



CARNEGIE ENDOWMENT  
*for International Peace*

**Dealing With Iran's Nuclear Challenge**  
April 28, 2003

George Perkovich  
Vice President for Studies  
Carnegie Endowment for International Peace  
[Gperkovich@ceip.org](mailto:Gperkovich@ceip.org)  
202-939-2305

For more than a decade American officials in Congress and successive administrations have fixated on the threat of Iran's acquiring nuclear weapons. The U.S. has pressed China, Russia and others to cut off supply of vital technology, materiel and know-how to Iran. This supply-side nonproliferation strategy has achieved some successes. It still could slow Iran's acquisition of nuclear weapon capabilities. Supply-side constriction should continue. This should include efforts to interdict overtly or covertly transfers of equipment and know-how to Iran that would directly augment its nuclear weapon production capability. Indeed, Iran's acquisition of uranium enrichment capabilities, and possibly plutonium separation capabilities, should prompt major reforms in the international nonproliferation regime. Gaping loopholes in this regime make it permissible for Iran (and other states) to acquire capabilities that reasonable people must conclude are likely to be used to build nuclear weapons. (I hope to discuss possible supply-side reforms in a companion paper to this one).

However, notwithstanding efforts to block foreign supplies to Iran, U.S. officials and other analysts recognize that Iran may soon achieve sufficient indigenous capacity to develop nuclear weapons without further outside assistance. Some American officials conclude therefore that nonproliferation has failed. Iran inevitably will acquire nuclear weapons.

This defeatism is premature, self-fulfilling and irresponsible. Iran's acquisition of nuclear weapons is inevitable only if *past* trends continue uninterrupted. If U.S. officials continue with the policies of the past two decades and simply wait for Iran finally to capitulate to them, then, yes, proliferation is inevitable. If, alternatively, U.S. officials were willing and able to undertake bold innovations in U.S. policy, Iran could be persuaded to reverse course.

This is not to say that Iran is likely to completely abandon its acquisition of nuclear technology and know-how. Iran has invested too much pride, money and scientific-technical talent in building its nascent nuclear infrastructure to abandon it completely. No state, even those that have halted clandestine nuclear weapon programs, has fired its nuclear scientific-technical establishment and shut down all its reactors. Nuclear establishments' around the world are too politically and symbolically important for political leaders to close down entirely. In Iran, with its active and relatively open political process, the most tenable optimistic outcome would be a decision to focus the nuclear program on producing electricity in reactors at Bushehr while forgoing indigenous uranium enrichment and plutonium separation capabilities.<sup>1</sup> Iran would reaffirm its commitment to the Nuclear Nonproliferation Treaty and agree not to build and operate uranium enrichment and/or plutonium separation facilities. Current fuel-cycle facilities under development would have to be dismantled or converted to unambiguously non-weapon related uses. In return, in the nuclear domain Iran would expect guarantees of foreign-supplied low-enriched uranium fuel that would be returned upon its use to the supplier country. The international community would have to live with the remote possibility that Iran could break its commitments and divert spent-fuel from the Bushehr power reactor(s)

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<sup>1</sup> This is essentially the "deal" proposed by Robert J. Einhorn and Gary Samore in, "Ending Russian Assistance to Iran's Nuclear Bomb," *Survival* (vol. 44, no. 2) Summer 2002, p. 53.

into a crash bomb-making program. Again, it is too politically naive to expect Iran to give up in one swoop its nuclear bomb-making *and* power programs. The Bushehr reactor(s) are the political-psychological ground on which Iranian leaders can stand tall after walking away from bomb-making facilities.

The “deal” sketched above is the best that can be obtained realistically. It will not be easy to achieve. This paper does not assume success for the strategy it recommends; rather it assumes that the consequences of Iran’s acquiring nuclear weapons are grave enough that American officials should try something new to alter Iranian leaders’ calculations. No country is more difficult for the U.S. to engage diplomatically than Iran. Still, we should not accept defeat until innovative diplomacy has been tried and failed and the Iranian side has been found completely wanting. Indeed, the approach recommended here would enhance U.S. security even if Iran does go ahead and acquire nuclear weapons.<sup>2</sup> In that case, the U.S. and Iran’s neighbors would want to reduce the risk of nuclear crises and possible war by engaging Iran in establishing rules of the road to manage regional security relations.

### **Removing Iran’s Demand for Nuclear Weapons**

For all its efforts to staunch flows of nuclear technology, materiel and know-how into Iran, the U.S. government never has publicly and objectively assessed Iranian leaders’ motivations for seeking nuclear weapons and what the U.S. and others could do to remove these motivations.

Outsiders do not know exactly who makes Iran’s decisions regarding nuclear weapons acquisition or what those decisions are. Because Iran denies that it is seeking nuclear weapons, only a small number of people can be “in the know.” If secrecy were breached and intentions to acquire weapons unambiguously exposed, Russia and other suppliers would be compelled to retract their assistance. Iran would risk greater isolation and coercion.

A small group of strategically and technologically neophyte political insiders seems to set the direction of Iran’s quest for nuclear weapon capabilities. A network of scientists, engineers and procurement agents works surreptitiously to acquire capabilities under cover of a civilian nuclear program. The Supreme Leader, Ayatollah Sayyed Ali Khamene’i, must have some say. He is the ultimate power in the state and the commander of the Iranian Revolutionary Guard Corps. A most likely driver of nuclear policy seems to be Iran’s former president and current chairman of the expediency council, Akbar Hashemi Rafsanjani. Over the years Rafsanjani, more than any other figure, has pronounced on nuclear weapons-related issues. He has remained close to the two Supreme Leaders, Khomeini and Khamene’i. Importantly, according to a leading analyst of Iranian security affairs, Shahram Chubin, Iran’s uniformed military have not formed a nuclear lobby.<sup>3</sup>

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<sup>2</sup> The general approach and many of the particulars recommended here are consonant with recommendations of a 2001 National Defense University, Institute for National Strategic Studies working group. See Kori N. Schake and Judith S. Yaphe, “The Strategic Implications of a Nuclear-Armed Iran,” McNair Paper 64, May 2001.

<sup>3</sup> Shahram Chubin, “Whither Iran?,” *Adelphi Paper 342*, International Institute for Strategic Studies, 2002.

Policy-making seems relatively devoid of inputs from highly trained military or nuclear strategists.

Iran has a relatively vibrant press and intellectual culture. Yet it lacks academic or “think tank” strategists versed in the arcana of nuclear theology and technology. Newspapers and journals do not feature informed, rigorous analysis of the costs and benefits of even a hypothetical Iranian bomb. Few analysts consider in detail whether and how nuclear weapons actually would reduce security threats to Iran compared, for example, to a strategy of trading Iran’s nascent fuel-cycle capabilities for security guarantees and economic linkages to the West. Domestic political-economic issues preoccupy the elite, followed by broader foreign policy considerations having to do with Iran’s role in the world, the Israeli-Palestinian conflict, and possible relations with the U.S. and the West. Intellectuals and pundits seem increasingly attracted to nuclear weapon capability as a means to narrow gaps in power and status between Iran and Pakistan, Israel, the U.S. and Iraq. Yet this attraction is vague. No serious military-strategic doctrine exists to make nuclear weapons an indispensable requirement for Iran.

To the extent that Iran’s actual nuclear decision-makers rigorously and knowledgably have analyzed their nuclear strategy options, they may have a clearer policy than can be detected from publicly available evidence. More likely, though, political leaders like Khamene’i and Rafsanjani see nuclear weapons as an almost magical source of national power and autonomy. These men are political clerics, not international strategists or technologists. They intuit that the bomb will keep all outside powers, including Israel and the U.S., from thinking they can dictate to Iran or invade it. Nuclear weapons capability also will demonstrate the brilliance and technical prowess of the great Persian civilization. In particular, Shia Iranians may feel that the bomb would demonstrate and reinsure their general superiority over their mostly Sunni Arab rivals. In sum, Iranian nationalists see nuclear weapons as an expression and guarantor of self-reliance, independence, regional standing and, at the global level, equality with other great civilizations and powers.

States the world over derive legitimacy from positing their policies in terms of national security requirements. Often these “requirements” are debatable, or at least not the whole story. Other motivations more disputable than national security lurk beneath their surface. U.S. policy-makers must try to obviate Iranian security arguments for nuclear weapons, while being mindful that deeper political-psychological sources of nuclear ambition will remain.

In the case of Iran, four vague threats prompt the perceived security need for nuclear weapon capabilities: Pakistan, Israel, the U.S. and Iraq. Each of these security rationales for acquiring nuclear weapons has been or can be redressed.

Pakistan explosively tested nuclear weapons in May 1998. This affected Iranian intellectuals and, probably, decision-makers more deeply than has been recognized in the West. To Iranians (Persians), Pakistan is a culturally and historically inferior neighbor. When the nuclear tests brought Pakistan global recognition as a nuclear power, this offended the Persian sense of superiority. More importantly, Pakistan was (and is) fertile

ground for Wahhabi fundamentalism. Borne from Saudi Arabia, this strain of Sunni

fundamentalism now has spread through Pakistan and into Afghanistan. Pakistan's Inter-Services Intelligence establishment nurtured this Sunni extremism and created the Taliban. The Taliban were inveterately hostile to Iran. In the summer of 1998, just months after the nuclear tests, the Taliban assassinated nine Iranian diplomats in the Shia-majority region of

western Afghanistan. Sectarian Sunni groups regularly murder Shiites in Pakistan. Shiites retaliate in a cycle of sectarian violence.

Prior to September 11, 2001, Iranians had real reason to fear the Talibanization of Pakistan. This could have placed nuclear weapons in the hands of men prepared to do ill to Iran. Iran tacitly welcomed the U.S. destruction of the Taliban. Yet Iranians still fret about Pakistan's future. Some feel Iran's dignity and security require matching the power and deference Pakistan gained through the bomb. Moreover, the U.S. no longer sanctions and threatens Pakistan, though Pakistan arguably is no less a "supporter of terrorism" than Iran. Pakistan continues to be a base of groups conducting what are now considered terrorist acts against Indian interests in Kashmir or India proper, not to mention Al Qaeda that operate in Pakistan. Some in Iran feel simply that if a country like Pakistan has the bomb and earns deference from it, a greater nation like Iran must too.

Iran partly has balanced Pakistan's perceived gain by deepening relations with India since 1998. However, some Iranians may feel that this statecraft lacks the political-psychological impact of matching Pakistan's nuclear status.

More dramatically and enigmatically, it is possible that Iran and Pakistan secretly have reassured each other of their strategic intentions by arranging for Pakistan to assist Iran's development of nuclear weapon capability. Plausible but unconfirmed reports indicate a Pakistani-Iranian proliferation link.<sup>4</sup> The uranium conversion and enrichment facilities Iran is now building reportedly are patterned after similar facilities in Pakistan.

If Pakistan's nuclear cooperation with Iran expanded after 1998, it could have been motivated in part by a Pakistani desire to stem hostile Iranian counteractions to Pakistan's overt nuclear weapon status and to manage the two states' tensions over Afghanistan and Sunni-Shia violence. Without access to Pakistani and Iranian truth-tellers or (less reliable) foreign intelligence data, one can only speculate. Pakistan would want to reassure Tehran that Pakistan's nuclear capabilities are directed solely against India; Pakistan could prove this by assisting Iran's nuclear program. Whether or not Pakistan secretly has facilitated Iran's acquisition of nuclear capabilities, Iranian *decision-makers* stretch credulity if they pose Pakistan as a *security* threat necessitating this capability. Intellectuals, security analysts and others unknowingly could still argue that Iranian nationalist interests require balancing Pakistan's new stature and power.

Iranian leaders find Israel a much more straightforward cause of their interest in acquiring nuclear weapons. Rafsanjani displayed this militantly defensive sensibility in a Friday Prayer speech at the University of Tehran on December 14, 2001. The U.S.-led war on terrorism was just unfolding, and the Bush administration was signaling its

<sup>4</sup> Seymour Hersh, "The Iran Game," *The New Yorker*, December 3, 2001, pp. 43-45.

determination to destroy actors who might link terrorism with weapons of mass destruction. The American threat against Iran was bad enough, but Rafsanjani seized on

the double standard it exposed. The cagey political veteran denounced the imperialists (read Americans) for supplying “vast quantities of weapons of mass destruction and unconventional weapons to Israel,” including “nuclear, chemical and biological weapons and long-range missiles.” The imperialists “have shut their eyes to what is going on” in Israel. In other words, Iran is threatened and offended by the hypocrisy, inequity and physical menace of the American-Israeli axis. This is a politically winning charge.

Rafsanjani continued in what reads like a somewhat extemporaneous address:

“If one day, the Islamic world is also equipped with weapons like those that Israel possesses now, then the imperialists' strategy will reach a standstill because the use of even one nuclear bomb inside Israel will destroy everything. However, it will only harm the Islamic world. It is not irrational to contemplate such an eventuality. Of course, you can see that the Americans have kept their eyes peeled and they are carefully looking for even the slightest hint that technological advances are being made by an independent Islamic country. If an independent Islamic country is thinking about acquiring other kinds of weaponry, then they will do their utmost to prevent it from acquiring them.”

Rafsanjani added that even if an Islamic country could not strike Israel with a nuclear weapon, the Muslim world can “still inflict greater costs on the imperialists.” Referring to the September 11 attacks on the U.S., he said, “Developments over the last few months really frightened the Americans. That is a cost in itself. Under special circumstances, such costs may be inflicted on the imperialists by people who are fighting for their rights or by Muslims.”

This formulation, not atypical, reveals the gut desire for power and a deterrent to stand up to the imperialists and the Israelis. Against the background of war in Afghanistan and U.S. and Israeli rhetoric about eradicating terrorists and the states that sponsor them, Rafsanjani invoked a hypothetical Muslim nuclear capability. Importantly, he seemed to posit such a capability as a second-strike deterrent *against pre-emptive attacks* by Israel or the U.S. against Iran.

President Bush's “axis of evil” pronouncement came *after* the Rafsanjani speech quoted above. The president's crusading language and related threats of regime change only heighten the threat many Iranians postulate from the U.S. forces in the Gulf region. Attitudes and tactics shared by the Bush and the Sharon governments intensify Iranian fears of impending aggression from a U.S.-Israeli axis, perhaps under the guise of preventive counter-proliferation. Iranians argue that they need nuclear weapons to “equalize” and deter the United States acting alone or in concert with Israel.

Yet, realistically and operationally, nuclear weapons would provide little value to Iran against Israel, the U.S. or even Pakistan. Acquiring a small handful of nuclear weapons would not reduce decisively U.S. and/or Israeli motives or capabilities to attack Iran. Rather, Iran's effort to acquire a nuclear arsenal increases the threat of attack. Khamene'i recognized this clearly in 1992 when he told his followers, “you are mistaken if

you think that the Islamic Republic's strength lies in the obtaining or the domestic manufacture of an atomic bomb. [Even] if it were the case that the Islamic Republic

wanted to make an atomic bomb, the big powers [would] still have hundreds of them... That which gives strength to a system is not the atomic bomb. [It is] the power of the faith [in the face of which] all the conspiracies and plots of the enemy will be foiled.”<sup>5</sup>

Iranian decision-makers could gamble that they will “get away” with acquiring a small arsenal and then Israel and the U.S. will be deterred. This is a high-risk strategy against a threat of American and/or Israeli aggression that probably would not exist if Iran were not acquiring weapons of mass destruction.

For such a deterrent strategy to withstand tough objective scrutiny, Iran would need greater capabilities than it is likely to obtain. Israel and the U.S. possess arsenals that would enable them to dominate the potential escalation cycle with Iran. Culture, history and capabilities give no reason to think that Iran would initiate a major war with Israel or the U.S. If Iran is unlikely to start a war, it is also unable to prevail in an escalatory process responding to a pre-emptive American or Israeli (conventional or unconventional) attack on Iran. Israel or the U.S. would try to pinpoint attacks to destroy Iran's WMD infrastructure and capabilities and perhaps certain institutional headquarters. These attacks presumably would degrade Iran's counter-attack capabilities. Iran's limited delivery-system accuracy would probably dictate hurling what destructive power is left against Israeli cities and fixed American military targets. Israel's invulnerable submarine-based nuclear arsenal could then be launched to destroy Iran's major cities or scores of more focused targets, even if Iran managed to wipe out most of the Israeli population. Incidentally, such a nuclear exchange would kill many Palestinians, whose rights and interests Iran says it is defending. Possible exchanges with the U.S. would be even more lopsided. In essence Iran would be trading its very existence for a reprisal against a limited Israeli (or American) attack on the WMD capabilities that Iran has pledged by treaty not to acquire in the first place.

If actual nuclear war-fighting is unthinkable -- or insufficiently thought through -- some Iranians might still believe that a small nuclear arsenal would give Iran the sort of deterrent and bargaining lever that North Korea seems to be using against the U.S. This is a dubious calculation.<sup>6</sup> If the U.S. actually is deterred from striking North Korea, this deterrence stems from North Korea's ability to devastate Seoul with *conventional* artillery and the fact that North Korea is such a basket case that South Korea (and the U.S.) feel unprepared to adopt it in the aftermath of a war. Iran lacks these peculiar deterrent “attributes.” International news media, officials and analysts have done a disservice by not clarifying the relative unimportance of North Korea's nuclear weapons in making Washington and Seoul reluctant to launch military strikes against North Korea. North Korea's nuclear weapons come into play against possible military efforts to destroy the state's leadership, particularly Kim Jong Il. At that point, Kim would have nothing to lose. He could realistically believe that by facing U.S. leaders with a choice of trading thousands of their countrymen's and allies' lives for Kim's, Washington would restrain itself from

<sup>5</sup> *Washington Post*, November 17, 1992.

<sup>6</sup> Iranian leaders could recognize this and believe that a larger arsenal of, say, 50-100 weapons would be a sufficient deterrent. The risk here lies in the time it takes to go from zero to 50 weapons, and the incentive and opportunity this transition provides for the U.S. and/or Israel to strike.

regime change. In other words, a small nuclear arsenal may deter American missions to change the North Korean regime. Yet, if Saddam Hussein controlled weapons of mass

destruction, as the U.S. alleged, he and/or his military held back from using them even when Saddam was losing his grip and possibly his life and had nothing more to lose.

Most importantly, Iran would not be a target of Israeli or U.S. military attack if Iran did not acquire weapons of mass destruction. U.S. bellicosity toward Iran (and Iraq and North Korea) is fundamentally defensive. It is provoked by these states' possession of weapons of mass destruction and the related concerns that they foment regional disorder and/or they might pass these weapons to terrorists. If Iran's objective is to deter U.S. and/or Israeli aggression, then weapons of mass destruction do not solve Tehran's problem, they create it. There would be no intervention or coercion to deter if Iran clarified that it poses no threat to the existence of Israel or other U.S. friends.

Defense Minister Ali Shamkhani seemed to recognize this in a February 2002 statement: "The existence of nuclear weapons will turn us into a threat to others that could be exploited in a dangerous way to harm our relations with the countries of the region."<sup>7</sup> As elaborated below, Washington should reinforce this point by reassuring Iran that it will face no military threat from the U.S. or Israel if Iran eschews acquisition of weapons of mass destruction and support of terrorism, including against Israel.

Iraq poses the most obvious and direct security threat justifying an Iranian effort to acquire a balancing nuclear capability. Remarkably, though, Iranian officials generally refrain from publicly citing Iraq as a threat. Iran has been a free-rider on U.S. containment and now regime change in Iraq. Iranians also have known that citing the Iraq threat might arouse Arab animosity. Instead, Iran has trumpeted the Israeli threat and thereby engendered greater Arab sympathy.

Tactical discretion aside, Iran has had legitimate concerns about Iraq. Fortunately, the United States' removal of Saddam Hussein and post-war American policies in Iraq should lead to conditions that obviate this most militarily plausible Iranian need for nuclear weapons. The president of the United States should convey privately to the supreme leader and the president of Iran that Washington recognizes that Iranians might have felt the need for weapons of mass destruction to deter Iraq; by removing the Saddam Hussein regime from Iraq, the Bush Administration has created conditions that enable both Iran and Iraq to feel secure without such weapons. Publicly the U.S. should declare that its objective is to ensure that Iraq poses no threats to Iran. The U.S. immediately should seek to create conditions for lasting stability and security in the Iran-Iraq relationship and the broader region.

Beyond Iraq, Israel and the United States, no other adversaries pose an existential threat to Iran. Iran faces no neighbor or adversary that plausibly would or could commit strategic military aggression or blackmail against it. Turbulence, internal conflicts, drug smuggling and the like surround Iran in Afghanistan and Tajikistan. Iran benefits from the international community's determination to prevent the re-emergence of an aggressive government in Afghanistan. (If the international community fails to help effect stability in

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<sup>7</sup> Oliver Burkeman, *The Guardian*, Feb. 6, 2002.

Afghanistan, Iran will feel more threatened). Turkey poses geopolitical rivalry and concern, but not a threat of aggression; Iranian nuclear weapons would increase rather than

decrease possible hostility from Turkey-NATO.<sup>8</sup> Unlike Pakistan facing India, or Israel facing its host of enemies, Iranians cannot realistically argue a military security imperative for acquiring “the great equalizer” of nuclear weapons to hold a stronger neighboring adversary at bay.

Indeed, Iran’s successful recent efforts to build relations with smaller Persian Gulf states would be negated if it acquired nuclear weapons. The Gulf states would clutch more tightly than ever to the U.S. This would give Washington even more incentive and justification for increasing the U.S. military presence in the region. Iran seeks to avoid exactly this outcome.

### **A More Realistic Approach**

If the U.S. could help show that nuclear weapons are unnecessary or inimical to Iran’s real security interests, then *nationalism* would be left as the driving motivation behind Iran’s nuclear ambitions. The British strategist Lawrence Freedman has noted that “acquiring nuclear capability is a statement of a lack of confidence in all alternative security arrangements.”<sup>9</sup>

Washington’s policies could not be less suited to affect Iranian nationalism. Nothing fuels nationalism like resistance to public diktat by arrogant, perhaps hypocritical outsiders. Declaring Iran part of an “axis of evil,” invoking threats of regime change, and appearing to strangle the country’s technological development are only the most recent manifestations of U.S. policies that make even Western-minded reformers in Iran proudly resist the U.S. Many Iranians remember as emblematic the 1988 statement by then-Vice President George H.W. Bush when the U.S.S. Vincennes mistakenly shot down an Iranian airliner en route to Dubai. The accidental attack killed 290 passengers. Campaigning for president, Mr. Bush declared: “I will never apologize for the United States. I don’t care what the facts are.”<sup>10</sup>

To Iranians, the “axis of evil” rhetoric and chauvinism emanating from Washington resemble the fatwa-hurling of Iran’s ayatollahs with their chants of “death to the Great Satan.” The symmetry is amusing. However, the cartoonish world-view reflected in such language impedes realists in both countries from actually solving problems. As the pre-revolutionary finance minister of Iran, Jahangir Amuzegar noted recently in *Foreign Affairs*, many Iranians took the “axis of evil” harangue “as a deep insult to their national dignity....Any U.S. strategy that even remotely raises the specter of foreign interference in Iran is doomed to fail.”<sup>11</sup>

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<sup>8</sup> Chubin, op. cit.

<sup>9</sup> Lawrence Freedman, “Great Powers, Vital Interests and Nuclear Weapons,” *Survival* (Winter 1994/1995), p. 36.

<sup>10</sup> Quoted in Lewis H. Lapham, “The American Rome,” *Harpers*, August 2001, p. 36.

<sup>11</sup> Jahangir Amuzegar, “Iran’s Crumbling Revolution,” *Foreign Affairs*, January/February 2003, p. 46.

Iran's fluid political dynamic confronts American officials with a challenge analogous to handling nitroglycerine. The U.S. must squeeze Iran (and its suppliers) enough to block Iran's acquisition of nuclear weapon capabilities without shaking so hard

that Iranian nationalists explode and say, essentially, "yes, we withdraw from the NPT and you cannot stop us." The U.S. should do everything it can to encourage statements such as Rafsanjani's that Iran "has never been after non-conventional weapons and will never do so."<sup>12</sup> Given the nationalistic attraction of nuclear weapons in a society like Iran, the chances of preventing proliferation there will plummet if and when Iranian leaders tell their people that they *are* seeking nuclear weapons and will do so whether the U.S. and Israel like it or not. As long as Iran denies intentions actually to acquire nuclear weapons, policy-makers there have political flexibility to stop short of such acquisition. The U.S. and the international community should want to maintain and even expand this flexibility, not reduce it.

South Africa should be the instructive model for U.S. strategy here. South Africa is the only state that built nuclear weapons and then abolished them. It is the greatest nonproliferation success story. Importantly, the people of South Africa never knew "their" state had acquired these weapons before the weapons were eliminated. The government made its nonproliferation decision in secret, free from the pressures of nationalism and domestic politics. It could do this because the nuclear capability had never been publicly declared – by South Africa, the U.S. or others. No state yet has rolled back an acknowledged nuclear weapon capability.

The South African case offers further instruction. Namely, the promise of integration into the international political economy can be made compellingly attractive for a proud, capable nation.<sup>13</sup> Its leaders and people may prefer integration over the limited benefits and high costs of possessing nuclear weapons. Iranians, especially the youth, wish to end their national isolation and integrate with the modern world. Fulfillment of international commitments and norms not to acquire weapons of mass destruction and not to support terrorism are essential prerequisites for ending isolation and achieving integration. This positive message and inducement should be the centerpiece of U.S. strategy toward Iran.

Internal dynamics within Iran present new opportunities for Washington's nonproliferation strategy. The ayatollahs who have ruled for the past two decades are demographically dead, ghosts of a revolutionary era that has faded like the beards of the 1979 hostage takers. Elections from 1997 to 2002 show enormous public support for people and policies that will expand personal freedoms and integrate Iran into the modern, international community. This desire for greater freedom and international integration does not necessarily portend an end to clerical prominence in Iran; the central question is whether one supreme clerical leader should have over-riding authority -- directly or indirectly through bodies appointed by him – or whether elected representatives should have ultimate power. The process of answering this seminal question may not be quick or

<sup>12</sup> UPI, January 9, 2002, January 9, 2002.

<sup>13</sup> Other motives affected the white South African leadership's decision, too, including a desire to prevent the anticipated black-led government from inheriting nuclear weapons. See Mitchell Reiss, *Bridled Ambition* (Washington: Woodrow Wilson Center Press, 1995) and Waldo Stumpf, "South Africa's Nuclear Weapons Program: From Deterrence to Dismantlement," *Arms Control Today*, December 1995/January 1996, pp. 3-8.

peaceful, but eventually Iran's youth will change the country. Freely elected leaders will be given real power.

Washington should devise a nonproliferation policy that anticipates where Iran is headed and intersects with more promising Iranian interests in the near future. If future leaders want to undo the anti-modern policies pursued by clerics at home and internationally, and wish to integrate Iran into the international community, how can the U.S. best encourage these leaders to abandon quests for the bomb? How can the U.S. build confidence among younger Iranians that they will be beneficially integrated into the international community, and that this integration actually would be halted if Iran acquired the bomb?

For starters, the U.S. must stop stimulating Iranian nationalism. The "axis of evil" and "regime change" rhetoric inflames rather than retards nationalism. U.S. officials should acknowledge publicly the immutable reality that Iran – Persia – will always be a leading player in the Persian Gulf and Middle East. Iran's neighbors have the right to insist that Iran respect their interests and needs for autonomy and security. The U.S. legitimately can help guarantee these interests at the request of these smaller states. But the U.S. should clarify that the optimal future is one where the states in the region, including Iraq and Iran, develop security norms, rules, and mechanisms based on peaceful cooperation, nonprovocative defenses, and eschewal of interference in each other's internal affairs.<sup>14</sup> Iran's cultural, political and economic greatness will be fully expressed only when Iran's neighbors do not feel militarily threatened. Only then will they not need close U.S. protection.

U.S. policies toward Iraq and the broader Middle East can help in this regard. Washington must now demonstrate that its efforts in Iraq and elsewhere aim to help create a secure and stable environment for Iran and its neighbors. The U.S. should clarify that the extent and duration of the U.S. military presence in the region will be inversely proportional to the progress regional states make in achieving stability and peace. The more stable and secure the relations among Middle Eastern states, the less the U.S. military presence will be needed.

Indeed, Washington should immediately seize the opportunity provided by the defeat of the Saddam Hussein regime to encourage the GCC states, Iran and relevant Iraqis to form a working group to explore confidence-building measures that would augment the creation of a more stable post-Saddam security environment in the Gulf. Clever and perhaps indirect negotiations would be necessary to initiate such a working group and ensure Iranian participation. Such a working group probably would need to begin its work at an unofficial level, involving a mixture of retired diplomats and military officials, academics, and government observers. The key point is that the U.S., Iran, and other key regional actors should understand explicitly amongst themselves that they – the governments at the highest level – endorse the enterprise and will follow its progress

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<sup>14</sup> Patrick Clawson of the Washington Institute for Near East Policy frames a similar strategy in the form of a choice the U.S. should pose to Tehran. Iran could choose a path that reduces regional threat levels by ending its nuclear enrichment program and negotiating regional confidence and security building measures, or it can choose a path of nuclear proliferation which the U.S. would counter by increasing its "military presence and help[ing] Iraq build a powerful military equipped with modern U.S. weapons." Washington Institute, Policywatch #743, April 7, 2003.

closely. The high-level-though-unofficial working group would strive to sketch proto-type confidence-building and security measures that governments could then finalize. If the

group failed to make progress, its unofficial nature would allow the governments legitimately to distance themselves from the effort. If the unofficial group did make progress, it would help give governments the courage to undertake official diplomacy along similar lines.

Neither official nor unofficial diplomacy with Iran (and many other regional actors) will succeed if the Israeli-Palestinian conflict is not redressed. Iranians and other Muslims must see that the U.S. will exert itself immediately to stop and reverse Israeli settlements on land slated for Palestinian sovereignty and that Washington will advocate an equitable reinstatement of an Israeli-Palestinian peace process. There can be no greater priority for U.S. policy following the removal of Saddam Hussein's regime in Iraq.

The U.S. need not and should not interfere in Iranian citizens' determination of the type of government that should lead them. The U.S. and the international community have legitimate interests in ensuring that no state, including Iran, threatens international peace and security by acquiring and using weapons of mass destruction and/or engaging in terrorism. States that do not pose such threats – whatever the character of their leaders -- have no reason for concern about U.S. interference in their affairs.

The possibility of U.S. trade and investment offers a most effective way to enhance Iranian decision-making. Iran's clerical hardliners have failed utterly to cultivate the economic growth necessary to match the yearly entry of new workers into the economy. Unemployment officially tops sixteen percent, and the inflation rate is nearly as high. This, along with impositions on personal lifestyles, has caused the tremendous disaffection of Iranian youth.

Unfortunately, U.S. officials in both parties, especially in Congress and nonproliferation circles, misapprehend how to wield economic influence. By imposing sanctions in varying degrees of intensity for the past 23 years, Washington has punished Iranians. If the theory has been that Iran will capitulate to Washington's (or Israel's) demands, the theorists misunderstand Iranian psychology. This punishment is not seen as fair. It often is seen as inspired by Israel. Iranian pride, honor and anger at Israel's treatment of the Palestinians dictate defiance of economic pressure.<sup>15</sup> No political faction, including relatively secular liberals, feels it can (or should) capitulate to imperial diktat, to trade the honor and dignity of the great Persian civilization for mere bribes.

Further complicating the challenge of engaging Iran, reformers and some conservatives fear how they might fare in the process of removing sanctions. They recognize that the population wants more economic integration and better ties with the U.S. But who will get credit for achieving these gains? If conservatives feel that the reformers will gain from steps that would lift sanctions, the conservatives will block such steps. Reformers do not have the power to stop efforts to acquire nuclear weapons or end

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<sup>15</sup> Some Iranians privately acknowledge that their government's support of Palestinian and Lebanon-based organizations that harm Israeli civilians actually deflects international attention from Israeli treatment of the Palestinians more broadly. This private awareness almost never is translated into public debate in Iran.

support of Hezbollah. Even if they did they would worry that hardliners would portray accommodation with the U.S. as a sell-out of nationalist interests.

Sanctions have not persuaded Iran's revolutionary leaders to forego a nuclear weapon option. A better strategy would be to demonstrate the benefits of economic cooperation with the U.S. and to remove economic engagement from its nationalist frame. The hardliners who now direct nuclear policy and oppose direct negotiations with the U.S. should be implicated in the reopening of economic cooperation with the U.S. A serious, hardheaded U.S. policy – as opposed to an ineffective but moralistically pure one – would make an offer that no Iranian faction can refuse. By giving hardliners no realistic choice but to do business with the U.S., Washington could unfreeze official relations with Iran and open the way to hardheaded diplomacy on nuclear proliferation.

The simplest first step would be for the U.S. to drop its objection to Iran's joining the World Trade Organization. The U.S. argues that the free-trade regime's disciplines and opportunities improve the qualities of governance and life of all states that participate. Why, then, would the U.S. not want Iran to improve itself this way? Indeed, the greatest resistance to economic reforms sought by Iranian progressives comes from the bazaar, the old-economy conservatives who also back the political-security hardliners. Prospective WTO membership would give progressives a lever to push reforms necessary to satisfy WTO terms and integrate Iran more deeply into the international political economy.

Going further, the U.S. should unilaterally lift economic sanctions that impede development of oil and natural gas flows to Pakistan and India. Iran can be a wellhead source and/or a cost-effective pipeline route to bring natural gas through Pakistan to energy-starved India. Unlike pipeline routes from the Caspian Basin west to Europe, eastward marketing does not raise great problems of competition and over-capacity. India and Iran already are exploring possible linkages. The gravest challenge is to overcome Indo-Pak enmity and India's concerns about security of supply transiting through Pakistan. The U.S. could promote vital economic and security objectives in the Indo-Pak relationship by facilitating with Iran the development of a natural gas pipeline from or through Iran to India. This would reinforce U.S. good will and the benefits of international cooperation in this troubled region. Proliferation dynamics and threats of conflict would affect the political risk calculations of investors, even if sanctions were lifted. Thus it would remain for Iran, Pakistan and India to decide whether they can remove the proliferation and security concerns that frighten potential investors.

The political and nonproliferation logic of such an opening is to show that Washington recognizes that the Iranian people want to become fully integrated in the international community. Because of the cross-hatched organization of power and authority in Iran, Washington should convey to the head of each important political institution that the U.S. is determined not to be the obstacle to Iran's integration into world civilization. The removal of sanctions on projects to supply energy from Iran to Pakistan and India should be communicated directly to the Supreme Leader Ayatollah Khamene'i, the chairman of the Expediency Council, Rafsanjani, President Khatami, and the speaker of the Majlis. The U.S. should convey its hopes that Iran's leaders will not hold their people and country back from achieving their full potential and the benefits of international integration. Again, the strategy should be to give hardliners an unrefusable opportunity to satisfy the Iranian public's desire for relations with the U.S. If Khamene'i or top figures

did refuse, they would further weaken their political standing with the majority of Iranians. This also would benefit Iranian progressives.

Step-wise opening of commerce with Iran can bring hardliners into relations with the U.S. without the formal negotiations that Khamene'i rejects. The indirectness of this approach increases the prospect that hardliners will join it, thereby giving Iranian progressives much-needed political cover. Multilateral economic institutions such as the WTO and the World Bank also can facilitate this process and acclimate U.S. and Iranian officials and publics to resumed engagement.

Of course, even beneficial integration into the international community will not make Iranians forget the threat and, more tellingly, the inequity represented by Israel's possession of nuclear weapons. Iran, like Egypt and other Arab states, sees Israel's unchallenged possession of nuclear weapons as a hypocritical insult to the integrity of the international nonproliferation regime.

Rather than ignore this long-term threat to the nonproliferation regime, the U.S. should clarify that Israel "uses" its strategic capabilities purely for defensive, deterrent purposes. Israel cannot reasonably be expected to alter its approach to strategic deterrence unless and until all states in the region publicly accept Israel's existence, make peace with it, and remove the weapons of mass destruction that threaten Israel. The long-term goal of making the Middle East a zone free of weapons of mass destruction should be reaffirmed, but all actors should focus on the conditions required to achieve this goal. Again, Washington can and should do more to encourage Israel to end policies such as settlement expansions that make peace more difficult to achieve, but Iran's ongoing material and political support to organizations waging violence against Israel will only delay progress.

Iran need not end its political and diplomatic opposition to Israeli policies or abandon the Palestinians. But Iran cannot be part of the international community if it does not openly accept Israel's existence and the right of Israelis, like all other people, to live free from threats of terror. Subtle signals by President Khatami that Iran would welcome any solution accepted by the Palestinians is not remotely sufficient to convey recognition of Israel, as some sympathetic Iranians suggest. Nor will winks or pregnant silences by Supreme Leader Khamene'i be enough. Iran will not be fully integrated into the international community, and Israel cannot relinquish its nuclear deterrent if Iran does not cease all material and political support of violence against Israel and explicitly recognize its right to exist. Just as Iranians fear that Washington's axis of evil rhetoric and doctrine of military preemption threaten the future of the Islamic Republic, so Israelis and Americans fear that Iran threatens Israel's existence. Washington, as the more secure party, should clarify to all Iranian factions that Iran – the state, the government, the people – need not fear the U.S. if Iran poses neither the intention nor the capability to deny Israel's existence.

Finally, because Iranians, like Indians, seize on hypocrisy, inequity and double standards, the U.S. must do more to strengthen the global norm against nuclear weapons. Iranians are not likely to continue their important, albeit cynical, renunciation of nuclear weapons if the U.S. and other nuclear possessors continue to highlight the security and political value of their own nuclear arsenals. If nuclear weapons are "bad" for a major nation and civilization like Iran, then they should be "bad" for the other major nations and

civilizations to which Iranians compare themselves. The Bush Administration's recently announced nuclear posture and related counter-proliferation strategy run in the opposite

direction. Instead of devaluing nuclear weapons and reaffirming the norm and practical intent to eliminate these weapons as called for under the NPT, the recent U.S. pronouncements ignore this norm and the related "unequivocal" commitments to pursue the elimination of all nuclear arsenals. U.S. proposals to develop and possibly test new generations of these weapons would send Iran's hypocrisy detectors into a frenzy of nationalist alarm.

## Conclusion

Shrill denunciations, sanctions and threats have not dissuaded Iran from seeking capabilities that would give them an option to make nuclear weapons. In reality, of course, American policy-makers know this. Congressional and executive branch officials from both parties over the past decade have acknowledged privately that U.S. policies have little chance of achieving desired results in Iran. Rather, Iran is such an exasperating and historically and politically "loaded" state to deal with that successive administrations and congresses have adopted policies designed more to serve internal political purposes than to effect change in Iran.

A serious strategy would pursue every possible means to block supplies coming into Iran while at the same time demonstrating through deeds, not rhetoric, that Iran does not need nuclear weapons to assume high standing in the international community and to ensure itself against attack by the U.S., Israel, Iraq or Pakistan. The U.S. must concentrate on redressing the sources of Iran's potential demand for nuclear weapons. While not easy, there is no reason to assume that this cannot be done.

Even if it is only partially successful, the effort to reassure Iran that it will be secure and regionally powerful *without* nuclear weapons will augment regional stability and diplomatic means for managing whatever correlation of forces the future brings. Indeed, even if pessimism proves prescient and Iran does acquire nuclear weapons, U.S. interests and those of our allies and friends, would benefit from an Iran "that is powerful, prosperous, governed by law, and engaged in the Middle East and Central Asia," in the words of the National Defense University study cited earlier.<sup>16</sup> The onus for creating these conditions lies most heavily on Iranians. But U.S. great power, and the creative potential that has been created paradoxically by war in Iraq, should be exploited to break the twenty-five year impasse with Iran.

Time is of the essence. The IAEA has dutifully begun investigations into recent revelations about Iran's nuclear fuel-cycle program, particularly whether Iran has conducted uranium enrichment experiments to test its centrifuge system. As early as June IAEA executives may report their findings to the board of governors. If those findings suggest Iran has violated even technical elements of its nonproliferation obligations, this news could trigger a crisis over whether and how Iran, the U.S., the IAEA and possibly the Security Council should respond. The analysis offered in this paper suggests that such a

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<sup>16</sup> Schake and Yaphe, op cit., p. 63.

crisis will be easier to manage if the Iranian people and competing leadership factions do not uniformly see the nuclear issue as part of a U.S. “axis of evil” campaign, a predicate

for possibly attacking Iran. It would be better to confuse the Iranian debate, to give some factions reason to argue that the U.S. is not “out to get” Iran no matter what. It would be better to show that apart from Iran’s non-recognition of Israel and its nuclear weapon program, the U.S. would be eager to build a cooperative relationship with Iran. The U.S. should make some of the positive unilateral gestures suggested in this paper *before* a nuclear crisis erupts. Otherwise, when the crisis erupts almost all Iranians will see it as part of a pre-determined war plan by the U.S. Iranian nationalism will take hold at that point. This would reduce the chances of the capitulation the U.S. seeks and make it much more difficult for leaders of any stripe to negotiate a way out.