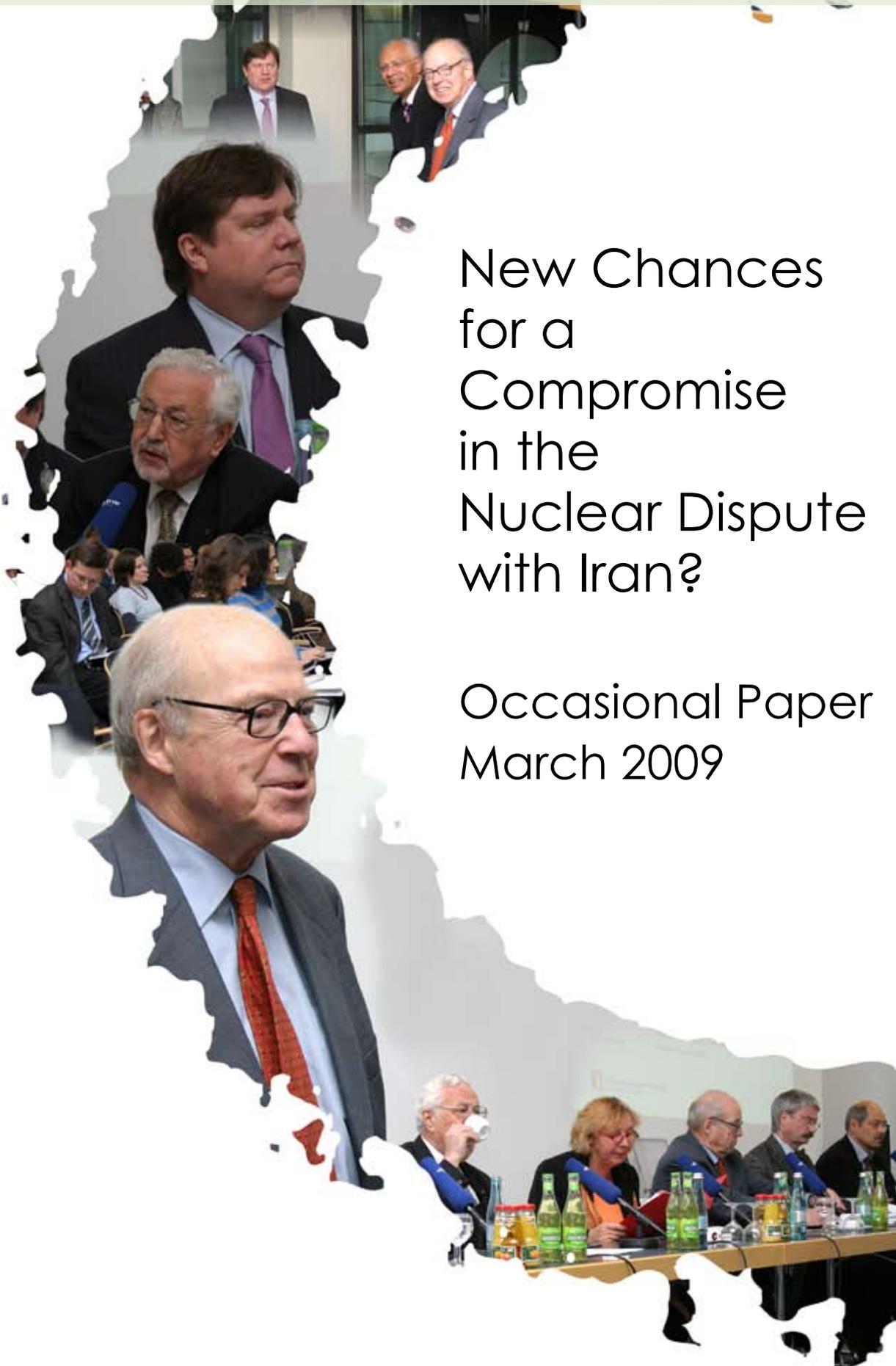




BONN INTERNATIONAL CENTER FOR CONVERSION

B I C C



New Chances for a Compromise in the Nuclear Dispute with Iran?

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New Chances for a Compromise in the Nuclear Dispute with Iran?

Conference documentation
with contributions by **Hans Blix, Ebrahim Yazdi, Jim Walsh,**
Bernd W. Kubbig, and Jerry Sommer.

The conference took place on 4 December 2008 in Bonn
at the Deutsche Welle

Jerry Sommer (ed.)
BICC
March 2009

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Preface

On 4 December 2008, the Bonn International Center for Conversion (BICC) and Deutsche Welle jointly organized a half-day conference on the nuclear dispute with Iran in Bonn, entitled “After the Elections in the United States: New Chances for a Compromise in the Nuclear Dispute with Iran?” With the forthcoming presidential elections in Iran in mind, one of the aims was to explore the interdependency of international politics and the internal development of Iran.

With this publication the main findings of this well attended conference are made available to the public. Our distinguished panelists were **Prof. Dr. Hans Blix**, former Director General of the International Atomic Energy Agency (IAEA); **Dr. Ebrahim Yazdi**, Secretary-General of the opposition party Freedom Movement of Iran; **Dr. James Walsh**, Research Associate at the Massachusetts Institute of Technology; **PD Dr. Bernd W. Kubbig**, Senior Research Fellow at the Peace Research Institute Frankfurt and **Jerry Sommer**, Research Associate of BICC.

BICC was founded 15 years ago after the end of the Cold War, when the expectations of a peace dividend were high; the need for conversion planning was great. At the Iran conference, which took place at quite an exiting, possibly even historic, time we dealt with a different kind of conversion—the conversion of policy. The Iran nuclear question was, and still is, at an impasse. But the “wind of change” is blowing through Washington. Although no new policy with regard to the Iran nuclear program has been worked out yet, President Obama has made clear that he wants to engage Iran and that he is willing to talk to Iran directly. However, it is not yet clear what exactly the new US Administration is willing to offer Iran and whether it will still be demanding the suspension and dismantlement of Iran’s

uranium enrichment program. Also, some high-level representatives of the Obama Administration have waved with ‘sticks’ threatening new sanctions and declaring that the military option is not off the table.

In Iran, President Ahmadinejad has reacted positively to the overture for a new beginning in the Iran-US relations. However, it is highly unlikely that Iran would yield to the demand of zero enrichment, which would surely be the first best option for excluding any nuclear proliferation danger in the Middle East. What other concessions the ruling élite of Iran would be prepared to make, does not seem to have been decided yet. Although the Supreme Leader of the Islamic Republic, Ayatollah Khamenei, will have the final say in any case, the results of the presidential elections of Iran in June will have some impact.

In these times of change, we hope to contribute with this publication to more insight into the Iran nuclear file, viable policy scenarios and possible ways to solve the problem. The contributions presented analyze various aspects of the dispute about the Iranian nuclear program from different points of view. As the readers will realize, some core issues are so central to the discussion that they will be touched upon in several contributions, thought from different angles.

Let me thank the authors who have updated and extended their presentations held on 4 December 2008 for this publication. Also, let me express my gratitude to the Stiftung Internationale Begegnung of the Sparkasse in Bonn, which through its funding has made the conference possible.

I wish you good reading and would appreciate your feedback on this so very important topic.

Peter J. Croll
Director, BICC

Introduction

I would like to welcome you to our conference on one of the main challenges facing the new President of the United States, Mr. Obama, namely Iran's nuclear program. With this conference we will shed some light on the possible impact of the political outcome of the elections on US policy toward Iran. The foreign policy of the United States over these past eight years of the Bush Administration with respect to the Iranian nuclear issue was not successful and was not able to achieve the goals the Administration had in mind. The hardliners in Iran are stronger than ever and the direct influence of Iran in the region has increased dramatically.

Based on this introductory description, I would like to add some thoughts on the importance of such conferences. They are important not only because they help us to better understand the political changes and events. We, in Deutsche Welle, can also benefit from them in our programs—in this case in our Farsi-Program.

As you know, in Iran information is largely controlled by the state. Departing from this fact, it is our duty as Deutsche Welle to fill the missing media gap in Iran through broadcasting radio programs in Farsi and publishing information on our Farsi-website.

The Iranian society is a young society. Nearly two-thirds of Iran's population are 30 years of age or younger. This fact has a great impact on the changing processes in this society.

Recently the "Association des Chercheurs Iraniens" ("The Association of Iranian Researchers") published the results of an Internet survey entitled: "Iranian Identity and the Future of Iran". This survey was an analytical observation of the responses of Iranians who were between 20 and 29 years old.

In the following, I will focus on some of the results of this survey to give you a better understanding of the anxieties and desires of the generation born after the Islamic Revolution in 1979. The results of this survey indicate clearly that the majority of this part of the population is mainly against the politics of the Islamic Republic at various levels. According to it, only six percent of this age group share the viewpoints of the regime. Furthermore, the majority of this age group identify themselves with Iran's ancient culture and civilization and not with the religious or ethnic issues.

Another point worth knowing is that this age group has little trust in the Iranian state broadcasters. They use foreign sources such as the Internet and the Persian language satellite broadcasts into Iran to obtain their information. More than 60 percent of the young Iranians use Persian language radio and TV broadcasts into Iran. They also use the Internet, even non Persian radio and TV.

Deutsche Welle has been broadcasting into Iran since 1962, and I am glad to say that, based on the mentioned survey, more than six percent of young people in Iran use our radio channel and website as a source for information. For us this is one of the reasons why we are organizing such conferences and covering them in our program.

I wish you an interesting and successful conference!

Sybille Golte-Schröder

Director, Asian programs of Deutsche Welle

Hans Blix

Means and hurdles for a solution to the Iran nuclear conflict

Some political leaders have said that only one thing would be worse than a military attack on Iranian nuclear installations, and this would be an Iranian nuclear weapon. In a similar vein, a columnist in the International Herald Tribune, on 25 November 2008, characterized a military attack on Iranian nuclear installations the “ultimate element of dissuasion”. I do not agree with either of the statements.

The threats of armed attacks on such installations probably do raise some fears in Iran and may even suggest to some that the nuclear controversy should be settled. However, to many others in Iran the threats from US aircraft carriers in the Gulf and from US and Israeli spokesmen are perceived as bullying and humiliating actions that must be proudly resisted.

An actual attack on numerous nuclear targets could perhaps prevent the production of highly enriched uranium and exclude bomb-making for a period of time. However, we might be rather sure that apart from many other results the reaction in Iran would be a determination to acquire a nuclear weapon. Would there be a readiness even to occupy Iran to prevent such evolution?

More helpful to put down the ‘stick’ than to wave it

I conclude that actual attacks and destruction are worse than the emergence of a nuclear weapon. Conversely, commitments

against any attacks might well lead many in Iran to the conclusion that Iran is in no need of a nuclear weapon. To reach a settlement it might be more helpful to put down the ‘stick’ than to use or wave it.

How optimistic can we be about the possibility of a settlement? It has been claimed that no country has ever reached the Iranian level of production and refrained from building the bomb. This is misleading. Japan, Brazil and Argentina are three countries that have developed enrichment capability but not made nuclear weapons. There are also cases of states freezing and abandoning nuclear plants. For a number of years North Korea froze its reprocessing plant and Germany abandoned the construction of a reprocessing plant. There are, of course, many examples of nuclear power plants stopped: in Austria, in Poland, in Sweden, in the United States, in the Philippines. There is no physical law that would stand in the way of a closing of Iran’s program for enrichment and its construction of a heavy water-moderated research reactor. The decisive factors are political. It is misleading to suggest that all political and diplomatic means have been exhausted and that only military action remains.

Let me start by saying that I think it would be highly desirable to persuade Iran not to continue the two programs that could lead to the production of weapons-grade uranium or plutonium in the future. In any politically sensitive region—both the Middle East and North East Asia are such regions—such production is bound to lead to a considerable rise in tension and risk domino effects. Israel’s reprocessing and bomb-making already contribute to the tensions. An Iranian program would not neutralize these effects but would exacerbate the situation.

Middle East zone free of enrichment would be preferable

Let me say that at this point I doubt that further investigations by the IAEA into the Iranian program are meaningful. They are ostensibly requested to enable Iran “to come clean.” However, state representatives who insist on further inquiries hardly hope that something will be found that enables Iran to “come clean”. They hope for finds that would strongly point to Iranian weapons intentions. The absence of such finds, on the other hand, would be unlikely to convince them about the absence of such intentions. How can you prove the absence of intentions? And supposing we could, how can we exclude that the intentions could be changed in the future? We cannot and that is the reason why Iran is asked simply to suspend the sensitive programs. This would at any rate delay the production of weapons, if the intention were there or were to arise.

Two further comments on this: First, one should be aware that a state does not really have intentions. Individuals do and it may well be that in Iran different groups have different intentions. Second, while I do not think there is conclusive evidence of a present intention to produce nuclear weapons I think those who are suspicious of Iran can point with justification to some circumstantial evidence, which shows that at some point such intention existed.

Recent public discussions about credibility of evidence obtained from a stolen computer raises memories of false ‘evidence’ presented in the Iraq conflict. On the other hand, it is hard to see that the construction of two nuclear power plants in Iran and even plans to build several more in the future suffice as an economic rationale for the enrichment program. Furthermore, as Iran does not appear to have much uranium in the ground it is hard to see that a reliable

indigenous supply of reactor fuel could provide an adequate rationale for the enrichment program. Third, if Iran had wanted to avoid suspicions it should not have chosen to build a heavy water research reactor, as these are good plutonium producers.

The means used so far to persuade Iran

Incentives and disincentives have been used to persuade Iran to abandon the sensitive nuclear programs.

The disincentives are of a military, economic and psychological nature and they are real:

- US warships in the Gulf and support for subversion aiming at a change of or a weakening of the regime;
- Large Israeli air maneuvers over the Greek archipelago;
- Restrictions in trade and investments, some mandated by the Security Council, others initiated by the United States and followed by a number of other states, notably within the European Union;
- Diplomatic isolation, notably by the United States.

The incentives are only lying on a table to which Iran is not invited unless it first gives what the other side wants—a suspension of sensitive nuclear programs:

- The lifting of trade, economic and investment restrictions;
- The support for Iranian membership in the WTO;
- The support for the Iranian nuclear power program.

Preconditions have been a mistake

Suspension of the sensitive nuclear programs—notably enrichment—is thus made

a precondition for direct negotiations about the incentives. Like many others, I think that to set a precondition has been a mistake. It is a little like saying to strikers, "We consider giving you the following benefits, but we will only sit down with you and talk about it when you have ended the strike ... " If the other party is desperate enough for direct talks you might squeeze out concessions for sitting down, but if the party is not that eager, you just get delay. This is what has happened in the case of Iran. Meanwhile, as the number of centrifuges and quantities of enriched uranium have gone up, it is not Iran but the other side that is getting anxious. They have painted themselves into a corner.

There is another unfortunate aspect. Iran—like other states—wants to be treated with respect. Just like statements such as "Iran must behave itself", demands for prepayment are likely to be perceived as humiliating. They probably do not prevent talks through various back channels but they will not improve the chances of success in such talks. Mr. Obama has come out in favor of direct talks with adversaries. Direct talks at the diplomatic level instead of artificial roundabout ways would remove an unnecessary obstacle but they do not, of course, remove the differences on substance.

The aim of negotiations should obviously be 'a possible solution', but we cannot know if and on what formulae agreement could be reached. Parties may declare various red lines. Iran has indicated that it could accept foreign participation and far-reaching inspection but has not retreated from the position that enrichment must take place in Iran. The other side has indicated some flexibility as to what it might be willing to pay but rigidly insisted that no enrichment take place in Iran. Only talks will show if agreement can be reached.

Despite all apparent red lines there could be plans B, and C, and D.

A broadening of the scope of the talks to cover wider regional security-related concerns of the parties is a possibility. This could bring more chips on the table, which could facilitate finding agreement but could also be used for procrastination. For instance:

- Iranian support to groups in Iraq, to Hezbollah and other groups could be brought in.
- One option could be to aim for a zone free from all fuel cycle activities. In such an approach Iran would stop enrichment, Israel would stop the Dimona reactor and further reprocessing, and other states in the region poised to embark on nuclear power would commit themselves not to engage in enrichment or reprocessing.
- If a Middle East peace settlement were to move forward, another option could arise: agreement on a zone free from both weapons of mass destruction and fuel cycle facilities.

There could also be plans X, Y and Z that would accept enrichment in Iran but would subject it to various restrictions in the shape of foreign participation and far-reaching inspection. Such plans have been sketched by interested groups.

Hurdles for Iran and necessary US incentives

I shall not explore any of these many options but only discuss the more limited one, which has been on the table so far: Iran foregoing sensitive nuclear activities in return for a negotiated quid pro quo. There are a several hurdles to be overcome. The first possible hurdle is that the more Iran has invested in the programs the more reluctant it will be to lose investments and accept any mothballing or dismantlement. Nevertheless, economic hurdles are not insuperable. The world has seen many expensive nuclear schemes abandoned.

The second is that Iran claims that the rationale for the enrichment program is a need for an assured supply of uranium fuel. It should not be beyond imagination to construct adequate guarantees for fuel supply.

The third, and major hurdle is that despite consistent Iranian denials, a rationale for the enrichment program could be a wish to build nuclear weapons or to have a capability to produce them. To remove or weaken such a wish, if it were to exist, one would need to understand the reasons for it. Although the possible reasons could be manifold, two stand out:

- Security reasons, perceived as compelling, are often behind nuclear weapons programs, and in the 1980s Iran—like Israel—may rightly have suspected Saddam Hussein of moving toward nuclear weapons. However, in 2008 Iran cannot feel a nuclear threat from any of its neighbors. Iran must also know that Israel is a threat only if Iran pursues sensitive nuclear programs. Only the United States with policies of regime change and a large military force in the Gulf can be perceived by Iran's government as an acute threat.
- Status reasons—a quest to be recognized—are sometimes an incentive to acquire nuclear weapons. Iran might wish to convince the world that it cannot be ignored or treated like a pariah.

There are some measures that the US Administration could take to remove possible Iranian security and status reasons for seeking nuclear weapons. In return for Iran not pursuing sensitive nuclear programs the United States could—as it does in the case of North Korea—offer guarantees against attack and attempted regime change and diplomatic relations.

There is no certainty that such offers within a larger package would lead to success. However, before they are explored in direct talks it seems absurd to claim that diplomatic means have been exhausted.

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Ebrahim Yazdi

Nuclear program, sanctions and democracy: A view from Tehran

The interdependency of international politics and Iran's development may be examined through the influence and consequences of two momentous events: the end of the Cold War in 1991, and the election of Barack Hussein Obama in 2008. Political imperatives, which dominated international relations during the Cold War, have been replaced by economic ones. But long-term strategic economic planning, at both national and international levels, demands political stability in the form of democratic development. One consequence of the end of the Cold War was the removal of one major political obstacle to democratic development in many 'Third World' countries. The result has been a wave of democracy all over the world.

Democratization of the political system in a given country leads to political and economic stability. Initially, democratization drives the presence and participation of all political forces, whether minority or majority, into the processes of decision-making. This then gives legitimacy to all decisions being made. Later, this broad participation and legitimacy increases the likelihood of continuity of long range national plans, particularly economic plans. Countries where the group in power does not recognize or tolerate political opposition groups and seeks to denigrate their values and delegitimize their activities are harmed when it comes to long-range political and economic stability.

A second important characteristic of a democratic system is orderly and nonviolent replacement of political players. In the democratic process, a minority opposition party may become the majority. Power

holders freely give way to the new group. But in many developing and/or newly independent countries such as Ukraine and Georgia, entrenched authorities refused to accept the results of free elections. The consequences have been the so-called velvet and orange revolutions and continued political unrest. In some developing countries such as in Iran, the people in power consider themselves to be the sole legitimate keepers of the system, appointed by God. In their logic, any attempt to replace them through a free and fair election is branded as "soft" and/or "legal subversion", of the velvet and orange revolution type, but subversion nonetheless.

Interdependence of economy and democracy

If one considers the interdependency of strategic economic relations and democratic development as a necessity for political stability, then for the first time in the history of many developing countries—and Iran in particular—the overall strategic economic interests of developed countries of the West have become aligned with the national aspirations of our people with regard to liberty and popular sovereignty. Democratization is not an American design or policy; it is the requirement of our time and a by-product of the global information revolution. In today's global village, the economic interests of Western countries depend on the institutionalization of democracy in developing countries. In other words, the fulfillment of the national goals and aspiration of countries like Iran is no longer in conflict with Western interests. And likewise, in a true democratically-elected government, no economic relations with foreign countries would be accepted or tolerated if they were in conflict with national interests.

Now let me proceed to the second and more recent event, the election of Barack

Hussein Obama as the President of the United States of America. Mr. Obama's campaign slogan was "change", and I assume he meant primarily change inside the United States. With his election, already some fundamental changes in US American society have taken place. The United States I knew, living there in the 1960s and 70s, has manifestly transformed itself. I arrived in America in the years of Kennedy, Martin Luther King, and Malcolm X. There was great promise of change at that time, then tragedy and disappointments struck. A change is long overdue.

Global cooperation needed rather than American global leadership

What he will or can do to change America is not the issue here. The relevant issue is what changes he will bring to US policies and actions in the Middle East, and Iran. Dr. Zbigniew Brzezinski, in his recent book, criticizes the foreign policies of the outgoing Administration as being domineering. He still considers the United States to be the greatest economic and military power of the world, but advocates global leadership instead of global domination. Mr. Obama will most probably follow Dr. Brzezinski's recommendations. I disagree.

International relations in our global village are such that regardless of US economic or military might, the most successful approaches will be based on global cooperation, not American global leadership, to say nothing of global domination. The policies of global domination or leadership are both based on the presumption of US economic and military superiority and require the acceptance and submission of other countries to this superiority. The proper management of the affairs in our global village requires cooperation of not just highly developed Western countries, but rather all countries, small and big, weak and powerful,

underdeveloped as well as developed. Without such cooperation, global peace and prosperity will not be achievable in this new age.

Iran and US animosity

President Obama has promised to end US military involvement in Iraq and Afghanistan. Can this be done without Iranian cooperation? Can Mr. Obama overcome 30 years of mistrust and animosity between the two countries? Is there sufficient will within the ruling élites on both sides to overcome internal political hurdles to reconciliation between these two nations? If the will is there, he can find ways to do it. In the case of Afghanistan, Iran fully cooperated with the United States to overthrow the Taliban government and used her influence to convince all Afghan groups to support the new government. But what was the outcome? Iran was rewarded for her assistance by being placed at the center of President Bush's "Axis of Evil". After the tragedy of 9/11, many Iranians expressed their condolences to the American people. The Bush Administration, however, ignored this and other Iranian humanitarian gestures altogether and failed to seize an opportunity.

US administrations have articulated four major complaints against the Iranian government:

- Iran's nuclear technology program;
- Iran's opposition to the "peace process" between Israel and the Palestinians;
- Iran's support of terrorists groups;
- Iranian government violations of the human rights of Iranians.

Nuclear power is not necessary for Iran ...

As far as Iran's nuclear program is concerned, the position of my party, the Freedom Movement of Iran, as an opposition

party, and the views of many Iranians, based on our own national interests and security may be summarized as in the following. Many Iranians have raised serious questions concerning the advisability of nuclear energy production for a country such as Iran. Iran is one of the largest oil producing countries in the world and has the second largest reserves of natural gas. Iran is a country with more than 70 percent direct sunshine year-round. Nuclear energy production is, compared with other sources of energy, very expensive economically and complicated technically. We therefore question, on economic and technical grounds, why Iran should invest in nuclear energy technology when other, more profitable and safer investments are available.

...but for Iranians to decide about

That said, Iran is a signatory to the Non Proliferation Treaty (NPT), entitling Iran to acquire nuclear technology for non-military purposes. Iran should not be denied this right. Although many Iranians have serious objections and reservations to nuclear energy production, it is up to Iranians to decide. Foreign powers should not be deciding this issue on our behalf as they have done in the past with our oil industry. That ended in 1979.

As a signatory to the NPT, Iran is also committed and obliged to completely observe the NPT Safeguards Agreement, and, as a confidence-building measure, observe the Additional Protocol as well as to cooperate fully with the IAEA. The IAEA argues that Iran was and is involved in covert undeclared nuclear activities. Iran did not report to the Agency at the time some of her nuclear projects, such as uranium enrichment in Natanz, yellowcake production in Isfahan, and the production of heavy water in Arak. In addition, there is not yet one operational

nuclear reactor in Iran. The one under construction in Bushehr is not yet operational. The Russians are repeatedly postponing the opening of Bushehr nuclear reactor. This circumstance raises the question: Of what use is our Iranian-enriched uranium? According to a recent Agency report, Iran has cooperated with the IAEA, however, it refused to allow Agency inspectors to visit the Arak heavy water production facilities. Also, Iran did not accept an offer made by the group of 5+1 to replace the heavy water production with a light water facility. In addition, Iran continues the enrichment of uranium despite the Agency's objection and the UN resolutions.

Group of 5+1 offers needs additions

The package deal offered to Iran by the group of 5+1 could be a working basis to resolve the current impasse, provided some revisions and additions are introduced to it. Some additions may be, for example, an end to US opposition to the construction of pipelines that transport oil and gas from central Asia through Iran to Europe and to the Persian Gulf. The same may be applied to the construction of a pipeline for Iranian oil and gas to India via Pakistan. Many Iranians do not agree that the enrichment of Iranian uranium should be transferred to Russia. Iranians do not trust Russia. In the past, Iran had, and rightly so, proposed the formation of an international consortium to manage uranium enrichment facilities inside Iran. Under the present environment of mistrust this does not seem to be viable, but if negotiations continue and Iran accepts some sort of package deal, then the needed international trust could be built, and the formation of such a consortium would be realistic.

The problem seems to be the Iranian government's unwillingness to resolve the

nuclear issue. The reason, some in Iran believe, is that resolving the nuclear issue will not end the dispute between Iran, and the Western countries and the United Nations. There are other issues more serious than the nuclear program, such as human rights violations, which would then rise again to the forefront as they did before the nuclear issue emerged. Human rights violations in Iran are severe, blatant and widespread. Members of political opposition groups, labor and teachers' unions, student organizations, women's rights groups, and even the Shia clergy who disagree with the official doctrine of Velayate faqih ("Islamic Government"), are routinely suppressed and subjected to arbitrary arrests and detention.

Human rights violations in Iran and the sanctions

To Western countries, Iran's nuclear program may be more urgent than any other issue. But to Iranians it is diverting the world's attention from the gross violation of human rights and the absence of democracy in Iran. Iran has signed the NPT, but let us not forget that it has also signed the Universal Declaration of Human Rights and related international covenants. Article 9 of Iran's Civil Rights Code clearly declares that those international agreements and conventions that have been approved by Iran are considered Iranian laws and should be observed by Iranian authorities. But Iranian authorities do not respect these international commitments and obligations. Furthermore, they even discard the articles of Chapter 3 of Iran's own Islamic Republic Constitution with respect to the basic rights and liberties of our people.

To most Iranians, the gross human rights violations in Iran is a greater threat to the national interest and security of Iran and to peace in the region than our nuclear program. Restoration of human rights is a

prerequisite to the progress of democracy in Iran. Democratic development, the bedrock of economic and political stability requires reliable and permanent solutions to the ongoing problems with Iran, and within Iran.

The sanctions that have been applied by unilateral decisions of the US government or via UN resolutions have not been effective in forcing Iran to comply. On the contrary, these sanctions are actually hurting ordinary Iranians, not the authorities. Furthermore, the overall climate of confrontation created by US administrations provides excuses to Iranian authorities to put more pressure on political activists and is thus hurting the cause of democracy in Iran.

Iran is no obstacle to peace between Israel and Palestine

As far as peace in the Middle East is concerned, we do not believe Iran is an obstacle to the peace. The solution to the conflict is now very clear; it is the so-called 'land for peace' notion. There is universal consensus on the issue. The Arab governments unanimously adopted and declared that if Israel abide by UN resolution 242, withdraw from land occupied in June 1967, and recognize an independent Palestinian state in these lands, then they would all recognize Israel and establish full diplomatic relations. In addition, King Abdullah of Saudi Arabia announced that if Jewish settlers in the West Bank are not willing to stay there and live there as Palestinian citizens and wish to leave, Saudi Arabia would pay US \$10 billion as compensation, to them.

There is a historic chance for a just and lasting peace in the Middle East. The burden of peace is on Israel. Is Iran the real obstacle in the peace here? If Israel acts now and this peace is achieved, could Iran do anything to block it? It does not seem likely. On the contrary, two former Iranian presidents, Hashemi and Khatami, have stated publicly

that if the Arabs, including the Palestinians, agree with Israel on a particular peace plan, Iran will go along with their decision.

The US government also claims that Iran is supporting Lebanese and Palestinian terrorists. Iran does not hide or deny the support of several groups. Iran, however, based on the UN definition of terrorism, considers them as groups defending their homeland and resisting an invading army, not terrorists. Nevertheless, with the emergence of peace, this issue would become obsolete. Peace means Israel would evacuate the Shaaba farms in the south of Lebanon. Lebanon's leaders, including Hezbollah, have agreed that after the evacuation of these farms by Israel, Hezbollah would lay down their arms and become a political party.

These four issues are often stated as the primary blocks to reconciliation between the Iran and Western nations. But on the other side, there are burning challenges facing both Iran and Western nations and other leading powers that we suffer from in common and which cannot be resolved unless we work together. President Obama has stated his view clearly on this, that America needs the cooperation of the world to solve the problems of the world. Iran shares with other nations in suffering from the scourges of terrorism, environmental degradation, energy insecurity, drug addiction, infectious disease epidemics, financial instability, refugee migrations, and the list grows. The incentives for Iran and the USA to begin working together to address these common challenges should also be kept in mind.

Unconditional, comprehensive negotiations would be best

The real underlying problem between the United States and Iran is hence not on the list of the four issues above. There are thirty years

of distrust and animosity between the two, a climate that has been reinforced internally in the populations on both sides by decades of propaganda. To resolve outstanding issues and reach a degree of reconciliation, first there must be a will for reconciliation and then negotiations. To many Iranians, the best course of action for the new Obama Administration and for the European Union, as well as for Iran, is unconditional, direct, overt and official rather than tactical negotiations on one single issue, such as security in Iraq. They need to be of a serious, comprehensive and strategic nature, covering all differences and communalities. Such a step will send a powerful signal to people on both sides and in other nations that Iran and the United States are building the basis for trust and cooperation. This in turn, like the ending of the tensions of the Cold War, will hopefully permit the wave of freedom and democracy to reach Iran as well.

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¹ A compilation of political essays on Iranian foreign affairs from 1980-2004.

² A history and memoirs of the student movement and activities of Ebrahim Yazdi during this period.

James Walsh

Multilateralizing Iran's fuel cycle: The viable policy option

The newly elected president of the United States comes to the office facing an unusually large number of domestic and foreign policy challenges, not least of which are a domestic (and global) economic crisis, a war in Iraq, a war in Afghanistan, concerns about Pakistan (and India), an ongoing struggle against terrorism, and renewed violence in the Middle East.

Tucked in among these problems is the dispute over Iran's nuclear program—an issue that will become more insistent over time as Iran continues to add to its inventory of centrifuges. Indeed, while the economic crisis will wane over time and stability, however fleeting, may return to conflict zones, it is almost certainly the case that Iran's enrichment program and the perceived threat that it poses will only increase during President Obama's term. This is not simply an American problem, however. Europe has been and will continue to be at the center of policy towards Iran. It is a European problem with much at stake politically for Germany, Great Britain, and France.

This contribution takes stock of the Iranian nuclear issue as we begin a new chapter in US foreign policy under President Obama. It begins with a brief review of current US (and European) policy towards Iran and the limits of this approach. It then considers an alternative path, one based on multilateralizing Iran's fuel cycle activities. Both the benefits and potential costs of such a proposal are considered. The contribution then turns to President Obama and the actions he is likely to take towards Iran, as well as Iran's likely response. The contribution

then examines Europe's role and its potential contribution to a resolution of the Iranian nuclear controversy. It concludes with some unsolicited advice for policymakers and a brief consideration of future events.

Current US policy: Sanctions first...

The US government's response to Iran has included a number of initiatives, including:

- diplomatic pressure and sanctions at the United Nations Security Council (UNSC);
- financial pressure using US national legislation and in coordination with European allies; and
- reassurance of US allies in the Gulf and Middle East (e.g., arms sales, repositioning of carrier groups and other military assets), and diplomatic engagement, e.g., Secretary Rice's May 2006 offer that the US government would enter into direct talks with Iran once Iran verifiably suspended enrichment.

The variety of policy instruments notwithstanding, the heart of the US (and increasing the European) strategy has been sanctions. This has become especially evident beginning in the Summer of 2006 with the first set of UN sanctions and attempts to tighten bilateral sanctions. Indeed, for much of the period since then, when US officials have spoken of "diplomacy", what they have really meant is "sanctions", which is offered as the alternative to the use of military force.

The sanctions policy has imposed some costs on Iran, mostly on the margin. Sanctions have doubtless proved inconvenient and have contributed to Iran's rate of inflation. Any objective assessment, however, would have to admit that sanctions are a relatively small variable in Iran's economic performance. Far greater in importance are the price of oil and the domestic money supply. Iran's economic problems, which pre-date the recent decline in the price of oil,

are largely of its own making, but sanctions have added to them.

The question, however, is not whether sanctions impose costs. It is whether sanctions will induce Iran to forgo enrichment. There are strong reasons to doubt this, not least of which is the record to date. Even as the international community has imposed sanctions, Iran has moved forward with the construction of centrifuges. In the race between sanctions and centrifuges, the centrifuges are winning.

...is not working

Looking forward, this is unlikely to change. Sanctions are, after all, a long-term strategy. When they work, they work because of the effects they have over a period of years. By contrast, the problem of centrifuges is a near-term issue. Even if a sanctions strategy could work, by the time it imposed its biggest bite, Iran would already have built tens of thousands of centrifuges.

Recently, the sanctions-are-the-answer camp has suggested that Iran's current economic problems, combined with sanctions, will do the trick. This is a serious misreading of the situation. Iran's economic difficulties give it cause for wanting to negotiate but not to capitulate. The current price of oil does make it an opportune time to seek a diplomatic solution, but those who believe that economic pressure will induce the regime to dismantle all its centrifuges (the zero option) are deluding themselves. It is worth remembering that Iran fought an eight-year war against Iraq during which the entire world isolated it and backed its adversary. Bad times alone are unlikely to induce a complete reversal that entails a profound loss of face. Moreover, it is just a matter of time before the price of oil begins to rise. The United States and Europe should most certainly seize this opportunity to pursue

negotiations, but it would be foolish to overplay their hand.

As it stands, the new American president has said that he prefers a diplomatic solution and would drop the precondition of suspension of enrichment that has so far prevented more serious negotiation. That is all to the good, but it is not enough to talk, one has to have something to say. The US side should not think that by simply declaring that it is willing to negotiate everything will suddenly be resolved. Real differences remain. If the United States agrees to talk but insists that the only possible outcome is that Iran dismantles all its centrifuges, no progress will be made.

Multilateralizing Iran's fuel cycle

So what should the position of the United States be? As it stands, negotiators face a dilemma. Iran's minimum position is that it must have enrichment on Iranian territory. The US minimum position is that Iran have zero centrifuges.

In a piece in the *New York Review of Books*, William Luers, Thomas Pickering, and myself attempt to square this circle with a proposal for multinationalizing Iran's fuel cycle programs (Walsh et al., 2008). Applied to the Iranian case, multi-nationalization would involve the conversion of Iran's existing national enrichment facilities into multinational facilities. Iran would continue to own its technology, but the management and operation of the program would be shared with other governments.

We foresee this multinational arrangement operating under a new, enhanced inspection and verification program—thus accepting Iran's offer to provide "objective guarantees" that its program is for peaceful purposes only.

The end result would be an arrangement that allows for enrichment on Iranian soil with the participation of Iranians but that would not be a purely Iranian program. It would instead be multinational. A multinational structure would enable Iranian politicians to tell their citizens that they achieved their objective—enrichment on Iranian soil—but under a structure that would give the international community high confidence that the program would not lead to the acquisition of nuclear weapons.

We are not the first to propose multinationalization, and there are many ways to structure it. Ours is noteworthy, because it would apply to Iran's current inventory of centrifuges and not require the transfer of new centrifuge technology as some have proposed. It would also rely on government partners, not private firms, as the primary actors. Given the nonproliferation and national security dimensions of the project, it makes sense that governments, not private businesses, be the main players.

Multi-nationalization carries both potential benefits and risks. Both must be compared to the alternatives. In this case, the most likely alternative is not zero centrifuges in Iran (the current policy goal) but rather a continued stand-off in which Iran builds more centrifuges, the international community imposes new sanctions, Iran reduces cooperation with the International Atomic Energy Agency as retaliation for the sanctions, and the United States and Europe become increasingly fearful as their knowledge about Iran's activities declines (as a result of reduced IAEA cooperation).

Indeed, we are not suggesting that multinationalization is the best outcome. The best outcome would be zero centrifuges, but zero is a highly unlikely outcome. And unfortunately, by insisting on the best outcome and only the best outcome, we will instead get the worst outcome—tens of thousands of Iranian centrifuges under

limited or no safeguards with ever declining transparency and confidence. In short, this is a classic case of the perfect as the enemy of the good.

Benefits of multinationalization

In fact, there is much good that would come from turning to the second best option. First, it would reduce the chances that Iran will develop nuclear weapons. With the increase in transparency that comes with personnel on the ground and enhanced verification, an Iranian leader will be less likely to pursue a military option. As was the case with Saddam Hussein and has generally been the case throughout the nuclear age, governments do not like to pursue weapons programs when there are foreign observers on their territory. In short, ever-present scrutiny deters.

Second, should the Iranian government decide to pursue nuclear weapons despite these obstacles, the heightened transparency will provide better early warning and thus more time to act and prevent a successful nuclear program.

Third, a multi-national option reduces the odds of a military strike by Israel or other states against Iran's nuclear facilities. No country would be inclined to attack a facility if it meant killing innocent, international personnel. Absent that kind of constraint, the use of military force is possible if not likely and would have disastrous consequences—for the region, for the price of oil, for the struggle against terrorism. Most importantly, it would all but guarantee a decision by the Iranian government to pursue nuclear weapons, a decision that would be supported across Iran's entire political spectrum.

Fourth, finding a way to resolve the nuclear issue will pave the way for progress on other issues with Iran. It could create momentum that would allow Europe and the United States to work with Iran on common interests (Iraq, Afghanistan, fighting the drug

trade, energy and the environment) as well as address the differences in these relationships, e.g., Hezbollah and the recognition of Israel.

Fifth and finally, the multinational option provides a path that would enable a future Iranian leader with a face saving way to walk away from the nuclear program if he or she should decide that it is not worth the effort. Given the pride and national investment already devoted to the program, this would be very difficult to do politically if the enrichment program were to remain a purely national enterprise.

Objections

Of course, no policy is perfect. All carry risks, and this is true of the multinationalization option as well. Some have objected to such an option because they fear that it will help Iran become a nuclear power, not hinder it. They contend that Iran will improve its knowledge thanks to its international partners or divert material or technology from the multinational program to a clandestine program or kick out the international team and take over the facility for themselves.

As for improving Iran's knowledge of centrifuges, Iran is already operating more than 5,000 centrifuges, so it is difficult to imagine that they have much too more to learn or would not learn it on their own in time. As for diversion, the IAEA is exceedingly skilled at detecting diversion. This is what they do, and they do it well. As for re-nationalization, it is possible, but it would represent no difference from what would have happened anyway had Iran's program remained a nation venture, as is currently the case. Moreover, such an action by Iran would give the international community cause for action, something that would not be the case if Iran were to suspend enrichment and then restart at a later point under purely national auspices.

Others reject the multinational enrichment option on allegedly moral grounds. They maintain that this course would reward Iran for its bad behavior. Many who hold this view concede that Iran is unlikely to give up its program and that if we continue along the current path, we will get a worse outcome than that provided by the multinational option. No matter, they say. Better to remain pure for the sake of the nonproliferation regime.

Such a position requires both a short-term memory and an unusual definition of what is 'good' for the nonproliferation regime. After all, most observers agree that the settlement with North Korea is an improvement over the Democratic People's Republic of Korea continuing as a nuclear weapons state, even though North Korea violated its Non Proliferation Treaty obligations. Some who oppose the multinational option with Iran nevertheless supported the US-India nuclear deal, the US alliance with Pakistan despite its nuclear status, the US alliance with Israel despite its status, and so on. Moreover, it is hard to see how it is better for the non-proliferation regime that Iran becomes a nuclear weapons state, rather than enter a multinational enrichment arrangement.

What will Obama do?

Despite the strength of the multinational option, it is not at all clear what President Obama will do on the issue of Iran. He comes to office committed to negotiation without precondition. He has also pledged to get the United States out of Iraq and to bring stability to Afghanistan, both of which will be difficult to do if Washington and Tehran continue to have hostile relations.

Still, Obama appears to be a cautious actor, and the foreign policy team he has selected seems no less cautious. There is no sign, either based on the rhetoric coming out of Washington or the early personnel

choices, that the new president will move past the Bush policy of sanctions first and of threatening that "all options are on the table." While Obama says he wants to talk, there is yet no indication as to what his Administration will propose in negotiations. Given the number of issues he must address at the outset of his presidency, it would seem likely that Iran will not be an initial focus and that US policy will remain more or less the same but with a nicer face. Call it a kinder and gentler version of the Bush policy.

This is not a recipe for success. Instead, it has all the signs of yet another example of a missed opportunity in US-Iranian relations. If true, it may prove more costly than the other missed opportunities, however, if only because the "steady as she goes" approach may take us down a path that later results in military conflict, i.e. before Obama's tenure is complete.

In Washington, there remains a small but vocal minority pushing for military action. They are not going to go away, and their voices will grow louder as Iran's centrifuge inventory grows and the standard 'carrots and sticks' approach fails to produce results.

Among the community of non-proliferation specialists in Washington, there is still the hope that Iran will dismantle all its centrifuges if only there were thornier sticks and juicier carrots. I have called this the school of "wishful thinking." This view has dominated the beltway for years, but there is a shift underway. Increasingly and reluctantly, analysts are concluding that the zero option is unrealistic and that another option is needed. This view is still a minority view, but it is growing in strength. Whether it can grow fast enough to matter, grow faster than the chorus for military action, remains to be seen.

Despite what has been written here about the likelihood that Obama will remain a prisoner of previous policy towards Iran, it has to be said that it is still very, very early, and

hard conclusions are unwarranted. He did not arrive to the presidency as a conventional candidate, and as with most presidents who come to power following the tenure of the opposition party, there will be a strong bias against the ways of the previous administration. The degree to which Obama's Iran strategy will represent a real change from the past may depend on the extent to which he personally owns the issue. Given his agenda, however, he is not likely to make it his own early in his term and will instead delegate. At some point, however, he may decide or may be forced to focus his personal attention on it. Perhaps at that junction there will be a real opportunity for a transformation in US-Iranian relations.

How will Iran respond?

The sad history of US-Iranian relations reminds us that even if Obama is genuine about a new approach it does not guarantee success. At various points in the past, one side has been ready to reach out but the other was not. Back and forth it has gone.

Is Iran ready for a new relationship with the United States and Europe? Yes and no. Iran is a fractious country with many opinions on any one subject. There are those who want a better relationship with the United States and those who do not. There are officials who want to negotiate the nuclear issue and others who want to move full speed ahead. These differences are not simply conservative versus reformer. Within the 'principalist' camp, there are many conservative leaders who feel that President Ahmadinejad has been unnecessarily confrontational on the nuclear issue and that the incentives offered by the European Union present an attractive package.

It also has to be said that while there are many opinions, most fall along a relatively narrow continuum. At one end of that continuum is a broad consensus that Iran

should possess civilian nuclear technology, including enrichment—though the concept of ‘having enrichment’ is not precisely defined. At the other end of the continuum is the majority view that the nuclear dispute should be resolved and that Iran’s economic and political isolation should end. In short, Iranians are proud but pragmatic. The President’s faction of the ‘principalists’ might be said to be outside one of those poles, if in fact he holds the view that the enrichment program should continue unfettered and unabated regardless of international concerns.

Iranian officials, including President Ahmadinejad, have spoken positively about the concept of an international consortium for enrichment on Iranian soil, but one should assume that their definition differs significantly from the proposal described above. Of course, this is what negotiation is all about: countries with different ideas about the same path working out the differences and details.

The most important political actor on the nuclear issue is the Supreme Leader. He is skeptical of the United States and US engagement and is said to believe in the value of civilian nuclear technology. Nevertheless, he has demonstrated flexibility in the past, particularly when he has found himself on the wrong end of public opinion, and when accommodation could be made which strengthened (or not endangered) the legitimacy of the revolution. At the end of the day, the most important factor in the Supreme Leader’s decision calculus is the maintenance of the revolutionary regime.

Given the limited access to the Leader, one can only speculate about his view of negotiation on the nuclear issue, but it would appear that he generally supports Ahmadinejad’s hard position as well as the President himself who he views as a sincere defender of the revolution. A presidential run-off election between Ahmadinejad and

Mohammad Khatami, the ‘reformist’ president of Iran 1997-2005, late this Summer would only solidify that position.

Effects of the Iranian presidential elections in June

The results of the presidential election on 12 June could, however, influence the Supreme Leader’s position. If his endorsement of Ahmadinejad is rejected and the president loses soundly, it will be a message that the Supreme Leader will find difficult to ignore, especially if it comes in a context of rising public upset over the domestic economic situation. It is worth noting that the Supreme Leader apparently did sign off on the 2003 Iranian proposal for negotiations with the United States and also agreed that Iran should participate in the tripartite talks over Iraq. On the other hand, the lack of results from those efforts may have fostered even greater skepticism about negotiating with the United States.

If Khatami were to defeat Ahmadinejad, rather than a candidate with whom the Leader might be more comfortable (e.g., Mohammad-Baqer Qalibaf, the current mayor of Tehran, a conservative critic of Ahmadinejad), the early result will be an uncertainty about Iranian policy. The Supreme Leader did not and probably would not have confidence in Khatami, and this might inhibit a change in Iranian policy regardless of the message sent by the election results. On the other side of the ledger, Russia’s war with Georgia has refocused Iranian attention on the potential political if not military threat posed by Iran’s neighbor, and this change in the strategic situation may give Iran new incentive to negotiate.

Finally, there is the question of what will happen if Ahmadinejad wins re-election. Ahmadinejad has staked out a hard line on the nuclear issue, and an election victory could very well encourage a continuation of

that policy. It has to be said, however, that while the president is deeply ideological, he is also a risk taker, and in the assessment of this writer, does not support the development of nuclear weapons. Moreover, he has complete confidence in his own abilities and appears more open to engagement with the United States than the Supreme Leader.

It is possible therefore, that given the right approach (one emphasizing justice, equality, and other Iranian ideological touchstones), the Iranian president might respond to a new approach from the United States and Europe. The allure for him would be some sense of satisfaction that he stood firm and defended Iranian rights while at the same achieving a place in Iranian history as the person who led Iran back to its rightful place at the table of nations. Of course, the problem is that Ahmadinejad's remarks about the Holocaust and Israel make him politically radioactive. It would be virtually impossible for a US president to have him as the lead interlocutor for the Iranian side. In short, the person most likely to want negotiation (Ahmadinejad as compared with the Leader) would be the least acceptable person to the other side.

The European role

The European role has been and will be central to any resolution of the Iranian nuclear issue. Germany, France, and Great Britain have been at the forefront of efforts to negotiate a settlement of the dispute, and no solution is possible without their active support and participation.

President Obama comes to office wanting to repair transatlantic relations and will give strong consideration to European views regarding the path forward. Indeed, a united European position could be very influential and could provide a cautious Obama with the confidence to pursue a new strategy with Iran rather than simply pursuing the old

strategy (sanctions) with new tactics (dropping the precondition).

Of course, there are a couple of problems with this scenario. First, there are disagreements within Europe over how to proceed. There have been differences between the so-called "big three", with Britain and especially France articulating an increasingly tough position and Germany staking out a more moderate stance. (Though less important, there are also divisions between France and Britain and the smaller countries in the European Union.)

The second problem is that despite these divisions, the big three have now signed on to a tougher approach for the sake of a united front, with Germany moving closer to the French and British position. It would be a lot to expect that having just arrived at this united position, the three would now change direction and endorse a new strategy. In short, Europe could play a major role in encouraging a more realistic Iran policy, but it is much more likely that they will instead endorse the status quo at the very moment when real change is possible. Indeed, given the importance Obama will give European views, the big three may actually be an obstacle to change.

Setting aside this unfortunate timing, there are ways that Europe can promote a diplomatic resolution of the nuclear issue beyond simply approving more sanctions. First, it can work with the United States to reassure the Arab and Israeli governments, all of whom are suspicious of better relations between the United States and Iran. Second, in this period following the Russian-Georgian war, the European Union is in a position to credibly say to the Iranians that Europe needs energy supplies that do not go through pipelines on territory controlled by the Russians, and that if the nuclear issue can be resolved, the potential economic benefit to Iran from energy sales could be enormous. The fear of a re-assertive Russia combined

with the potential money to be made as an energy supplier to Europe could prove to be a very powerful incentive for Iran to settle the nuclear issue.

Policy advice for 2009

This contribution has outlined the need for an alternative to the policy of zero centrifuges for Iran and has proposed multinational enrichment as one potential approach. That is not meant to suggest, however, that the new president should announce a major policy change in the first months of office. It will take time for Obama to get his team confirmed by Congress and in place, and by that time, the Iranian presidential election will be in full swing.

The middle of another country's presidential election is a bad time to launch a new policy initiative. Moreover, the US government should resist the temptation to do anything that might influence the Iranian campaign, as it is sure to backfire. Instead, the United States should do everything possible to stay at arms length from the electoral contest. The more the United States is an issue, the less likely the election results will produce an opportunity for change. If anything, the US government should turn down the volume and the rhetoric on Iran during this period. There is nothing that words spoken on television can do that will be materially helpful.

This is not to suggest that the United States do nothing, however. It should take modest, low profile steps that signal a readiness to engage in serious negotiation at the appropriate time. These could include affirming the 1981 Algiers Accord, in which the United States and Iran agreed not to interfere in the affairs of the other country. It could release Iranian detainees held in Iraq, permit direct flights from New York to Tehran, establish an interests section in Iran, provide a brief and straightforward response to

President Ahmadinejad's letter of congratulations to Obama, and the like.

At the same time, it should be getting ready for serious negotiations with whoever wins the Iranian election. That means working with Europe, consulting with the Arab and Israeli governments, and building political support in Congress. The new Administration can make good use of this time by preparing its negotiation strategy (including a non-zero centrifuge option), conducting the required technical research (e.g., on verification), and organizing the political and public relations offensive needed for a major diplomatic initiative.

Where are we headed?

We are now entering a period where anything is possible, but not everything is probable. The new US president could endorse a different approach towards Iran, one that differed not simply on tactics but in strategy. The Iranian elections results could produce a new president and induce the Supreme Leader to again consider serious engagement with the United States. Europe could use its influence with President Obama to press for a more realistic Iran policy, one that would end the continuing and dangerous dynamic of new sanctions, new centrifuges, and declining transparency. All these things are possible, and yet there are good reasons to doubt whether they will happen.

Unfortunately, Obama is more likely to continue the old Bush policy but with a kinder, gentler face. Ahmadinejad may well be re-elected or replaced by Khatami, which in turn could lead to internal conflict and paralysis in Iran. Europe is more likely to stick to its newfound policy of 'toughness', despite the admission by officials that it is unlikely to work. In short, we may witness yet another missed opportunity.

This missed opportunity may differ from the others, however, in that the ultimate result

may be military conflict. If the governments insist on remaining on their current trajectory, Iran will continue to build centrifuges, and the calls for military action will commensurately increase. News reports suggest that the United States has already prevented Israel from carrying out a military strike on Iran on at least one occasion. It is hard to believe that the issue will not come up again. In a couple of years, the United States will have drawn down forces in Iraq, roughly the same time that concern about Iran will be peaking. To date, worries about US forces in Iraq have dissuaded American policymakers from pursuing a military option against Iran. How will they respond once that constraint is no longer in force?

Of course it does not have to end like this, even if it the most probable scenario. The European Union, having supported sanctions in the past as a way to avoid the use of military force, may yet realize that by supporting the status quo policy, they are in fact walking down the path to military conflict. President Obama or the overly self-assured Iranians may yet realize the dangers that will soon confront them if they continue, and they may act before the only options left are narrow and ugly. While thirty years of mistrust, mutual grievance, and pride are formidable obstacles; there is no reason in principle why a diplomatic solution cannot be achieved. More difficult situations involving more bitter adversaries have been resolved peacefully. It is possible. It may be unlikely, but it is possible, and the consequences of failure are so high that every opportunity should be treated as a precious stone. A new period of opportunity is now beginning. One can only hope Obama, the Europeans, and the Iranians are bold enough to act. They will surely pay the price if they do not.

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Bernd W. Kubbig

US President Barack Obama's positions on Iran

The initial policy of the Bush Administration during its second term (after January 2005) towards Tehran aimed at regime change¹. This concept favored by the then dominant neoconservatives found its most explicit expression in the National Security Strategy of March 2006. The Bush era ended, however, with an enforced and belated return to the traditional concept of containment and of isolating Iran with sanctions as the major instrument. This approach was supported by the conservative realists in the executive branch headed by Secretaries Rice and Gates. In the past, during the Cold War, the concept of containment was supplemented by the element of direct engagement. The last element is missing in Washington's concept.

The legacy of the Bush Administration's policy

None of the two groups was able to implement its major objective—regime change or international isolation. The same holds true for the immediate goal, which united both groups within the Administration: to prevent Tehran from its enrichment activities as the clearest sign that it would stop its ambitions of building the nuclear bomb.

From hindsight, the prevailing position of the more moderate conservative realists looks logical—but in my view it was not at all clear whether the periodical saber rattling by the 'Neocons' represented by Vice President Cheney would carry the day or not. It was the highly political National Intelligence Estimate (NIE) by all 16 intelligence services on Iran published in early December 2007

that signaled to both the domestic and international audience: Iran did not present an immediate threat, and the leadership in Tehran is rational in the sense that in the future it may react again to international pressure such as economic sanctions. Against this backdrop, the entire intelligence community made it clear that the bombing of nuclear facilities in Iran should not be in the cards. In fact, after this NIE the barriers for this military option grew immensely.

In sum, at the end of the George W. Bush era, the nuclear dimension of the multifaceted conflict with Iran was not solved, as the defiant leadership in Tehran continued its enrichment activities. The Bush Administration, which had constantly stated that all options were on the table, did not use two of them: the military option and the possibility of entering into a dialogue with Tehran without any preconditions. Thus, the entire Iranian problem was adjourned. It therefore has become the legacy for the new Obama Administration in Washington, which was elected on 4 November 2008.

Where does Obama stand on Iran?

Before he announced his decision to run for President, Senator Barack Obama's view on Iran revealed two major aspects which do not sum up to both a detailed and comprehensive profile:

His position as a Senator towards the George W. Bush Administration's Iran policy (second term—after January 2005) was not clear-cut. On 19 September 2006, he questioned during a congressional hearing whether the leadership in Tehran would be interested in negotiations as long as a regime change was still on the table. Under-Secretary Nicholas Burns, who had designed the sanction-focused concept of the conservative realists in the State Department, supported the denial of security guarantees

¹ This Chapter is based on Kubbig, 2007, 2008, and Kubbig and Fikenscher, 2008.

as part of the all options policy as a way of bolstering diplomacy (US Congress, 2006). Obama did not pursue this specific issue further—neither as a Senator nor when he was designated and elected President. As shown below, Obama presented himself addressee-dependent as a politician who is tough on Iran but who is prepared to explore new options.

Iran was part of Obama's broader view on the Middle East/Gulf. As a Senator, his specific angle was Iraq, above all his focus on a timetable for the soon and phased pull-out of US American troops. In early 2007, he introduced "The Iraq War De-escalation Act of 2007" (Obama, 2008a, 2008b). This initiative should be seen in the context of the bipartisan Baker/Hamilton Study Group whose report called, *inter alia*, for such a move.²

Later, right before he became the Presidential candidate of the Democratic Party, his profile regarding Iran became clearer and more detailed, but not clear-cut and consistent. This has to do with the fact that the Iran-related sources are poor, and that there remain differences among the two major statements of his. Obama's most extensive remarks on Iran were made before the American Israel Public Affairs Committee (AIPAC) on 4 June 2008, just before he was nominated as candidate of his party. The second major source, Obama's general

remarks on Iran as presented on his website, provide a less specific picture but at the same time a less hawkish Presidential candidate.³

Obama's remarks at the AIPAC conference

Speaking before AIPAC, which is considered to be the most influential lobby group in the United States, the soon-to-be President-designate described Iran as the greatest threat to Israel. The following integral paragraphs from his speech show Obama, the campaigner, who needed the support of the Jewish electorate both for becoming the candidate of his own party—and the President-elect on 4 November 2008:

There is no greater threat to Israel—or to the peace and stability of the region—than Iran. Now this audience is made up of both Republicans and Democrats, and the enemies of Israel should have no doubt that, regardless of party, Americans stand shoulder-to-shoulder in our commitment to Israel's security.

So while I don't want to strike too partisan a note here today, I do want to address some willful mischaracterizations of my positions. The Iranian regime supports violent extremists and challenges us across the region. It pursues a nuclear capability that could spark a dangerous arms race, and raise the prospect of a transfer of nuclear know-how to terrorists. Its President denies the Holocaust and threatens to wipe Israel off the map. The danger from Iran is grave, it is real, and my goal will be to eliminate this threat.

But just as we are clear-eyed about the threat, we must be clear about the failure of today's policy. We knew, in 2002, that Iran supported terrorism. We knew Iran had an illicit nuclear program. We knew Iran posed a grave threat to Israel. But instead of pursuing a strategy to address this threat, we

2 On his website, Obama emphasizes the Senate- and Iraq war-related aspects. "Opposed Bush-Cheney Saber Rattling: Obama and Biden opposed the Kyl-Lieberman amendment, which says we should use our military presence in Iraq to counter the threat from Iran. Obama and Biden believe that it was reckless for Congress to give George Bush any justification to extend the Iraq War or to attack Iran. Obama also introduced a resolution in the Senate declaring that no act of Congress- including Kyl-Lieberman-gives the Bush administration authorization to attack Iran." Available at <http://origin.barackobama.com/issues/foreign_policy/#iran>

3 Ibid.

ignored it and instead invaded and occupied Iraq. When I opposed the war, I warned that it would fan the flames of extremism in the Middle East. That is precisely what happened in Iran—the hardliners tightened their grip, and Mahmoud Ahmadinejad was elected President in 2005. And the United States and Israel are less secure.⁴

In this speech Barack Obama did not only present his definition of the Iranian threat similar to that of the Bush Administration. Rather his approach, his goals and his preferred instrument (intermingled with attacks against his rival for the US Presidency, Senator John McCain) were hardly different from those of the conservative realists in the Bush Administration:

Only recently have some come to think that diplomacy by definition cannot be tough. They forget the example of Truman, and Kennedy and Reagan. These Presidents understood that diplomacy backed by real leverage was a fundamental tool of statecraft. And it is time to once again make American diplomacy a tool to succeed, not just a means of containing failure. We will pursue this diplomacy with no illusions about the Iranian regime. Instead, we will present a clear choice. If you abandon your dangerous nuclear program, support for terror, and threats to Israel, there will be meaningful incentives - including the lifting of sanctions, and political and economic integration with the international community. If you refuse, we will ratchet up the pressure.

My presidency will strengthen our hand as we restore our standing. Our willingness to pursue diplomacy will make it easier to mobilize others to join our cause. If Iran fails to change course when presented with this choice by the United States, it will be clear—to the people of Iran, and to the world—that the Iranian regime is the author of its

own isolation. That will strengthen our hand with Russia and China as we insist on stronger sanctions in the Security Council. And we should work with Europe, Japan and the Gulf states to find every avenue outside the UN to isolate the Iranian regime—from cutting off loan guarantees and expanding financial sanctions, to banning the export of refined petroleum to Iran, to boycotting firms associated with the Iranian Revolutionary Guard, whose Quds force has rightly been labeled a terrorist organization.

I was interested to see Senator McCain propose divestment as a source of leverage—not the bigoted divestment that has sought to punish Israeli scientists and academics, but divestment targeted at the Iranian regime. It's a good concept, but not a new one. I introduced legislation over a year ago that would encourage states and the private sector to divest from companies that do business in Iran. This bill has bipartisan support, but for reasons that I'll let him explain, Senator McCain never signed on. Meanwhile, an anonymous Senator is blocking the bill. It is time to pass this into law so that we can tighten the squeeze on the Iranian regime. We should also pursue other unilateral sanctions that target Iranian banks and assets.⁵

At AIPAC's Annual Convention, Barack Obama relativized even the element, which was considered to be his most innovative one, to negotiate with Iran "without precondition":

We will also use all elements of American power to pressure Iran. I will do everything in my power to prevent Iran from obtaining a nuclear weapon. That starts with aggressive, principled diplomacy without self-defeating preconditions, but with a clear-eyed understanding of our interests. We have no time to waste. We cannot unconditionally rule out an approach that could prevent Iran from obtaining a nuclear weapon. We have tried limited, piecemeal talks while we outsource the sustained work to our

4 Prepared Remarks: Obama at AIPAC Policy Conference, 4 June 2008, FOXNews.com.

5 Ibid.

European allies. It is time for the United States to lead.

There will be careful preparation. We will open up lines of communication, build an agenda, coordinate closely with our allies, and evaluate the potential for progress. Contrary to the claims of some, I have no interest in sitting down with our adversaries just for the sake of talking. But as President of the United States, I would be willing to lead tough and principled diplomacy with the appropriate Iranian leader at a time and place of my choosing - if, and only if - it can advance the interests of the United States.⁶

Obama's website on Iran

Against this backdrop, Barack Obama's website can by and large be seen as a summary of the issues quoted above more extensively. Again, they look less hawkish as they are kept in a more general way, and they highlight the major difference (negotiations "without preconditions") quoted below:

The Problem: Iran has sought nuclear weapons, supports militias inside Iraq and terror across the region, and its leaders threaten Israel and deny the Holocaust. But Obama and Biden believe that we have not exhausted our non-military options in confronting this threat; in many ways, we have yet to try them.

[...]

Diplomacy: Obama supports tough, direct presidential diplomacy with Iran without preconditions. Now is the time to pressure Iran directly to change their troubling behavior. Obama and Biden would offer the Iranian regime a choice. If Iran abandons its nuclear program and support for terrorism, we will offer incentives like membership in the World Trade Organization, economic investments, and a move toward normal diplomatic relations. If Iran continues its troubling behavior, we

will step up our economic pressure and political isolation. Seeking this kind of comprehensive settlement with Iran is our best way to make progress.⁷

Indicators for "Change We Can Believe In"

Even if Obama's position on Iran was more detailed and consistent, it would not be too indicative for Obama as President. What is striking is that with the exception of exploring the option of a high-level dialogue with Iran, the elements of continuity are prevailing. This holds true for the problem definition, the overall approach, as well as the broader and more immediate goals.

What could be signals for a new policy towards Iran that breaks with the past and does not repeat the pitfalls of US American policies in the George W. Bush era? In the following, several aspects are listed that would signal that the key phrase of Barack Obama the campaigner would be taken seriously by Barack Obama the elected and sworn in President:

Rhetoric: The new administration would take the Islamic Republic of Iran from the 'axis of evil'.

Problem definition: A new assessment of Iran would be more sober and precise on the nuclear component ("immediate threat") and, even more importantly, would take a closer look at the domestic scene of Iran. Such a closer look could reveal that the élite in Tehran, while fairly homogeneous regarding the nuclear dimension, may be split on other essential issues such as hegemonic aspirations and the support for terrorism. A serious and patient dialogue strategy could exploit such frictions and explore the room for 'package deals' in terms of second-best solutions (good

6 Ibid. (Emphases added)

7 Quoted from:
<http://origin.barackobama.com/issues/foreign_policy/#iran>.

solutions do not exist anyway), i.e. trading the US quest for Tehran's status quo-oriented position in the region for a US American compromise position in the nuclear area (see below).

New approaches: To negotiate "without precondition" would indeed be an innovative way of dealing on a high level directly with the leadership in Iran. There seem to be two options. First, an incremental piecemeal way by looking for common ground that concerns bilateral interests, for instance in Afghanistan and in Iraq, and expand those isles of common interests. Second, by pursuing the often proclaimed 'grand bargain' where all issues are on the table at the same time with 'package deals' as an objective. Such a 'smart concept' could as far as the nuclear dimension is concerned include the following steps: a delay of the nuclear program, compromises on uranium enrichment (freeze of the current number of centrifuges and/or a slowed down expansion), strengthening the inspections of Iran's nuclear plants, economic incentives, and—probably as the key measure—Washington's offer of a security guarantee for the leadership in Tehran.

New goals—new preferences for instruments: Both approaches would not aim at isolating Iran and abolishing all its nuclear plants. Instead, they would combine the element of containment with the still missing component of engagement, which the Bush Administration was mentally not able (or willing) to initiate. Direct diplomacy, designed as the central foreign policy tool, would have to be practiced on a long-standing basis to manage, maybe even to heal, a bilateral relationship that has been traumatized for decades.

New priorities: Despite of the global financial crisis that has already preoccupied President-elect Obama and his team, the entire Middle East/Gulf will have a high priority on President Obama's foreign policy

agenda after 20 January 2009. He will certainly have to wait for the results of the Presidential election in Iran in the first half of 2009. Any of the approaches sketched above needs a lot of time because of the careful and skilful preparation of high-level talks, including the exploration of the intentions on the Iranian side through back-channeling and via reliable intermediaries such as the Swiss Foreign ministry/embassy in Tehran. Choosing a Special Envoy at an early date would be a reliable signal for prioritizing the region on the foreign policy agenda.

Tackling the Iranian issue as part of the overall Middle East/Gulf problem at an early date might pay off, as it could alleviate the Israeli-Palestinian conflict in so far, as Tehran reportedly supplies Hamas (as well as Hezbollah) with arms.

What can we expect from today's perspective?

Are these necessary changes likely to occur some time after 20 January 2009? I am still skeptical not only because of the overall ambivalent positions of Barack Obama as outlined above. More importantly, the domestic context will remain important after the President and his Administration take office. Obama's speech before there American Israel Political Affairs Committee is living proof of the utmost relevance of the domestic scene, which of course would include the public and the Congress.

Even on the level of the executive branch there are signs that favor continuity over change we can really believe in. The nomination of high-level nominees, such as Republican Defense Secretary Robert Gates, and Secretary of State Hillary Clinton have to be taken as a programmatic indicator. Even if we take the Bush era as the point of reference, the nomination of Gates stands for the continuation of the containment policy towards Iran without the element of

engagement. As a Senator, Hillary Clinton took a hard line as well. She may return to the point where Madeleine Albright as one of her predecessors left the Iranian issue in 2000 and take up the approach the Clinton Administration pursued during its second term, especially after Mohammad Khatami was elected President in 1997.

If she did, Hillary Clinton could claim to pursue a policy of dialogue at the highest level. In 2000, the US side threw the ball into the Iranian corner, but for whatever reason, Tehran at that point was not willing or able to take the ball.⁸ This may happen again—the bilateral context also has to be taken into account.

To be sure, dialogue is a strategy of power, once it unfolds, it may divide the Tehran élite, hurt interests and, therefore, lead to resistance again. And yet, a cooperation-minded faction exists in the Islamic Republic of Iran. Patience is needed to deal with the expectable ups and downs.

Should the decisive quarters of the Tehran élite around Ayatollah Khamenei continue to pursue a pro-nuclear course that does not meet basic American demands, then at some point, even a dialogue-oriented new US Administration will be confronted with the fundamental question: Whether to live with a near-nuclear Iran or not.

Having been preoccupied with US foreign policy for more than 30 years, I would like to conclude with a caveat in the sense that every new administration, especially if it is led by a strong, or even imperial presidency, is good for surprises. Hopefully, especially at the beginning of Obama's Presidency they will turn out to be positive.

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⁸ See Kubbig and Fikenscher. 2008, p.150.

Jerry Sommer

Challenging key assumptions of Western Iran policy

The goal of the international community was and still is to stop Iran's uranium enrichment program because of the possible nuclear weapons implications. But the policy applied—incentives and sanctions—has failed. Iran has not backed down to the demand to suspend its enrichment program. On the contrary, it is gradually extending its uranium enrichment plant and meanwhile, is feeding uranium into about 4000 centrifuges.

The mostly symbolical UN Security Council sanctions (Sommer, 2008; Kubbig and Fikenscher, 2007) and the unilateral sanctions by the United States and other Western companies and states against Iran have some economic impact. They are driving prizes up and fueling inflation in Iran. But they do not have a major economic impact and most important of all: the sanctions did not lead to any policy change by Iran's leadership.

There is the proverb: "If you are in a hole, stop digging!" In the case of Iran, it is surely necessary to start talking without preconditions as US President Barack Obama has suggested. But talking while continuing to dig—for example with military threats and sanctions—most likely won't do any good. Change in rhetoric is not enough. A paradigm change in Western Iran policy seems necessary. To work out a sound new Iran policy there is a dire need to challenge some key assumptions¹ that seem to drive Western governments.

1 For some of the following assumptions, see Pickering et al, 2008; Bertram, 2008.

"Iran wants the bomb"

This is a basic, often cited assumption. For example US President, Barack Obama, stated a few days after the elections: "Iran's development of a nuclear weapon is unacceptable"². But is Iran clearly developing a bomb, or is it clearly committed to developing the bomb? The evidence is ambiguous to say the least.

The government of Russia has repeatedly stated that it has no evidence at all for an ongoing or discontinued Iranian nuclear weapons program—an astonishing fact as Russia's intelligence services are no greenhorns and Iran is very close to Russia.

Then there is the US National Intelligence Estimate of December 2007. It concluded "with high confidence" that Iran halted its nuclear weapons program in the Autumn of 2003³. Whether Barack Obama has received any new intelligence is unknown, but it would be prudent to take any intelligence briefing on Iran with much-warranted skepticism. The example of Iraq should not be forgotten.

It is true that amongst radical conservative groups in Iran, voices can be heard arguing that nuclear weapons are the best protection against an attack by the United States⁴. Nevertheless, Ayatollah Khamenei, the country's supreme religious leader, President Ahmadinejad, and more moderate forces in the leadership have all repeatedly

2 Barack Obama. Press Conference 11 November 2008. <http://blogs.suntimes.com/sweet/2008/11/presidentelect_obama_first_pre.html>.

3 National Intelligence Estimate 2007, Iran: Nuclear Intentions and Capabilities, p. 6; http://www.dni.gov/press_releases/20071203_release.pdf

4 For example, the arch-conservative newspaper *Keyhan* recommended on 12 February 2006 "to plan for acquiring the knowledge and the ability to produce nuclear weapons which are necessary for the preparation of the next phase in the future battlefield." Quoted in Takeyh, Ray 2006. *Hidden Iran*, New York: Council on Foreign Relations, p. 150.

stressed that the nuclear program is solely intended for civilian purposes.

The uranium enrichment program, so they argue, is aimed exclusively at enabling Iran to produce by itself nuclear fuel elements needed for its planned extensive nuclear energy program with about 20 nuclear power stations. They do not want to rely solely on outside powers for their reactor fuel, they say.

There are two additional arguments that Iranian leaders bring forward to dispute the claim that they are seeking nuclear weapons. In 2004, Ayatollah Khamenei issued a fatwa stating that nuclear weapons were irreconcilable with Islam, because they kill innocent people. Also, the Iranian leadership offers a politico-strategic reason. Ali Laridjani, the former Secretary of Iran's National Security Council and today's speaker of the Iranian parliament, was one of many who have argued: "If we had nuclear weapons, an arms race would begin in our neighboring countries."⁵ He concluded that this was not in the national interest of Iran.

The Iranian leadership seems to know that a nuclear weapon would not enhance the influence of Iran in the region; on the contrary it would diminish it. It is high time to take these arguments more seriously.

Surely one needs to look not only at what Iran is saying, but also to what it is doing. Iran is developing its uranium enrichment capability and is mastering this technology. But to produce low enriched uranium is not the same as developing a bomb.

To acquire nuclear weapons material you would have to reconfigure the enrichment plant in Natanz to re-enrich the lowly enriched uranium to a weapons-grade level. Such activity would be detected by the

International Atomic Energy Agency IAEA, and thus the international community, immediately, because the nuclear enrichment plant in Natanz is operating under the control of the IAEA. Even with highly enriched uranium, Iran would still have to design a nuclear weapon. According to the US National Intelligence Estimate Iran has abandoned such "weaponization" studies in 2003, if it ever had this endeavor.

The proof is not conclusive

For many years, until 2002, Iran hid its enrichment activities and did not inform the IAEA about them as required even though these activities were legal according to the Non-Proliferation Treaty. But one should remember the circumstances: At that time the United States aggressively tried to inhibit any nuclear activities of Iran whatsoever—even the building of a nuclear power station in Bushehr by Siemens.

It is true that in the past, Iran did not cooperate fully with the IAEA to resolve unanswered questions with regard to some nuclear activities. But again, one should not forget that all of the issues that raised suspicions in 2007—when Iran and the IAEA agreed on a "Work Plan" to solve the contentious issues considered to be crucial and critical at that time—have been resolved except for one: The alleged weaponization studies that were found on an allegedly stolen Iranian laptop that came into the hands of the US intelligence services. The authenticity of the documents on this laptop is not beyond doubt. All concern the time before 2003. The Iranians call them forgeries. Even in the IAEA there seem to be different views on the question, in how far these documents are credible or not (Porter, 2008).

⁵ Ali Laridjani. "We guarantee that we are not developing nuclear weapons." Interview in *Süddeutsche Zeitung*, 12 February 2007.

There are also a lot of questions with regard to the logical validity of these documents. For example on a one-page letter there are handwritten notes about the design of a missile reentry vehicle. However, it seems strange that handwritten notes about such sensitive issues were put on a printout and then scanned again into the computer. But also, the subject of the letter is the procurement of systems, which are used for the automation of industrial processes—systems totally irrelevant to the technical studies on redesigning a missile—so why write them on such a letter? It does not seem to make sense.

In conclusion, also the deeds of Iran do not provide us with clear cut, indisputable proofs of an alleged commitment of Iran to build nuclear weapons. Different interpretations are possible. Surely one cannot exclude for sure that Iran has made the decision to build a bomb yet or that it won't take such a decision anytime in the future. But it would be highly advisable not to jump to conclusions, and not to ignore all arguments and facts that point in the direction of non-commitment.

“Iran wants to wipe Israel off the map”

This is another, often repeated, assumption. Iran's President Ahmadinejad has made aggressive, insulting remarks with regard to Israel. His quote of 2006, which was often mistranslated and misinterpreted, was made in the context of recollecting quotes of Ayatollah Khomeini with regard to the coming demise of the Shah regime, the Soviet Union and the Saddam Hussein regime in Iraq. Then Ahmadinejad said: “The Imam Khomeini said: ‘The regime that is occupying Jerusalem must vanish from the pages of time’”⁶. The text and following explanations

⁶ See for example Katajun Amirpur in his article „Der iranische Schlüsselsatz“, in *Süddeutsche*

of Ahmadinejad suggests that what Ahmadinejad “means is that there should be a free referendum among the peoples of the Palestine that existed to the partition in 1948 to vote about the kind of a government they should have.”⁷

Nevertheless, the perception was different, and this and similar remarks damaged Iran's reputation. To limit the damage both Ahmadinejad himself and the Supreme Leader Khamenei clarified, “The Islamic Republic has never threatened and will never threaten a country”⁸, and specifically Khamenei said that Iran won't attack Israel unless Iran is attacked first.

The remark from Ahmadinejad is surely offensive. But as Christoph Bertram, a former Director-General of the International Institute for Strategic Studies in London and of the Berlin “Stiftung Wissenschaft und Politik”, concludes: “It does not contain a military threat, or even an announcement of a new Holocaust through a nuclear attack on Israel” (Bertram, 2008, p. 19).

“A nuclear Iran would be of catastrophic consequences”

Iran with a nuclear weapon would be of catastrophic consequences for Israel, the Middle East and the whole world—this is the next assumption I would like to challenge. If

Zeitung of 26 March 2008: „Dieses Besatzerregime muss von den Seiten der Geschichte (wörtlich: Zeiten) verschwinden.“ Others translate “must be eliminated from the pages of history.”

<<http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP101305>>. See also Bertram, 2008, p. 88)

⁷ Gary G. Sick, Council of Foreign Relations, interviewed by Bernard Gwertzman. 26 September 2007. Gary G. Sick is a longtime Iranian expert, who served on the Ford, Carter, and Reagan National Security Councils. <<http://www.cfr.org/publication/14309/sick.html>>.

⁸ Cited in: Pickering et al., 2008, p. 3.

one assumes that Iran will decide to go for the bomb and produces one, even then there is no reason to conclude that Tehran would use a nuclear weapon for any other purpose than a deterrent against existential threats by foreign countries. Because if Iran used its nuclear weapon for an attack, it would commit suicide. As Jacques Chirac, the former President of France, rightly stated in an interview: "Where will Iran drop this bomb? On Israel? It would not have gone 200 meters into the atmosphere before Tehran would be razed to the ground."⁹

The leadership of Iran is not up to suicide. Deterrence would be working as it worked in the case of the Soviet Union or China. This view is shared by the prominent Israeli Efraim Halevy, the former Chief of Mossad and today's adviser to Israel's foreign minister Tzipi Livni. "Even if the Iranians did obtain a nuclear weapon, they are deterrable, because for the mullahs survival and perpetuation of the regime is a holy obligation."¹⁰

Another argument is that a nuclear-armed Iran would inevitably lead to a nuclear arms race in the region. Such a development is neither inevitable nor the most likely scenario. If the other states in the Gulf, as well as Egypt and Turkey felt at all threatened, they could go for a cheaper and easier option: the United States' nuclear umbrella. They did not go nuclear against the Israeli nuclear weapon, so there is no automatism for them to do so against an Iranian bomb.

Certainly it would be best if Iran had no nuclear weapons. Nevertheless, exaggerated apocalyptic threat scenarios don't help in making sound policy decisions.

"Zero-enrichment in Iran is still an achievable goal."

In Tehran uranium enrichment is regarded a matter of national prestige, national sovereignty and symbol for the country's economic and technological progress. On this, there is a broad consensus in the Iranian leadership ranging from radical to pragmatic conservatives and reformers (Sommer, 2007, p. 2ff.). Also, according to a US poll in Iran in January 2007, 84 percent of the Iranians consider uranium enrichment to be "very important"¹¹. As the Nobel laureate Shiri Ebadi stated in 2006, "No Iranian government, regardless of its ideology or democratic credentials, would dare stop Iran's nuclear energy program."¹² It is highly unlikely that there is anything that could change this internal situation.

A military strike might delay the enrichment program by a few years. But it would certainly lead to the decision by Tehran to acquire nuclear weapons—and this as quickly as possible. And it would have grave consequences not only for the Iranian people, but for the entire Middle East, the standing of the United States in the world and for the transatlantic alliance.

Could more and other economic sanctions—as Barack Obama and European governments are contemplating—force Iran to abandon enrichment? This is highly unlikely, because as long as there is no clear and convincing proof of a nuclear weapons

9 The text of the interview with Jacques Chirac was published in the International Herald Tribune, 31 January 2008. <http://www.ihf.com/articles/2007/02/01/europe/web.0201france_text.php>. Chirac later retracted and rephrased his answer.

10 Quoted in: David Ignatius. 2007. "The Spy Who Wants Israel to Talk" in *Washington Post* of 11 November.

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program by Iran, Russia¹³, China and some developing countries, even in the Middle East, will not agree on any economically strangulating sanctions. Further unilateral sanctions by European Union countries and the United States would most likely add to the inflation and economic crisis in Iran thus punishing the Iranian people. Also, European companies would lose their share of the market in Tehran. Iran, on the contrary, would be able to circumvent sanctions and switch to other suppliers. These changes are already felt: in 2007, Germany lost its position as the leading trading partner of Iran to China.

Despite the dramatic fall in oil prices today, one should not underestimate the Iranian government's ability to sustain itself. Iran has about €80 billion in European banks¹⁴—enough to survive until oil prices are likely to increase again after the end of the worldwide recession. Because of the still growing global demand for Iranian resources it seems unlikely that it will be possible to isolate Iran economically. Iran holds the world's second-largest reserves of conventional crude oil; it has the world's second-largest reserves of natural gas. Additionally, Iran is an economic power hub in the Middle East, being a major trading partner for Iraq, Afghanistan and the United Emirates.

Furthermore, the political clout of Iran is growing. With the defeat of the Taliban in Afghanistan and of Saddam Hussein in Iraq, Iran's main adversaries in the region have been eliminated. Iran is gradually improving its relations with the Gulf countries. In Lebanon, the movement it supports—Hezbollah—is an important and accepted

part of the government. In Palestine, without Hamas—the movement supported by half the Palestinian population and by Iran—no real peace accord with Israel will be possible. Also, Iran is a strategic partner of Russia.

Consequently, one has to face the economic and political realities: Unless there is clear and convincing proof of a nuclear weapons program by Iran it will be impossible to pressure it into accepting a zero-enrichment solution.

Continuing the path of more sanctions is not only futile, it is counterproductive because bullying could lead to a hardening of positions in Tehran. The Director-General of the IAEA, Mohamed El Baradei, has observed this to be happening already. "Sanctions, he said, led in fact to more hardening of the position of Iran, including among those Iranians who dislike the regime because they feel their country is under siege" ¹⁵.

The way forward

After having challenged some key assumption on which Western states' policy towards Iran seems to be based, I would like to add some recommendations for a new Iran policy:

- The new policy should be based on a thorough and balanced analysis, not on worst case scenarios and demonization of Iran.
- Talks have to begin. But talks—and especially talks between the United States and Iran—are not enough. The six powers (China, Russia, United States, Great Britain, France and Germany), or an even broader group of states including perhaps South Africa and Brazil,

13 On Russian Iran policy, see Jerry Sommer, 2008, p. 77ff.

14 This figure was mentioned by Dr. Jahangir Amuzegar, former IMF executive and Iran's Minister of Finance under the Shah, at a meeting in Washington on 18 December 2008. See http://www.niacouncil.org/index.php?option=com_content&task=view&id=1295&Itemid=59.

15 Mohamed El Baradei in an interview with Borzou Daragahi from the *Los Angeles Times*. "Policy toward Iran is Failure." Available at http://www.digitalnpq.org/articles/global/320/12-08-2008/mohamed_elbaradei.

should start to negotiate with Iran about the P 6 proposal—at best immediately. The precondition of enrichment suspension before negotiations should be dropped.

- Bullying with further sanctions is most likely futile and will poison the climate for the necessary negotiations. Hence it would be best to refrain from further sanctions. To take the military option and the threat of regime change by external forces off the agenda would be even more important for a conducive atmosphere in which negotiations can take place.
- Instead, the incentives offered to Tehran for a deal should be vastly increased. As in the case of North Korea, the United States must offer Iran the prospect of a complete normalization of diplomatic relations, the end of US sanctions, and comprehensive security guarantees.
- Also, realistic goals have to be set. The world has to accept that Iran is mastering enrichment technology and that it will have a comprehensive nuclear fuel cycle on its soil. But it is still possible to stop an Iranian nuclear weapon.

New red lines and détente

The new red line, which the international community should aim for, is maximum international control of Iran's nuclear facilities. And here we should take the Iranian leadership at its word. They have expressed their willingness to accept and ratify the IAEA Additional Protocol with its intrusive verification regime. Also, the Iranian leadership has officially stated in its answer to the P6 proposal of 2006, "Iran's nuclear program is entirely open to joint investment, operation, development and production. As the President has declared, the Islamic Republic of Iran is prepared to implement its nuclear program through consortium with other countries" (Republic of Iran, 2006).

Such words should be taken seriously and should be explored and tested in the negotiations, because any solution that would enhance international control of Iran enrichment program would add technical and time barriers to a still possible break out scenario.

Additionally, some 'new thinking' on the basics seems to be necessary. A policy of détente towards Iran could probably yield much better results than a policy of confrontation and isolation. It might be helpful to remember the old concept of 'peaceful coexistence' as suggested by the Russian Foreign Minister Lavrov (2007). One should seek for a "Pathway to Coexistence" (Maloney and Takeyh, 2008) or even look at Iran as "Partner, not Adversary"¹⁶.

As the strife for nuclear weapons in history has always been connected to security concerns—real or perceived concerns—a policy of détente would be best for changing the threat perception in Iran. It would help to isolate anybody in Tehran who might be striving for an Iranian bomb now or any time in the future. And a policy of détente would lead to a decrease of siege mentality, nationalistic feelings and nationalistic policy in Tehran thus fostering the process of internal democratization in Iran.

16 This is the title of Bertram's (2008) book: *Partner, nicht Gegner. Für eine andere Iran-Politik. (Partner, not adversary. For a different Iran policy).*

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Small Arms and Light Weapons (SALW): BICC offers advice and trainings worldwide on small arms control. It also consults on the marking and tracing of SALW as well as the safe stockpiling of SALW and ammunition. It collects data on the proliferation of small arms and light weapons and evaluates small arms control activities.

Resources and conflict: BICC studies the nexus between natural resources and conflict while lobbying and training on the topic of 'natural resources and conflict'.

Migration and conflict: BICC carries out research on the nexus between migration in Africa and security. It discusses challenges of migration and displacement in Sub-Saharan Africa and studies the African diaspora in North Rhine-Westphalia (NRW), in Germany and in the European Union.

Base Conversion: BICC has carried out research on base conversion for 15 years—not only in Germany but worldwide.

Our services

Applied research (research papers, background and evaluation studies, impact analysis, indicator development, data collection and analysis as well as project assistance and implementation).

Advisory services (Background analyses, policy recommendations, expert workshops).

Capacity-building through the elaboration of concepts and modules for education and training.

Public relations (publications, conferences, events, and exhibitions).

Our donors and partners

- International and UN-organizations
- Governments
- International and national foundations
- International and national research institutions
- International and national NGOs
- German Federal States (*Land*) and federal ministries.

Our organization

On the basis of applied research, BICC offers consultancy, policy advice and training. Its international staff carries out self- and third-party financed projects.

BICC collects and publishes information, carries out evaluations and prepares publications and makes these materials available to NGOs, governments and private organizations. It is co-publisher of an international scientific book series (Sustainable Peace and Global Security Governance) and the annual State of Peace Report (*Friedensgutachten*).

The Center organizes exhibitions, conferences, expert workshops and talks on a regular basis. These events help make the public even more aware of the issues that are important to BICC.

BICC was founded in 1994 with the support of the Land North Rhine-Westphalia (NRW) as a non-profit limited liability company (GmbH). Shareholders are the Lander of NRW and Brandenburg. BICC bodies are its Supervisory Board, its Board of Trustees, and the International Board.

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