

# POLARIS

SPECIAL



## GAME OFF-BASE – NATO AND IRAN'S NUCLEAR FILE

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***Editorial***

This timely and in-depth analysis of Ms Barbara Korte, Ludwig-Maximilians University in Munich, addresses the issue of how NATO can constructively deal with Iran.

Ms. Korte's paper provides her personal assessment on the current developments in Iran's political system, foreign policy, and strategic environment, including relations with regional and international actors.

She addresses the key issues of the Iranian Nuclear Programme, raising the question whether or not Iran has the capability to assemble a nuclear weapon.

Ms Korte goes even deeper in her analysis and discusses pros and cons of three different strategies in dealing with Iran: international sanctions; pre-emptive military strike; and containment and deterrence.

Furthermore, she develops a fourth option, more broad, emphasizing the need for developing areas of common interests between NATO and Iran and a new regional security structure.

This paper is the result of the NATO School's on-going cooperation and research exchange programme with partner institutions, such as Ludwig-Maximilians University of Munich.

Ms Korte is currently completing her Master's thesis and resided in Oberammergau during the preparation of this paper.

I would like to extend my thanks to Ms. Korte for his work and contribution to this academic exchange program.

Liliana Serban

Research Programme Manager  
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## 1. Introduction

In the last 15 years NATO countries have reoriented themselves towards the Middle East and North Africa (MENA) region as host of a number of global challenges and crises. This shift of attention has gone hand in hand with the Alliance's more general reorientation from Cold War collective defence towards collective security including security export through 'out of area' involvements. Quite frankly, "if NATO were to restrict itself to the old agenda of defending Western Europe it would wither and die."<sup>i</sup> It is in that light, that we have seen a substantial increase in the number of partnerships in the MENA region. The Islamic Republic of Iran has mostly been a target for criticism and bad publicity since the revolution in 1979. Regional actors have been sceptical of anticipated ideology export by the only majorly Shiite country in the region. Western powers – predominantly Israel and the US – articulate growing fear of Tehran's potential to be a source of destabilizing force in the region, particularly in the light of ambiguity regarding its nuclear program after 2002. This paper will address the question of how NATO member states can constructively deal with Iran as a political actor.

To that end, the paper will first introduce Iran's political system and foreign policy in more detail, before analysing Iran's strategic environment, including the interests and relations with regional and international stakeholders. Much effort within the analyst community has been devoted to the discussion of three strategies in dealing with Iran: sanctions, a pre-emptive military strike, containment and deterrence. A brief synopsis of the respective discourses will show that neither of these options currently provides a constructive solution because they focus on a symptom – Iranian nuclear file – not the root of the problem. A successful policy design has to be based on an analysis of the factors leading to the status quo, i.e. the factors determining

Iranian foreign policy as a whole, and policy regarding the nuclear program in particular. An analysis of the shortcomings of currently propagated policy options will provide valuable guidance as to which ideas may or may not be used when attempting to construct a potentially more successful approach for the future.

## 2. Inside the Black Box

Politicians and international media sometimes seem to be under the impression that Iran is an innately irrational player in the global political theatre. Systemically speaking, the Islamic Republic of Iran is a theocracy with democratic elements, including an institutionalised process for political change. Candidate admission is controlled by the Guardian Council, the body of twelve clerics responding to the policy guidance of the Supreme Leader. Similarly, throughout the whole system "for every state and civic institution – parliament, military, judiciary, military – there is a parallel, unaccountable religious body to either mirror it or police it."<sup>ii</sup> That system poses two main restrictions to the political freedom of current president Mahmoud Ahmadinejad. Firstly, he is, contrary to common perception in the West, to some extent accountable to his electorate. Secondly, he is subordinate to the Supreme Leader as the head of state, relations with whom are not good. The ultimate authority of Supreme Leader Ayatollah Khamenei is underpinned not only by his systemic presidency over the state military, mosque, justice and media system, but by two paramilitary groups under his direct command – the Islamic Revolutionary Guard Corps (IRGC) and the Basij.<sup>iii</sup> When talking about Iranian foreign and nuclear policy, and what to expect of both in the near future, it is detrimental to remind oneself of the systemic limitations to the president's power. Rationality can be interpreted in different ways, but thinking of Iranian politics in terms of 'mad mullahs' certainly doesn't

recognize the complex interactions of interest groups shaping politics in Tehran.

Ahmadinejad's second presidency has been characterized by deadlocks in cabinet on economic reform. The loose Principlist alliance of conservatives and Hezbollahis is antagonized over the feasibility of economic liberalisation, with the Islamist milieu fearing that may bring about a liberalisation of society not agreeable with their strictly religious political ideology. In the aftermath of the 2009 elections, the government faced challenges such as electoral fraud accusations by the reformist opposition, the rise of the Green movement and an evolving atmosphere of questioning the general legitimacy of the political decision-making process.<sup>iv</sup> Ahmadinejad was already having a tough time holding the coalition together, when a series of unprecedented corruption scandals emerged to remove most of his few remaining supporters in 2011. In 2012 Ahmadinejad tried to divert attention from his political isolation by distributing rhetoric round-house kicks. Sharp and often threatful words have served to attack national politicians and demonize Israel and the West in an attempt to distract from real political shortcomings. So far the outlook for the coming up June 2013 presidential elections is unclear. Ahmadinejad cannot run for another term in office, but the national political camps have yet to come up with an agreeable successor.<sup>v</sup> In the meantime Ahmadinejad cannot be expected to deviate from his aggressive leadership style.

### **3. Iranian Foreign Policy**

The strongest constant in Iranian foreign policy has been the wish to re-establish some of the prestige, power and regional influence once held by the Persian Empire. Traditional competitors for regional power are Saudi Arabia, the United States, Israel and Turkey; the shadow of Russian influence continues to loom over the region. Thus, Iranian efforts to bolster military capability are at least partially means of power projection. On the other hand, of course,

they are important in terms of security and defence, as Iran's fatal defeat during the Iran-Iraq War remains a lasting trauma, similarly the memories of the US-led intervention in Iraq in 1991. Tehran is eyeing activities of the US Fifth Fleet in the Persian Gulf, managing the waters as an "American lake."<sup>vi</sup> It goes without saying that from the Iranian point of view, large naval exercises, such as the one conducted in September 2012, look like preparations for something bigger, no matter whether that was the stated intent or not.<sup>vii</sup>

Exporting the Iranian revolution - a major foreign policy component in the 1990s - has moved somewhat into the background recently. With the increased US activity in the Middle East after 9/11, focus shifted towards preservation of Iran's territorial and political integrity. Iran openly supports ideologically affiliated groups in neighbour states, such as Hezbollah and Lebanon, Hamas in the Gaza Strip and the Syrian regime. In the present, this support is less directed at revolutionary expansionism than it is designed for intimidating and pressurizing neighbour states into acknowledging Tehran's regional political strength. Calibrating that support is a rather delicate issue, mainly because Iran wants to 'minimize the risks of a direct confrontation with more powerful states.'<sup>viii</sup> Tehran's foreign policy contains a good part of anti-Western sentiment linked to the active demonization of Israel. The fact that Israel poses a military threat to Iran, though factually correct, tells only half of the story. The other half is that being able to point fingers at an outside enemy comes in extremely handy at a time where domestic political turmoil sheds an unfavourable light on Ahmadinejad's presidential capabilities. It is thus little wonder Jerusalem has been witnessing ever more tapered statements from Tehran. That brings us back to the first point, namely if Iran successfully 'establishes itself as the vanguard of anti-Israeli and anti-American sentiment in the region,'<sup>ix</sup> that would be a huge step towards regional power status.

#### 4. Iran's Strategic Environment – USA, Russia, China

The Iranian nuclear crisis is set in a multifaceted strategic environment, one of which is the competition for spheres of influence between international major powers (USA, Russia and China). It also has to be seen in the context of regional issues: (1) power competition between Turkey, Saudi Arabia and Iran, where competition with Saudi Arabia is particularly fierce, and (2) local and regional eruptions of the Arab Spring, as part of a regional crisis. Finally, the nuclear issue is dialectically part of the relationship between Iran and Israel, directly linked to Palestine question and indirectly undermining Israeli popularity in the Arab street. The importance of all these matters for NATO dealing with Iran lies in the fact that each and every single one of them holds explosive potential demanding particularly careful treading in the Middle East strategic minefield.

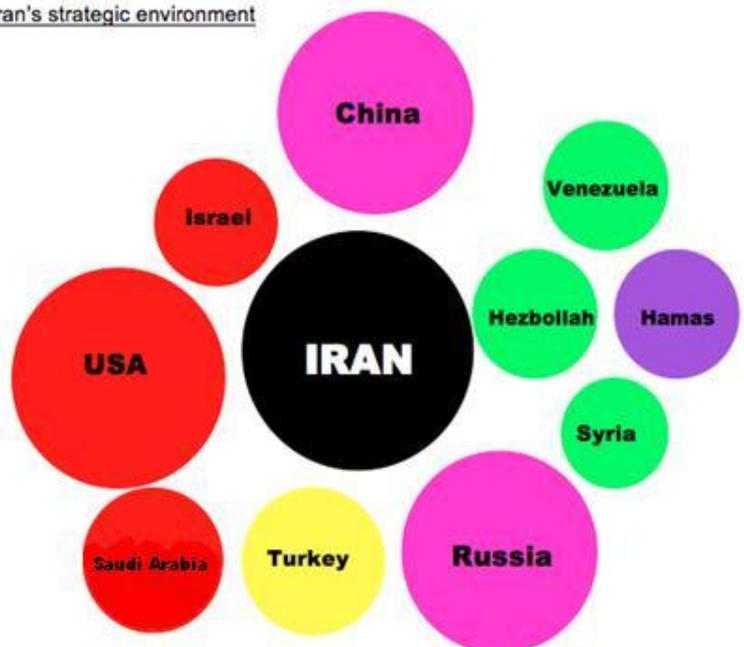
The once good relations between the US and Iran turned upside down after the Iranian revolution and the hostage crisis at the US embassy in Tehran 1979-81. Since then revolutionary Iran has been “widely regarded as the most substantial problem for US security interests in the Middle East.”<sup>x</sup> Even though president Obama’s attitude towards Tehran has been somewhat milder than his predecessors, even revoked former allegations of being part of the “axis of evil” and a “rogue state” supporting terrorism as well as spreading WMD have alienated the regime in Tehran. Fear remains in Washington that Iran is going to have destabilising impact on post-withdrawal Iraq and Afghanistan, and will help its partners Hezbollah and Hamas stir tensions throughout the MENA region. Last but not least traditionally strong political, economic

and strategic ties with Israel will probably continue to hold tight strings on the US president’s freedom of action towards Iran.

For Russia, relations with Iran are a double-edged sword. From the early 1990s onwards Moscow has been cultivating its relationship with Tehran through up - and downstream investments in the Iranian energy sector, trading nuclear technology and securing Iran as a delivery market for Russian weapons and defence products. Despite differences over access to gas fields in the Caspian Sea, Russia and Iran have mutual interests in preserving regional stability in the Caucasus. One example is containing ethnic disputes in Georgia and the ‘Stans’ without interference of so-perceived outside powers, particularly Turkey and the US.<sup>xi</sup>

On the other hand, interdependence limits Moscow’s capacity to support an emboldened regime in Tehran, as Moscow cannot afford to jeopardize improved relations with the US over benefits of military-industrial exchange with Tehran.<sup>xii</sup> Furthermore, it remains important for Moscow to keep a foot in the

Fig. 1: Iran's strategic environment



Iranian energy sector as means to secure influence over resources that could empower Iran as a competitive energy supplier. One must not forget that Iran currently holds the world's second-largest natural gas and fourth-largest oil reserves.<sup>xiii</sup> Therefore, Russia will likely continue to balance the benefits of cooperation with Iran against opportunity costs on vital relations the US.

The broad partnership Beijing developed with Tehran over decades has recently become an equally tightrope walk. Beijing cultivated that partnership to cater for the growing energy demand of Chinese industry by tapping Iran's vast oil and natural gas reserves. In 2010, Iran was the third-largest supplier of crude oil for China.<sup>xiv</sup> Another connection is that both try to preserve the cultural and ideological heritage of ancient empires, sharing a feeling of victimisation by the West.<sup>xv</sup> By and large that refers to US moral finger pointing, economic sanctions, calls for regime change and military encroachment. Beijing has long regarded Washington's hegemonial ambitions with suspicion, so small wonder Iran as the sole non-US ally in the Middle East is taken as an opportunity to get a strategic foot in the door.<sup>xvi</sup> Not least because with Obama's 'pivot to Asia' the Gulf states increasingly serve as a geographic bridgehead to expand influence over the Indian Ocean into Southeast Asia. For Tehran partnership with Beijing is a window of opportunity to develop economically and politically, as Beijing remains the sole global player that can afford not to align with international sanctions efforts, even pay the opportunity costs of incurring US extraterritorial sanctions. Yet Beijing is reluctant to getting too intimate with Tehran, as economic interdependence with the US can only carry a certain load of political tension. So, while China remains Iran's most significant trading partner throughout tightening sanctions, the previously constant growth in Chinese downstream investment in the Iranian energy sector

stagnated in 2012 in an effort not to jeopardise crucial ties with Washington. Although China is unlikely to support crippling sanctions or even military action against Iran in the foreseeable future, Chinese economic interdependence provides scope for giving Beijing positive inducements not to further intensify ties with Tehran.

## 5. Iran and Israel

The relationship between Iran and Israel is antagonistic and loaded with hateful rhetoric. Jerusalem views Iran as a source of threat to its very integrity as a country. A nuclear armed Iran would cross 'two redlines in the Israeli strategic psyche.'<sup>xvii</sup> First, destructive capability coupled with the alleged intention to 'wipe Israel off the map,'<sup>xviii</sup> gives rise to apocalyptic scenarios reminiscent of the Holocaust. Second, Israel's regional nuclear monopoly lies at the heart of its defence and deterrence structure. The Israeli defence establishment sees a window of opportunity to dismantle Iranian nuclear ambitions closing once Iran crosses the capability threshold. Hence Jerusalem has repeatedly threatened to initiatively strike Iranian key facilities. The question why that has not happened until now opens up an entire academic discipline of its own, which cannot be dealt with in depth here. For this paper suffice it to say that at least the following factors help shape Israeli decision making: expected success vs. costs, uncertainty as to the extent of US support and possibly a perceived inability to go it alone.<sup>xix</sup> And while in the past Israel has been more reluctant to conduct a military strike than suggested by the strong rhetoric of its leaders that can change in the future. Either Israel may in fact acquire the military capabilities to go it alone or risk calculations could eventually outweigh the cost-effect balance in favour of inflicting the highest possible damage over victory – i.e. delaying the nuclear program as much as possible rather than dismantling it entirely.

Aside of the nuclear file, Tel Aviv is hugely concerned about Iran's interference with internal issues through its relations with Hezbollah and Hamas. A recent example was Iran's supply of Fajr-5 missile technology to Hamas, facilitating the launch of attacks against Israeli targets from the Gaza strip in November 2012, reaching Tel Aviv and only marginally falling short of Jerusalem.<sup>xx</sup> Naturally, Jerusalem isn't all too happy about Iranian support for what it deems "terrorist" groups inside Israel. On the other hand, Hamas has repositioned itself in the regional political landscape, withdrawing its exile leadership from Syria to stay clear of the bloody civil war, and instead aligning itself with Qatar and Egypt. That shift, along with statements that "Hamas would not serve as Iran's retaliatory surrogate in the event of an Israeli attack on Iran,"<sup>xxi</sup> may indicate that ties with Tehran are loosening. Hamas' agreement to a ceasefire after the eight-day war in November 2012 seems to support that notion, as Tehran would have benefitted much more from a continuation of violence and a subsequent Israeli land invasion of Gaza.<sup>xxii</sup> While the slack in Hamas' ties with Tehran may be a source of quiet optimism, the opposite is true for Hezbollah, which owes its very existence to Tehran. Although Hezbollah, like Hamas, has been forced to look for other modes of financing as Tehran's budget is slimming under international sanctions, Ayatollah Khamenei remains the authoritative source of political and ideological guidance.<sup>xxiii</sup> And while the European Union's refusal to see Hezbollah as Iranian proxy and terrorist organization makes sense insofar as Hezbollah is now first and foremost a political party deriving its legitimacy in Lebanese government from democratic support of Lebanon's Shiite population, Israel is rightfully worried about the close cooperation between Hezbollah and Quds forces (special operations wing of the IRGC) in Syria.<sup>xxiv</sup> If it came to a military confrontation between Israel and Iran, Hezbollah would find itself in a

'damned if you do, damned if you don't' position, but if pragmatic engagement in Syria is any indication, Hezbollah will find it hard not to sideline with Tehran.<sup>xxv</sup>

## 6. Iran and Saudi Arabia

Iran's relationship with other regional actors is friendlier than that with Israel, yet characterised by a competition for regional power between Iran, Turkey and Saudi Arabia. Iran is the only major Shiite country in the region, and the Iranian wish to export revolutionary ideology has repeatedly led to discontent amongst Sunni monarchs and governments struggling to get a grip on their Shiite minorities.<sup>xxvi</sup> Traditionally, Riyadh and Tehran have been competing for dominance within OPEC, which fell to Riyadh with Iran's economic depletion in the Iran-Iraq war.<sup>xxvii</sup> Since the Iranian Revolution in 1979 the ideological rift has transformed the formerly mainly competitive relationship into an acutely antagonistic one. This antagonism stems from several factors including Saudi fears of Iranian influence over Saudi Arabia's Shiite minorities, competing influence in Iraq and Bahrain, the Iranian cleric's disapproval of the Saud family's guardianship of the two holy cities of Mecca and Medina and a regional conventional arms race that has been lasting for almost three decades. In the last few years the relationship has become somewhat acute at times over two particularities – (1) the instability introduced by the Arab Spring and (2) the associated with the Iranian nuclear file.<sup>xxviii</sup> The Arab spring has triggered a reconfiguration of power in the MENA region for years to come. The rise of the Muslim Brotherhood in Egypt and success of the Houthi Insurgency in Yemen has given rise to at least two Tehran friendly governments, and the Saudis have been suspiciously eyeing ties between Ahmadinejad and Egyptian president Morsi as well as the deepening cooperation between Tehran and Baghdad.<sup>xxix</sup> Yet the atmosphere of change constitutes both a threat and a blessing to both

countries, as both regimes fear for their legitimacy. The 'Battle for Bahrain', where in 2011 the House of Saud sent its army to secure the rule of the al-Khalifa family in Manama certainly conveyed the message that Riyadh is not prepared to tolerate a political rise of Shia neither within its national borders nor on its doorstep.<sup>xxx</sup> Generally, the Arab Spring has led to a climate of political opportunism and favoured short-termism in terms of foreign policy in both countries, making the next twist in Saudi-Iranian relations less and less predictable. While an immediate outbreak of direct military confrontation is not foreseeable, the Assad's regime's fight against Syrian revolutionaries continues to provide the stage for a bloody proxy war between the Iranian Quds force and the Saudi supported rebels.<sup>xxxi</sup> (2) If Iran became a nuclear weapon state (NWS), power in the Gulf would shift away from the Saudis, depriving them of "many of the economic and security assurances they have enjoyed for nearly a century."<sup>xxxii</sup> As a target-rich country with comparatively minor anti-ballistic missile capabilities – despite US security guarantees – Saudi Arabia finds itself vulnerable. It is a matter of much debate whether Riyadh would follow suit if Tehran were to acquire nuclear weapons, as it will have to weigh the reliability of the US protective umbrella (which has been repeatedly questioned with regard to the Obama administration's 'pivot to Asia') versus the benefits of utilizing its vast wealth and good relationship with Pakistan to acquire nuclear weapons of its own. For now, Saudi Arabia has not declared such intentions but preparations for an indigenous civilian nuclear program as a matter of fact took off in 2011-12.<sup>xxxiii</sup>

## 7. Iran and Turkey

Turkish-Iranian relations have a history of both rivalry dating back to the days of empire and of cooperation, but are quite friendly generally speaking.<sup>xxxiv</sup> Turkey immediately recognized the new Iranian government in 1979

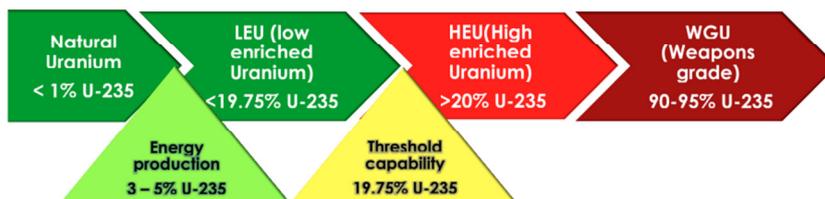
and was one of the few refusing to impose sanctions following the hostage crisis in 1980. Despite initial worries about Iranian support for Kurdish separatists, Ankara from the 1990s engaged actively with Iran, Iraq and Syria, all of which are home to Kurdish populations, in combatting separatist terrorism. Another major catalyst for the deepening of relations between Turkey and Iran is the Turkish energy demand. In 2011, over half of the crude oil imported to Turkey originated in Iran.<sup>xxxv</sup> Furthermore, Iranian natural gas is so essential that "Turkey's energy arrangements with Iran cannot be dependent upon its relationships with other countries."<sup>xxxvi</sup> Since its election of the Adalet ve Kalkinma Partisi (AKP) into government in 2002, Turkey has gone through a period of economic growth and political liberalisation manifesting itself in both the domestic political landscape and the AKP's foreign policy. The 'zero problems with neighbours' policy recognizes and develops Turkey's geostrategic position as "a Middle Eastern, Balkan, Caucasian, Central Asian, Caspian, Mediterranean, Gulf, and Black Sea country,"<sup>xxxvii</sup> meaning Ankara's active engagement with all of its neighbours, including an open mind towards Tehran. As a result of Ankara's good diplomacy, its NATO membership left the relationship with Tehran largely uncontested until the setup of early warning radar systems for the NATO missile defence system on Turkish territory.<sup>xxxviii</sup> Another wedge was driven into the bilateral relationship when the Erdogan administration demonstrated its lessons learned from Libya and dropped its minion Assad in favour of supporting the Free Syrian Army (FSA); if Damascus were to fall into the hands of the FSA, Tehran has enough reason to see itself coming under a siege from its Western border.<sup>xxxix</sup> Yet up until now, it does not seem like Tehran needs to worry about losing what it has deemed an ally in the international upheaval regarding its nuclear file. While recognizing the potential development of nuclear weapons as a hot-button issue from

2005 at the very latest, Ankara has more to fear from an Israeli or US-led intervention in Iran than from Tehran itself. Furthermore, itself has been playing with the idea of constructing nuclear power plants for over a decade and sees that right at stake in the discussions about the Iranian nuclear program.<sup>xi</sup> Ankara has thus been supportive of Iran's right to peaceful enrichment, by opposing UNSC imposed sanctions and engaging as a mediator and broker of the fuel swap agreement in 2010, failure of which Ankara attributes to Washington.<sup>xii</sup> As of 2013, Turkey finds itself more and more torn between short-term regional peace and the prospect of continuously failing negotiations with Iran, that may require an eventual readjustment to support economic sanctions, if the ultimate goal is to avoid a military conflict on its Eastern border.

### 8. The Iranian Nuclear Programme

Iran's nuclear program dates back to 1957 when a civilian nuclear cooperation agreement was signed. In 1968 Iran signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) as a Non-Nuclear Weapons State (NNWS), and ratified it in 1970. Under Article IV of the NPT all parties enjoy "the inalienable right [...] to develop research, production and use of nuclear energy for peaceful purposes without discrimination."<sup>xiii</sup> The signature and implementation of a safeguards agreement effectively put "all source or special fissionable material in all peaceful nuclear activities [...] for the exclusive purpose of verifying that such material is not diverted to nuclear weapons or other nuclear explosive devices"<sup>xiii</sup> under the auspices of the International Atomic Energy Agency (IAEA). With Russian and Chinese assistance as well as substantial input from the

**Fig. 2: Uranium enrichment**



Pakistani A.Q. Khan network, Iran has been able to enrich uranium to 1% U-235 since the late 1990s. Until then the program only received the odd bit of international attention.

The situation changed drastically in 2002, when an exiled opposition group informed the public of the secret construction of the Pilot Fuel Enrichment Plant (PFEP) and Fuel Enrichment Plant (FEP) at Natanz as well as the heavy water production facility at Arak.<sup>xiv</sup> The IAEA Board of Governors decided those activities constituted a case in non-compliance with the safeguards agreement between Iran and the IAEA, then in a unique decision put Iran under the duty to clear up with all remaining questions on the issue, thus shifting the burden of proof to Teheran. From 2003, negotiations took place between Iran, the IAEA and the E-3 (United Kingdom, France and Germany), for the duration of which Iran temporarily paused its Uranium enrichment activities. After the election of Mahmoud Ahmadinejad Tehran announced resumption of uranium enrichment in early 2006. By April 2006 Iran had mastered enrichment to 3.5% U-235 and declared to cease implementing the Additional Protocol (AP) "or

any other voluntary cooperative agreements with the IAEA."<sup>xlv</sup>

Subsequently, the IAEA Board of Governors decided to refer Iran's

nuclear file to the UNSC.<sup>xlvi</sup>

### 9. Legal Aspects of the Nuclear Programme

The legal argument behind referral to the UNSC was that Iranian non-compliance with its safeguards agreement constituted a breach of NPT Art 3.4 (relating to keeping safeguards agreement with the IAEA) and therefore justified referring the case to the UNSC as a threat to

international peace and security.<sup>xlvii</sup> Essentially, there are two reasons why this argument cannot hold. First, non-compliance with safeguards agreement solely refers to non-compliance with the technical provisions made under that agreement, and does by no means amount to a breach of the NPT, because the two are separate bilateral treaties concluded with the IAEA.<sup>xlviii</sup> In accordance with the Law of Treaties a safeguards agreement is therefore fully independent of the NPT and non-compliance with the first cannot amount to violation of the latter.<sup>xlix</sup> The second problem is that based on the first argument Iran has been denied the right to enrichment. That argument is faulty insofar as although the NPT Art. III.1 and III.4 oblige NNWS to conclude a safeguards agreement, a state's "inalienable right" to the peaceful use of nuclear energy under NPT Art I and II is not conditional upon conclusion or compliance with such. In fact the right to enrichment for energy purposes survives non-compliance with the safeguards agreement, and even a case in breach of NPT Art I and II does not extinguish that right.<sup>l</sup> Furthermore, NPT Art IV.2 puts NWS (supplier states) under the positive obligation to help NNWS develop their indigenous fuel cycle. So, apart from being denied the help contained in NPT Art IV.2, from a legal perspective the IAEA Board of Governors' decision to deprive Iran of its right to enrichment is unlawful, as the "NPT as a quid pro quo bargain between NWS and NNWS did not in fact make peaceful use conditional on compliance with other obligations."<sup>li</sup>

The argument can be extended to claiming that referral to the UNSC was in fact unwarranted. However, that point no longer matters once the UNSC has taken up the case on the grounds of the nuclear file causing a "threat to international peace and security" in accordance with UN Charter Art 39, and UNSC Resolutions by virtue of art trump the provisions of treaties. Since July 2006, the UNSC has passed a number of resolutions condemning the

continuation of Iran's nuclear program and demanding cessation of enrichment. Now, the fact that Iran continues to enrich Uranium constitutes a breach of UNSCR and therefore warrants further resolutions, including sanctions. As of UNSCR 1929 (2010) a tight sanctions regime is in place, that limits the financial scope of entities related to the nuclear program and IRGC, forbids the export of arms and trade of dual-use technologies, authorizes inspection of all Iranian cargo and severely restricts arms import.<sup>lii</sup>

## **10. An Iranian Nuclear Weapon?**

Even recent IAEA reports contend that Iran most likely halted its efforts to assume nuclear weapons capability when evidence of clandestine activity surfaced in 2003. International discourse on the continuation of its nuclear weapons program is driven by circumstantial evidence and circumstantial evidence alone. To open the threat equation, threat is calculated as the product of intention times capability.<sup>liii</sup> Simple math suggests that if one of the factors is equal to zero, no product can be derived; hence logic implies, if there is either no intention or lacking capacity, there is no deduceable threat. Intent will be looked at in more detail below; capability is a question of hardware: "for a nuclear attack, the capability consists of the nuclear weapon and the delivery system together."<sup>liiv</sup>

Does Iran have the capability to assemble a nuclear weapon? One requirement is the production of a critical mass of fissile material, either weapons grade Uranium-235 (WGU enriched to over 90% of U-235) or Plutonium-239 (WGPu). Looking at the facilities currently operational, Iran's ability to enrich natural Uranium to WGU is much better than that of reprocessing spent fuel rods to obtain WGPu. The first and hardest steps to produce Low Enriched Uranium Gas (LEU) are carried out routinely under the energy program. For the

production of WGU, LEU gas needs to be fed back into a centrifuge cascade, enriched further, then converted to 19.75% enriched Uranium Hexafluoride (UF<sub>6</sub>) gas. That process is currently underway, and under the terms of the NPT with respect to the use of LEU in medical and research reactors fully legal. The February 2013 IAEA report concludes that Iran has produced a total of 280 kg of 20% LEU, 167 kg of which remain in storage in the form of UF<sub>6</sub>.<sup>lv</sup> In order to build an implosion-type atomic bomb (Fat Man), using simple technology, Iran would have to convert around 141 kg of LEU to produce 25 kg WGU. The amount of UF<sub>6</sub> Iran currently holds in storage is theoretically sufficient to build a single implosion-type device. However, so far there are no reports of conversion to WGU, which would then still have to be moulded into hemispherical shells and built into a warhead. Moulding - Iranian attainability of which is unknown – is a critical stage, as are warhead design (acquired from the AQK network in the 1990s) and manufacture of a reliable exploding bridge wire detonator (EBW). Circumstantial evidence suggests that hurdle was tackled in the course of Green Salt Project.

However, and this is crucial, one should not fall into the circumstantial evidence trap. If only one of the technological challenges is not mastered to absolute satisfaction and tested to be 100% reliable, no warhead will be assembled for launch. One doesn't go through the hassles of producing 25 kg of WGU bypassing IAEA and intelligence watchdogs, risking territorial integrity by taking it up with much larger powers, just to throw the product into the atmosphere unless one is entirely certain it is going to work. Similar is true for the possession of a functioning delivery vehicle. The ranges of basic Shahab-1, 2 and 3 missiles in the Iranian arsenal are way too short to reach Israel.<sup>lvi</sup> Work on the Sejil missile, which is believed to have a nominal range of 2,000 km, has been somewhat sporadic, and not carried out with the determination of money and manpower one

would expect were the resolve to launch a nuclear weapon at some stage. In fact, even if a whole load of work is put into the project, results are not likely to be seen before three years from now.<sup>lvii</sup> By scientific standards, Iran is currently unable to produce a functioning nuclear weapon, and will likely remain so for at least another three years (at best, if it masters the delivery vehicle challenge in that period of time).<sup>lviii</sup> Even the production of one functioning nuclear weapon by no means amounts to the possession of a strategic nuclear weapons arsenal, which all of the "proper" NWS do. Any attack carried out with that capability would amount to no more than a terrorist gesture for there is no secondary strike arsenal for backup. Against that backdrop it makes ever less sense that the international political community has been held hostage by publicised worst-case scenarios of Iran producing a critical mass of WGU in less than three months from the date on which government makes an actual decision to go ahead with it, for doing that won't be of much importance until Iran has assembled a reliable delivery vehicle. The critical point to note is therefore the uncertainty regarding Iranian nuclear efforts: while circumstantial evidence suggests it is unsafe to assume Iran has never thought about building nuclear weapons, it is on the other hand impossible to prove the opposite.

## **11. Burden of Proof**

Keeping in mind the above legal issues and technological limitations, politicians would be well advised to reconsider the legal principle of *in dubio pro reo*. The August 2012 IAEA Report again states that "the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities."<sup>lix</sup> Drawing the conclusion that Iran is pursuing a nuclear weapons program from the absence of counter-evidence is an argument from ignorance, similar to Russell's teapot: "If I were

to suggest that between the Earth and Mars there is a china teapot revolving about the sun in an elliptical orbit, nobody would be able to disprove my assertion provided I were careful to add that the teapot is too small to be revealed even by our most powerful telescopes. But if I were to go on to say that, since my assertion cannot be disproved, it is intolerable presumption on the part of human reason to doubt it, I should rightly be thought to be talking nonsense." *In dubio pro reo* is like Russell's teapot in the respect that the burden of proof (even though coined to religion in Russell's case) lies on the scientist to make scientifically unfalsifiable claims, rather than sceptics to provide conclusive evidence that the scientist is wrong. So, when applying that legal principle to Iran, politicians should remind themselves that in fact the burden of proof lies with the countries accusing Iran of breaching the NPT, rather than Iran having to prove it hasn't. Circumstantial evidence arguments from ignorance should thus never be the base for policy designs, particularly not talking about policies like crippling sanctions or even a pre-emptive military strike that attack the very core of a country's identity, its sovereignty.

## **12. Iranian Nuclear Policy**

So far, leaders in Tehran have been following a course of maintaining ambiguity. The Supreme Leader has on various occasions and to different audiences stated that the possession and use of nuclear weapons is incompatible with the fundamental principles of Islam, and that Iran will therefore never strive to produce them.<sup>ix</sup> Nevertheless Tehran has not made a point of clearing up with suspicions by ratifying the additional protocol and fully admitting IAEA safeguards. Reasons why Tehran may have chosen this path, and will likely continue to do so, will become apparent in analysis of four policy options Iran has been facing for the past decade and is still facing today. Option A would be ratification of the Additional Protocol (AP) and

full compliance with IAEA safeguards to set the record straight by proving the solely civilian dimension of the nuclear program. Besides calling off what may have been an effective capability bluff versus other regional powers, Tehran would thereby lose the ability of using the "nuclear card" to buy concessions from the international community. Bearing in mind the examples of Pakistan and North Korea, one should not underestimate the potential bargaining power created by the ambiguity about a nuclear weapon. External consequences would be accompanied by domestic repercussions. Iranians currently perceive the West as employing double standards by having an eagle eye on Iran's nuclear program but turning a blind-eye on Israeli nuclear weapons, while Israel is not even an NPT signatory. Following option A would in the eyes of the public seem like the regime is too weak to defend Iran's rights as a sovereign country, depriving it of much needed public support. Therefore, this option can be dismissed on the grounds that a loss of domestic legitimacy would certainly outweigh the marginal benefits (if any) in meeting foreign policy aims.

Option B would be for Iran to make use of the exit-option built into the NPT, namely withdrawing from the treaty with 90 days notice, as North Korea did in 2003. After that it is technically legal for Iran to pursue a nuclear weapons program as it is no longer bound by the terms of the treaty. However, withdrawal would certainly lead to international isolation, if not immediate military intervention, which seems a likely scenario given the constant talk of red lines from Jerusalem and Washington. The deterrence effect of a juvenile nuclear weapons program does not equate to that of a complete nuclear weapons arsenal, and would therefore 'invite preventive military force and put the regime at greater risk than it would face otherwise.'<sup>ixi</sup> The more so by 'rallying Iran's adversaries around a common position, pushing its Arab neighbours further into alignment with

the US.<sup>lxii</sup> In terms of costs and benefits leaving the NPT at the capability stage, short of possession of tactical nuclear weapons, may incur extraordinarily high opportunity costs, a rational player is expected to avoid. So, if full compliance was domestic political suicide for the regime in Tehran, withdrawal from the NPT amounts to physical suicide as Iran does absolutely not have the military capacity to withstand, even less capture a victory in the event of a full-scale military attack jointly carried out by the US and Israel.

The other two options are for Iran to stay in the NPT, covertly pursue a NWP and wait for a politically more opportune time to withdraw (C), or (D) not actually have a nuclear weapons program but have the rest of the world believe Iran might. Interestingly, so long as there is no evidence as to prove either one or the other, both C and D would have similar outcomes in terms of meeting policy goals. As long as other regional actors believe Iran is secretly working on a nuclear weapon they will be deterred and power projection will work in favour of bolstering Iran's regional power position. Domestically, the regime would impress the electorate as it is not giving in to Western choking attempts, defending national pride through protecting the right to peaceful use implied by sovereignty and through securing technological advances in the nuclear sector setting Iran apart from its neighbours. Only if it came to a military showdown, be that in a war on Iranian territory or Iranian involvement in a war that may challenge the regime to use a nuclear weapon – if existent – would there be a difference between C and D, namely being able to use the nuclear weapon or not. In all other aspects, maintaining ambiguity about the extent and intention of the Iranian nuclear program seems just fit to satisfy the imperatives of domestic and foreign policy. Scholars in the field have suggested that 'although Iran's external threat environment has likely had a strong influence on nuclear policies, its role is not deterministic.'<sup>lxiii</sup> On that assumption it

becomes less likely for Tehran to make a decision between C and D, so unless the position of the international community facing Iran changes significantly (for example by surfacing new evidence pro or contra a nuclear weapons program), a continuation of Iran's 'hide and seek' nuclear policy is very likely indeed.

### **13. Why Sanctions won't work**

The three main caveats of international sanctions imposed on Iran so far are the (i) unsatisfiable nature of preconditions, (ii) scope, design and international support of the sanctions, and (iii) general incapacity of sanctions to stop countries from pursuing policies that are of crucial to them.

*Preconditions:* from the E-3 stage, through P5+1 and UNSCR demands, Iran was demanded to halt its uranium enrichment activity entirely prior to further negotiations. In Tehran those demands are being perceived as unreasonable because under the terms of the NPT Iran is entitled to enrichment for civilian purposes, which according to government sources is precisely and solely the purpose of its nuclear program. Teheran cites its right to continue enrichment by the provision "without discrimination [...] in conformity with Articles I and II" of the NPT.<sup>lxiv</sup> Defending this right against an international community that the Iranian government perceives to be employing double standards, and the domestic stakes are high. The Iranian population views the nuclear program as a source of national pride because it is its only means of displaying technological advancement versus other countries in the region, considering how underdeveloped other industrial sectors are in Iran.<sup>lxv</sup> If government proved itself unable to defend such source of pride, the population may have little left to pride itself of and as an electorate cuff the ears of government in 2013, as it was seemingly unable to defend that sole source of industrial value against the 'evil West.' Hence Ahmadinejad is doubly trapped handcuffs, one for legitimacy

with the domestic electorate, and two by the fact the international community demands the very halt of enrichment as a precondition for engaging in future talks at all.

Previous rounds of sanctions have failed to succeed because for a long time there *was no clear objective*, particularly looking at US foreign policy that sought for Iran to “cease pursuit of weapons of mass destruction, terminate its support for terrorism and terrorist groups, end its opposition to Israel, and stop human rights violations,”<sup>lxvi</sup> ideally all at the same time. Only in the second half of Obama’s first presidency was that narrowed down to focus on the nuclear program. Looking at the details of the sanctions regime, it is quite striking that over a period of six years the Iranian energy sector has by and large not been targeted by the sanctions at all, which seems odd considering that *prima facie* the nuclear program is an energy one. The reasons for this are simple: two of the permanent UNSC members, namely Russia and China, have significant enough interests, in the Iranian economy and energy sector respectively, to block resolutions that may impair their strategic interests. Currently around half of Iranian government revenues are provided for by oil exports, “while crude oil and its derivatives account for nearly 80 % of Iran’s total exports.”<sup>lxvii</sup> Economically, the energy sector is also the most vulnerable. Small wonder that until summer 2012 sanctions weren’t showing the desiring effects because they were simply not targeting the energy sector, even though as early as in 2010 UNSCR 1929 (2010) paved the way for stricter unilateral sanctions. Now, most recently sanctions have started to show effects, due to the passage of US extraterritorial sanctions in spring 2012. The value of the Rial is plummeting, inflation skyrocketing. Nevertheless, by winter 2012 the side effects seem to outweigh the benefits. Sanctions are perceived as hostile acts by the Iranian population, rallying the electorate around the regime. Opposition politicians are

instrumentalising the weak economy to exemplify Ahmadinejad’s failure at economic policy, and even current speaker of the Iranian parliament, Larijani has stated publicly, ‘that only 20% of Iran’s economic problems are the corollary of sanctions, while the remaining 80% finds their provenance in government mismanagement.’<sup>lxviii</sup> Sanctions themselves do not turn electorates against their government, and even if they did, regime change in Iran would not guarantee for abolition of the nuclear program.

“Sanctions have a notoriously poor record historically in leading countries to change course on policies of importance to them.”<sup>lxix</sup> Although Tehran isn’t engaging in an arms race comparable to that between Pakistan and India in the 1970’s, it’s none the less likely to exhibit the same perseverance as Pakistan after the Indian nuclear test in 1974. Like Pakistan, Iran might be willing to ‘eat grass or leaves, or even go hungry’ but certainly not abandon its nuclear weapons program.<sup>lxx</sup> The bottom line is that sanctions can be a useful tool in the box, but they have to be given political direction, be part of an overall strategy, alongside diplomacy, economic incentives etc. They also need to reward good behaviour (carrots), rather than cripple a country into compliance (sticks).

#### **14. Pre-Emptive Military Strike**

There are a number of substantial arguments against a pre-emptive military strike. One, even a successful cosmetic strike will not terminate, only delays the nuclear program. Known facilities above ground are vulnerable to air strikes, but at least two critical facilities are not sitting ducks: the Uranium enrichment facility at Natanz, which is buried under several layers of reinforced concrete, and the facility built into a mountain at Qom. Both would take at least several successful hits in succession to perhaps be dismantled.<sup>lxxi</sup> The majority of research, manpower and knowhow remain untouched by a cosmetic strike. Failure to terminate the program

would harden the regime's will to acquire technology for retaliation or future protection. Two, initial air raids are likely to result in escalation to full-scale war. Facing an all-out attack from the US, knowing it doesn't stand the faintest chance of a military victory, Tehran may well try to inflict the highest possible damage on the aggressor. Be that by striking foreign military bases in the gulf or retaliating against US-allies. If Israel were not part of the initial attack, Tehran would certainly attempt at drawing Jerusalem in, if only to gather support on the Arab street.<sup>lxxii</sup> Three, if not Hamas, Hezbollah – as discussed previously - is very likely to sideline with Iran and use its geographic proximity to hit targets inside Israel. In sum, any 'picture of a clean, calibrated conflict is a mirage. Any war with Iran would be a messy and extraordinarily violent affair, with significant casualties and consequences.'<sup>lxxiii</sup>

In terms of second order effects, a pre-emptive strike would surely be stronger than the strongest sanctions in terms of rally-around the flag phenomena, strengthening and emboldening political hardliners in Tehran by reinforcing the idea of an evil West. Even worse are the effects on the oil market. Iran holds sufficient anti-access/area-denial capabilities to shut down shipping in the Strait of Hormuz, the bottleneck through which more than 20% of world oil trade passes.<sup>lxxiv</sup> In times of peace Tehran has not made threats of closure come true for its own economic dependence on the shipping lanes, however, the rationale will change entirely once Iran is attacked, as the value-risk calculation becomes tipped to the other side. Closure of the strait would send oil prices skyrocketing. If it remains open, insurance cost will inflate and speculation about its future closure will have the same soaring effect on the oil market. While Tel Aviv may worry little about the international oil market in the face of an 'existential threat,' NATO countries certainly do need to worry about energy prices and security. Looking a couple of years into the future – in the narrow operational

sense the US would probably win a war, but then what? Home economies and electorates in the west are not ready for another Iraq nor Afghanistan, there is no firm definition of a political end state. While closing the diplomatic channel for good, and fuelling anti-Western sentiment in the region, we haven't even accounted for Chinese or Russian reaction. Without wanting to expand on those factors further, it should have become clear by now that a military strike does not solve the problem, but rather reinforce most of the reasons Iran may or may not be seeking a nuclear weapon in the first place.

## 15. Deterrence and Containment

So, if traditional means (sanctions, pre-emptive strike) cannot solve the problem, NATO may have to accommodate the idea of Iran one day acquiring nuclear weapons capability and live with the strategic uncertainty. On an ideological level, the unexpected twist may be that having a new common 'enemy' would refresh NATO's collective defence purpose, driving the alliance back into unity. Both the creation of the new missile defence shield and stationing of US and German patriot missiles on Turkish territory (responding to Syrian air strikes crossing frontiers) in December 2012 are interpreted in this light. Scholars from the realist and neorealist schools argue that nuclear power balance is more stable than all other alternatives, even going as far as suggesting an Iranian NWS is the perfect solution to balancing the 'decades-long Middle East nuclear crisis' provoked by the Israeli nuclear weapons arsenal.<sup>lxxv</sup> While history supports this notion in that no two NWS have ever engaged in a full-scale war with one another, full-scale war is not the only concern on the table. Whenever there are two nuclear players in the game, there is a higher risk of subconventional warfare, a phenomenon called the 'stability-instability-paradox.' 'The supposed stability established by

mutually assured destruction creates greater instability [on a subconventional level] by making provocations, disputes and conflict below the nuclear threshold seem safe.<sup>lxxvi</sup> That could take the shape of frequent small attacks against Israeli or US targets by the Quds force, open deployment of IRGC to Syria or friendly Hezbollah in Lebanon, maybe, too, aggressions in the Straits of Hormuz.<sup>lxxvii</sup> Regarding a potential handover of nuclear weapons to terrorists, the nuclear program has been such a large investment for Tehran, incurring huge opportunity costs and causing collateral damage for economy, society and diplomacy. 'It would make little sense to transfer the product of that investment to parties that cannot be trusted or managed.'<sup>lxxviii</sup> However, what may happen is that Iranian protégées become emboldened by the new nuclear umbrella and step up their hostile activities.<sup>lxxix</sup>

Apart from that, calibrating deterrence in itself is risky business, especially when from the outside it is impossible to judge whether Tehran 'knows' how to do nuclear diplomacy and the risk of having Tehran 'learning on the fly' is huge.<sup>lxxx</sup> Also, at least the present Israeli government, would never expect the continuation of Iran posing an existential threat in to permanency, and the majority of factions that could come into power in Jerusalem in January 2012 are no less likely to view Iran as such. Even if Israel were willing to abstain from a military strike initially, the AIM factors (accidents, incidents, mavericks) deterrence is home to may still result in an unintended escalation. Presumably at least the US would have to commit mores resources to the area in the long-term to provide security guarantees to its allies. What it comes down to is that while deterrence may be a temporary means of bridging a crisis, it is not a viable solution to this long-term problem as it doesn't address the security needs of any of the actors involved.

## 16. The Need for a Fresh Approach

Given that none of the three strategies currently on the table seems fit to solve the deadlock situation Iran and the other stakeholders find themselves in, there is compelling reason to look for a fourth option, and to do so quickly as the general situation in the MENA region is far from peaceful and relations between Israel and Iran seem to deteriorate every time politicians make a public address. At least for the sake of a thought experiment one should try to put the Iranian nuclear file to the side, as up until now the international community has been held hostage by it. Furthermore the fact that foreign policy addressing Iran has achieved next to nothing with regard to the nuclear program since 2001, suggests that such abortive policy might possibly be dropped without much of a loss. Whilst at first glance that seems almost impossible, governments should try to double-check their Iran policy's dependence on domestic politics, particularly in the US, where the president's policy options towards Iran are known to be severely restricted by pro-Israeli lobby groups.<sup>lxxxi</sup>

On these two conditions one can go on to identify areas of common interests between NATO members and Iran. The idea is to expand cooperation in these areas, sparking off four processes:

1. Improve the security situation (security dilemma) for Iran, indirectly reducing its need for exploring defence options;
2. Integrate Iranian capabilities in addressing local issues – saving resources for NATO in the immediate ME neighbourhood, easing force protection;
3. Thereby give Iran the chance to prove itself as a responsible international actor;

4. Eventually pave the way for Iran to return into the regional and international political community.

### **17. A Starting Point: Common Interests**

Iraq and Afghanistan. Although the involvement of NATO in the two states is hugely different, the common denominator the Alliance is working towards in each case is a stable sovereign state with a functional security apparatus and sustainable form of government. Leaders in Tehran may not share Western ideas of democracy and good governance, but they do share an interest in stability. In fact and without speculation, a stable Iraq and Afghanistan are more important to Iran than they are to many NATO member states as the majority of Iran's borders are with Iraq and Afghanistan. For Iran there are significant security risks if the situation in either country deteriorates and causes spillover effects, particularly sourcing from the drug trade, Al-Qaeda and Taliban activities in Afghanistan. Towards Iraq the religious and ideological component is stronger, with fraternal feelings for the large Shiite minority. Stability in Iraq and Afghanistan, critical to both Iran and NATO, should be a good starting point for cooperation. It will require a trade-off regarding the desired political end state, as Tehran is certainly not aspiring to erect a Western style democracy in Baghdad. Nevertheless, the question already raised numerous times in other contexts, is whether such type of governance even suits Iraq (and Afghanistan). That question better be addressed by experts in Political Systems, yet one thing is certain: in both countries governments that enjoy the support of the other Gulf and Persian countries stand a better chance at succeeding in the long run.

Energy: In November 2012 Iran was the second-largest oil producer in OPEC and “the third-largest crude oil exporter in the world.”<sup>lxxxii</sup> As mentioned earlier, Iran currently sits on the world's second largest natural gas resources. It

would indeed be very short-sighted for NATO states not to look at Iran as a key supplier in the race for energy security. Even if the European market is not demanding much natural gas yet, it will have to sooner or later as the need for diversification increases. At the moment, China has halted further investments into the Iranian LNG market as US extraterritorial sanctions hit Beijing, but sooner or later either China or Russia will buy back into that market – if the US and Europe stay put – as it is too profitable an opportunity to waste. Iran itself desperately needs an economic boost after the recent rounds of sanctions, be that shoving money into improving Iran's drilling and refinery industry, or be that investment into setting up the LNG market.

### **18. Breaking Old Habits**

With those two areas of common interest as a starting point, the question now is how to foster cooperation there. The first precondition remains that the nuclear file stay out of the focus. The second precondition will have to be that Western states, in particular the US, acknowledge and learn from the mistakes that have been made in dealing with Iran in the past. Even the so called ‘dual track policy’ has been extremely harsh by enacting ‘a sanctions regime that essentially curtailed all political, economic, and diplomatic interactions.’<sup>lxxxiii</sup> To use psychological terminology, Tehran has mainly been subject of negative conditioning (coercion for misbehaviour) with the result that for example the ‘fuel swap agreement’ could never be implemented.<sup>lxxxiv</sup> For example a child that is hit with a stick at four o'clock every day, will expect the same thing to happen on any given day in the future, even if it is told that's not going to happen, because of the weight of his experience. With Iran it has often been demanded that the international community provide a step by step plan that provide incentives, reward good behaviour and include the chance of rapprochement. However, with the

gravity of negative experience, it is highly unlikely for a sudden switch to positive conditioning (i.e. set incentives, then reward good behaviour) to work. For that 180° turn to show effects, it will have to be preceded by a readjustment phase in which other major powers convince Tehran of their altered intentions. Indispensably, a set of trust building measures will have to include something-for-nothing deals (partial lifting of sanctions, recognition of Iranian right to peaceful Uranium enrichment) so as to prove good will and preparedness to negotiate. Only once there is sufficient evidence of absence of bad intentions, Iran will return to the negotiating table.

Once the ground for negotiations has been paved through trust building measures, parties to talks can then agree on a step-by-step plan, in which particular attention is paid to the simultaneous phasing or sequencing of negotiations and incentives. 'In every phase of the negotiations, each party will, on balance, benefit from the agreement at that stage and have an incentive to continue with the process through to the following stage.'<sup>lxxxv</sup> One such Pareto improvement could be an agreement on Iranian-Afghani joint border patrol. For Tehran the incentive would be not having to dispute border security with foreign soldiers (mental and procedural simplification) and some influence over the security situation in its neighbour country. For NATO, who is trying to minimise engagement in Afghanistan post 2013 anyhow, there's a reduction in personnel requirement. Even if ideas like these individually almost fade in the bigger picture, it is the number of them that makes the difference, and indeed there is plenty of opportunities for creating win-win situations out there. Certainly some of the duties NATO deployed soldiers are performing under the Comprehensive Approach can be supplemented or replaced by regional (where not local) work force and expertise.

Together, NATO states and Iran should be able to agree on a step-by-step strategy to these three issues, at the outset clarifying the desired strategic end state. Today there is no all-out solution on the table, in particular looking out to the uncertain outcome of the Iranian presidential election in June 2013. Not only will such strategy require more than a couple of months, but it will have to be resistant to or rather still be applicable after changes in the governmental structure, of all parties, that is. This means less focus on domestic politics, especially the still often cited matter of 'regime change' in Tehran, and more focus on addressing issues that lay the groundwork for regime legitimacy: meeting electoral expectations. It is therefore absolutely vital for any such strategy to address the security dilemma Iran currently finds itself in, given the preservation of one's sovereignty is indeed any government's main goal.

## Conclusion

A primary concern of this paper is to set the record straight regarding alleged claims of an Iranian nuclear weapons program. The truth is that while circumstantial evidence indicates the Iranian nuclear program may not be exclusively civilian in nature, that evidence is insufficient to deduce the existence of a nuclear weapons program. Any argument based on this much uncertainty is doomed to make grave mistakes. Particularly so when that claim is used to argue in favour of a pre-emptive military strike on Iran. Not only unjustifiable under the given evidence and international law, such pre-emptive strike would open Pandora's box for a range of regional political and military repercussions likely to fall nothing short of a full-fledged war in the Middle East. Nevertheless there are still enough political players out there who consider Iran enough of a threat to make 'just in case' deterrence and containment an equally unfeasible option.

Then the question appears how Iran and the international community got into the current dilemma in the first place. As the analysis of Iran's foreign policy and its strategic environment has shown, Iran strives to establish a regional power position through different means of power projection, the domestic constant being fragmentation and uncertainty, while at the same time finding itself in a security dilemma. Scholarly, the times of political realism have passed, relative power isn't everything, yet without security everything else becomes nothing. Western powers need to recognize that for the strategic environment Iran finds itself in, just like we domestically make arguments for ever higher defence budgets. Seen in this light, the ambiguity Tehran has been maintaining in terms of its nuclear program, may well be a strategy in itself, attempting to solve domestic and foreign issues jointly. For the vitality of all the matters at stake, the regime in Tehran will do anything to cushion the impact of sanctions. In combination with the general flaws of sanctions and shortcomings in international agreement in this particular case, there is little reason to believe the current sanctions regime will attract any kind of change in Tehran. How then does one resolve the dire situation?

Following the principle of *in dubio pro reo* as well as the practical inability of all previous solutions at solving the problem, the argument here is to initially let the Iranian nuclear file off the hook for a lack of perspective and evidence. Instead NATO member states should seek to address the Iranian security concerns, which may lie at the root of all security dilemma based thinking, including potential weaponization. Leaving the nuclear file to one side, there is a surprising number of overlapping security interests between NATO members and Iran. Issues such as the future of Iraq and Afghanistan and the development of the Iranian energy sector – particularly LNG – should have enough potential for both sides to seek a common denominator. Certainly questions of

governance won't be uncontroversial, yet it is more likely to overcome those hurdles through cooperation, than by isolation of a major stakeholder. As a precondition to realizing that new, common interest based strategy, Western states need to be ready to switch from the formerly unsuccessful method of carrots and sticks to an incentives based approach.

In the mid to long term we will also need to think about a new regional security structure. That will have to reflect the new Iranian position, but, more importantly, pave the way for intergovernmental cooperation within the MENA region. Possibly that may require the US to step back from hegemonial ambitions, as unpopular as that sounds. But if peace really is the long term goal of NATO states for the MENA region, we need to acknowledge this will be achieved by self-governance, and self-governance only.

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- <sup>xxxiii</sup> Yoel Guzansky, "Questioning Riyadh's Nuclear Rationale," *Middle East Quarterly* 20, no. 2 (2013). Naser al-Tamimi, "Will Riyadh Get the Bomb?," *ibid.*
- <sup>xxxiv</sup> Hanna Ojanen and Barbara Zanchetta, "Turkey and the Iranian Nuclear Program; a Key to Progress in Regional Disarmament?," (2012). 5
- <sup>xxxv</sup> "Country Analysis Brief Iran". 5
- <sup>xxxvi</sup> Serdar Poyraz, "Turkish-Iranian Relations: A Wider Perspective," (SETA Policy Brief #37, 2009).
- <sup>xxxvii</sup> Cengiz Dinc and Mustafa Yetim, "Transformation of Turkish Foreign Policy toward the Middle East- from Non-Involvement to a Leading Role," *Turkish Journal of International Relations* 11, no. 1 (2012). 76
- <sup>xxxviii</sup> as a matter of fact, Ankara's open opposition to the US-led invasions in Iraq and Afghanistan, and the subsequent cooling of relations with the Bush administration catered for a stark increase in popularity with Tehran. *Ibid.* 73
- <sup>xxxix</sup> Henri J. Barkey, "Turkish-Iranian Competition after the Arab Spring," *Survival* 54, no. 6 (2012). 151ff
- <sup>xl</sup> Aylin Gürzel, "Turkey's Role in Defusing the Iranian Nuclear Issue," *The Washington Quarterly* 35, no. 3 (2012). 143
- <sup>xli</sup> Aylin G. Gürzel and Eyüp Ersoy, "Turkey and Iran's Nuclear Program," *Middle East Policy* 19, no. 1 (2012). Last but not least sanctions threaten to indirectly have a negative impact on the Turkish economy as soon as they properly hit the Iranian energy sector. Ojanen and Zanchetta, "Turkey and the Iranian Nuclear Program; a Key to Progress in Regional Disarmament?". 8-9
- <sup>xlii</sup> "The Treaty on the Non-Proliferation of Nuclear Weapons (NPT)," (London/Moscow/Washington: UN, 1968). Article IV.1

<sup>xliii</sup> IAEA, "Infcirc/214: Agreement between Iran and the International Atomic Energy Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons," (1974). Article 1

<sup>xliv</sup> Reardon, "Containing Iran: Strategies for Addressing the Iranian Nuclear Challenge." 14-15

<sup>xlv</sup> Ibid. 17

<sup>xlvi</sup> The driving force behind referral to the UNSC was the US who had not been a party to the E-3 talks.

<sup>xlvii</sup> Art.3 NPT

<sup>xlviii</sup> Daniel Joyner, *Iran's Nuclear Program and International Law, Ethics, Law and Armed Conflict* (Oxford: University of Oxford, 2012), iTunes U lecture.

<sup>xlix</sup> Art. 3.4 obligates NNWS to conclude agreements with the IAEA, and that these agreements are to be of a character described in Art 3.1 and 3.3.

<sup>l</sup> NPT Art IV.1: "Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop, research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty."

<sup>li</sup> Joyner, *Iran's Nuclear Program and International Law*.

<sup>lii</sup> the relevant UNSCR –1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010), 1984 (2011) and 2049 (2012) – are available for download at <http://www.un.org/en/sc/documents/resolutions/index.shtml>

<sup>liii</sup> J. David Singer, "Threat Perception and the Armament-Tension Dilemma," *Journal of Conflict Resolution* 2, no. 1 (1958).

<sup>liiv</sup> Markus Schiller and René Rieger, "Pre-Emptive Strike against Iran: Prelude to an Avoidable Disaster?," *Middle East Policy Council* (2012).

<sup>liv</sup> IAEA Bord of Governors, "Gov/2013/6: Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran," (2013). D.10

<sup>lvi</sup> Schiller and Rieger, "Pre-Emptive Strike against Iran: Prelude to an Avoidable Disaster?." Argue that the nominal range requirement for targeting Israel lies over 1,100 km because of a range penalty suffered when launching missiles against rotation of the earth, the necessity to keep the launch point from being too close to international borders and the location of strategically valuable targets within Israel. In the early 2000s Iran successfully tested Ghadr-1 (a modified version of Shahab-3 with a nominal range of over 1,300 km), but "it is plausible to assume that the program was stopped and the gained insights incorporated into the Iranian Safir satellite launcher."

<sup>lvii</sup> Ibid. See section on "The Iranian Missile Program"

<sup>lviii</sup> Ibid.

<sup>lix</sup> IAEA Board of Governors, "Gov/2012/37: Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran," (IAEA, 2012). 11

<sup>lx</sup> 'Declaration by the Supreme Leader [...] in Tehran on 30 August 2012: The Islamic Republic of Iran considers the use of nuclear, chemical and similar weapons as a great and unforgivable sin.' IAEA, "Infcirc/842: Communication Dated 12 September 2012 Received from the Resident Representative of the Islamic Republic of Iran Concerning "Facts on Iran's Nuclear Policy"," (Vienna: IAEA, 2012).

<sup>lxi</sup> Reardon, "Containing Iran: Strategies for Addressing the Iranian Nuclear Challenge." 69

<sup>lxii</sup> Ibid. 71

<sup>lxiii</sup> Ibid. 65

<sup>lxiv</sup> "The Treaty on the Non-Proliferation of Nuclear Weapons (NPT)." Article IV

<sup>lxv</sup> Colin H. Kahl, "Not Time to Attack Iran," *Foreign Affairs* 91, no. 2 (2012). 171

<sup>lxvi</sup> Meghan L. O'Sullivan, "Iran and the Great Sanctions Debate," *The Washington Quarterly* 33, no. 4 (2010). 11

<sup>lxvii</sup> "Country Analysis Brief Iran". 5

<sup>lxviii</sup> Eskandar Sadeghi-Boroujerdi, "Sanctioning Iran: Implications and Consequences," (2012). 16. Cites several Persian sources as recently as October 2012.

<sup>lxix</sup> Robert E. Hunter, "Rethinking Iran," *Survival* 52, no. 5 (2010). 141

<sup>lxx</sup> Mark Fitzpatrick, *Pakistan, A.Q. Khan and the Rise of Proliferation Networks: A Net Assessment* (London: IISS, 2007). 15

<sup>lxxi</sup> Matthew Kroenig, "Time to Attack Iran," *Foreign Affairs* 91, no. 1 (2012). 79

<sup>lxxii</sup> Colin H. Kahl, "Not Time to Attack Iran," *ibid.*, no. 2. 171

<sup>lxxiii</sup> Ibid. 168

<sup>lxxiv</sup> Ibid. 171

<sup>lxxv</sup> Kenneth N. Waltz, "Why Iran Should Get the Bomb," *ibid.*, no. 4. 2-3

<sup>lxxvi</sup> Colin H. Kahl, "Iran and the Bomb," *ibid.*, no. 5. 159

<sup>lxxvii</sup> Ibid. 158

<sup>lxxviii</sup> Kenneth N. Waltz, "Why Iran Should Get the Bomb," *ibid.*, no. 4. 4

<sup>lxxix</sup> Dima Adamsky, "The Morning after in Israel," *ibid.* 90, no. 2 (2011). 157

<sup>lxxx</sup> Hunter, "Rethinking Iran." 143

<sup>lxxxi</sup> Ibid. 147

<sup>lxxxii</sup> "Country Analysis Brief Iran". 2

<sup>lxxxiii</sup> O'Sullivan, "Iran and the Great Sanctions Debate." 11

<sup>lxxxiv</sup> "The "carrot and stick" approach has already been rejected by the Iranians, who regard it as offensive to their cultural sensibilities, which explains Iranian caution towards American outreach.' Eskandar Sadeghi-Boroujerdi, Paul Ingram, and Gabrielle Rifkind, "Iran's Nuclear Impasse - Breaking the Deadlock," (2012). 2.

<sup>lxxxv</sup> Ibid. 5