

IRAN'S NUCLEAR PROGRAMME & POLICY A REPORT

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This report aims to provide an overview of Iran's security environment and examines the challenges and opportunities to Iran's nuclear program and policy. Iran has borders with seven countries and is located in one of the most strategic locations. It connects the Middle East to Central Asia and Southwest Asia, between the oil-rich and therefore strategically important Persian Gulf and Caspian Sea. This strategic location of Iran in the Gulf was important to the United States to block the expansion of the Soviet Union during the Cold War. The Shah of Iran had signed a nuclear deal with the United States to acquire twenty nuclear reactors in 1956. Its nuclear program has been embedded in its broader search for regional credibility and international stature. Iran had also signed the Nuclear Non-Proliferation Treaty (NPT) in 1968. However the nuclear program initiated by him came to a halt after the Revolution.

Since the mid-1980s, for a decade, China was a significant source of assistance for Iran's civil nuclear program. Under a ten-year agreement for cooperation signed in 1990, the Iranian nuclear technicians and engineers were

trained in China. During 1995, Russia proceeded with its contract to help Iran build a nuclear reactor at Bushehr. In January 2001, Russia announced that the Bushehr project was 90 percent complete and that the operations would begin by 2003.¹ The American efforts to curtail foreign nuclear sales to Iran intensified during the Bush Administration after the 1991 Gulf War. China had also provided assistance to Iran but this was stopped later due to pressure by the US.

Immediately after the Revolution, the war with Iraq led Iran to develop a new perspective on their weaponisation programme. Iran was attacked with chemical weapons during the Iran-Iraq war; Iran also noticed the international community's conspicuous silence over Saddam Hussein's use of chemical weapons against Iran. Thereafter, the leadership in Teheran decided to acquire nuclear weapons as the only means of ensuring self-defence. While the Russian assistance to Iran recommenced after Iran-Iraq

¹ Joseph Cirincione, Jon B. Wolfenthal and Miriam Rajkumar, *Deadly Arsenals: Tracking Weapons of Mass Destruction*, (Washington DC: Carnegie Endowment for International Peace, 2005) p. 260

War, stopping it became a high priority for the US.

Iran's nuclear programme was not a major preoccupation until the National Council of Resistance for Iran (NCRI), an Iranian opposition group, in August 2002, disclosed the location of two previous secret nuclear facilities in Iran. This included a large underground uranium enrichment plant under construction near Natanz, 130 miles of Teheran. Subsequent inspections by the IAEA revealed 18 years of clandestine fissile material production. It also became evident that Iran had procured centrifuges from the nuclear black market network run by AQ Khan.² This was acknowledged in the November 2004 report by the IAEA.

In October 2003, faced with the prospect of a formal finding of noncompliance by the IAEA Board of Governors and referral to the UN Security Council, Iran agreed with the foreign ministers of France, Germany and the United Kingdom to stop all enrichment related and reprocessing activities, adhere to the IAEA's Additional Protocol requiring more intrusive inspections, and to provide full information about its nuclear program. The agreement was seen as a positive step and acknowledged as such by the United States.³

The Europeans suspended the talks in August 2005 when Iran, breaking the above agreement to cease all uranium processing activities, began converting uranium into uranium hexafluoride gas, which can be centrifuged to produce enriched uranium which can be used either to generate electricity or to build a bomb;⁴ that is the stage of the process that Russia has offered to conduct on its soil.⁵ Iran considers it as its inalienable right to pursue enrichment related activities indigenously. The Russian proposal aimed at defusing tensions by processing the fuel in Russia and re-exporting it to Iran, thereby enabling Iran to develop nuclear power without acquiring the technology to produce nuclear weapons.

The policy debate in Iran regarding its nuclear policy is difficult to understand until one understands the political system in Iran. In its political system, elected institutions like the Majlis (Parliament) and the presidency exist alongside institutions that are beyond the control of the citizens and the Supreme Leader is charged with interpreting Islamic law. The Guardians Council, an unelected council of learned clerics, has the right to screen all legislation to ensure its compatibility with Islamic law and also screen candidates for office. The Supreme Leader has the authority to abrogate election results and appoint the heads of

² Director General Interview, World Economic Forum, *Washington Post*, 30 January 2005, www.iaea.org

³ Robert J. Einhorn, "Transatlantic Strategy on Iran's Nuclear Program," *The Washington Quarterly*, Vol. 27, No.4, Autumn, 2004, p.22

⁴ Richard Bernstein and David E. Sanger, "New Twist in Iran on Plan for Nuclear Fuel," *The New York Times*, 29 December 2005

⁵ Richard Bernstein, "Iran Hints at Warmer Reception to Russian Nuclear Proposal," *The New York Times*, 28 December 2005

the armed forces, the Revolutionary Guards, and the judiciary. The hard liners used their position within the judiciary and other supervisory bodies like the Guardian Council to disqualify thousands of pro-reform candidates from contesting in the Parliamentary elections of 2004. The conservative forces ensured that Iran's reformers, after May 2004, would no longer have a majority in the country's elected institutions and thus forestalled any attempt to alter the Islamic nature of the regime through legislative initiatives.⁶ The nuclear program has many ideological linkages. Since Mahmoud Ahmadinejad came to power in May 2005, important changes within the establishment had taken place and this has been reflected in the country's nuclear policy as well. Ahmadinejad referring to the policies of his predecessor, Mohammed Khatami has slammed the country's 'policy of appeasement with the West'.

NUCLEAR POLICY DEBATES IN IRAN

Within the country's power structure, a subtle debate is underway regarding the strategic utility of nuclear weapons. Reformers have argued that the best way of preserving Iran's fundamental strategic interests lies in conforming to its NPT obligations. For this faction, the benefits of Iran's regional détente policy and its commercial relations with Europe mandate

⁶ Ray Takeyh & Nicholas, K.Gvosdev, "Pragmatism in the midst of Iranian Turmoil," *The Washington Quarterly*, Vol. 27, No.5, Autumn 2004, p.34

compliance with the NPT guidelines. They also consider that testing a nuclear device would isolate Iran further and consolidate the Gulf States' ties with the United States.⁷

Another faction feels that Iran can maintain the nuclear infrastructure that permits significant military applications in a state of readiness without violating its obligations under the Additional Protocol. Their main concern is not security *per se* but to be self-sufficient if the other states cannot or will not provide nuclear fuel for reactors. The capability itself is an important strategic deterrent in their view, and can make a positive contribution to Iran's defense and national security. This faction includes a section in the academia, the press, think tanks, and even the military.⁸ A minor section even within the establishment feels that, due to environmental and economic reasons, nuclear energy is not a necessity.⁹ They argue that the cost of investment for generating a kilowatt of electricity using nuclear energy is more expensive than by other means, such as oil. Behzad Nabavi, an influential leader of the Reformist movement, supports this view.¹⁰

Some in academia and the military establishment however feel that Iran should withdraw from the

⁷ *ibid.* p.43

⁸ Farideh Farhi, "To Have or Not to Have: Iran Domestic Debate on Nuclear Options," in *Iran's Nuclear Weapons Options: Issues and Analysis*, ed. Geoffrey Kemp (Washington, D.C.: Nixon Center, January 2001) p. 39.

⁹ *ibid.*

¹⁰ *ibid.*

NPT and develop nuclear weapons as quickly as possible. They justify this argument by citing international hostility toward Iran, and Iran's precarious security environment. They argue that with nuclear weapons, Iran could preserve its territorial integrity, ensure its security, and enhance its status in the region and the world.

THREAT PERCEPTIONS OF IRAN

Firstly, ideological sources play an important role in Iran's nuclear policy. It has been reported that the nuclear program, which began under the Shah, was stopped because of the ideological orientation of the Islamic regime when it seized power. The power reactors at Bushehr were severely damaged by Iraqi bombing during the 1980-88 Iran-Iraq war and Khomeini froze their construction after coming to power. The dominant thought when the revolution was at its prime stage was that the nuclear weapons offended Islamic principles.

Secondly, Iran views statements about regime change seriously and wants to consolidate its position domestically by acquiring nuclear weapons. Experiences including the Iran-Iraq war and Saddam's use of chemical weapons against Iran are viewed as a primary threat. Iran believes that the international community cannot be trusted for ensuring its security. Moreover, Iran is checkmated by the United States' presence in its neighbourhood. The US has bases in Qatar, Saudi Arabia, Kuwait and Oman. American troops operating in Iraq

and Afghanistan complicate the situation further.

Thirdly, Iran's Atomic Energy Organization (AEOI), numerous universities and research institutions, and defense establishments are involved in the production and exchange of nuclear knowledge and technology. Iran has invested considerable economic resources in nuclear related facilities. For Iran, acquiring an independent nuclear capability would be a sign of modernity and would indicate technological prowess. Will its organizational imperatives allow the political establishment to forgo this opportunity? On the decision to go ahead with the nuclear programme, Iranian President Ahmadinejad remarked, 'During this period our experts incurred heavy losses and many of our researchers have lost their jobs'.¹¹

Israel can be a significant threat to Iran with its immense technological prowess and its possession of WMD. Iran has always cited Israel and considered it as a hindrance to the establishment of a Nuclear Weapons Free Zone (NWFZ) in the Middle East.

Another related issue is Iran's missile program. Asking Iran to stop or dismantle its missile program would simply not work. Considering the missile attacks by Iraq during the Iran-Iraq war and the importance of missiles in its defense policy, Iran's military planners are convinced that it is

¹¹ Elaine Sciolino, "Iran to Resume Its Nuclear Work; U.S. Warns of Seeking Restraints," *The New York Times*, 4 January 2006

imperative for Iran to invest in missile research and development. Iran has successfully tested medium range missiles, such as the *Shahab-3*. However, it is possible that Iran might be persuaded to cease developing longer-range missiles, or limit the deployment of the *Shahab-3* so it does not threaten Israel and Europe, as a bargaining chip in a comprehensive deal to resolve its disputes with the United States. Iran and the United States could agree on a verification regime to check and monitor missile deployments. Agreements along these lines could represent important confidence-building measures.

CONCLUSION

The issue of Iran's nuclear option will be with us for many years. How the international community manages the Iranian nuclear program is its most important non-proliferation test at present. Iran has invested huge economic resources in its nuclear-related facilities. Asking Iran to dismantle them without providing reasonable compensation does not seem fair to many Iranians. What is necessary is to acknowledge Iran's access to nuclear knowledge, technology, and energy, which should be acknowledged and facilitated openly and publicly by the international community