# Conference report "Iran and its nuclear ambitions: What are the options? What is at stake?" Tuesday, 5 December 2006, Heinrich Böll Foundation, Brussels Bidjan Tobias Nashat [bidjan@boell.org]

On 5 December 2006, the EU Regional Office of the Heinrich Böll Foundation in Brussels hosted an international conference on the Iranian nuclear ambitions and its implications for international peace and security with speakers and guests from Europe, the US and Middle East.

To begin the conference, the host noted that over the last few years, the difficult negotiations over Iran's nuclear program have dominated the headlines. However, Iran's increasingly active and influential role in the region is a serious concern. Whether talking about Iraq, Lebanon, Syria or the Israeli-Palestinian conflict, Iran has taken advantage of the current regional imbalance and is becoming a major player in these conflicts. Moreover, there is evidence that Iran aspires to regional dominance with its gas and oil policy, its influence over the Shiite community, and its nuclear program. These policies, in combination with the religious and ethnic divide between Sunni Arabs and Shiite Persians have further complicated the situation. Currently, the international community is attempting to demonstrate unity, but the conflicting interests of major players, like the US and Russia, present a challenge for European diplomatic leadrship.

The host concluded the introductory remarks with several questions: Could there be a political alternative beyond appearement and a military intervention? How could the common regional and international threat perceptions be used to build a common approach? What are the possible options, means, and instruments to deal with the Iranian nuclear program and their potentials and limits? And last but not least, how can the European Union and the US be kept in line to avoid another severe rift in the transatlantic alliance over Iran?

# The role of the EU and its institutions

During the subsequent discussion, several participants gave a very positive assessment of the European Union's role in the crisis about the Iranian nuclear program. Even though the EU-3 negotiations with Iran did not bring about the expected results, the participants viewed the negotiations as effective multilateralism and an astonishing success. One participant, who believed that the EU-3 negotiations have slowed Iran's clandestine development of nuclear weapons, stressed that the EU-3 succeeded in engaging Iran and maintaining a consensus in the international community – an approach that has been respected by the US. Others agreed with this assessment, pointing to the renewed strength of the transatlantic relationship. The result of the EU-3's diplomatic efforts is improved European foreign policy and improved US-French relations. In addition, some participants highlighted the positive role of other EU institutions, like the European Parliament and its Iran delegation. The European Parliaments focus on human rights should, however, be strengthened. The EU Commission's role with its dialogues on human rights and trade was also highlighted.

<sup>&</sup>lt;sup>2</sup> Some even suggested that the EU-3's main motivation had been to prevent a US attack on Iran.
<sup>3</sup> In December 2002, the EU Commission started negotiations on a Trade and Cooperation Agreement (TCA), as well as a Political Dialogue Agreement (PDA) and a human rights dialogue with Iran, but suspended them in June 2003. After the Paris agreement in November 2004, the TCA negotiations resumed but were suspended again in August 2005 because Iran resumed the conversion uranium in violation of the Paris agreement. The EU Commission's ongoing cooperation with Iran, involves counter-narcotics activities, Afghan refugee support, disaster relief for the Bham earthquake in 2003, and the EU initiative for democracy and human rights.



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<sup>&</sup>lt;sup>1</sup> The process started out with the EU-3 (France, the UK, and Germany) was joined by the High Representative, Javier Solana, and then got supported by the EU-25 as a whole.

However, some participants voiced a more skeptical view of the EU-3's effectiveness and sustainability. The European side viewed its package deal as highly attractive, but Iran refrained from taking the offer. Some participants believed that Iran declined the offer because the country is primarily interested in a deal with the US. Consequently, the EU-3's security guarantees are meaningless to Iran. While some participants blamed a failed EU communication strategy with Iran, others saw double standards at play. As long as Germany is protected by the US' nuclear umbrella, and France and the UK possess nuclear weapons, the EU will not be in a position to effectively promote the creation of a nuclear weapon free zone in the Middle East.

#### **US-Iranian relations**

Most participants agreed that the US government is unlikely to use force at the moment. The operational challenges are quite substantial – the new Democratic majority in Congress will block any funding for a war with Iran. Also contentiously debated was whether Iran and the US are ready to break their decade-old impasse and if direct talks could improve the situation. One introductory speaker stated that, the US has been prepared to talk to Iran directly, and at least two participants agreed with this assessment pointing to the willingness of the last three presidential administrations to talk to Iran. Iran, however, was unwilling to talk. Another participant disagreed, stressing that Iran was more willing to talk to the US. Looking forward, there is some renewed hope for US-Iranian negotiations due to the bi-partisan Iraq Study Group's recommendations. However, given their complicated history, the EU and Turkey should act as intermediaries. In order to be successful, any negotiation should focus on more issues than Iraq. The prevailing mistrust between the US and Iran was mentioned as another complicating factor in the relationship. One participant characterized Iran as being paralyzed in a state of mistrust about US intentions due to a great sense of misperception about US policy in recent decades. Most participants stressed the need for direct negotiations between the US and Iran, but viewed them as unlikely to be successful at the moment. Another participant cautioned that though a direct dialogue between the US and Iran could be helpful, its value for solving the Iranian nuclear crisis should not be overestimated.

# Preconditions, suspensions, and the role of the IAEA and the UNSC – How and where should we negotiate the Iranian nuclear program?

With regard to the current negotiations, one participant expressed regret the fact that they are not taking place between the international community and Iran but only within the UN Security Council (UNSC). Despite a legally binding UNSC resolution in August 2006, Iran is still refusing to comply with the suspension of its fuel-cycle activities and uranium enrichment. However, the participant pointed out that if the objective of negotiations is to end any enrichment of uranium or production of plutonium on Iran's territory, a solution will be extremely difficult. Since zero-enrichment is the current objective in the UNSC resolutions led by the US, but backed by France and the UK, the negotiations are stalled at the moment. If the international community were prepared to accept some enrichment on Iranian territory it will be relatively easy to have a negotiated agreement with Iran.

Not all participants agreed that either a suspension of enrichment activities or the policy of zero-enrichment should be a precondition for negotiations. Offering unconditional negotiations to Iran may be a way out of the impasse as the Iranian leadership has made clear that a suspension will not take place before negotiations. One participant further cautioned that demanding a zero-enrichment policy on Iranian soil for now and ever would be in breach of the Non-Proliferation Treaty (NPT). Any possible technical solutions of the diplomatic impasse could only be negotiated in an atmosphere of trust and confidence e.g. if Iran answered all outstanding questions to the IAEA. One such step should consist of handing the case of the Iranian nuclear program back from the UNSC to the IAEA.

<sup>&</sup>lt;sup>4</sup> Iran's ratification of the NPT's Additional Protocol would be an important step in this direction.



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Some participants disagreed to offering unconditional negotiations to Iran pointing to the outstanding questions Iran is obliged to answer. They reminded the participants that the request to suspend enrichment was based on an agreement between the EU-3 and Iran back in 2003 when the Iranians wanted to prevent being referred to the UNSC.<sup>5</sup> In addition, handing back the Iranian case to the IAEA would de-legitimize international law since Iran was found to be in non-compliance with the IAEA statutes and is threatening another state's existence.<sup>6</sup>

#### The role of sanctions

The discussion about sanctions centered on general arguments about their effects on Iran, their past record, and their regional and international implications. At least two participants were rather optimistic stating that the European and UNSC sanctions must have some effects at least in the fields of the nuclear program, civilian aircraft, and international investment. Moreover, they are able to slow down the nuclear program and Iran's overall economic development. Nevertheless, experience shows that sanctions bolster autocratic regimes rather than weaken them.

Others held that sanctions have had no effect on their objective at all. Since the Iranian regime sees the nuclear program as an integral part of its identity it will continue regardless of what sanctions the international community might employ. Another view was that the use of sanctions actually strengthens those within the regime who favor a nuclear weapons program. The rather weak UNSC sanctions would only help President Ahmadinejad internally. Another aspect that should caution a call for tougher sanctions is the fact that the international community to keep in mind that the door for negotiations must not be shut completely.

Some participants also pointed to the regional and international implications of sanctions. One participant lamented the fact that whenever the US or the EU employ sanctions, they forget their harmful effects for the surrounding state's economies. Others pointed to the necessity of a regional and international alliance for sanctions including the EU, Russia, China, and Dubai. Russia's opposition to sanctions was regarded as particularly unhelpful at the moment.

#### **Nuclear democracies vs. autocracies:**

Another topic that received attention during the debate was the question whether the industrialized democracies are treating non-democracies with double standards. One participant was concerned about the revival of nuclear energy in both the developing and industrialized world and the related challenges with dual-use technology. Moreover, as long as the US, UK and France are continuing to modernize their nuclear arsenals, they are in non-compliance with the NPT. Consequently, the UNSC's negotiation position via Iran's non-compliance would be rather weak. Other participants expressed their disagreement with this position. Mentioning democracies and autocracies and a nuclear program in the same breath is not very helpful as the US would not worry too much about a nuclear Japan, for example. If Iran were a well functioning democracy the reaction to its nuclear program would be much different. The disagreement over this issue persisted throughout the debate. One participant noted that the distinction between democracies and autocracies is not helpful in talking about nuclear energy since governments can change every four or more years, while the half-lifetime of plutonium is 10.000 years.

<sup>&</sup>lt;sup>8</sup> Turkey, e.g., which has already suffered economically from the Iraq sanctions, has an increasing trade volume with Iran and would lose its access to Central Asian markets.



<sup>&</sup>lt;sup>5</sup> In addition, Iran also breached the Paris Agreement in November 2004 which included the suspension of all enrichment related and reprocessing activities.

<sup>&</sup>lt;sup>6</sup> The statute of the IAEA holds that when a state is found in non-compliance it *shall* be reported to the UNSC.

<sup>&</sup>lt;sup>7</sup> E.g. the sanctions on civilian aircraft and nuclear energy. According to the participant, Iran is facing difficulties in economic areas and investments as well.

# Israel and Turkey – regional neighbors, differing threats

In addition to global and normative issues, the debate also touched upon the regional dynamics of the Iranian nuclear program. While the participants debated Israel's and Turkey's role in the crisis, it became obvious how different the threat perceptions can be in the region.

As one participant pointed out, the existence of an Iranian nuclear bomb is considered a threat to Israel's existence by every Israeli leader due to the combination of fatal capabilities and intentions: It will be the first time in the history of the state of Israel, that an enemy country will have the capability to inflict a fatal blow on Israel. Nobody could guarantee Iran's nonaggression to Israel making an Israeli military option a necessary precaution. With regard to the many operational difficulties of a military strike against the Iranian nuclear sites, the thorniest question is to what extent there are secret underground sites. Thus, in contrast to the Israeli strike on the Iraqi nuclear sites in 1981, a military strike on Iran's nuclear sites by the US or Israel will only postpone its nuclear program for some time. Given this dangerous and difficult operation, the government will have to weigh carefully between the danger for Israel's existence on the one hand and the operational risks of a military strike on Iran on the other hand. Moreover, the participant regretted that Israel and Iran had not had any direct contacts in recent years.

The current Turkish position was characterized as much more preoccupied with the ongoing war in Iraq and the role of the Kurds in its border regions. Nevertheless, having been opposed to the US invasion in the first place, Turkey is uncomfortable both with Iran's rising power and the Shiite ascendancy as a result of the Iraq war. However, Turkey will continue to be a Western ally. With regard to the Iranian nuclear program, Turkey is in favor of more negotiations under the lead of the EU since tougher sanctions hurt the country more than anyone else. Given the complicated EU-Turkey relations, and the lack of Western solidarity in both Iraq wars (1990 and 2003), the participant doubted whether Turkey could actually remain a non-nuclear power if Iran were to go nuclear.

#### China and Russia

On the role of Russia and China, one participant emphasized that both countries are not interested in nuclear proliferation in principle but do not want to bear the costs of preventing Iran from going nuclear. While China is much more concerned about North Korea, Russia is the pivotal country in determining whether there will be a diplomatic solution with Iran. Unfortunately, the Russian role has not been helpful as they have undermined pressure on Iran every step of the way. Not only do they seem to prefer a weakened US in the Middle East, but also fear that sanctions could hurt their nuclear and arms cooperation with Iran. After having lost its former ally Iraq, Iran could present a way back for Russia as a player in the Middle East and it will thus press for the right to enrichment on Iranian territory.

# Is Iran benefiting from the new Middle East?

A substantial part of the debate centered on Iran's role in the Middle East after the Iraq and Afghanistan wars. A number of participants stressed that the many different regional conflicts are intertwined. One participant suggested that they should also be dealt with as a package. However, since the regional actors are used to a language of force, peaceful conflict resolutions are extreme difficult. With regard to Iran's involvement in the conflict between Sunni and Shiite Muslims in Iraq, the participants stressed that the Shia-Sunni divide is without historical roots and has been oversimplified by the Western media. Not only is the century-old Persian-Arab divide complicating an Arab Shiite allegiance to Iran – instead of the Islamic Republic, the people of the region see rich and liberal states like Dubai as a role model. One participant noted that the Iranian regime is actually supporting democratic

<sup>&</sup>lt;sup>9</sup> Despite voices from the West, which suggested the contrary, Turkey has supported the unpopular UNIFIL operation in Lebanon under its AKP government.



elections in regions such as Palestine, Lebanon, Iraq and Egypt and it looks like this way the Iranian Shiite brothers or its other allies are on the rise.

Another contentious debate took place about whether Iran is benefiting from the Iraq war and the new Afghan state. At least two participants stressed that there is such a thing as an Iranian supremacy and a Shiite rise in the region after the wars in Iraq and Afghanistan. Other participants took a different viewpoint stressing that failing states in Iraq and Afghanistan have created huge problems for Iran. The Kurdish independence in northern Iraq threatens Iran's internal stability as does the Shiite independence in the South. The revival of the Pashtun Taliban also threatens its Eastern borders. Iran is not powerful enough to dictate its agenda to its neighbors and could soon become the victim of Sunni terrorism itself.

### Iran's decision-making structures and perceptions

The participants painted a very detailed and complex picture of the Iranian leadership and its decision-making structures. According to one participant, the dilemma for the international community is that Iran's leadership is divided and does not know what it wants. As decisions have to be made by consensus, they often take time. <sup>10</sup> Moreover, the Iranian regime is often acting against its own national interests as even Iranian elites have suggested. <sup>11</sup> Even though most participants seemed to agree with this assessment, some raised the possibility that Iran's reluctance to make decisions is because they are benefiting from the status quo.

The lack of trust was mentioned as a reason with similar importance. Due to the international community's silence on Iraq's chemical warfare against Iran in the 1980s, Iran remains mistrustful of Western intentions. In addition, even though the nuclear issue is about status promotion and capabilities and less about the real bomb, the lack of trust makes negotiations extremely complicated.

Taking into account the problematic Iranian decision-making structures and the lack of trust towards the international community, some participants stressed the need to find players within Iran willing to talk about the price for isolation, and possible solutions. A U-turn in US policy would be needed to convince the Iranian regime of its good intentions. Iran might, however, be interested in security guarantees, mainly from the US, in economic assistance, and in Western technology for its industries.

On the question how Iranian regional policy will look once it has acquired nuclear weapons, one participant painted a dark scenario: Iran will display an even more aggressive posture with the Shiite axis of its proxies. Moreover, an Iranian nuclear bomb will likely cause a nuclear arms race in an already unstable region. Since there is no communication between Israel and Iran, any misunderstanding could also escalate to a military confrontation and perhaps even a nuclear war.

# What can be done to stop an Iranian nuclear bomb?

A number of participants emphasized the urgency of finding a solution to the Iranian nuclear program. One participant gave an alarming picture: Time is running out and the last four years of diplomatic efforts have failed. The critical moment will be reached when Iran acquires enough fissile material for a nuclear bomb.

Throughout the debate, a number of different approaches to the Iranian nuclear crisis were discussed. The most optimistic scenario among them was that Iran suspends enrichment

<sup>&</sup>lt;sup>10</sup> One participant pointed to the fact that the regime in 27 years took one decision that was of importance, namely to end the war with Iraq and even this decision was taken five years late.
<sup>11</sup> They hold that having a nuclear bomb will decrease Iranian hegemony and its conventional superiority, creates nuclear arms race in the region and will force smaller countries to align closer with the US.



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temporarily according to the UNSC resolution and if it regains the trust of the international community, a limited enrichment on Iranian territory should be considered as an option. <sup>12</sup> Other participants favored an increase of economic pressure in addition to the threat of military force. <sup>13</sup> In response to the earlier approaches, another participant characterized the current situation as dilemma: When the international community tries to expedite the regime change clock it sends a message to Teheran that it is indeed after regime change which will expedite Iran's ambitions to reach a nuclear deterrent.

One participant called for a comprehensive mix of different strategies. Iran should receive incentives for energy cooperation and trade but at the same time, sanctions in the banking sector and for dual-use technology should be strengthened. In addition, a regional alliance to limit Iran's leverage in the Middle East should be encouraged. <sup>14</sup> As a last, step, the international community should support and encourage civil society in Iran. <sup>15</sup>

However, if the Iranian regime is not interested to become a well-respected member of the international community and a recognized stability factor in the Middle East, the Europeans in particular should be ready to think about a strategy of containing Iran they want to prevent the US and Israel from using military force.

#### **Summary**

The Brussels conference on Iran and its nuclear ambitions provided insight into the role of the international community, international organizations, and the Middle Eastern states. It shed light on the disagreements between experts and policymakers on almost every single issue. The participants characterized the EU's multilateral negotiation approach as successful because it maintained an international consensus, but as unsuccessful in delivering the security guarantees, in which Iran's leadership is interested. Furthermore, most participants stressed the need for direct negotiations between the US and Iran, but viewed them as unlikely to be successful at the moment. The current negotiations at the UN Security Council were regarded as problematic due to the demand for zero-enrichment, which the Iranian side had already ruled out. Moreover, there was disagreement about whether the case should be referred back to the IAEA or if unconditional negotiations would be successful. There was agreement about the ineffective role of the current sanctions regime. Russia's opposition to sanctions was regarded as particularly unhelpful at the moment. Another part of the debate focused on the use of double standards between democracies and autocracies and the revival of nuclear energy.

With regard to the regional dynamics of the conflict, Israel will consider military strikes as a last resort as nobody can assure Iran's peacefulness were it to acquire nuclear weapons. In that event, Turkey will most likely develop nuclear weapons to balance the Iranian threat. The participants stressed that the Shia-Sunni divide has been oversimplified by the Western media. The participants could not agree on whether Iran is benefiting from the current regional developments or if they threaten its own stability as well. There was agreement on the dividedness and indecisiveness of the Iranian regime. However, were Iran to acquire nuclear weapons, its negative role in the region would worsen.

<sup>&</sup>lt;sup>15</sup> This could be done by offering scholarships, scientific and cultural exchanges and by supporting internet websites and broadcasting programs run by democratic groups outside of Iran.



<sup>&</sup>lt;sup>12</sup> However, the participant cautioned that due to the decades of mistrust and Iranian deceit of the IAEA, it will be difficult to achieve this option.

<sup>&</sup>lt;sup>13</sup> The same participant who favored a tough approach added quite pessimistically that given the current unwillingness of the US to use military force, the clerical regime will most likely become a nuclear weapon state.

<sup>&</sup>lt;sup>14</sup> This should include the Gulf States, Egypt, Jordan and maybe Syria, if they participate in a political settlement of the Israeli-Syrian conflict, as well as for the Israeli-Palestinian conflict, which is of high importance to limit Iran's influence in the Arab world.

A number of ways forward were discussed based on pessimistic and more optimistic scenarios. Re-establishing trust was mentioned as a primary goal. Some participants emphasized that if none of the negotiations deliver results, tougher economic sanctions and the threat of military force might be necessary.