

**ATLANTIC MEMO #27*****Engaging Tehran with Concrete Reciprocity***

The only way to overcome the deadlock on Iran's nuclear program is to engage constructively with the existing regime. Progress will only be made when both sides admit their past failures and engage in genuine 'concrete reciprocity'.

INTRODUCTION

The conflict about Iran's nuclear program cannot be understood without taking into account the historical context in which it is situated. Against the backdrop of a highly traumatized relationship with the United States, Iranian leaders are preoccupied with the fight for international legitimacy and recognition as an independent and equal partner to the West. Any strategy aimed at effectively influencing the cost-benefit analysis of the Iranian leadership needs to focus on Iran's quest for sovereignty, modernity and control over energy resources. In this regard, the West has a lot to offer for Iran.

As a matter of fact, destroying nuclear infrastructure or containing a nuclear Iran would not address the fundamental challenge with which the West is confronted: How to integrate Iran as a regional power without causing war. Iran's current capabilities do not pose an imminent threat to the West and its allies. Moreover, the US has convinced Israel that an Iranian nuclear breakout capability, the ability to assemble a nuclear weapon in a very short amount of time, will not materialize in the near future. Thus, there is no need to press forward with policies that would encourage the specter of war.

We cannot choose the regime in Tehran. At the same time, we must not abandon Iran, as other countries like China will quickly fill in the void left by the Europeans which further decreases the West's leverage for successful negotiations. Therefore, we need a flexible and effective strategy that takes the reality we face seriously and promotes progress regardless of the domestic conditions we face.

The following policy recommendations are based on the analysis presented above. In order to escape the strategic limitations for the transatlantic partners that would automatically come with a regime change policy, military action or containment have to be avoided at all costs. Therefore, we prefer an approach of concrete reciprocity, based on incentives applied in three phases and focused on international law that institutionalizes progress by locking in both sides. In making intelligent use of the coercive measures that are already in place, such an approach would initiate a dynamic in the direction of gradual but steadfast progress by spilling over from minor to major issues.

POLICY RECOMMENDATIONS

Iran desires a host of things only the West can offer. These leverages have to be identified and used as incentives instead of further alienating a country that has already begun to look for other sources of recognition. Thus, the intelligent use and implementation of these incentives within a framework of concrete reciprocity will address Iran's demand for recognition. Notwithstanding, the US and especially the EU have to remain firm on decided policies - sanctions should be relaxed only within the framework of concrete reciprocity, not in case of short-term domestic or economic advantages.

Additionally, incentives need also to be communicated by using measures of public diplomacy. Directed at Iranian civil society, these measures do not function as actual incentives for the Iranian leadership, but rather to strengthen the West's legitimacy against accusations of applying double-standards or hypocrisy when dealing with the regime. At the same time, it deprives any given leadership of using the West as an enemy stereotype with the much needed side-effect of directly assuring the Iranian population that their concerns matter.

Atlantische Initiative e.V.

Wilhelmstraße 67
10117 Berlin
Germany

Tel: +49.30.206 337 88
Fax: +49.30.206 337 90

Atlantic Memo Contributors

Felix Haass
University of Tübingen

Sascha Lohmann
Free University Berlin

Alexander Pyka
Bucerius Law School, Hamburg

Tobias Sauer
University of Trier

1. Application of a Strategy Based on Concrete Reciprocity

Phase 1: Short-term cooperation

Step 1

In order to legitimately criticize Iran's illicit enrichment activities regarding highly enriched uranium (HEU), the West has to acknowledge Iran's inalienable right to the peaceful use of nuclear energy as a signatory state of the Non-Proliferation Treaty (NPT) and must manifest its commitment to the non-proliferation regime.

US/EU

- Formal and unequivocal recognition of Iran's right to nuclear energy under Art. IV para 1 NPT under current state of law
- Offer to provide medical isotopes for the Tehran Research Reactor (TRR) and technical support for the Bushehr reactor and other Light Water Reactor projects
- Additionally, full and legally guaranteed access to needed amounts of low enriched uranium (LEU), for a reasonable price, under transparent rules and regulations
- Ratification of New Strategic Arms Reduction Treaty (START)

Iran

- Full compliance with International Atomic Energy Agency (IAEA) and *current* legal obligations (safeguard-agreements, model INFCIRC/153)

Step 2

In order to fully erode Iran's argument that unilateral uranium enrichment is necessary for the full realization of its right to civil usage of nuclear technology, a reliable alternative has to be offered. The central element of the reciprocal strategy would hence be an inalienable right to comprehensively use uranium from a multilateral facility on Iranian soil in exchange for the legally binding surrender of Iran's rights to unilaterally develop the complete nuclear fuel cycle (Art. IV para 1 NPT). This arrangement could serve as a benchmark for others in the long run.

US/EU

- Lifting the respective UN sanctions that prohibit Iran from undertaking nuclear and enrichment related activities
- Multilateralization of the full nuclear fuel cycle under strict supervision of the international community using the existing uranium enrichment facilities in Qom and Natanz
- Lifting sanctions on civil goods (aviation etc.)
- Concrete proposals for trade promotion (especially in sectors not dominated by state-owned enterprises)

Iran

- Legal commitment by Iran not to unilaterally seek to enrich uranium or build a unilateral enrichment facility (factual assurance that Iran will not take advantage of its rights under Art. IV para 1 NPT)
- Ratification of the additional protocol (INFCIRC/540), acceptance of strict surveillance and verification by international weapons inspectors without restrictions
- No further enrichment above 20 percent

- Full transparency: Tehran must allow verification of the origins of its nuclear technology

Step 3

In order to solidify dialogue and trust from the preceding steps, economic cooperation has to be gradually expanded.

US/EU

- Guaranteeing investments in refinement technologies and the development of renewable energies (which would ease pressure to rely mainly on nuclear energy) as well as offering subsidies to imports and exports
- Making foreign aid available to Iran
- World Trade Organization (WTO) accession
- Lowering tariffs for non-nuclear goods to directly engage with the Iranian *bazaaris*(merchants and traders)

Iran

- Develop a national energy plan focused on the exploitation of domestic energy resources in correspondence with the given support as described above

Phase 2: Mid-term cooperation

In order to further establish trust-building, the respective security demands on each side have to be addressed effectively. Therefore, cooperation has to be expanded beyond a nuclear deal and focus more on technical and security issues.

Step 1

In order to show Iran and skeptical Western audiences that political and technical cooperation with Tehran is possible, Iran and the West have to work together on non-nuclear issues.

US/EU

- Cooperation on issues such as drug-trafficking, refugees, and smuggling in Afghanistan as well as violent extremism in Iraq
- Assistance/cooperation in construction work technology (protection from earthquake risks)
- Gradual unfreezing of Iranian assets by the US government
- Gradual lifting of unilateral US economic sanctions

Iran

- Cooperation on issues such as drug-trafficking, refugees, and smuggling in Afghanistan as well as Sunni extremism in Iraq
- Re-examining the case of all political prisoners in light of Iran's legal commitments under the UN-Conventions on human rights

Step 2

As part of a sustainable security strategy, the transatlantic partners should also be aware of how Iran is going to perceive NATO's new strategic concept and the West's general behavior towards nuclear non-proliferation in general. Indicating a stronger commitment to nuclear non-proliferation and avoiding the application of double-standards will result in positive side-effects

US/EU

- Comprehensive security guarantee regarding non-intervention in Iranian affairs
- Stop US support for radical domestic opposition groups
- Work towards stronger nuclear disarmament in NATO and push for a no-first use policy in NATO's new strategic concept
- Adjust US Nuclear Doctrine in order to preclude a first strike against Iran

Iran

- Comprehensive security guarantee for Israel: halt financial and logistical support for militant actions by proxies in Lebanon and Gaza

Phase 3: Long-term cooperation

In order to peacefully integrate Iran into the regional security architecture, the political and economic achievements made in the previous two phases have to be stabilized and must be locked in institutionally.

US/EU

- Increase diplomatic efforts to include India, Pakistan, and Israel in the global non-proliferation regime and work towards the ratification of the Comprehensive Test Ban Treaty (CTBT) and the adoption of a Fissile Materials Cut-off Treaty (FMCT)
- Establishment of a regional security organization, dedicated to institutionalizing regional security. Also, this institution could serve as a negotiating platform to create a Nuclear Weapon Free Zone in the Middle East in the future.
- Acknowledgment of misbehavior in the past

Iran

- Re-establish full diplomatic relations with the US; acknowledgment of misbehavior in the past

2. Empowering Iranian Civil Society

Although engaging Iran within a framework of concrete reciprocity is certain to build trust between Iran and the West, additional confidence building measures have to be employed independently of the actual results of the step-by-step approach. Since it is going to be tough to work with the current Iranian regime on these issues, religious and academic exchanges should be expanded. As this is more complicated with the United States, this is where Europe, and most notably Germany, has to take the lead.

2.1 Foster academic and religious exchange

The ERASMUS and ERASMUS Mundus programs could be used as starting points for designing similar programs for the Middle East and especially for Iran. Therefore: Simplify visa regulations for Iranian students; provide stipends and fellowships for Iranian students and scholars; promote exchanges on faculty level.

A sound cultural relationship also rests on *religious* exchange. Religious leaders of the Jewish minority in Iran should also be included in inter-religious talks as they can provide valuable views from inside Iran and put the anti-Semitic rhetoric of the Iranian regime into perspective.

CONCLUSION

There is no viable alternative to the approach outlined above. Further isolating Tehran will not significantly influence the cost-benefit-analysis of the Iranian leadership. In fact, Iran has lived under international isolation for a long time and would rather turn to other countries such as China than give in to pressure from the West. A military strike would

inflict even more harm on the population, destabilize the whole region and finally erode any prospects for a sustainable solution.

In contrast, a strategy of concrete reciprocity will make the respective stakeholders accountable for their actions as further escalating the conflict would come with high domestic costs on both sides. Hence, not taking the proposed steps at any stage of the process would need to be justified. As a consequence, it will strengthen constructive voices that are so much needed for a sustainable solution.

Moreover, this account takes into consideration domestic constraints which such a strategy would face on both sides, especially on the part of a skeptical Congress in the US and the conservative-nationalist political elite in Iran. In doing so, this strategy will produce visible effects and movements on both sides because leaders in Washington and Tehran will be able to save face by pointing to the other sides' concessions and in doing so, gain legitimacy for their further engagement in the negotiation process.

To make peaceful progress inevitable, the West has to immediately engage Iran with a strategy of concrete reciprocity.

Atlantic-community.org's Policy Workshop Competition 2010, sponsored by the U.S. Mission to Germany, challenged students with one of the toughest questions in international relations: "What could a successful strategy for the transatlantic partners to overcome the deadlock on Iran's nuclear program look like?"

Felix Haass is a student of Peace Research and International Politics at the University of Tübingen.

Sascha Lohmann is a student of Political Science at the Free University Berlin.

Alexander Pyka is a student at Bucerius Law School, Hamburg.

Tobias Sauer is a student of political science, history, and cultural anthropology at the University of Trier.