

Iran: Time for a Limited, Multilateral Policy

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Course 5601: Fundamentals of Strategic Logic
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National War College
October 23, 2003

Report Documentation Page

Form Approved
OMB No. 0704-0188

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1. REPORT DATE 23 OCT 2003		2. REPORT TYPE		3. DATES COVERED 23-10-2003 to 23-10-2003	
4. TITLE AND SUBTITLE Iran: Time for a Limited, Multilateral Policy				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National War College, 300 5th Avenue, Fort Lesley J. McNair, Washington, DC, 20319-6000				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES The original document contains color images.					
14. ABSTRACT see report					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 12	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Iran's announcement October 21 that it would sign an additional protocol to the Nuclear Nonproliferation Treaty (NPT), suspend processing of highly enriched uranium, and cooperate with International Atomic Energy Agency (IAEA) inspections, suggests that Germany, France and the United Kingdom have made important progress toward coaxing Iran to abandon any nuclear ambitions it might have. Because the United States' means of influencing Iran are limited, America should scale back its Iran policy goals, and limit them to supporting and strengthening the Europeans' multilateral non-proliferation coalition. A more limited U.S. agenda, employing both engagement and focused pressure, will be better able to attract effective multilateral cooperation. A new policy could even be a political asset to the Bush administration in the 2004 general elections.

Limited U.S. Options

Despite the Europeans' progress in October, Hassan Rohani of the Iranian National Security Council openly admits that Iran still views nuclear weapons development as a policy option: "As long as Iran thinks that this suspension is beneficial for us it will continue, and whenever we don't want it we will end it."¹ There is still a potential for a U.S.-Iran proliferation crisis, and in such

a showdown, the U.S. would have no realistic unilateral options in the near term. Bogged down in Iraq, the Bush administration lacks the military and political capability to overthrow a Tehran government as it did Baghdad's. Covert action or air strikes are unlikely to succeed fully because Iran has probably hardened and dispersed any key nuclear weapons program facilities it may have. Finally, those who call for the U.S. to help Iranians overthrow their government² are likely to find that U.S. endorsement of oppositionists will weaken them politically. (Even if these oppositionists were to gain the upper hand - which seems unlikely in the near term - they might still view a nuclear option as attractive.)

Instead, the U.S. administration should work to sustain and broaden an international consensus to contain Iran's nuclear program. Limited U.S. objectives focused on non-proliferation would facilitate efforts to gain the cooperation of the European Union, Russia and Japan, the states of most economic and political importance to Iran. A limited policy, within a strong multilateral consensus, stands the best chance of convincing Tehran that, on the one hand, a nuclear-free Islamic Republic need not fear regime change or humiliation, while on the other hand, an Iran with nuclear weapons will pay an unacceptable price in

foregone trade, credit, international ties, and respectability.

Demanding Everything. . .

Late in the first Bush administration, and in the early Clinton administration, the U.S. developed a policy of focused pressure that signaled U.S. opposition to aspects of Iranian policy rather than to the existence of an Islamic Republic *per se*, and held out the prospect of dialogue.³ The policy recognized that unilateral U.S. economic and rhetorical pressure on Iran would be ineffective, and that international support - especially from the EU and Russia - was the key to progress. The Clinton administration later moved toward heightened confrontation, and downplayed any hints of a willingness to engage seriously. The shift alienated potential partners in Europe and Japan, who suspected that America had a hidden agenda for confrontation and even regime change.

The Clinton administration's public checklist of Iran's "objectionable behavior" had grown by 1995 to cover everything from Tehran's alleged nuclear ambitions to Iranian purchases of conventional weapons; the checklist ranged from clear instances of sponsorship of terrorism (like connections to kidnappers of Westerners in Beirut) to

more debatable Iranian policies (like support for Hizballah's armed resistance during the Israeli occupation of Lebanon.) The administration continued to accuse Iran of seeking to subvert Gulf Arab regimes, even though the Iranian revolution had lost any appeal among the Arab Shi'a a decade earlier.

During 1995, other indications of an unlimited U.S. agenda accumulated. When the American firm Conoco prevailed over France's Total to win a contract to develop a huge natural gas deposit in Iranian waters, Clinton rendered the deal illegal after the fact by means of an executive order. (Total quickly stepped back in and took Conoco's place.)⁴ Later that year the administration transformed the Conoco executive order into a comprehensive ban on trade and investment in Iran, using Clinton's address to the World Jewish Congress to announce the step.⁵ That same year Speaker of the House Newt Gingrich called for the overthrow of the Islamic Republic.⁶ In 1996 the U.S. Congress approved the Iran-Libya Sanctions Act (ILSA), which aimed to punish foreigners who invested in Iran's petroleum sector. And by 2000, the Iraq-based National Council of Resistance, who were detested even by Iranians who opposed the clerical regime, had persuaded a majority

of the U.S. House of Representatives to endorse them formally.⁷

. . . Gets You Nothing

By the late 1990s administration and congressional policy goals had grown to a point where they were unachievable by U.S. unilateral efforts, and unsalable to the potential partner governments that had leverage over Iran. Neo-conservatives associated with the George W. Bush administration took the late Clinton policy further, culminating in the "axis of evil" speech in January, 2002. Potential partner governments among the G-8, predictably, distanced themselves from U.S. policy. When it came to the U.S.-Iran confrontation, Washington was isolated, not Iran.

Why Don't Unilateral Measures Work?

Most of the American unilateral measures against Iran, such as the comprehensive ban on trade, ignore some seemingly obvious facts: that the United States is not the only seller of goods to Iran; that America is only one of many potential buyers of Iranian exports; and that international capital flows are beyond the control of any one government. In this situation, market forces work to

divert trade and investment into alternate patterns, at little cost to Iran.

Only ILSA acknowledges the existence of other potential economic partners for Iran, and it only acknowledges them by threatening sanctions - unconvincingly. European and Japanese corporations have continued to invest in Iran's oil sector since 1996, betting that no American administration would dare to apply ILSA sanctions and thereby provoke a battle with America's trade partners. So far, the foreign investors' bets have paid off.⁸

Iran's Nuclear Considerations

Iran inherited a nascent nuclear energy program from the Shah's regime. Tehran regularly denies that its program is aimed at producing weapons.⁹ However, there are good reasons for Iranian strategists to consider a clandestine nuclear weapons program. Iran has been in a continuing confrontation with the United States since 1979, as it has been with a nuclear-armed Israel. Iran's neighbors Pakistan and Russia are both declared nuclear powers. And Iraq launched the 1983-88 war against Iran, during which Iranians suffered casualties that were, in proportion to its population, evocative of those of the

first world war's western front. During the Iran-Iraq war, Baghdad initiated the use of chemical weapons.

Against this background, a nuclear deterrent might seem an attractive option to Iran, despite the risk of international opprobrium or a preemptive Israeli or American strike. Iranian policy makers in the mid-1990s may have chosen a middle path: by opting for clandestine development of the technical basis for a nuclear weapons program, Iran could leave open its options, and run the risks of actually developing weapons later if the need arose.

If the IAEA's detection of highly enriched uranium traces in Iran in early 2003 does in fact indicate that a weapons program is under way, it is likely because Tehran concluded that external threats had mounted to the point where a weapons program had become worth the risks. Iran's agreement to sign the NPT additional protocol and cooperate with the IAEA may reflect a strategic decision in Tehran to freeze any nuclear weapons program; it may mean that Iran's protestations of innocence were true all along; or it may represent an Iranian play for time while clandestine development continues. Whatever the case, it is clearly in the U.S. interest to pressure and persuade Tehran to accept the most rigorous inspection regime possible, and, ideally,

abandon even legitimate nuclear activities that have potential military applications.

Make Non-Proliferation the Focus

The U.S. should wage a priority diplomatic and intelligence campaign to sustain and expand an international consensus to contain any Iranian nuclear weapons program and, if possible, dismantle it. Non-proliferation should be the focus of U.S. policy toward Iran. To this end, the U.S. should maintain and strengthen multilateral regimes that limit the proliferation of nuclear and dual-use materials worldwide, not just to Iran. The U.S. could significantly strengthen its credibility on this issue by abandoning its traditional practice of blocking criticism of Israel in international non-proliferation fora.

If necessary, the U.S. should also help orchestrate careful, multilateral pressure on the Iranian regime to make it clear that there is a price to be paid for continued pursuit of a nuclear option. Public threats would be counterproductive. Instead, European leaders who retain the senior relationships with Tehran that the U.S. lacks should deliver the anti-proliferation coalition's message of pressure repeatedly and consistently in private. The Europeans' success in October, 2003 suggests that

Iran's leaders would recognize that trade and investment sanctions (which the U.S. has tried unilaterally to no effect) would have a deep impact if supported by the EU, Russia, and Japan, endorsed by the UN, and observed by most other UN member states.

A multilateral coalition that includes the U.S. should also demonstrate to Iranian leaders that it is prepared to offer positive inducements for cooperation with intrusive inspections. Potential offers could include the prospect of EU and U.S. trade concessions; an end to U.S. opposition to Iranian World Trade Organization accession and international financial institution credit; discussions on a multilateral security arrangement for the Persian Gulf (a long-standing Iranian goal); multilateral action against the terrorist elements of the National Council of Resistance; an American visa-issuing facility in Tehran; and significant financial or in-kind inducements similar to those offered to North Korea.

Some American audiences would loudly attack the policy shift recommended here. The current administration could turn this situation to its advantage, however, by touting its anti-terrorism credentials and presenting itself, much as the Nixon administration did in the case of China, as the best qualified to strike a tough deal with a

traditional enemy. Just as importantly, a limited, multilateral Iran policy would go far to blunt the criticism of those who accuse the Bush administration of an irresponsibly aggressive foreign policy. Unfortunately, it is likely that America's current leadership fears domestic critics more than it fears nuclear proliferation.

¹ "Iran Nuclear Move Welcomed," BBC News website, 21 October, 2003, <http://news.bbc.co.uk/2/hi/middle_east/3210574.stm> (21 October, 2003)

² Michael Ledeen, "Iran: Back the Freedom Fighters," AEI Online, American Enterprise Institute for Public Policy Research, June 26, 2003, <http://www.aei.org/publications/pubID.17838,filter./pub_detail.asp> (21 October, 2003)

³ US Department of State Dispatch, Volume 4, Number 32, article 6. August 9, 1993. Statement of Edward P. Djerejian, Assistant Secretary for Near East Affairs, before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, Washington, DC, July 27, 1993. Electronic Research Collections, <<http://dosfan.lib.uic.edu/ERC/briefing/dispatch/1993/html/Dispatchv4no32.html>> (10 October, 2003)

⁴ Payman Arabshahi, "Iran and France announce major oil, gas deal," 13 July, 1995, <<http://www.payk.net/maillingLists/iran-news/html/1995/msg00998.html>> (10 October, 2003)

⁵ Zbigniew Brzezinski, Brent Scowcroft, and Richard Murphy, "Differentiated Containment," Foreign Affairs, May/June 1997

⁶ Kenneth Katzman, "Iran: U.S. Policy and Options," Congressional Research Service Report for Congress, (Library of Congress, January, 2000), p. 11. Globalsecurity.org, http://www.globalsecurity.org/military/library/report/crs/97-231_000114.pdf (10 October, 2003)

⁷ "U.S. Congress Members Support Goals of Iranian Resistance," Associated Press, 11 October, 2000. Cable News Network website, <<http://www.cnn.com/2000/WORLD/meast/10/11/us.iran.ap/>> (10 October, 2003)

⁸ No U.S. administration has ever imposed ILSA sanctions on a foreign firm. Author's conversation with Leslie Tsou, State Department desk officer for Libya, August 5, 2003.

⁹ Kamal Kharazi, "Post-War Iraq and Iran-US Relations," speech at Columbia University September 29, 2003. Permanent Mission of the Islamic Republic of Iran to the UN website, <www.un.int/iran/statements/other/20033.htm> (10 October, 2003)