



DANISH INSTITUTE FOR INTERNATIONAL STUDIES

STRANDGADE 56 • 1401 Copenhagen K

+45 32 69 87 87 • diis@diis.dk • www.diis.dk

DIIS Brief

Resolving the Iranian Nuclear Crisis A Review of Policies and Proposals 2006

**Martin F. Jakobsen & Nicholas Bowen
April 2007**

Abstract

The continuing defiance of the Iranian government over its supposedly peaceful nuclear energy program has prompted grave global concern. Many international observers believe that Iran's behaviour is merely a cover to disguise its effort to develop nuclear weapons. This review presents five different approaches to resolving the crisis.

Introduction

Long-standing Iranian efforts to develop a capability to enrich uranium without reporting these activities to the IAEA have caused much concern and debate. While Iran firmly asserts that its efforts are intended only to give it an indigenous source of low-enriched uranium fuel for its planned nuclear power sector, many states suspect that the country would use this capability to produce highly enriched uranium for nuclear weapons.

Findings by the IAEA confirm that Iran has repeatedly breached its nuclear safeguards agreement by not reporting the clandestine acquisition of uranium enrichment technology and materials from abroad. It is hoped that the high-level contacts between Iran, the IAEA, and negotiations in the Security Council will succeed in finding an acceptable solution.

But for all the discussions at the highest levels of government and in the media, no summary of the proposed non-military solutions exist. Prominent among them are negative security guarantees, multi- and bilateral negotiations, sanctions and nuclear enrichment facilities. While none of these proposals are listed in any order of preference or priority, the following offers a review of the various solutions to the current crisis and the options should not be seen as mutually exclusive.

Negative Security Assurances

The lesson to be drawn from the history of non-proliferation is that non-proliferation efforts succeed when the major global actors help satisfy whatever concerns drove a state to want nuclear weapons in the first place. Governments typically pursue nuclear weapons for one of three reasons: to protect themselves against an external security threat, to satisfy the parochial interests of domestic actors, or to acquire an important status symbol.

With no viable military option at hand, the only way to move forward is to give Tehran good reason to relinquish its pursuit of nuclear weapons. Most important in this regard would be a reduction in the security threat posed by the United States and others to Iran. Given the need for a credible deterrent, more limited guarantees, such as a commitment not to use nuclear weapons should be provided by nuclear-weapon states parties to the Non-Proliferation Treaty. This would increase pressure on states not party to the NPT to do the same and facilitate a regional détente. Unilateral provision of negative security guarantees by the United States would be unthinkable without collective action from the world's remaining nuclear powers.¹

But the promise of negative security assurances and improved diplomatic relations must be accompanied by an agreement from Tehran to freeze its nuclear program and end its support for terrorism.

¹ The extension of negative security guarantees has been recommended by several international observers of disarmament and non-proliferation amongst others the Weapons of Mass Destruction Commission (Weapons of Terror: Freeing the World of Nuclear, Biological and Chemical Arms, Stockholm, Sweden, 1 June 2006) and Joseph Cirincione, Carnegie Endowment of International Peace (Issues in Science and Technology Spring 2006).

Direct Negotiations between the United States and Iran

Several international think tanks have argued that the escalating crisis between Iran and the United States belongs on the bilateral summit table rather than at the United Nations Security Council². This is true even if Iran accepts the current multilateral incentive package on offer from the EU-3 and the United States.

Months of threats and brinkmanship by both nations demonstrate the need for direct negotiations. Twenty-eight years of heavy sanctions imposed directly by the United States have not yet prevented Iran from proceeding with its nuclear program, making such an approach imperative for both sides.

For many, the more serious contours of the crisis demonstrate that the central disputants have always been Iran and the United States. America alone holds more bargaining leverage with Iran than the European countries and the UN combined. To reject the idea of a summit is to narrow any future options.

Now is the time for the United States to be a mature world leader, confident about the substantial persuasive power it holds and the objectives it seeks. With its military bogged down in Iraq, it is time to invite Iran to a full and wide ranging summit.

Multilateral Negotiations

Before Tehran achieves mastery of enriching uranium, the United States and its allies could offer Iran an opportunity for multilateral dialogue that would seriously address Iranian security concerns and provide substantial economic incentives. In exchange, Tehran would have to agree to verifiable restraints on its nuclear program, including a cessation of its uranium-enrichment program.³

The security dialogue would involve seven parties: China, France, Germany, Iran, Russia, the United Kingdom, and the United States. The seven-party format would provide the Bush administration with enough political cover so that it could state publicly that it has not bestowed formal diplomatic recognition on the Islamic Republic, while including the Russians and Chinese in any formal dialogue.

Along with security assurances and confidence-building measures, these talks could offer Iran nuclear fuel guarantees that could place the fuel with a trusted third party. In addition, the talks might offer to provide Iran with tangible economic incentives designed to help its ailing economy while recognising its right to peaceful nuclear technology.

However, in return, Tehran would have to agree to cease its enrichment activities as well as other work that could lead to production of weapons-usable fissile material. In addition, Iran

² Direct negotiations as a tool to break the impasse has amongst others been suggested George A. Lopez and David Cortright, The Joan B. Kroc Institute for International Peace Studies, (Policy Brief No. 11, June 2006) and Beryl Anand, Institute of Peace and Conflict Studies New Delhi, (IPCS Special Report 20, May 2006)

³ Numerous observers has called for multilateral negotiations amongst them John Chipman, International Institute for Strategic Studies, (Financial Times March 15, 2006) and Flynt L. Leverett, Brookings Institution Foreign Policy Studies, (New York Times, January 2006).

would need to ratify and implement an additional protocol to help provide verifiable evidence that these activities have been suspended.

If Iran rejects this concerted diplomatic effort, then the United States and its allies would have an easier time reaching a consensus through the United Nations to enact tough multilateral sanctions. Examining the past history of countries that have renounced nuclear weapons or potential weapons programs, the predominant theme is that these renunciations took place only after those countries experienced a substantial lessening of external threats.

Nuclear Fuel Guarantees

The offer of nuclear fuel guarantees meets the bottom line of both sides: enrichment on Iranian soil and no nuclear weapons in Iranian hands. While risks exist, this plan is one possible alternative certainly worth considering in difficult circumstances.⁴

Such a plan might involve a multilateral enrichment facility on Iranian soil ranging over the fuel cycle from conversion to ultimate disposal with the capacity to provide material for a virtual fuel bank organized through the IAEA. A treaty between Iran and the EU-3 would then establish a commercial partnership with the governments as shareholders, with others invited to join at a later date. The partnership would also lease centrifuges and install them in batches. Self-destruct mechanisms would be installed in the cascades to deter and spoil expropriation.

While the capital would be provided by the shareholders, Iran would lease all its enrichment-related equipment and facilities to the partnership and would undertake not to enrich and reprocess except through the partnership.

One advantage might be that if the Iranians were to accept the plan, they would be unlikely to expropriate the internationally owned facilities. To do so would be a seizure of the property of powerful governments well placed to retaliate by various means. It would signal an intention to produce nuclear weapons while leaving the country vulnerable until the weapons had been built and tested.

Sanctions

Finally, the most likely course of action seems to be that the United Nations Security Council will continue to impose increasingly punitive measures against Iran, including further sanctions. For many, the Iranian regime has shown the world that it is a nation controlled by extremists and that it is time for the Security Council to act firmly.⁵

⁴ Comprehensive solutions regarding nuclear fuel guarantees and how to manage Iranian uranium enrichment has recently been put forward by the International Crisis Group, (Middle East Report N°51 23 February 2006), Geoffrey Forden & John Thomson, Massachusetts Institute of Technology (Science, Technology and Global Security Working Group, September 5, 2006) and Thomas B. Cochran and Christopher Paine, Natural Resources Defense Council, (Presented at the Pugwash Conferences Workshop, Tehran 24-25 April 2006, Revised 26 May 2006).

⁵ Both Charles Ferguson and Ray Takeyh, Council of Foreign Relations, (Arms Control Today, March 2006) and Joseph Cirincione, Carnegie Endowment for International Peace, (Issues in Science and Technology Spring 2006) has suggested how to construct a sanctions regime that applies pressure on Iran without drawing on threats of military action.

Iran has thumbed its nose at the world by repeatedly violating the United Nations charter in calling for the destruction of Israel, while continuing on its destructive path toward the acquisition of nuclear weapons and supporting terrorism abroad.

If the Security Council fails to agree on such measures, however, some argue that the United States and the European Union should impose a range of sanctions against Iran for continuing to press ahead with its nuclear program. While such sanctions would not be as comprehensive as those approved by the UN, they might still persuade Iran to change course on its nuclear program.

Conclusion

Whilst the ongoing discussions in the Security Council seem to indicate that further sanctions will be imposed on the Iranian government, the approaches summarised above clearly indicate that a negotiated solution is still possible.

For that to succeed, however, the United States must be included in any multilateral negotiations. This is even more important when one recognises the concerns the Iranian government has for its security. Certainly negative security assurances from the United States would go some way to lessening the perceived threat in Tehran.

Since Iran has already turned down a proposal regarding supply of enriched uranium from a Russian plant in exchange of putting a cap on its own enrichment facilities, any viable action plan will have to recognise the Iranian right to enrich uranium for peaceful purposes under the NPT. Two possible solutions stand out: a) either to ensure that Iran has a continuous supply of enriched uranium, or b) to build a multinational uranium processing plant on Iranian soil. Both solutions are problematic to say the least. Iran is not likely to leave the control of enrichment in the hands of the West, since it will deprive the country of a powerful negotiating tool and leave it dependent on foreign assistance. The proposed international enrichment plant poses enormous practical difficulties that might give Iran time to complete its nuclear weapons programme.

In the meantime, the hasty imposition of sanctions is at best insignificant and at worst counter-productive. A compromise that permits the Russians to complete the Bushehr nuclear reactor plant without targeting the import of dual use technologies cannot be expected to delay significantly the future development of the Iranian nuclear programme. It does send a political signal, but the divisions among the permanent members of the Security Council offer Iran room to manoeuvre. Certainly the pursuit of punitive sanctions seems to have already caused a deepening of the trenches on all sides.

The Iranian regime has made the pursuit of a peaceful nuclear programme a matter of national pride and its stand against US pressure has been received well even among the populations of their traditionally hostile Sunni neighbours⁶. Iran is not likely to concede to the demands of the international community without a de facto guarantee against regime change and a solution to the uranium enrichment issue that leaves the regime with something to present as a victory at home and abroad. Direct American engagement in bi- or multilateral dialogue seems imperative in the pursuit of these ends.

⁶ However, the successful development of an Iranian nuclear program would be less well received by the ruling elites in Egypt, Saudi Arabia and Kuwait, among others. To prevent a possible arms race in the Middle East, it is crucial that an acceptable solution is found.

Ultimately the best solution to prevent Iran or any other country in the region from aspiring to have nuclear weapons is to create conditions in the Middle East where no nation has a need for any weapons of mass destruction. However, any convincing initiative to address the aspirations of states in the region to acquire nuclear weapons or other of mass destruction weaponry would need to involve all states there, including Israel. Israel's nuclear weapons program has long been the motivation for radical leaders in the region to argue for acquisition of such weapons themselves.

Dealing with the weapons of mass destruction threat in the Middle East on a piecemeal basis has not paid off to date, but the search for a solution to the Iranian crisis could very well offer a timely platform to once and for all deal with this ever increasing threat. It is essential to deal with the threat of weapons of mass destruction in the Middle East in a holistic manner and the provision of negative security guarantees by nuclear weapon states to non-nuclear weapon states could be a stepping stone to a lasting solution.