive to challenge these beliefs.¹⁷ This mindset

President Carter and the Shah in 1977. © Owen Franken/Corbis



also negatively affected American policymakers' ability to remain open-minded in making foreign policy decisions regarding Iran. "Long-standing U.S. attitudes toward the shah inhibited intelligence collection, dampened policymakers' appetite for analysis of the shah's position, and deafened policymakers to the warning implicit in available intelligence," according to a report from the U.S. House of Representatives Select Committee on Intelligence.¹⁸

Seeing as many arms of the American intelligence and national security bureaucracies believed that the shah was stably in power, agencies were often inclined to forego staffing in their Iranian analytical sections, a destructive consequence of steadfastly accepting the prevailing notion on Iran.¹⁹ The CIA station in Tehran was understaffed immediately prior to the revolution, and there were only two political and two economic analysts dedicated to Iran at Langley, creating a small and isolated community of analysts addressing the situation.²⁰ Further, the agency almost exclusively utilized signals and imagery for intelligence assessments.²¹ The State Department and CIA had long since stopped gathering most of their own intelligence within Iran and relied heavily on SAVAK to share domestic intelligence.²² Not all of the collected information on Iran was available to analysts, who had limited opportunities to debrief embassy and Tehran station personnel and little control over what information they received; some evidence at the time pointed to the shah's vulnerability, yet it was scattered and ambiguous.²³

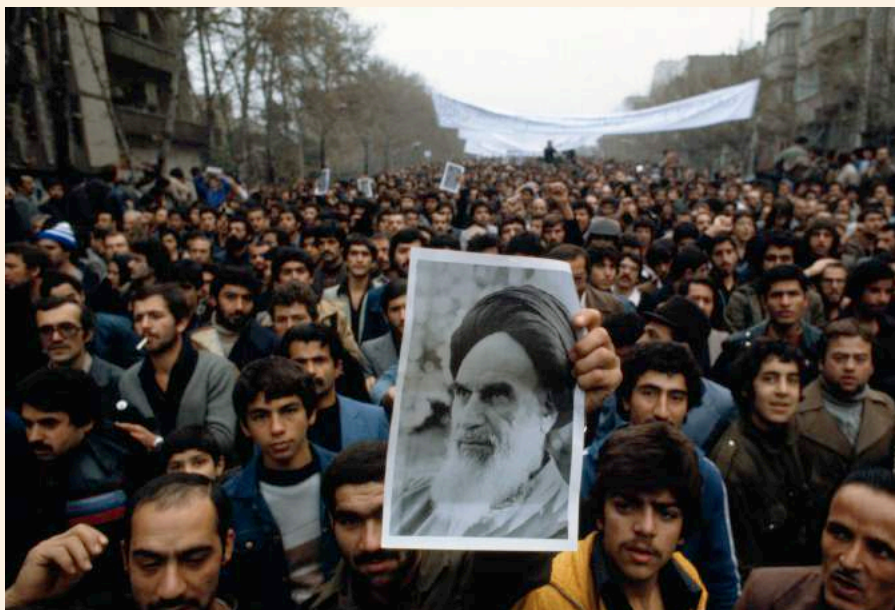
Beyond a lack of manpower devoted to Iranian issues, much of the intelligence that analysts had to work with yielded almost no information about non-elite segments of the population. The U.S. administration's contact with Iran was limited to primarily the shah's inner circle, the armed forces, and SAVAK, which left American analysts at a disadvantage in trying to understand the opposition that was mounting against the shah.²⁴ A CIA report published in August 1978 considered only the traditional elite power structure in Iran as a central factor in ensuring a future smooth transition of power after the shah, and did not consider the potential role of those in lower strata of society, who eventually became the central players in the movement against the shah.²⁵ Jervis suggests that

there were untapped sources of intelligence that could have led to a better understanding of the opposition, including the opposition press and American academics who had good relations with those making up the forces challenging the shah.²⁶

Weak Grasp on the Shah

Part of the U.S. Intelligence Community's belief that the shah was secure came from the assumption that he would use his power to crack down on any opposing force that sought to overthrow him—a course of action that he ultimately did not take. Analysts expected him to simply destroy the opposition and defy all predictions of his downfall, as he had done in the past. "Most diplomatic observers and dissidents agree that the shah has more than enough resources to crush any serious challenge to his regime," wrote William Branigan in the *Washington Post* in April 1978.²⁷ The CIA believed that the shah would in fact crack down if his rule was threatened, though it did not take into account that this contradicted its continual advice to the shah that he should pursue democracy and reform.²⁸ The Defense Intelligence Agency (DIA) did acknowledge the difficult situation that the shah faced in determining whether to impose force against his opposition, writing in August 1978, "The government will probably be able to handle the situation, but the shah is still faced with a dilemma: How to continue liberalizing Iranian society and maintain order at the same time without cracking down too harshly on the dissidents."²⁹ Jervis points to the hesitation that the shah showed toward using force as an additional reason for the instability of his regime:

"Vacillation not only cast some doubt on the expectation that the shah would crack down, but may have been an important cause of the growing unrest. On the one hand, the repressive incidents further alienated large segments of Iranian society and probably made people even more skeptical of the shah's professed desires to liberalize. On the other hand, the concessions to the protestors and the restraints on SAVAK weakened one of the main pillars supporting the regime and, more



Anti-Shah demonstrators supporting Ayatollah Khomeini in 1978. © Bettmann/Corbis

importantly, led people to see the shah as vulnerable.”³⁰

Overall, Jervis rightly notes that CIA analysts in the NFAC did not adequately analyze evidence regarding the threats to the shah’s power by not probing the shah’s tendency to shift from showing leniency to repression and back again for patterns that could indicate what would lie ahead in the future.³¹

In addition to not understanding the shah from a political standpoint, American analysts lacked an understanding of the shah from a personal standpoint, with regard to both his personal demeanor and health. If the CIA and other American observers had better understood the shah on these levels, Jervis argues, they would not have been so certain that he would act boldly to save his regime. He was more indecisive and hesitant than many believed, and, in the year before the revolution, he was further weakened by the deaths of two of his closest confidants.³² Perhaps most importantly, the CIA was not even aware that the shah was seriously ill. A November 1977 issue of the CIA’s *Weekly Summary* noted, “...there is no serious domestic threat or political opposition to the shah’s rule. At 58, he is in good health and protected by an elaborate security apparatus; he would seem to have an

excellent chance to rule into the next decade.”³³ This illness likely had a significant impact on the shah’s decision to zealously pursue rapid modernization for Iran. Increasingly aware of his own mortality, he attempted to realize his dreams for the country in a manner that eventually caused major disjuncture within Iranian society and growing discontent from the lower and middle classes.³⁴ In the face of mounting opposition, the shah also wavered due to his illness—he wanted to

pass on his rule to his son, though he knew that his son was not capable of running the kind of repressive regime that would be necessary for several years after a major crackdown. Further, his son did not have the unwavering loyalty of the military. Therefore the shah did not want to increase the sway of the military with a repressive movement against members of the opposition, only to see his son unable to manage strengthened armed forces.³⁵

Ignoring the Religious Element

The largest shortcoming as far as American intelligence analysts misinterpreting the Iranian domestic situation stemmed from their lack of emphasis on the importance of the religious dimension of the revolution. “The senior Iranian political analyst had a great interest in the religious establishment and had conducted thorough if descriptive research on this subject, but he did not perceive the beginnings of what we would now call radical or fundamentalist Islam,” Jervis writes. “It seemed inconceivable that anything as retrograde as religion, especially fundamentalist religion, could be crucial.”³⁶ Jervis also points to

four central elements of the religious-based opposition that contributed to its mass appeal and were not well addressed in American intelligence reports. First, there was a multitude of attacks on the shah for the ways in which he was changing Iran by allegedly ignoring the mullahs, disregarding many Islamic customs, denying key parts of Iran's past, and aiding the rich elite more than the poor.³⁷ Second, the U.S largely misinterpreted the nationalist element of the religious opposition. Iran, in the era prior to the revolution, was culturally impacted by the continuous struggle between the Western-leaning shah and the traditional members of the clergy. The shah, an unabashed Westernizer, was often considered by his opponents to be a "puppet" of the West, enjoying support from the United States and United Kingdom in particular, even owing the fact that he remained in power following the 1953 coup to these Western nations' intervention. Some argued that religious leaders—such as the shah's ardent opponent, Khomeini—were more attentive to all segments of society, including the urban poor that were largely ignored in the redistribution of land and wealth resulting from the shah's reforms. Analysts were aware that Khomeini was leading protests against the status-of-forces agreement that dictated the small American military presence in Iran over a decade earlier in 1964, yet they did not see that Iranian nationalism had shifted not against the U.S. directly, but against the shah, who was seen as easily manipulated by American interests.³⁸

Third, the populist tradition of Shi'ism, in which religious leaders gain and retain authority when followers recognize them as men of wisdom and piety, formed the basis for Khomeini's rising influence and apparent legitimacy over the shah. Fourth, and finally, there was an influential traditional role for Shi'ite clergy to act as spokesmen for political protests, a role

Khomeini was taking on without the CIA or other American intelligence agencies knowing much about him at all.³⁹ American analysts did not take Khomeini seriously because they were unaware of much information about him or the influence of other Iranian religious leaders.⁴⁰

The NFAC was, to some extent, aware of religious groups playing an important role in the revolution, and the problem was not that analysts missed a few vital facts that indicated the nature of these groups. Instead, their error appears to have been in a "general outlook [that] did not give credence to the links between the religious leaders and the grievance of wide ranges of the general population."⁴¹ This outlook powerfully influenced the interpretation of incoming information and led to analysts' apparent insensitivity to the possibility that a larger opposition could unite behind Khomeini. Among the most influential segments of the population to oppose the shah were students who supported Khomeini's protests. A June 1978 edition of the NID noted, "Militant students

Carter with top national security advisors, including DCI Turner. © Wally McNamee/Corbis



“In sum, former DCI Turner admitted that U.S. agencies fell short of fully understanding the religious dimension of the revolution.”

... added their weight to religious demonstrations this year,” yet many efforts by students received little attention from American officials.⁴² Their support for Khomeini could have “indicated that what he stood for was not as repugnant to the students as most U.S. officials thought,” and, on a larger scale, that Khomeini was able to attract followers from a wide variety of religious and social backgrounds:

“There were scattered reports that Khomeini ‘is widely respected among diverse opponents of the shah who do not necessarily share his religious beliefs, specifically leftist students ... among the devout bazaar merchants of the country, large sums of money are still collected in his name. These collections are voluntary, not by duress.’”⁴³

In sum, former DCI Turner admitted that U.S. agencies fell short of fully understanding the religious dimension of the revolution, saying, “We did not understand who Khomeini was and the support his movement had. We were just plain asleep.”⁴⁴

Qualifying the U.S. Intelligence Errors

While the consensus view holds that the U.S. Intelligence Community did not adequately anticipate the Iranian Revolution of 1979, Jervis—one of the CIA’s main critics—does acknowledge the points that analysts interpreted correctly, and the aspects of the situation that made successfully dealing with the crisis extremely difficult. With regard to positively impactful intelligence interpretation, American analysts were right to pay little attention to the communist Tudeh Party, not allowing the minor threat of this party to overshadow the more important issue

of general, widespread political unrest. Further, they correctly analyzed the unity and morale of the Iranian armed forces, recognizing that they would stay loyal to the shah and willing to execute his internal security orders until very late into 1978; the armed forces only wavered and defected once the shah appeared close to leaving Iran.⁴⁵

As far as obstacles that made the pre-revolution period particularly challenging for analysts, the Iranian Revolution—which embodied a mass uprising that overthrew an entrenched regime that boasted years of unbroken royal success and had the support of large and well functioning security force—was unprecedented. Even more unanticipated was the large number of unarmed people who were willing to repeatedly participate in mass demonstrations with the clear knowledge that they may be killed. The intensity of a feeling—in this case, the hatred for the shah—is hard to analyze, as individuals in the midst of a massive public protest do not frequently discuss the lengths to which they are willing to go to overthrow the regime. The motivations for such feelings are also difficult to understand when they are based on religion and analysts are viewing the circumstances from a perspective in a secular culture; this division makes it difficult to empathize with the members of the opposition and fully understand their beliefs, which provides some justification for American analysts’ failure to comprehensively grasp the religious aspects of the opposition’s argument. Lastly, in the case of this revolution in particular, events continued to unfold from the fall of 1977 onward, creating a pressure for analysts to keep up with the latest updates and inhibiting their ability to step back and assess the incoming information in the larger context of the entire revolution’s timeline.⁴⁶

Conclusion

According to former National Security Council member Gary Sick, a 1980 study by the Senate Select Committee on Intelligence found that, “intelligence collection and analysis were weak [prior to the Iranian Revolution] and that the confidence of policymakers in the shah, which intelligence reporting did not challenge, further skewed the U.S. reading of the situation and contributed to the warning failure.”⁴⁷ As it has been demonstrated, the Intelligence Community, and especially the NFAC, failed to foresee the course of events in Iran from late 1977 to late 1978. Despite a long history of contact between the United States and Iran and the ability of analysts—before pressure mounted in the summer of 1978—to focus on long-run considerations, assess developments, and reevaluate previous assumptions, the joint effort by several intelligence agencies inadequately covered the Iranian situation.⁴⁸ These errors came not only from misinterpreting the information and intelligence that was collected, but also from lacking significant sources and ranges of data that could have been useful in better understanding the crisis. Jervis claims that intelligence agencies are in the secret-stealing business, yet secrets are not frequently at the heart of revolutions. Higher quality, non-secretive information—acquired by means such as sending operatives to join the protests to learn more about the opposition on the ground—was needed for American analysts to get to the heart of the revolution, and properly anticipate the events that were to unfold in Iran.

ENDNOTES

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- 4 Ibid, 17.
- 5 Gary Sick, *All Fall Down: America’s Tragic Encounter with Iran* (New York: Random House, 1985), 92.
- 6 Richard H. Immerman, *The Hidden Hand: A Brief History of the CIA* (West Sussex, UK: John Wiley & Sons, 2014), 119.
- 7 Jervis, *Why Intelligence Fails*, 56.
- 8 Ibid.
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- 10 Ibid, 58.
- 11 Ibid.
- 12 Ibid, 60.
- 13 Ibid, 61.
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- 24 Immerman, *The Hidden Hand*, 119.
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- 34 Daugherty, "Behind the Intelligence Failure in Iran," 477.
- 35 Jervis, *Why Intelligence Fails*, 31.
- 36 Ibid, 25.
- 37 Ibid, 87.
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- 39 Ibid, 87.
- 40 Immerman, *The Hidden Hand*, 119.
- 41 Jervis, *Why Intelligence Fails*, 91.
- 42 Ibid.
- 43 Ibid, 92.
- 44 Wright, *Our Man in Tehran*, 42.
- 45 Jervis, *Why Intelligence Fails*, 36.
- 46 Ibid, 39.
- 47 Daugherty, "Behind the Intelligence Failure in Iran," 450.
- 48 Jervis, *Why Intelligence Fails*, 38.