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# Iran's Nuclear Imbroglia

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The imbroglia between Iran and the international community has every potential to spiral into another unnecessary and largely unwanted conflict in the Middle East. While dialogue and coercive diplomatic interactions may prevent the isolation of oil producing Shia majority state, the threat of utilising hard power tools, has needlessly exacerbated an already volatile situation. This paper aims to trace the roots of the current diplomatic stand-off between Iran and the international community. It also seeks to assess the routes envisaged by various actors to solve the current dispute, concomitantly analysing the impact of hard and soft power strategies on Iran's body politik, and on the Middle East's strategic vector for stability.

### Background

The US Administration's fear over a potential 'Islamic bomb' has partially emerged as a result of US technological assistance provided to Iran in the 1960's and 70's. In the early 1960s, a Stanford Research Institute study stated that US companies should involve themselves in Iran's nuclear programme. In 1967, the Shah of Iran built the first "significant" nuclear facility, Tehran Nuclear Research Center (TNRC), housed at Tehran University. The TNRC was administered by the Atomic Energy Organisation of Iran (AEOI). The US provided a five-megawatt (MW) nuclear research reactor, capable of producing 600 grammes of plutonium per year.<sup>1</sup> In July 1968, as Iran-US relationship grew closer, Iran signed the Nuclear Non-Proliferation Treaty (NPT). It was ratified by the Majilis (Iranian Parliament), and came into effect on March 5, 1970. In 1976, President Gerald Ford signed a nuclear cooperation deal with Iran. According to which, Iran would be provided large quantities of enriched uranium and plutonium. Ford's strategy paper stated that the introduction of nuclear energy in Iran would preserve its non-renewable oil reserves, while increasing the quantity of nuclear power within the state. Ford argued that by accelerating Iran's civil nuclear

programme, Iran's oil reserves could be used for exports or conversion to petrochemicals.<sup>2</sup>

After 1979, the close relationship between the US and Iran deteriorated. The violent overthrow of a pro-US monarch, followed by the rapid Islamisation of Iran, led to the transformation of a relationship, increasingly defined by suspicious misgivings. The hostage crisis which began on November 4, 1979 when Iranian militants stormed the American Embassy in Teheran and took 66 Americans hostage for 444 days (fourteen months) led to a complete break in diplomatic relations between the US and Iran.<sup>3</sup> Washington's disengagement from Iran was influenced by this hostage crisis.<sup>4</sup> Subsequently, the other facilitator of Iran's nuclear programme, Germany (Siemens and its subsidiary Kraftwerke Union), backed off following the violent situation in the country. Whilst the US allegedly supported Saddam Hussein in his endeavour to invade Iran between 1980-88, Iran's nuclear programme suffered a major setback. The Bushehr I and II reactors, close to completion in 1979, were devastated during the eight-year war with almost six separate attacks by Iraqi forces throughout that period.<sup>5</sup>

Surprisingly, Iran stated to the UN Nuclear watchdog (IAEA) in 2003 in its declaration that it began its gas centrifuge programme in 1985 during the heights of the eight-year war.<sup>6</sup>

<sup>2</sup> For a brief analysis on the recently declassified Strategy Paper, See, Dafna Linzer, "Past Arguments Don't Square with Current Iran Policy," *Washington Post*, March 27, 2005. URL<[www.washingtonpost.com](http://www.washingtonpost.com)>

<sup>3</sup> Sixty-six Americans were taken captive when Iranian revolutionaries (mostly students) seized the U.S. Embassy in Tehran on November 4, 1979. While thirteen officials were released after a fortnight, one was released on July 11, 1980. The remaining 52 US officials were released on January 20, 1981. See, "The Hostages and The Casualties," Jimmy Carter Library and Museum, URL<[http://www.jimmycarterlibrary.org/documents/lis\\_t\\_of\\_hostages.phtml](http://www.jimmycarterlibrary.org/documents/lis_t_of_hostages.phtml)>

<sup>4</sup> For a discussion on the Iranian outrage, See William O Beeman, *The Great Satan vs. the Mad Mullahs: How the United States and Iran Demonize Each Other*, Praeger, London, 2005, p. 130 -131.

<sup>5</sup> Roger Howard, *Iran in Crisis? Nuclear Ambitions and the American Response*, Zed Books, London, 2004, p. 94.

<sup>6</sup> For a critical account of Iran's Nuclear programme, including the Pakistan's suspected linkage with Iran, See, *Al J. Venter, Iran's Nuclear Option: Tehran's*

<sup>1</sup> Andrew Koch and Jeanette Wolf, "Iran's Nuclear Procurement Program: How Close to the Bomb?", *The Nonproliferation Review*, Fall 1997, p.130. Also see, Mohammad Sahimi, "Iran's Nuclear Program, Part-I: Its History", *Payvand News*, October 02, 2003. URL<<http://www.payvand.com/news>>

After this, Iran sought the assistance of the erstwhile Soviet Union and China to invest in its nuclear programme. The Soviet Union signed trading agreements with Iran after the then-speaker of the Iranian Majlis (and later to become the President of Iran) Ali Akbar Hashemi-Rafsanjani visited Moscow in June 1989. Three years later, after the collapse of the Soviet Union, the contracts and agreements signed by the Soviet Union with regards to Iran were inherited by Russia. Russia 'cautiously agreed' to rebuild the Bushehr reactor for peaceful use of nuclear energy and agreed to provide nuclear research units to enrich uranium.<sup>7</sup> During this time, Iran also approached China and Pakistan for assistance. In mid-1980's, Beijing had provided Iran with three sub-critical zero power reactors; an electromagnetic isotope separation machine for enriching uranium; and a small 80 kilowatt thermal research reactor;<sup>8</sup> in 1991 the Chinese government agreed to export uranium hexafluoride to Iran – a key ingredient in the enrichment of uranium.<sup>9</sup>

Undoubtedly, US disengagement policies contributed in forcing Iran to seek alternative sources for its nuclear programme. As the US did not maintain an official diplomatic channel with Iran, it became difficult to monitor Iran's associations and covert dealings with regard to its nuclear aspirations.<sup>10</sup>

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*Quest for the Atom Bomb*, Casemate, Philadelphia, 2005, p.142-149.

<sup>7</sup> Roger Howard, *Iran in Crisis? Nuclear Ambitions and the American Response*, op.cit., pp. 94–95. For a comprehensive account on the Russian collaboration with Iran, See, Michael Eisenstadt, "Russian Arms and Technology Transfers to Iran: Policy Challenges for the United States," *Arms Control Today*, Vol. 31 (2), March 2001.

<sup>8</sup> Al J. Venter, *Iran's Nuclear Option: Tehran's Quest for the Atom Bomb*, op.cit., p.110.

<sup>9</sup> Roger Howard, *Iran in Crisis?*, op.cit., p. 95.

<sup>10</sup> According to Flynt L. Leverett, a former Central Intelligence Agency official, in 2003, the Washington administration received a one-page document through a Swiss channel, which contained an agenda for a resumption of diplomatic process and a strategic dialogue intended to resolve all the bilateral differences between the United States and Iran. The US, however, did not take this proposal, or does not seem to have taken the proposal seriously. For a full interview with Leverett, See, "Bush Administration 'Not Serious' About Dealing With Iran," Council on Foreign Relations, March 31, 2006. URL<<http://www.cfr.org/publication/10326/>>

## The Current Stalemate and Legal Implications

On August 14, 2002, the clandestine nature of Iran's nuclear programme was exposed. The National Council of Resistance of Iran (NCRI), an exiled Iranian dissident group declared that Iran was secretly building a uranium enrichment plant at Natanz and a heavy water plant at Arak.<sup>11</sup> These facilities have the potential of providing Iran with a complete "nuclear fuel cycle", which could, if exploited carefully, lead to the production of fissile material – a key ingredient for the construction of nuclear warheads.<sup>12</sup> The NCRI's revelation exposed Iran's covert nuclear programme, leading to the current imbroglio. On September 12, 2003, the UN's nuclear watchdog, the International Atomic Energy Agency (IAEA) drafted a resolution, directing Iran to "suspend all further uranium enrichment-related activities" and "all reprocessing activities".<sup>13</sup> Working with what came to be known as the EU-troika (EU-3), consisting of the UK, Germany and France, Iran agreed to comply with the IAEA. Iran signed an additional protocol with the IAEA on December 18, 2003, voluntarily committing "itself to a policy of full disclosure."<sup>14</sup> The year 2004 witnessed a renewed controversy over the scope and nature of Iran's nuclear programme. In November 2004, the EU-3 reached an agreement under which Iran reaffirmed

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<sup>11</sup> For a detailed chronology of events, See, Paul Kerr, "The Iran Nuclear Crisis: A Chronology" June 2005, Arms Control Association, URL <<http://www.armscontrol.org/country/iran/iranchronology.asp>>

<sup>12</sup> Paul Kerr, "Questions Surrounding Iran's Nuclear Programme," *Arms Control Today*, Vol. 36 (2) March 03, 2006.

<sup>13</sup> International Atomic Energy Agency (IAEA), "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran", Board of Governors Resolution [No. GOV/2003/69], September 12, 2003. URL<<http://www.iaea.org/Publications/Documents/Board/2003/gov2003-69.pdf>>

<sup>14</sup> IAEA, "Iran Signs Additional Protocol on Nuclear Safeguards", *IAEA News Center*, December 18, 2003.

URL<<http://www.iaea.org/NewsCenter/News/2003/iranap20031218.html>>. For a collection of IAEA, European Council and EU General Affairs and External Relations Council (GAERC) documents on Iran's nuclear programme between 2002 and 2004, See, "Iran's Nuclear Programme: A Collection of Documents", Presented to Parliament (UK) by Secretary of State for Foreign and Commonwealth Affairs by Command of Her Majesty, London, January 2005. URL<<http://www.fas.org/nuke/guide/iran/uk2005.pdf>>

that "in accordance with Article II of the NPT, it does not and will not seek to acquire nuclear weapons". Iran also committed to full cooperation and transparency with the UN nuclear watchdog. Again, under the agreement, Iran has to extend its suspension to include all enrichment related and reprocessing activities, among other moral binding 'voluntary' steps.<sup>15</sup> The impasse resurfaced when Iran removed the seals on equipment at its uranium-conversion facility in Isfahan in August 2005, allowing the plant to return to full capacity production. This controversial move came after Iran rejected an EU offer for economic and technology incentives, provided Tehran abandoned plans to enrich uranium.<sup>16</sup>

In early February 2006, Iran, without IAEA's permission or sanction, declared that it would once again enrich uranium. Iran also resumed small-scale enrichment of uranium at the country's main enrichment facility at Natanz, under the direction of Iranian President Mahmud Ahmadinejad. This decision, led to the IAEA and the international community to put pressure on Iran to comply with IAEA guidelines, besides allowing the US to use the concealment issue to exacerbate the potential consequences of pursuing the enrichment of uranium outside the notice of the IAEA.<sup>17</sup> Iran refused to halt its enrichment process once again in late April, as the IAEA submitted its finding on Iran to the UNSC. Presently, the UNSC is in the process of deliberating a plausible solution to the ongoing Iran crisis.<sup>18</sup>

The IAEA claims that Iran should suspend its uranium enrichment activities in accordance with the voluntary additional protocol signed between the agency and Iran on December 18, 2003. IAEA further

claims that Iran has not yet provided adequate information related to:

- Iran's centrifuge programme
- Sources of its high enrichment uranium (HEU) - low enrichment uranium (LEU)
- Sources of its plutonium
- Further information on the Physics Research Centre established in Lavishan-Shian
- Iran's refusal to submit a document, which highlights details of an offer made to Iran in 1987 by a "foreign intermediary" of specifications and calculations for a complete nuclear plant
- Information on where Iran received 500 sets of P-I centrifuge components in the mid 1990's.

In its final assessment, the IAEA, on April 28, 2006 stated that although "all the nuclear material declared by Iran to the agency is accounted for [...] gaps remain in the Agency's knowledge with respect to the scope and content of Iran's centrifuge programme".<sup>19</sup> Iran claims that it has complied with all of the IAEA's demands. In a letter given to the IAEA on April 27, a day before the IAEA submitted its proposal to the UNSC, Iran stated among other things, that:<sup>20</sup>

- "The Islamic Republic of Iran has fully cooperated with the Agency during the past three years in accordance with the NPT, comprehensive safeguards, the additional protocol and even beyond the additional protocol which was voluntarily implemented as if it was ratified"
- "All nuclear facilities and activities have been under the Agency's safeguards"
- "Islamic Republic of Iran is fully committed to its obligations under the NPT and the comprehensive safeguards agreement".

The IAEA's primary concern revolves around the question of Iran's intentions concerning its nuclear programme. IAEA officials question that if Iran was enriching uranium for peaceful purposes, then why this fact was concealed from the IAEA.

<sup>15</sup> For a full text of the EU3 and Iran agreement, See, IAEA Information Circular, No. INFCIRC/637, November 26, 2004. URL

<[www.iaea.org/Publications/Documents/Infcircs/2004/infcirc637.pdf](http://www.iaea.org/Publications/Documents/Infcircs/2004/infcirc637.pdf)>

<sup>16</sup> "Iran Removes Seals At Nuclear Plant," *Radio Free Europe/Radio Liberty*, August 10, 2005. URL<<http://www.rferl.org>>

<sup>17</sup> Golnaz Esfandiari, "Iran: Tehran Confirms It Has Resumed Small-Scale Enrichment", *Radio Free Europe/Radio Liberty*, February 14, 2006. URL<[www.rferl.org](http://www.rferl.org)>

<sup>18</sup> IAEA, "Implementation of the IAEA Safeguards Agreement in the Islamic Republic of Iran", April 28, 2006, URL<[www.isis-online.org/publications/iran/IAEAreport28Apr06.pdf](http://www.isis-online.org/publications/iran/IAEAreport28Apr06.pdf)>

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

The relationship shared between Iran and the IAEA seems to be engulfed in a cloud of distrust.<sup>21</sup> A senior Iranian official at the Iranian Embassy in New Delhi claims that the IAEA's initiatives are motivated by political compulsions. The official claims that although the IAEA has not been able to provide any proof of even a trace of a nuclear weapons programme in Iran; it has turned a blind eye towards an alleged growing 'nuclear weapons' programme in Israel. This has led certain influential members of Iran's political elite to distrust the apparently impartial nature of an international mandate.<sup>22</sup> The distrustful relationship between the IAEA and Iran seems to have been further compounded by contradictory viewpoints forwarded by Tehran and the IAEA. For instance, on April 6, 2006, Javad Zarif, the Iranian Ambassador to the UN, wrote that Iran had taken all necessary steps to ensure that its nuclear programme would not develop into a weapons programme, and that Iran had worked within the framework of IAEA guidelines. On the same day, the IAEA's chief stated, "there are still outstanding issues in Iran that we need to clarify".<sup>23</sup> Such rhetorical divergences have assisted in disallowing confidence-building strategies to become effective.

### **International Options and Implications for Iran and the Middle East**

Members of the international community are considering four options. In order of priority, the explored routes, which envisage a solution, include, (A) Diplomatic initiatives adopted by the EU-3, the UNSC, and by Iran (B) Enrichment of uranium under Russian supervision (C) Imposition of economic sanctions (D) Preemptive military strikes.

#### **A. Diplomatic Initiatives**

While Iran, the US, and the EU-troika favour a solution through dialogue and soft

diplomacy, the particular intricacies embedded in the current stalemate seem to disallow the diplomatic process to affect change. Until recently, Iranian officials stated that they would not directly engage with the US and would rather engage in direct discussions with the IAEA or with delegations like the EU-troika. In the US, Secretary of State Condoleezza Rice claimed that there is no need for direct talks between Washington and Tehran. This, despite UN Secretary General Kofi Annan's suggestion that the US and Iran should engage in bilateral talks to clear the clouds of distrust that have thickened in the past few months.<sup>24</sup> In a dramatic change in US policy towards Iran, on May 31, 2006, the US State department aired its willingness to join the EU in negotiating with Tehran, increasing the momentum towards finding a diplomatic solution. However, Condoleezza Rice also warned that this would happen only if "Iran fully and verifiably suspends its enrichment and reprocessing activities".<sup>25</sup> Such a condition has made it difficult for the Iranian leadership to agree to come to the table. This might be too great a political impediment for the Iranian government to overcome. As the recent seeming policy shift on the part of the US has been welcomed by the international community, the conditions prescribed by the US State Department may discourage Tehran from agreeing to engage in dialogue.

The EU-3, established in 1998, and created with the objective of engaging in 'comprehensive dialogue' with Iran,<sup>26</sup> has developed an incentive-based strategy, intended to convince Tehran to cease its efforts to create a 'complete fuel cycle'. On May 15, 2006, EU's Foreign Ministers met in Brussels to develop an incentive package for Iran. The EU hopes to end the current imbroglio by providing Tehran with political cooperation, economic assistance, and support for its civil nuclear programme; if Iran ends its nuclear

<sup>21</sup> For a detailed analysis of how Iran views the IAEA, See, Interview with Karim Sadjadpour, *Asia Source*, March 29, 2006. URL <[http://www.asiasource.org/news/special\\_reports/sadjadpour.cfm](http://www.asiasource.org/news/special_reports/sadjadpour.cfm)>

<sup>22</sup> As told to the authors by Saeid Asadi, Press Secretary, Embassy of Islamic Republic of Iran, New Delhi on May 01, 2006.

<sup>23</sup> Javad Zarif, 'We do not Have a Nuclear Weapons Programme', *New York Times*, April 06, 2006. For IAEA Chief's view, See, "Head of UN Atomic Agency Calls for Iranian Nuclear Cooperation," *VOA News*, April 6 2006.

<sup>24</sup> "UN chief urges direct US-Iran talks", *ABC Online*, May 5, 2006. URL <<http://www.abc.net.au>>

<sup>25</sup> 25. For full text of US Secretary of State Condoleezza Rice's speech announcing a shift in the US policy towards Iran over its nuclear programme, See, "Rice speech on Iran," *BBC News*, May 31, 2006. URL <<http://news.bbc.co.uk>>

<sup>26</sup> For a comprehensive account on the recent history of the EU-Iran relations, See, EU's Relation with Iran: Overview", URL <[http://ec.europa.eu/comm/external\\_relations/iran/intro/index.htm](http://ec.europa.eu/comm/external_relations/iran/intro/index.htm)>

enrichment efforts. Though this process and strategy, like any other diplomatic initiative, has the potential to bring Iran back to the negotiating table, it must be remembered that Iran rejected a similar proposal in August 2005.

In 2005, the EU-3 stated that it would recognise "Iran's right to develop a civil nuclear power generation programme", if Iran agreed to follow the safeguard agreements signed between Iran and the IAEA, which meant the continued suspension of Iran's enrichment activities. In response to the EU's offer, the Head of the Propagation and Information Committee of Iran's Supreme National Security Council (SNSC), Ali Agha Mohammadi stated that his country's decision to resume nuclear activities at Isfahan Nuclear Complex is a national decision adopted by the system's top officials in the presence of the Supreme Leader.

Iran's past stand relating to a 'carrots and sticks' policy adopted by the Europeans suggests that incentives, similar to the packages offered in 2005, may not lure sufficiently. On May 15, 2006, while senior European officials claimed that the August 2005 package was being improved to better suite the need of the hour, Tehran had already dismissed the EU's efforts. President Ahmadinejad's relentless desire to enrich uranium, which his administration claims is Iran's "inalienable right", may not be affected by seemingly tempting sweeteners manufactured by the Europeans. As stated by Henry Kissinger, and Mohamed ElBaradei, the only viable solution lies within the ambit of direct talks between the US and Iran. ElBaradei reiterated this observation at The Hague in May 12 by stating: "when you are talking about security, there is only one country that can talk to Iran and that is the U.S., it's not Europe."<sup>27</sup>

A similar approach has been sketched out by Philip Gordon and Charles Ferguson. While Gordon states that the imposition of sanctions could be a possibility, he claims that by continuing to offer economic incentives and engaging in discussions on regional security with Iran, the Iranian's may be better placed to negotiate an end

to the stalemate with the West.<sup>28</sup> Charles Ferguson at the Council on Foreign Relations (CFR) in New York states that the US must take a "bold" step, and "repair its damaged relationship with Tehran", this coupled with a security incentives package for Tehran may usher in a renewed and much needed avenue for dialogue.<sup>29</sup> The options highlighted by Ferguson and Gordon seem to fall within the ambit of an extended soft diplomatic strategy, which needs to be further debated. This could, if managed carefully, at best, lead towards a viable solution; and at worst, restart a process of much needed dialogue, gradually weaving out the renewed distrust that has defined relations between Iran and the West since the beginning of 2006. By ignoring this process, and increasing the rhetoric on coercive diplomatic techniques, Western Europe and the US may further distance Iran from the international community.

#### **B. Enrichment of Uranium under Russian Supervision**

Permanent members of the UNSC, China and Russia, are in favour of accelerated diplomatic efforts. Both, with commercial interests and investments in Iran<sup>30</sup> have outrightly rejected efforts by the US, UK and France, to impose mild or harsh sanctions. Russia proposed enriching Iranian uranium on Russian soil. This way, Russia would take the responsibility of assuring that all of the IAEA's safeguards are in place during the enrichment process and at the same time, Iran could continue to develop their civilian nuclear energy programme. The Russian option was rejected by Hamid Reza Asefi, Iran's Foreign Ministry spokesperson. According to Asefi, the "Russian proposal is not on our agenda anymore."<sup>31</sup> However, the West continues to hope that Iran would reconsider the Russian option, which, if

<sup>28</sup> Philip Gordon, "The Nuclear Challenge for Iran," *Foresight Magazine*, May 2006. URL<<http://www.brookings.org/views/articles/gordon/20060501.htm>>

<sup>29</sup> Charles D. Ferguson, "Thwart Weapons Program by Furnishing Fuel, Security", *The Press Enterprise*, April 23, 2006. URL<<http://www.cfr.org/publication/10533/>>

<sup>30</sup> For details on Russia and China's commercial interests in Iran, See, Gil Feiler, "Iran and the West: Who Needs Whom? A Look at the Consequences of Ahmadinejad's Economic and Foreign Policies", *BESA Perspectives*, March 7, 2006. URL<<http://www.biu.ac.il/Besa/perspectives.html>>

<sup>31</sup> Karl Vick, "Iran Rejects Russia's Proposal on Uranium," *Washington Post*, March 13, 2006.

<sup>27</sup> "US must address Iran security concerns: IAEA," *Reuters*, May 12 2006.

implemented, can provide an acceptable solution to a seemingly unending crisis.

### C. Imposition of Economic Sanctions

The preferred option of soft diplomacy and dialogue seem to have been engulfed by the American desire to impose economic sanctions. Rhetoric within the US relating to Iran seems to have scaled up from a softer, pro-dialogue approach to a harder, pro-sanctions policy. While Condoleezza Rice maintains that “we (America) are committed to a diplomatic course”, she adds that Iran’s non-compliance with UNSC directives “cannot be cost free”.<sup>32</sup> Barely a week earlier, Rice claimed that the US wants action to be taken against Iran in accordance with Chapter 7 of the UN charter.<sup>33</sup> The Chapter states that in an endeavour to restore international peace and security, the UNSC could impose ‘complete or partial interruption of economic relations’, or direct member states to support ‘the application of armed force’.<sup>34</sup> Subsequently, Nicholas Burns reinforced Rice’s statements. Even as maintaining that diplomacy will always remain a favoured option, Burns indicated that the international community needs to adopt a “hard edged” approach when dealing with Iran.<sup>35</sup> However, a resolution supporting UNSC endorsed sanctions will be difficult to pass. Even as the US, Britain and France tabled a resolution in early May, to stop Iran’s enrichment activities and adopt “further measures as may be necessary”, Russia and China were hesitant to endorse such a resolution.<sup>36</sup>

The mere threat of sanctions could worsen an already aggravated political imbroglio. While the US presumes that by imposing economic sanctions and relying on coercive diplomatic tools, Iran would be forced to halt a process of enrichment, its own Ambassador to the IAEA claims is

“irreversible”.<sup>37</sup> The US seems to have ignored the complexities embedded in a sanctions regime. Lessons from Cuba, Tito’s Yugoslavia, and Post Desert Storm Iraq, highlight the inescapable reality that sanctions as a corrective mechanism affect the populace of the target state more than its ruling elite. Iran, a state that has been under a US imposed sanctions regime since 1979, would, like North Korea, be further isolated. Sanctions have often led to a ‘rally around the flag’ syndrome, whereby the target states ruling classes have successfully blamed the imposers of sanctions for the economic ill’s and isolation its masses are subjected to. In a state like Iran, where 70 percent of the populations are under the age of 30, national literacy rates exceed 80 percent, and half a million University graduates are unemployed every year, economic sanctions have the propensity to unite a populace against the norms which regulate the activities of international society without completely halting its nuclear programme.<sup>38</sup> This may provide the Iranian President with an excuse to withdraw from the IAEA and the NPT regimes, which could push Iran further to isolation rather than integration.

### D. Pre-emptive Military Strikes

While the US continues its coercive diplomatic efforts to stop Iran from enriching uranium, as a contingency plan, the military strike option remains intact. The possible targets envisaged by the Pentagon and CIA officials include the Uranium enrichment plant at Natanz and the uranium conversion facility at Isfahan.<sup>39</sup> Although a land invasion has not yet been contemplated, military officers are weighing alternatives ranging from a limited air strike aimed at key nuclear sites, to a more extensive bombing campaign designed to destroy an array of military and political targets.<sup>40</sup>

The US has been building a case for possible military strikes against Iran. While

<sup>32</sup> Glenn Kesler, “Rice: U.S. Committed to Diplomacy With Iran”, *Washington Post*, April 27, 2006.

<sup>33</sup> Anne Gearan, ‘Rice Pushes Security Council on Iran’, *Washington Post*, April 24 2006.

<sup>34</sup> See, “Action with respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression”, *The UN Charter*, Chapter VII. Available at URL <<http://www.un.org/aboutun/charter/chapter7.htm>>

<sup>35</sup> “US Warns of Tough Iran resolution”, *BBC News*, May 03, 2006. URL <[http://news.bbc.co.uk/2/hi/middle\\_east/4965264.stm](http://news.bbc.co.uk/2/hi/middle_east/4965264.stm)>

<sup>36</sup> “Iran Attacks UN Draft Resolution”, *BBC News*, May 05, 2006. URL <[http://news.bbc.co.uk/2/hi/middle\\_east/4975138.stm](http://news.bbc.co.uk/2/hi/middle_east/4975138.stm)>

<sup>37</sup> According to Ambassador Ali Asghar Soltanieh, Iran’s desire to enrich uranium is ‘irreversible’, Quoted in: “Top Iranian Nuclear Diplomat Interviewed,” *Arms Control Today*, January 26, 2006.

<sup>38</sup> Ray Takeyh, “Iran: From Reform to Revolution?” *Survival*, Vol. 46 (1), Spring 2004, pp.136–137.

<sup>39</sup> Peter Baker, Dafna Linzer and Thomas E. Ricks, “U.S. Is Studying Military Strike Options on Iran: Any Mix of Tact, Threats Alarms Critics”, *Washington Post*, April 09, 2006.

<sup>40</sup> Ibid.

one of the primary motives behind creating a strike's operational plan is due to Iran's pursuit of a possible nuclear weapons programme, another is the assumption made by US officials that Iran is in the possession of chemical and biological weapons. In June 2004, then US Under Secretary for Arms Control and International Security, John Bolton testified before the House International Relations Committee that Iran has a covert program to develop and stockpile chemical weapons.<sup>41</sup> Over the years, the US State Department and Intelligence agency stated that Iran had violated statutes embedded in the Chemical Weapons Convention (CWC) and that Iran is most likely to maintain an offensive Biological Weapons program. The US views Iran as a state that poses a strategic threat to Israel, a critical US ally in the Middle East.<sup>42</sup> Iran has also been accused of hosting and supporting terrorist organisations such as the Lebanon based organisation Hezbollah.<sup>43</sup>

The Iran scenario is consistent with the US Administration's National Security doctrine.<sup>44</sup> The US has been accelerating efforts to make its nuclear weapons more usable and effective against hard to hit targets, leading to what it calls 'acceptable levels of death and destruction'.<sup>45</sup> Nuclear planning documents leaked in early 2003

reveal that the Robust Nuclear Earth Penetrator (RNEP) is one among a number of modified new nuclear weapons under consideration. The US House of Representatives on May 6, 2005 have already voted in majority for using all appropriate means to deter, dissuade and prevent Iran from acquiring nuclear weapons.<sup>46</sup>

Any attempt to eliminate Iran's nuclear research facilities by force would destabilise an already unstable Middle East, while escalating the threat of violence in the rest of the world. A military strike would create a temporary setback for Iran's alleged ambitions to build nuclear weapons, but it would generate enough political resentment to produce a series of crises in the region.

### Implications of Military Strikes on Iran

Military strikes will have ramifications on the following:

- Energy Production
- Energy Transportation
- Strategic Threat to Regional Stability

#### A. Energy Production

Iran is host to the world's third largest known oil reserves and second largest natural gas reserves.<sup>47</sup> Iran is also the founding member of the Organization for Petroleum Exporting Countries (OPEC) and plays a decisive role in the cartel's restrictive output practices, which regulate oil prices.<sup>48</sup> Approximately 56 percent of Iran's oil exports are transported to Asia and 29 percent to Europe. Japan and China together buy over one third of Iran's oil. Saudi Arabia, Iraq, Kuwait and Iran are the "big four" oil producing nations

<sup>41</sup> "Iran's Continuing Pursuit of Weapons of Mass Destruction", Testimony of John R. Bolton Before the House International Relations Committee Subcommittee on the Middle East and Central Asia, Washington, DC, June 24, 2004. URL<<http://www.state.gov/t/us/rm/33909.htm>>

<sup>42</sup> Alistair Bell, "Israel warns on Iranian "nightmare", Swiss Info, March 12, 2005. URL<<http://www.swissinfo.org/eng/swissinfo.html?siteSect=143&sid=5596610>>

<sup>43</sup> This point was made clear by Nicholas Burns in late 2005. See, "US Policy Toward Iran", November 30, 2005. URL<<http://www.state.gov/p/us/rm/2005/57473.htm>>

<sup>44</sup> See "The National Security Strategy of the United States of America," September 2002. URL<<http://www.whitehouse.gov/nsc/nss.pdf>>

<sup>45</sup> "Sliding towards the Brink: More usable nuclear weapons and the Dangerous illusions of High Tech war," *Western States Legal Foundation, Information Bulletin*, March 2003. URL<<http://www.wslfweb.org/docs/nucpreppdf.pdf>>. For an overview of research during the 1990s aimed at making nuclear weapons more usable in warfare see, "Looking for new ways to use nuclear weapons : US counter proliferation plans, Weapons Effects Research and Mini-Nuke Development," *Western States Legal Foundation, Information Bulletin*, Winter 2000. URL<<http://www.wslfweb.org/docs/mininuke.pdf>>

<sup>46</sup> "Expressing the concern of congress over Iran's development of the means to produce nuclear weapons", 108th Congress, H. Con. RES. 398, March 25, 2004. URL<[www.oldamericancentury.org/downloads/hcon398-iran-bill.pdf](http://www.oldamericancentury.org/downloads/hcon398-iran-bill.pdf)>

<sup>47</sup> "Iran's oil and gas wealth", Joint Economic Committee, Research Report No. 109-31, March 2006. URL<<http://www.house.gov/jec/publications/109/rr109-31.pdf>>

<sup>48</sup> Ibid. Though Iran share in the OPEC revenue counts has been declining since 1874 when it was only 18.6 percent to 9.8 percent in 2005, whereas as the share of Saudi Arabia share has increased from 27.4 percent to in 1974 to 32.3 percent in 2005. US buys only 13 percent of the total mid eastern oil.

enjoying the highest well flow rates and the lowest unit cost in the world, less than \$2 per barrel.<sup>49</sup> Since World War II, there have been numerous world oil supply disruptions, the frequency of which seems to be increasing.<sup>50</sup> Since 2001, oil prices have nearly tripled. During the past year, the average price of oil increased by 33%, almost matching the 34% increase in 2004.<sup>51</sup> There is a strong possibility that Iran may use the oil card, force supply shortages, and raise the price of oil in the international oil market. Iran has an estimated 940 trillion cubic feet of gas, or approximately 16% of total world reserves. What all this means is that Iran will play a critical role in the world's future energy equation. Hence, the consequences of military strikes against Iran will definitively affect world oil prices, further destabilising the global energy economy.

### B. Energy Transportation

Located on the Northern part of the Persian Gulf, Iran's geographical location provides the state with a strategic advantage. If attacked, Iran could potentially counter-attack oil fields in Saudi Arabia, Kuwait, Iraq, and the United Arab Emirates – which together stocks more than half of the world's known oil reserves. Iran also monitors the oil trade through the Strait of Hormuz, a route through which approximately 14 million barrels of oil is exported every day. If militarily threatened, the Iranian navy has been trained to deny access to others through the Strait of Hormuz, immediately choking the supply of oil from the Persian Gulf to the rest of the world.<sup>52</sup> The transportation of

petroleum represents one of the most strategically important circulations of resources in the global economy. About two thirds of the global petroleum production is carried by maritime transportation. Distribution constraints are unavoidable and involve the usage of a set of straits and passages; chokepoints of maritime circulation.<sup>53</sup>

### C. Strategic Threat to Regional Stability

The consequences of pre-emptive military strikes against Iran would be strategically devastating for the US's allies in the Middle East, such as Israel, Saudi Arabia, and Kuwait. Iran stocks a considerable number of Shehab ballistic missiles, with a range of 300-500 Kms. An Iranian counter missile strike could reach US bases in Qatar, Oman and Iraq. The Shehab III, which allegedly has a range of 1300 Kms, could reach cities in Israel.<sup>54</sup>

Iran would also definitively escalate the spiral of violence against the 'Coalition of the Willing' and the relatively new Iraqi army within Iraq. So far, Iran has demonstrated a considerable restraint as far as its interests in Iraq are concerned. The January 2005 election of the Shiite-based United Iraqi Alliance (UIA), with close ties to Tehran, seem to have provided the Iranians with a valid reason not to interfere too much with Iraq's internal security concerns.<sup>55</sup> According to a CRS report drafted for the US Congress:

"Iran's leaders and diplomats have sought to persuade all Iraqi Shiite Islamist factions in Iraq to work together through the U.S.-orchestrated political process, because the sheer number of Shiites in Iraq (about 60 percent of the

<sup>49</sup> Thomas R. Stauffer, "The Economic Cost of oil and Gas Production: A Generalized methodology", *The OPEC Review*, Vol. 28 (2), June 1999.

<sup>50</sup> Since the end of World War II, there have been seven world oil supply disruptions, in 1951, 1956, 1967, 1973, 1979, 1980 and 1991. M. A. Adelman has documented six of these disruption till 1980 in M. A. Adelman, "Coping with Supply Insecurity", *Energy Journal*, Vol.3 (2), April 1982. pp.1-17. URL<[www.iaee.org/documents/](http://www.iaee.org/documents/)>

<sup>51</sup> Global rates of oil discovery have been falling since the early 1960s, Richard Heinberg, "How to avoid oil wars, terrorism, and economic collapse", *Energy Bulletin*, MuseLetter No. 160, August 01, 2005.

<sup>52</sup> The Strait of Hormuz is of great strategic importance, as it is the only sea route through which oil from Kuwait, Iraq, Iran, Saudi Arabia, Bahrain, Qatar, as well as most of United Arab Emirates, can be transported.. The length approximates 280 km, and the width is only 50 km at its narrowest point. In the last few decades, some 25% of the world's oil production has passed through it. Christopher Hoch,

"The Strait of Conflict: Potential for Conflict", *IEC Case Study*, No.45. URL<<http://www.american.edu/ted/ice/hormuz.htm>>

<sup>53</sup> Jean-Paul Rodrigue, "Straits, Passages and Chokepoints: A Maritime Geostrategy of Petroleum Distribution", *Les Cahiers de Geographie du Quebec* (special issue on strategic straits), Vol. 48 ( 135), December 2004, pp. 357-374.

<sup>54</sup> Sammy Salama and Karen Ruster, A Preemptive Attack on Iran's Nuclear Facilities: Possible Consequences, CNS Research Story (Centre of Non Proliferation Studies), August 12, 2004. URL<<http://cns.miiis.edu/pubs/week/040812.htm>>

<sup>55</sup> "Iran in Iraq: How Much Influence?" Middle East Report (International Crisis Group), Number 38, March 21, 2005, URL<<http://www.crisisgroup.org/home/index.cfm?!=1&id=3328>>

population) virtually ensures Shiite predominance in government.”<sup>56</sup>

However, Iran's position should not be considered as immobile. It has been reported that certain aspects of Iran's body politik support Muqtada al-Sadr's Mahdi army, a Shia militia group, which has declared its support for Tehran.<sup>57</sup> At a time when the US has been attempting to prepare Iraqi security forces to stabilize an ethnically divided Iraq, an Iranian policy aimed at relentless disruption of civilian life within Iraq could be devastating. In addition, an attack on Iran could unleash a new wave of terror within the US and Western Europe, by Iranian or pro-Iranian transnational groups, whose non-uniformed clandestine status make their actions difficult to pre-empt.<sup>58</sup>

### Implications for India and the Indo-US Civil Nuclear Agreement

'Pro-deal' and 'deal-skeptic' lawmakers in the US Congress are suspicious about India's relationship with Iran. During Condoleezza Rice's testimony on April 5, 2006, in the Senate and the House, Senators Tom Lantos and Barbara Boxer stated that the passage of the deal in the US Congress would depend on how India manages its relationship with Iran. Deal proponents such as Chuck Hagel, Joseph Biden and John Kerry, have also voiced their concerns over a potential seven billion dollar gas pipeline project being discussed between India, Pakistan and Iran.

However, India's relationship with Iran, and the prospect of a potential energy deal between the two states may delay, and not deter, the negotiations between the US and the Indian government with regards to institutionalising the Indo-US civil nuclear agreement. The intensive lobbying by the Indo-US business council, coupled with the fact that the deal will allow the US to extend its influence, commercially and strategically, in South Asia seems to

guarantee the passage of a deal which US lawmakers cannot afford to reject. As far as India is concerned, a diplomatic solution to a seemingly unending imbroglio with Iran is paramount. India does not want another nuclear weapons state in its near or distant neighborhood. India's energy dependence on Iran disallows the Indian state to favour the imposition of sanctions, embargos, or the employment of pre-emptive or preventive military strikes. Asian countries rely on Iran for 75 percent - 80 percent of their oil supply.<sup>59</sup> India is in the process of finalising an agreement to import 5 million tones of liquefied natural gas for a period of 25 years starting from 2009. These factors, which sustain India's energy market needs, contribute to India's desire to design an independent and non-threatening approach to solving the Iran nuclear crisis.

It could be argued that India's vote against Iran in the IAEA in September 2005 was inspired by the apparent need to work with the US. Especially when the non-proliferation facets of the civil nuclear deal were being debated in Washington. However, it should be remembered that the nexus between A.Q. Khan and Iran, and Iran's suspect proliferation commitments, are strategically threatening to India's security interest. Voting against Iran in the IAEA seems to represent the logical concerns of India, a state sandwiched between Pakistan, an Islamic Republic whose nuclear command and control apparatus may or may not be under the competent authority of its leadership, and China, a rising regional hegemon that possesses approximately 400 nuclear warheads.

Presently India faces a mounting challenge to further her relationship with the US – a global hegemon that considers Iran to be a part of the 'axis of evil'; and to protect her seemingly independent relationship with Iran. Since it is difficult to provide an exact analysis of how India will overcome the present strategic dilemma, India's inherent respect for international conventions, coupled with her energy needs, seem to suggest that India will continue to support diplomacy and

<sup>56</sup> Kenneth Katzman, "Iran's Influence in Iraq", CRS Report for Congress, November 15 2005, URL<<http://fpc.state.gov/documents/organization/57460.pdf>>

<sup>57</sup> Sammy Salama and Karen Ruster, "A Preemptive Attack on Iran's Nuclear Facilities: Possible Consequences," op.cit.

<sup>58</sup> As Suggested by Zbigniew Brzezinski in "Do Not Attack Iran", *International Herald Tribune*, April 26, 2006.

<sup>59</sup> Talmiz Ahmed, "Geopolitics of Oil," *Seminar*, No. 555, November 2005. URL<[www.india-seminar.com](http://www.india-seminar.com)>

dialogue, rather than advocate the use of force.

### Concluding Observations

The ongoing Iran crisis must be settled through a continuing process of non-threatening diplomatic interactions. The imposition of mild or harsh sanctions, pre-emptive military strikes, or unilateral actions adopted by 'likeminded states' – will compound rather than end what could potentially become another unwarranted conflict in the Middle East. In order to restore the normative values, which shape international mandates and laws, both nation-states must engage in direct talks. As suggested by Philip Gordon and Charles Ferguson, the US needs to offer security incentives to Iran, to resume dialogues, as discussed elsewhere in the paper.<sup>60</sup> As far as Iran is concerned, rather vehemently reacting to American rhetoric, which has proven to be counterproductive, the Iranian political elite needs to further extend its own soft power techniques. It needs to work with the US – not because the US may or may not occupy a super-power status, but because the current crisis seems to have been exacerbated by increasing political distrust. The threat of which can only be demystified by engaging in face-to-face discourse.

In early May 2006, President Ahmadinejad's letter, addressed to President George W Bush, provided a platform, based on which dialogue and exchange between Tehran and Washington could have, at the least, been conceptualised. However, Condoleezza Rice dismissed the letter because it offered 'nothing new'. If the current American administration truly believed in exploring every possible non-threatening diplomatic avenue to resolve the current imbroglio, it would have found a way to use this official communication, the first in 26 years, to catalyse a process leading towards a solution. The US's hard power approach to international relations seems to have impaired its ability to identify modest, yet potential diplomatic openings. This is dangerous, as those who occupy hegemonic positions have an obligation to exercise soft power techniques to resolve

rising stalemates in the international realm. In the current Iran crisis, America must do the same. As Javad Zarif, the Iranian Ambassador to the UN states, "pressure and threats do not resolve problems. Finding solutions requires political will and a readiness to engage in serious negotiations".<sup>61</sup>

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<sup>60</sup> This point has been elaborated under the sub-heading 'diplomatic initiatives'.

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<sup>61</sup> Javad Zarif, 'We do not Have a Nuclear Weapons Programme', *New York Times*, April 06, 2006.

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