

Summary Report

Iran, Its Nuclear Ambitions, the Region, and the West

The Liechtenstein Institute on Self-Determination (LISD) at Princeton University's Woodrow Wilson School of Public and International Affairs convened a conference, "Iran, Its Nuclear Ambitions, the Region, and the West," on 31 March and 1 April 2006. The conference gathered a group of diplomats and international practitioners concerned with the ongoing Iranian nuclear crisis, as well as academics and experts familiar with the nuclear question, Iran, the region, and related policy issues. Over two days of intensive discussions, participants engaged with the pressing issues of Iran's nuclear aspirations based on the internal politics of the country, Iran's interstate relations and the role it occupies within the Middle East and Central Asia, and Iran's and the wider region's relations with Asia and the West. On Friday, participants viewed, via videolink with the Geneva Center for Security Policy in Switzerland, an address delivered at the Center earlier in the day by Manouchehr Mottaki, Foreign Minister of the Islamic Republic of Iran. On Saturday Ambassador Javad Zarif, Permanent Representative of Iran to the United Nations in New York, also participated in the discussions via videolink.



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Participants included members of the permanent missions to the UN in New York from Argentina, Austria, Azerbaijan, Belarus, Belgium, Colombia, the Czech Republic, Denmark, Hungary, Liechtenstein, Pakistan, and Qatar, as well as representatives of the French and Israeli Ministries of Defense. Academic and policy-making institutions represented at the conference were New York University, Jawaharlal Nehru University in New Delhi, the University of St. Andrews in Scotland, Tehran University in Iran, Tsinghua University in Beijing, the American Jewish Committee, Aspen Institute, Carnegie Corporation of New York, German Institute for International and Security Affairs, International Crisis Group, Moscow Institute of Physics and Technology, Swiss Nuclear Society, United States Institute of Peace, the Woodrow Wilson International Center for Scholars, and Princeton University.

After the LISD-sponsored meeting, informal discussions continued among several participants and focused on the political and diplomatic dimensions of the situation as well as on the technological possibilities to resolve the crisis.

On 11 April 2006, Iran announced it had enriched uranium to 3.5% in its cascade of 164 centrifuges at the Pilot Fuel Enrichment Plant at Natanz.¹ Iran had declared its intention to do this in January 2006, when it ended the two-year voluntary suspension of its enrichment related activities. On April 28, subsequent to the UN Security Council Presidential Statement of 29 March 2006, the Director General of the International Atomic Energy Agency (IAEA) issued the report, "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran." This report concluded that "the Agency is unable to make progress in its efforts to provide assurance about the absence of undeclared nuclear material and activities in Iran."²

¹ Nazila Fathi and Christine Hauser, "Iran Details Nuclear Ambitions; Rice Urges Strong Steps," *New York Times*, 12 April 2006.

² IAEA Board of Governors, Report by the Director General on the "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran," GOV/2006/27, 7.

The tension between the international community and Iran has become tantamount to a dangerous, ever accelerating, negatively reinforcing, “tit-for-tat” crisis situation. This all could easily lead to a downward spiral that ends in military confrontation. Particularly dangerous is the hardening of positions on both sides with decreasing opportunities for face-saving exit strategies and the increasing danger of crisis-escalation by outside events. Iran insists on its right to proceed with intensified enrichment activities for civil purposes, while President Ahmadinejad engages in highly provocative rhetoric. Concerns grow in the international community, particularly in the West, that Iran has been hiding its true nuclear intentions. There is also unease about the fact that Iran has constantly been moving the “red line” while racing to obtain the technology to produce a nuclear weapon. Further contributing to the dangerous acceleration of the crisis is talk by western leaders about regime change and possible options for the use of nuclear weapons in military operations against Iran.

Many participants in the LISD-sponsored meeting felt that the most promising way to diffuse the crisis would be 1) to undertake diplomatic actions, which would be reciprocated by security and non-proliferation assurances by Iran, and 2) to incorporate into the incentive package offered to Iran, security assurances specifically from the US in addition to access to and knowledge of other new and sophisticated technologies. Most participants concurred that initiating military operations was ill-advised as they would at best delay the Iranian nuclear progress for a short time while serving to radicalize anti-western, especially anti-US sentiments in the region, and instigate widespread terrorist acts. In addition, military options could ultimately do damage to the global economy, having a particularly negative impact on already soaring energy prices.

Participants also voiced uncertainties about the effectiveness of economic sanctions against Iran, since Iran already is under a severe sanctions regime by the United States. Iran also has a heavy flow of cross-border traffic over its various

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land borders to the east and north. Iran has strong links in the Persian Gulf and the Shanghai Cooperation Organization (SCO) as an observer which may offer it ways to circumvent biting sanctions. Some participants added that sanctions could even hurt allies in the region.

There was agreement that Iran must fulfill the demands of the IAEA and has to stop its virulent rhetoric. With 164 centrifuges working, and the possible operation of two additional cascades, Iran has definitely met a technology threshold according to IAEA standards. The best-case-scenario that the international community could realistically hope for to stop the escalation of tensions relating to Iran’s nuclear program would be for Iran to provide the IAEA with unlimited access to all sites, equipment, documents, and individuals actually and potentially relevant to its nuclear program. Some participants noted that suspension is a prerequisite to analyze and pursue any and all technological solutions including those that have been proposed by Russia, the EU-3 (France, Germany, and the UK), Iran, and IAEA Director General Mohammad Al Baradei. However, as LISD conference participants underscored in their discussions, Iran granting IAEA inspectors full access to nuclear facilities could easily be undermined if Iran begins work at a secret enrichment facility.

BACKGROUND

Underlying much of the current tension between Iran and the West is the widespread belief that an Iran which acquires the capability to produce nuclear weapons represents a fundamental threat to regional and international peace and security. Contributing to this is a divergence of perceptions relating on one side to Iran's true intentions for its nuclear program, based upon misleading behaviors of Iran in the past, the increasing speed of Iranian work on enrichment, the continuing antagonistic rhetoric of President Ahmadinejad, and apparent Iranian support for organizations which many states define as terrorist.³ Iran however insists that its nuclear aspirations are of peaceful intent, and that Iran has the "inalienable right" as a Non-Proliferation Treaty (NPT) signatory to develop nuclear energy for peaceful purposes, as stated in Article IV of the NPT. This is a point of contention for the international community as for eighteen years, Iran secretly pursued a "second track" nuclear program for the development of nuclear weapons in clear violation of Article II of the NPT which makes Article IV's right to civilian technology contingent on abandoning and not pursuing activities meant to produce or acquire nuclear weapons.

Iran also points to the fact that many of the contractual agreements made in the past to supply it with nuclear material and technology were indeed not fulfilled by the international community. Iran too is aware that it sits on the world's third largest natural gas and petroleum reserves and that it can control much of the world's oil shipments through its geostrategic position on the Persian Gulf. Iranian leadership further bolsters its pro-nuclear argument by pointing out that unlike Israel, India, and neighboring Pakistan which all have active nuclear programs without signing onto the NPT, Iran has ratified the treaty. Perceptions rooted in Iran's

³ Specifically several points were raised by conference participants: Iran's role in propagating the growing confrontation between Islam and the West and between Islam and Israel; the US State Department's designation of Iran as "the most active state-sponsor of terrorism;" Iran's relentless and consistent subversion of the Middle East Peace Process by supporting all major Palestinian terrorist organizations.

Persian Empire past underpin these arguments as does Iranian national pride, a sense of entitlement to a regional leadership role, and a belief in the country's past and present victimization. President Ahmadinejad, in spite of existing domestic political opposition, has successfully exploited such nationalist sentiments and has managed to galvanize national support for Iran's quest to become a member of the nuclear club. Iran also has significant security concerns, in particular relating to Iran's defacto encirclement by the US and its allies, and most recently, by statements made by US officials about "regime change" or "regime transformation," supported by a financial commitment of \$70-80 million to bolster reformists in Iran. Iran has called these "illegitimate and open threats." It has been argued that the US stance toward the Iranian nuclear situation may also be influenced by US domestic political realities, the US Congress's election timetable, and the low popular approval ratings of the current presidential administration.

Since the 1979 fall of the Shah and the hostage crisis at the US embassy in Tehran, the US-Iranian relationship has been antagonistic and no direct diplomatic contact has existed since. Iran's support for organizations the US and its allies define as terrorist, its persistent denial to recognize the existence of the State of Israel, and the hostile rhetoric toward the US and the West from Tehran's theocracy have further soured relations between Tehran and Washington and between Iran and the West. The US, and its allies, deem an Iran with the ability to supply nuclear technology to other rogue states as unacceptable. The 25 April 2006 statement of Ayatollah Khamenai to the president of Sudan that "the Islamic Republic is prepared to transfer the experience, knowledge, and technologies of its scientists to the government of Sudan," namely to a regime known to defy the West, the United Nations, and that is presently involved in genocide in Darfur has only increased the urgency felt by the West in this regard.⁴ Although Iran has argued that it has cooperated with the US against the Taliban and Al Qaeda in Afghanistan and has refrained from direct action in Iraq, Iranian attempts to open a direct dialogue

⁴ BBC, "Iran 'Could Share Nuclear Skills,'" 25 April 2006, http://news.bbc.co.uk/2/hi/middle_east/4943782.stm

with the US have failed on several occasions, most recently in 2003. The problem between the EU-3 and Iran has been further compounded by fruitless diplomatic negotiations and Iran's rejection of various EU proposals since 2003. President Ahmadinejad's acerbic speeches about the Holocaust, denial of Israel's right of existence, and his push for an intensification of nuclear research since 2005 have cemented perceptions in Washington and among EU members of his intent to consolidate power domestically and obtain nuclear weapon capabilities. The new active role of China in the region has further complicated matters. Moreover, since the overthrow of Saddam Hussein, the profound instability in Iraq and the emergence of a Shia Crescent from the Mediterranean to Pakistan have also contributed to serious security concerns.

Religious considerations are also aggravating the current situation as Iranian President Ahmadinejad has expressed his belief in the coming of the Hidden Imam. While some feel that Ahmadinejad's words are attempts to rally religious conservatives in Iran, concerns exist that Muslim extremists in Iran and some Christian extremists in the West are actually hoping for an apocalyptic end to the nuclear crisis. Many in the region and the international community therefore fear a nuclear Iran at the same time that they are conscious about

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the ability of religious beliefs to mobilize fundamentalism on all sides that could be capable of stifling diplomatic efforts to resolve this situation in a peaceful manner. The overall situation is compounded by the fact that Iran has become a crossroads for regional and great power politics and is a major provider of petroleum and natural gas. The Russian and Chinese dominated Shanghai Cooperation Organization (SCO) has recently indicated its willingness to accept Iran, India, and Pakistan, nations currently with observer status, as new members, demonstrating the extent to which these nations have regional strategic importance and growing clout. Russia and China therefore have a vested interest in shaping the dialogue between Iran and the West. Both countries have favored resolving the Iran crisis through the IAEA rather than the UN Security Council and are against the imposition of sanctions, and Russia has offered to have Iran locate an enrichment facility on Russian territory. Yet in spite of differences in diplomatic approaches to the situation, consensus does exist among the P-5+1 (the US, UK, France, Russia, China, and Germany) that Iran should not defy Security Council resolutions or further antagonize the larger international community.

OPTIONS AVAILABLE FOR ADDRESSING IRAN'S NUCLEAR AMBITIONS

The following diplomatic, economic, technological, and military options, pursued singularly or in combination, are the most viable for addressing the current Iranian nuclear situation.

Diplomatic

- *Deescalate rhetoric on both sides*, with the goal of providing a platform for constructive dialog among all parties.
- *Reestablish the Iranian-US relationship* and create a direct communication link between Washington and Tehran. A first step in the process could be US-Iran talks over Iraq,

which could open a parallel dialogue and potentially begin to rebuild trust.

- *Address security guarantees* for both sides. Suspension of nuclear activity on the Iranian side must be met by security guarantees from the side of the P-5+1 such as pledges that Iran will not be attacked militarily and that the issue of Iranian nuclear enrichment will be addressed by the IAEA in Vienna rather than in the UN Security Council in New York. Returning the issue back to the IAEA appears essential.

- *Work to implement “solutions” as part of a broader process* based on trust and confidence. Technological solutions do not help to diffuse the crisis if not accompanied by the right diplomatic process. Currently, this places the primary burden the shoulders of Iran which has refused to comply with IAEA requests.

- *Work toward three-party recognition* – US recognition of Iran in return for Iran’s recognition of Israel. This will address the Iranian position that it is being singled out and disrespected, while allaying Israel’s security fears.

- *Provide Iran with a guaranteed ten-year nuclear fuel supply.* Coupled with security guarantees for all sides, this will alleviate fuel-supply cut-off concerns.

- *Pursue alternative options for Iranian nuclear enrichment* such as the Russian proposal reiterated on 7 March 2006 to locate an enrichment facility on Russian soil either with or without the possible addition of a limited enrichment capability on Iranian soil, or the Iranian proposal of a regional consortia owning and managing enrichment facilities jointly.

- *Remain mindful of Iranian human rights and domestic reform issues* when confronting the nuclear issue. Prioritizing these additional issues is crucial for building trust and credibility with the West, and will bolster a secure, stable, and democratic Iran. Likewise, addressing

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these issues in tandem with the nuclear issue discredits the Iranian argument that it is being targeted solely for pursuing a nuclear program.

- *Engage in active public diplomacy* by communicating more effectively to both Iran’s leadership and to the Iranian people the interests and concerns of the West. This should be undertaken as part of a broader program of social and cultural exchange.

- *Bring non-P-5 nations into the discussion about the Iranian nuclear situation*, especially relating to the potential effects of the imposition of economic sanctions and the initiation of military actions. As Iran’s regional neighbors will be directly impacted by the unfolding of such events, it is essential to consult additional countries such as Pakistan, Israel, and the Central Asian republics to contextualize the likely outcomes of these policy decisions. This could include using states in the region – Turkey, Armenia, Azerbaijan, Bahrain, and Kazakhstan – as regional enforcers of international mandates.

- *Determine who would have their “finger on the trigger”* should a nuclear Iran be realized, assess the threat level, and generate deterrence measures accordingly.

Technological⁵

Iran could go forward with the operation of the 164 centrifuges in its pilot plant and still assure the international community about the peaceful purpose of its nuclear program. To enable the IAEA and Iran to resolve the outstanding issues about Iran's nuclear program and return Iran to good standing with its NPT obligations, Iran could commit to the IAEA that it would:

- *Limit its enrichment program to the 164 centrifuges (P1 type).* An Iranian commitment to limit its enrichment activity to the present level is consistent with its February 2006 declaration at the IAEA that any enrichment would be on a “small scale and not planned for nuclear fuel production.”⁶ Using a fraction of its existing uranium hexafluoride, containing natural uranium with 0.7% U-235, Iran's cascade of 164 centrifuges of the P-1 type would take about 14 years to produce 25 kg of 93% enriched weapon-grade uranium.

- *Not produce additional centrifuge components* since it already has more than an adequate number to replace any failed centrifuges in the 164-centrifuge cascade. Iran has a stock of about 700 assembled centrifuges and components for many more.⁷ It could therefore freeze the production of new components and assembly of new machines in its 164-centrifuge cascade and still have more than sufficient to replace any machines that fail. This would mean that Iran

⁵ Members of the Program on Science and Global Security at Princeton University (PSGS) in consultation with Bruno Pellaud, former IAEA Deputy Director General, outlined the following technological recommendations, “Confidence-Building Through Limited Deployment of Uranium Enrichment Centrifuges in Iran” subsequent to the LISD-sponsored Iran meeting, 31 March – 1 April 2006. PSGS contributors are Anatoli Diakov, Harold A. Feiveson, Alexander Glaser, R. Scott Kemp, Zia Mian, and Frank N. von Hippel.

⁶ Statement by Ambassador A. A. Soltanieh, Resident Representative of the Islamic Republic of Iran to the IAEA, 2 February 2006, http://www.iaea.org/NewsCenter/Focus/IaeaIran/bog020206_statement-iran.pdf.

⁷ David Albright and Corey Hinderstein, “The Clock is Ticking, But How Fast?” ISIS, 27 March 2006, <http://www.isis-online.org/publications/iran/clockticking.pdf>.

could mothball all of its centrifuge-component-production and centrifuge-assembly workshops (P1 and P2) and allow them to be sealed by the IAEA during negotiations over the future of its enrichment activities.

- *Not produce any more uranium-hexafluoride* since what it has produced already is more than enough to operate the 164-centrifuge cascade for many years. Iran has a stock of 110 tons of uranium hexafluoride.⁸ This is more than sufficient to operate a cascade of 164 machines for several decades.⁹

- *Reaffirm its commitment not to separate plutonium from spent reactor fuel.*

- *Ratify the Additional Protocol granting extra access and rights to IAEA inspectors and, in the interim, act as if the Additional Protocol is in force.*

Economic

- *Consider and evaluate short and intermediate-term sanction mechanisms.* These fall into two broad categories: 1) the ad hoc interruption or suspension of Iran's import-export relationships with members of the international community, and 2) the restriction of economic-related activities including international human mobility and service and material exchanges. Options include but are not limited to: embargos of arms and/or natural resources, especially the sale of oil and importation of petroleum; the freezing of governmental and/or personal assets; travel restrictions for specific individuals; the imposition of trade restrictions by entities such as the EU, OECD, and/or the SCO.

- *Contemplate long-term economic linkages between Iran, the P-5, and the wider international community.* These

⁸ Between September 2005 and late February 2006, Iran produced 85 metric tons of uranium hexafluoride, IAEA GOV/2006/15, 27 February 2006.

⁹ We estimate between 1.2-1.6 metric tons a year could be fed into the cascade.

linkages would be built on conditions to which Iran agrees to fulfill, very much like the “linkage policy” initiated in the 1970s by former US Secretary of State Henry Kissinger in relation to China. Initiatives on other economic planes such as the trade of advanced technologies and alternative sources of energy could be explored in return for Iran meeting certain specified political tenets. Within this context, negotiations on Iran’s membership in the WTO could be contingent on its cooperation with other intergovernmental organizations and its compliance with membership requirements and rulings of those bodies.

- *Weigh the possible ramifications of pursuing economic sanctions*, considering both who will be most affected in Iran and in the wider region, and to what degree other states such as Russia, China, and Iran’s Middle Eastern and Central Asian neighbors will be willing and able to implement sanctions and enforce them by controlling flows of goods and people across mutual borders with Iran. On the domestic level, the three strata of society – the general population, the elites, and the leadership – should be differentiated and consequences evaluated accordingly. The economic impact of sanctions could also be a detriment for regional neighbors, especially the Persian Gulf states and the Central Asian republics, as well as for members of economic organizations in which Iran is also a member. Just as sanctions should not fall most heavily on Iran’s women, children, and elderly in the domestic arena, they should not unduly burden other UN member states in the region. Iran could retaliate against sanctions by convincing its Islamic allies and other OPEC members to manipulate production to cause a spike in consumer oil prices.

Military

In any examination of military options five fundamental questions must be considered, although there is no guarantee that any military action will destroy all nuclear sites or related nuclear technologies. First, what would be the purpose of any military action? Second, would a

military action be undertaken by the US or a coalition and would it be undertaken in order to preempt an attack on Iran by another regional power? Third, what would be the definition of a successful attack? Fourth, what are the plans for consequence management especially in relation to post-action reconstruction? Fifth, what are the best ways to deal with Iranian counter-reactions? These Iranian reactions with potential economic and political ramifications for the region and wider global community could include attacks on petroleum facilities and routes in the region and beyond; destabilization of Iraq, Afghanistan, and the Israeli-Palestinian relationship through its ties to Hamas; invigoration of Iranian terrorism against soft targets in Europe, Asia, and the US; and the call for and support of Jihad against the US and the Christian West.

- *Launch precision air strikes* against Iranian nuclear sites, workshops, and research centers. Such strikes have the potential to set the Iranian nuclear program back significantly, with estimates for rebuilding the program ranging from 2-10 years. Conventional air strikes could commence in stages with light demonstrative bombing followed by more intensive operations if Iran does not suspend its nuclear program. In order to neutralize anti-aircraft and anti-ship defenses and other possible military targets, 300-450 sorties may be required. “Shock and awe” could be the ultimate objective, but it is difficult to evaluate the success of this.

- *Initiating special forces operations* to destroy nuclear and related facilities through covert and/or overt action. Depending on the type of operation, this would require at least a full battalion of special forces armed with explosives and thermobaric weapons, and detailed contingency plans for addressing on-the-ground developments. The exit strategy following such operations remains an open question.

- *Deploying ground forces* in conjunction with wider air operations. A land-based operation would require a minimum of 4-6 divisions with additional follow-up forces. The feasibility of such an operation is significantly undercut

by the current engagement of US-led multinational forces in Iraq and, given the precedent set in Iraq, implicitly implies an overarching agenda of regime change.

- *Facilitating internal subversive operations* including the recruitment of local militias to carryout covert military operations, funding separatist movements in different regions of Iran, assassination and sabotage, and fueling insurgent activity through irredentists. Fomenting ethnic tensions for the purpose of regime change through assassinations and destruction in the country through covert measures, could lead to major unforeseen repercussions and represents the most dangerous of all the military options.

CONCLUSION

The catalogue of policy and technological options – as well as possible enforcement mechanisms – generated from discussions initiated at the LISD-sponsored meeting “Iran, Its Nuclear Ambitions, the Region, and the West,” underscores the importance of a vigilant and continuing diplomatic effort in an ever more complex and escalating crisis.

Iran should send a clear signal by accepting a negotiated freezing of its nuclear activities for the time being, halt its hostile and provocative rhetoric, and stop its support of international terrorism. The international community in turn should try to understand Iranian perspectives and offer appropriate solutions that are in line with relations with other comparable states. A comprehensive timetable should be developed which includes immediate freezing of Iranian activities with comprehensive negotiations with the P-5+1, a reaffirmation of the IAEA’s leading role in the nuclear agenda, and various economic and political linkage agreements. Most importantly, the US and Iran must begin interacting directly. Questions

still remain about the most viable responses should Iran continue enrichment operations and/or if Tehran suddenly announces or demonstrates convincingly that it has nuclear weapons technology.

In the end, the Iranian leadership, the global community, and especially the leaders of the current international system, bear the responsibility to undertake whatever next steps are necessary to bring this nuclear crisis to a peaceful resolution.

Contact Information:

Wolfgang Danspeckgruber, Director
Liechtenstein Institute on Self-Determination
Woodrow Wilson School of Public and
International Affairs
Princeton University
Princeton, New Jersey 08544
USA

Electronic Mail: wfd@princeton.edu
Telephone: (609) 258.5685
Facsimile: (609) 258.5196
Website: www.princeton.edu/~lisd

A copy of the policy brief can be found at :
http://www.wws.princeton.edu/policybriefs/LISD_Iran.pdf

For media inquiries please contact:
Steven Barnes, Assistant Dean for Public Affairs

Electronic Mail: sbarnes@princeton.edu
Telephone: (609) 285.5988
Facsimile: (609) 258.4765
Website: www.wws.princeton.edu