

Executive Summary

Towards a New Transatlantic Strategy on Iran and its Nuclear Program

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The Islamic Republic of Iran is rapidly approaching the threshold at which it can acquire a nuclear weapons capability. At the same time, new opportunities have been presented by changes of policy introduced by the administration of US President Barack Obama and the changed situation after recent elections in Iran. In light of these developments, the Heinrich Böll Foundation, the American Jewish Committee and the Aspen Institute Germany jointly organized and hosted a one-day, closed door conference for senior policy makers, practitioners, experts and select members of the media at Aspen. It marked the final event of a series of discussions on the Iranian nuclear challenge carried out by the Heinrich Böll Foundation over the last two years.

The participants discussed the advantages and disadvantages of various transatlantic strategies for dealing with the challenge presented by the Iranian nuclear program. All three host institutions have been heavily involved in following developments in Iran's nuclear program, discussing how to deal with Iran and its nuclear program and engaging and advancing Iranian civil society over a number of years. The conference was especially timely given recent events in Iran. After President Ahmadinejad prevailed in the recent Iranian presidential elections, Iranian citizens alleged that the election had been manipulated via massive protests. Over forty participants from several European countries, the United States of America, the Russian Federation, the State of Israel and the Arab Republic of Egypt attended the one-day conference, organized into a keynote speech followed by three sessions.

Weighing the Options – How to Improve Iran's Cooperation with the International Atomic Energy Agency and the United Nations Security Council

The conference opened with a keynote address from a former high-ranking United Nations official involved in nuclear disarmament and non-proliferation efforts. The speaker argued that the international community should pursue a strategy of negotiation with the Islamic Republic of Iran with the short-term goal of effective verification by the International Atomic Energy Agency (IAEA), rather than a suspension of the nuclear program. He saw no viable alternative to negotiations, as bombing would prompt Iran to leave the Non-Proliferation Treaty (NPT) and open the way to an uncontrolled weapons program. Iran was said to have the financial clout to withstand economic sanctions.

The speaker then launched his main argument that verification must come first, suspension later. He argued that technological advances have strengthened the IAEA's verification tools considerably. However, the speaker also pointed to three areas in which the international community must push Iran to grant the IAEA more intrusive rights in order for verification to be effective. First, Iran should give the IAEA access to so-called "Early Design Information," meaning the IAEA is provided with detailed information about any new facility as soon as its construction is approved. Second, Iran should be compelled to permit the IAEA to install additional surveillance cameras, a right the IAEA already has under existing rules, but is not respected by Iran. Third, Iran should reverse its abrogation of the additional protocol to the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which allows the IAEA to inspect a much broader range of facilities including those that are not directly related to the nuclear program. Iran had ratified this protocol in 2003, but reversed its course and cancelled implementation in 2006.

In the speaker's opinion, this approach could give the international community adequate assurance that Iran is not in the process of obtaining a nuclear bomb, and at the same time allow the international community to impose conditions on Iran that Iranian leaders would find much easier to accept than a full suspension of the program. With pressure and the appropriate incentives, the

speaker maintained that the chances of success could be quite high. He also pointed to two issues, which have – to date – wrongly been placed at the center of the debate. One is past activities, meaning the nuclear weapon acquisition program that Iran mounted in the 1980's and 1990's, which the speaker characterized as amateurish and irrelevant to the current situation. The other issue was said to be the demand that Iran suspend its activities; not only was this demand said to be legally problematic given the provisions of the Non-Proliferation Treaty (NPT), but it was also said to lack strong support in the international community, particularly in the developing world. Furthermore, suspension was said to be very difficult to enforce technically.

The speaker closed with a defense of verification as a credible tool available to the international community. He reminded the audience that scientific progress in recent years has enhanced the effectiveness of verification. Therefore, any violation of the Non-Proliferation Treaty could be immediately detected and presented to the public, paving the way for a strong, unified response from the international community.

Session I: Lessons Learned? — A new Transatlantic Approach towards Iran and its Nuclear Program

The first session focused on the various strategies the USA and the member states of the EU might adopt to deal with Iran and its nuclear program. Advantages and disadvantages of each strategy were weighed, bearing in mind both the history of Iran's behavior as well as recent internal developments in Iran in the weeks leading up to the conference. The session opened with the reminders that Iran's political landscape had changed dramatically in recent weeks and that each possible strategy comes with a certain timeline or "sell by date" attached to it, which should be kept in mind during the discussion.

US policy towards Iran under the new Obama administration was the next point of discussion. The Obama team set two new priorities after taking office. First, they revived NPT-related agreements and nuclear arms negotiations. Certain participants said that this move had met the desires of Russia and many developing countries and thereby defused much international criticism of the United States. Second, the Obama administration emphasized the nuclear issue as their top priority and paid little attention to attempts at regime change, believing that the latter would be an impediment to negotiations with Iran. The administration was said to expect that this approach would provide a successful basis for negotiations with Iran – regardless of who prevailed in the Iranian presidential elections.

A participant then pointed to questions that recent events in Iran have raised regarding this strategy. Given the massive protests in Iran, regime change suddenly seemed like a less remote possibility. Moreover, the Iranian leadership sees the current protests as instigated by Western governments, which could make it even less open to negotiations. As to the USA, a speaker maintained that domestic pressure had forced President Obama to take a tougher stance towards the Iranian regime than the President might at first have liked. The speaker saw a time worn debate between deterrence and pre-emption as now being revived during President Obama's tenure. Although this debate had seemingly been settled, the nature of the Iranian regime, which the speaker characterized as risk-seeking, indifferent towards domestic and international opinion and increasingly dominated by hard-liners, was said to have caused the administration to rethink its position.

The position of the German government with respect to Iran was considered next. Four issues were identified as being of recurring importance when dealing with Iran: weapons of mass

destruction, Israeli-Palestinian issues, support for terrorist groups, and human rights violations. The German government approach of insisting upon free and fair elections and freedom of assembly while seeking to avoid the perception of interference in Iranian internal affairs was defended as balanced. The goal should be to change the behavior of the Iranian government, not to change the Iranian regime.

The differing roles that the EU and the US have played in negotiations with Iran were then examined. In the past US policy centered on placing high demands on the Iranian government and on the use of international pressure and sanctions. The EU, while partly going along with this strategy, also provided generous incentives to Iran in order to induce Tehran to cooperate. The new US administration changed course by offering the Islamic Republic talks without preconditions. The speaker praised this new approach, as American participation in negotiations now permitted discussion of mutual security interests, such as Afghanistan and Iraq, as well as Iran's regional status in negotiations, which had not been possible when the EU alone was involved. Skepticism was voiced towards sanctions. The Iranian leadership was said to make decisions based on political, not economic calculations. The analytical importance of applying a consistent standard (i.e. complete success in both cases) when comparing possible military strategies towards Iran with possible diplomatic strategies, was also stressed. A military strategy would not be able to achieve more than a delay in Iran's nuclear enrichment activities.

A brief overview of the British position towards Iran followed. The British government had yet to find a logical interpretation for the arrest of eight locally employed British embassy staff in Tehran, just prior to the conference. Verification and suspension were said to be equally important with respect to Iran's nuclear program. Recent events should not trigger an abrupt change in the international community's stance towards Iran. One should not change one's diplomatic strategy on the basis of chaos. Now was not the time to even hint at a possible move away from sanctions. It was said to be important to send signals that are very clear. In fact, right now, one should be drawing a more extensive list of sanctions, including sanctions on refined oil products. The international community should continue clearly to signal its needs and concerns and its commitment to seeing them addressed.

The following discussion was lengthy and lively. There was an especially heated debate over the effectiveness of sanctions, with some speakers arguing that sanctions, particularly on the European side, have not yet been fully tried and that broader sanctions should be made more effective and given more time. Others thought that the Iranian leadership would be unaffected by sanctions and that it would merely hit the middle class, as in the example of Iraq. Furthermore, there were doubts about Chinese and Russian support for tougher sanctions. Another highly contested issue was how to negotiate with the Iranian government while showing support for those protesting the outcome of the recent elections. Given the urgency of the nuclear question, most speakers agreed that some form of continued negotiation with the Iranian government was unavoidable, although one speaker did suggest suspending all diplomatic efforts until the domestic situation in Iran becomes clearer. Participants agreed that striking the right balance between the need to continue negotiations and the danger of thereby undermining democratic rights in Iran is an extremely delicate issue.

A serious debate took place about the changes the Iranian government was undergoing due to the post-electoral crisis. Some argued that the regime had undergone a radicalization and was increasingly dominated by armed groups and radical clerics. Others thought that the crisis would actually strengthen moderates who are less confrontational towards the international community, whom the regime must approach if it is not to collapse. This debate also brought up the question

opposition's position on the nuclear program, and whether the opposition would be more willing to accommodate the international community than the current regime. The session closed with a discussion of the reasoning behind Iran's decision to suspend its nuclear weapons program in 2003, and the question whether anything can be learned from the case of North Korea when addressing the Iranian nuclear issue.

Session II: How to Integrate Regional Partners into a new Transatlantic Approach

The goal of this session was to provide a more in-depth treatment of the Middle East region and started with an analysis of the current power structure in Iran with a special focus on the developments during the weeks immediately preceding the conference.

The popular movement was said to have been crushed by the regime's military might, and it was stated that opposition leader Moussawi would likely be marginalized. Yet, unlike 1999, this popular movement was thought to likely have a long-lasting impact because it included not just students, but the middle class and a notable number of women as well. For the immediate future, a continuing power struggle between conservative hardliners around President Ahmadinejad and the "coalition of the concerned," a group of pragmatists including former presidents Rafsandjani and Khatami was thought likely. The arrest of eight locally employed staff of the British embassy could be interpreted as a provocation by hardliners designed to cause the international community to quit negotiations over Iran's nuclear program, thereby allowing hardliners to portray the prospects for negotiations as hopeless.

The lessons learned from a systematic examination of multiple previous US attempts at negotiation with the Islamic Republic were then discussed. Iran was said to be more willing to negotiate when it felt itself to be in a position of weakness. Iran engages in negotiations in order to be part of a process, not necessarily in order to achieve concrete results. Negotiations should be directed at Supreme Leader Khamenei as the ultimate authority in Iran. Discussions aimed at resolving the nuclear issue should begin with a discussion of another topic of interest to Iran – such as Afghanistan. Iran wants to be treated as an equal partner in negotiations, not as a rogue regime. The facts that Ahmadinejad's weakened position might lead to a change in behavior on his part during his second term, and that many clerics are very critical of the brutal crackdown and may no longer support the regime were also noted.

The role of other major players in the international community and their stance towards Iran was next on the agenda of discussion. The US was criticized for not being persuasive enough to convince the Russian Federation and the People's Republic of China to support the adoption of a tougher line towards the Islamic Republic. There was also criticism that the United States had planned its Iraq withdrawal without directly dealing with Iran's role in Iraq. The Iranian issue ought to be included in any bilateral talks between the US and Russia regardless of what else is on the agenda. And although India has serious economic reasons not to support a tougher sanctions regime vis-à-vis Iran, India can be engaged on this topic since India is also sensitive to other nuclear powers in the region, notably Pakistan.

The Israel-Palestine and Israel-Syria axes and whether there is a linkage between them and nuclear diplomacy with Iran were discussed next. There can be no such linkage, according to one participant, because, as she put it, "the clocks don't match." Any agreement between Israel and Syria would take at least five years to reach and implement and a resolution of Israeli-Palestinian issues could take even longer. With Iran, however, the time available until Tehran potentially

crosses the nuclear weapon threshold is much shorter. So the issue of the Islamic Republic's nuclear program will need to be addressed within a very different time frame. Gulf States also feel threatened by the prospect of an Iranian neighbor armed with nuclear weapons. They too are capable of mounting some resistance, adding further to Iran's international isolation. Finally, Turkey was also mentioned as a possible mediator in resolving the questions surrounding Iran's nuclear program, given the strength of Turkish-Iranian relations.

During the following discussion, several participants referred to the assessment that Iran is more willing to enter negotiations when it perceives itself to be in a position of weakness, and asked whether the government of Iran currently considered itself to be in such a position. Most speakers contended that Iran's leadership indeed believes itself to be in a position of weakness due to eroding domestic support and external events such as the Lebanese election. Another point of contention was the extent to which Russia is willing to apply pressure on Iran in order to prevent it from obtaining nuclear weapons and what other political objectives the Russian Federation may be pursuing that conflict with this goal.

The impact of recent events in the Islamic world was also discussed. Several speakers argued that, as a result of the electoral irregularities and the ensuing crackdown on those protesting the irregularities, Iran could no longer credibly claim to be an Islamic democracy and had lost its status as a model for other Islamist movements. Furthermore, one speaker explained that support for the regime from Shi'ite clerics was eroding, as the increasingly political and military nature of the regime runs counter to Shi'ite theological tradition. Several participants expressed the hope that other states in the Arab world that feel threatened by Iran's nuclear program would be willing to confront Iran more openly in the future.

Session III: The Future of a German and EU Policy towards Iran

This session involved a more detailed examination of the European and particularly the German approach to Iran and its nuclear program. Participants were reminded of some of the issues that have been at the center of the debate thus far, including: the dilemma of how to negotiate with Iran in light of recent events, what the agenda of negotiations should be, what role sanctions can play, and what other policy options remain.

Iran was an important German partner in commerce and culture just ten years ago, but this relationship has been overshadowed more and more by the nuclear issue. Three concerns were highlighted: the increased repression of Iran's highly evolved civil society, Iran's quest for regional dominance, and Iran's nuclear ambitions. The EU's current policy towards Iran was described as consisting of "two circles," whereby the EU offers economic cooperation while also threatening tougher sanctions. The EU in coordination with the Bush administration made a formal offer to the Islamic Republic of Iran in 2007; it was said to have been very comprehensive. Tehran considered this offer, but did not respond in the affirmative, as it wanted to await the outcome of the next presidential election in the USA. The Obama administration was now said to be going beyond the incentives contained in the 2007 paper, offering the prospect of normal relations between the United States and the Islamic Republic. It was made clear that Iran has until September 2009 to accept the offer; if not, tougher sanctions will be put in place. German officials were said to have underestimated both the strength of the Iranian opposition movement and the harshness of Tehran's reaction. The German government's position includes insistence upon freedom of assembly and an end to violence while trying not to give the impression that Germany is intruding into Iranian domestic politics.

Another participant emphasized the importance of setting priorities when dealing with Iran in light of the many goals and few instruments at hand. Since 2003, the EU, under the leadership of France, Germany and Britain, had both increased international pressure on Iran by winning support for five UN resolutions, but had also offered to negotiate, and – more recently – supported President Obama’s policy of an “extended hand.” The objective of this policy is the suspension of Iran’s nuclear program. One lesson learned was the importance of sticking to current demands – as dropping demands for a suspension of the enrichment program would be interpreted as a sign of weakness. Sanctions had not yet been allowed to run their course. The international community was said to have three goals: first, to slow down the Islamic Republic’s nuclear program; second, to pressure the Iranian government to suspend enrichment of uranium; third, to demonstrate to the international community that defiance was associated with high costs. With regard to the current crisis, three possible outcomes were possible: a violent crackdown on the protestors, a period of moderation and compromise, or a prolonged stalemate.

Some policy recommendations for the future were also offered. Prioritizing the question of nuclear weapons over regime change was advocated. To resolve the Iran nuclear issue, the EU will need to put in maximum effort, as the recent turmoil may paralyze Iran’s leadership and make it less likely that the Iranian government responds to any future offers at all. The international community needs to be reminded that it is Iran that is putting obstacles in the path of reaching a solution and should be mobilized by toughening sanctions via the UN. Only if that is not possible, should the EU act independently. Some participants expressed confidence that the EU could act with one voice, due to the growing uneasiness concerning Iran’s nuclear program and Iran’s authoritarian drive, and that this is possible thanks to the new American strategy, which was said to facilitate a common approach.

During the discussion, participants discussed possible motives for Iran’s pursuit of nuclear weapons. Some thought that Iran wants a nuclear weapon out of concern for its own security, but one speaker brought up the possibility that the weapon could be a means by which to achieve regional hegemony. Another point of discussion was the willingness of the EU to act jointly to impose tougher sanctions, which, as one speaker pointed out, might be difficult to achieve during the current financial crisis. There were also questions again about the effectiveness of tougher sanctions, given that any additional sanctions would not be directly targeted at the nuclear infrastructure, but would have a much broader reach.

The discussion turned to alternatives to negotiations and sanctions. One speaker asked if Israel would execute a military strike against Iranian facilities if it deemed such an attack necessary. Another speaker pointed out the technical difficulties and far-reaching political implications of such a strike. One participant inquired whether containment presented another policy option that had not been adequately considered to date. In response, two speakers argued that containment was not a viable option, as it would damage the credibility of the international community greatly and would be difficult to implement without assuming great security risks.

Closing Remarks

The need for symbolic diplomacy and for building understanding within the international community for the importance of the Iran nuclear program issue was emphasized at the conclusion of the conference. A comprehensive strategy is needed that combines many of the approaches discussed, including: negotiations, stronger sanctions, and also the possibility of military action. The conference closed on a note of optimism: despite the real challenges presented by the Iranian nuclear program, a solution can still be found.