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THERE IS NO DOUBT THAT "Iran wants to join the nuclear club," as it was put by one Iranian diplomat and scholar.<sup>1</sup> The question is how. Iran wants either to become a de facto nuclear-weapons state or a major supplier of civilian nuclear fuel cycles. The decision between the two is "yet to be taken by the Iranian leadership," and the result "will greatly depend on the outcome of the negotiations between the European Union (EU) and Iran, and more importantly, on how the United States will deal with Iran.<sup>"2</sup> Given the mounting determination of almost the whole of Iranian society "to exploit to the most Iran's rights stemming from the Non-Proliferation Treaty" (NPT, 1968), the existing and yet-to-be-expanded nuclear capabilities of Iran may very well enable the clerical leadership to go for either option, or even for both, depending on the circumstances.

The burning desire held by the Iranian population to "go nuclear," fueled even more by threats of military strikes against "their" nuclear facilities, may still be capped thanks to the ongoing process of negotiations with the EU. If a viable solution can be reached, Iran may soon emerge as an alternative supplier, inter alia, of nuclear fuel for light water reactors—or as a constructor of complete heavy water reactors, especially for the Muslim countries as well as Non-Aligned Movement (NAM) countries, who are also keen to invest in the nuclear field.

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In case the talks fail, however, due to the incommensurable demands of both the United States—which requests that Iran agree to shut down its uranium enrichment facilities once and for all—and Iran—which is pursuing an ambitious uranium enrichment target of installing some 54,000 centrifuges over the long term (currently Iran has 1,000 centrifuges of which some 260 were operational until voluntary suspension)—the likelihood of a military confrontation may increase. Should the most unwanted eventuality occur (i.e., a military strike to Iran's facilities by the United States and/or Israel, and subsequent retaliation by Iran through various ways) the Middle East may never be the same place again.

Keeping these contingencies in mind, the aim of this article is two-fold: First, to analyze the current positions of the major players in the nuclear puzzle, (namely Iran, the United States, the European Union, as well as Russia, and the International Atomic Energy Agency (IAEA)) in order to see what, exactly, the nature of the problem is, what initiatives are being taken by the players, and what—if any-thing—has been achieved so far in negotiations. Second, having established the big picture, this article will propose a solution to the current impasse that would ensure Iran remains a civilian nuclear power, hence mitigating the fears of Iranian proliferation.

### 256 VIEWS FROM IRAN: PERCEPTIONS AND PERSPECTIVES

The changing security environment of Iran influences the threat assessments made by Iranian authorities. The continuing role played by nuclear weapons, despite the end of the cold war, and the U.S., European, and Russian doctrines that stress the value of nuclear weapons in national and collective defense strategies are matters of

### Another factor that irritates Iranian security analysts is the "good cop, bad cop routine" of Europe and the United States.

grave concern for Iranian analysts. Today's international system is ostensibly defined by American preeminence, unilateralism, and by the increased role of nuclear weapons as means of political blackmail. These policies are likely to foment nuclear arms races because they are seen as dramatically increas-

ing the insecurity and vulnerability of non-nuclear weapons states. Moreover, the 480 nuclear weapons that America still keeps in six European countries, including Iran's neighbor Turkey, are seen as irritants. Another factor that irritates Iranian security analysts is the "good cop, bad cop routine" of Europe and the United States in their attitude toward Iran, as well as the double standard in their relations with Iran and other nuclear-capable states. In this context, Iranian analysts stress

the fact that the United States continues to appease North Korea's nuclear weapons ambitions and that it is doing nothing about Brazil, which is now defying the IAEA regarding questions over its nuclear program.

There are basically four views in Iran with respect to weapons development and a potential nuclear program. The first group consists of those who believe Iran does not need nuclear weapons or nuclear weapons capability at all, but their number is very small. The second group consists of those who maintain that Iran is entitled to have peaceful nuclear technology and that it should not give up its right to exploit the merits of peaceful nuclear energy applications. The third group consists of those who believe that Iran needs to develop nuclear weapons capability, but not right away. They say that Iran cannot trust the international community and, remembering the experience of chemical weapons use during the Iran-Iraq war, they point out that nobody thought the world would allow Iraq to cross the weapons of mass destruction threshold. When chemical weapons were put into use, however, the West watched and did nothing. The fourth group consists of hard-liners who strongly argue for withdrawal from the NPT and the development of nuclear weapons as soon as possible.

In Iran, the degree of public support for the nuclear program, which is very much associated with national pride, is very high. Most Iranians consider nuclear technology to be the most advanced technology in existence, and they see Iran's nuclear capabilities as an indication of its place in the world. It is also seen as a means of equating Iran with the most powerful countries in the international arena. Hence, in their negotiations with the Europeans, Iranian policymakers are experiencing pressure in exactly the opposite directions from the West and the Iranian public, and the latter is impossible to resist.

#### THE NATURE OF THE PROBLEM WITH IRAN'S NUCLEAR PROGRAM

By all indications, tackling the issue of Iran's alleged nuclear weapons proliferation has increasingly turned into a litmus test of diplomacy for the Bush administration and the European Union, as well as for the entire non-proliferation regime. Notwithstanding the possibility of tilting the balance of "rights and obligations" enshrined in the NPT in favor of the latter by enhancing the scope of safeguard and verification standards,<sup>3</sup> the question of how to stop Iran's incremental march toward nuclear weapons<sup>4</sup> is nowadays discussed in the larger context of how to strengthen the non-proliferation regime. Such strengthening is being pursued so that certain NPT member states considered "rogue" by the West cannot exploit the NPT's license to develop peaceful nuclear technology for "dual use" purposes.

In a recent interview, Dr. Muhammad El Baradei, Director General of the IAEA, stated that Iran is "symptomatic of a larger problem that we need to address,"<sup>5</sup> namely, how to ensure that the NPT-sanctioned uranium enrichment programs are not channeled toward weaponization. Western countries and the UN leadership increasingly favor the creation of a consortium of states and companies under the aegis of the IAEA which can provide low-enriched nuclear fuel for world's reactors "at market values."<sup>6</sup>

With this option still being debated, the related question of Iran's nuclear program continues to bedevil the European negotiators, who ended their third round of nuclear talks with Iran in March 2005 without any concrete results. What lies ahead is uncertain. At present, Iran is involved in two-track negotiations with the IAEA on the one hand, and the so-called EU3 (i.e., the trio of Germany,

Hence, in their negotiations with the Europeans, Iranian policymakers are experiencing pressure in exactly the opposite directions from the West and the Iranian public, and the latter is impossible to resist. France, and the United Kingdom), on the other, complying with the IAEA's demand for a temporary cessation of its nuclear enrichment program as a "confidence-building measure," and yet threatening to re-

sume the program at the end of the promised period. In turn, the Bush Administration has upped the ante by promising United Nations Security Council (UNSC) backlashes against Tehran in case it refuses to bargain away its enrichment program for economic incentives, namely Iran's entry into the World Trade Organization (WTO) and spare parts for Iranian civil aviation.<sup>7</sup>

The negotiation climate has been marred by incendiary news of Israel's plans to attack Iran's nuclear facilities,<sup>8</sup> Washington's refusal to rule out the military option, and Ukraine's sale to Iran of Russian-made cruise missiles capable of carrying nuclear warheads. This comes on top of earlier news that Iran had been one of the beneficiaries of Pakistan's Abdul Qadir Khan network for wholesaling sensitive nuclear technology.<sup>9</sup> Meanwhile, Russia has continued its nuclear cooperation with Iran, with hundreds of Russian technicians putting the final touches on the construction of Bushehr power plant. In February 2005, Moscow and Tehran signed an agreement on the return of 'spent fuel' from the Bushehr reactor to Russia. Per this agreement, Iran shoulders the financial responsibility of the spent fuel's storage and re-processing, much to the chagrin of some Iranian parliamentarians who complain of "overcharging" by Russia. This is despite the fact that Russia at present is Iran's sole nuclear partner and is about to sign lucrative deals with Tehran for

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possibly three to five more power plants when President Vladimir Putin visits Iran in the near future.<sup>10</sup>

Since Russia does not share Western alarm about Iran's imminent capability to reach the "nuclear weapon threshold," the West's options on how to deal with Iran's nuclear program appear to be rather limited, particularly since the various inspections of Iran's facilities by the IAEA have, so far, found no "smoking gun."<sup>11</sup> In light of Iran's adherence to the IAEA's intrusive Additional Protocol since December 2003, the latest report by the IAEA actually cites "important progress" in Iran's cooperation with the Agency, warranting the normalization of Iran's dossier despite lingering concerns about Iran's long time concealment of its nuclear activities and traces of highly-enriched uranium found at Iran's facilities (largely attributed to the equipment sold by Qadir Khan).<sup>12</sup> The Iran-IAEA cooperation has, in turn, smoothed over the talks between Iran and the EU3, culminating in the historic "Paris Agreement" in November 2004 according to which Iran agreed to cease all enrichment activities including the "testing and operation of centrifuges" and "all tests or production at any uranium conversion installation" pending "negotiations on a long-term agreement."

#### PARIS AGREEMENT REVISITED

Lauded by the EU foreign policy chief Javier Solana as a "landmark," the Paris Agreement followed intense negotiations between the foreign ministers of the EU3 and Iranian officials beginning in October 2003 in Tehran. Iran agreed to adhere to the Additional Protocol as a clear sign of its more flexible approach. One year later, after several intrusive IAEA inspections and the continuing concerns of the Board of Governors of the IAEA over Iran's nuclear program, Iran agreed to a "verified" suspension of its uranium enrichment program. The EU3 in return agreed to "recognize Iran's rights under the NPT exercised in conformity with its obligations under the Treaty, without discrimination."

From Iran's vantage point, the Paris Agreement potentially widened the rift between the United States and Europe. In contrast to the U.S. desire to dismantle Iran's nuclear program, the EU acknowledged Iran's NPT rights to peaceful technology, and also recognized that Iran's enrichment suspension "is not a legal obligation." According to Iran's top negotiator, Ayetollah Hassan Rowhani, the Agreement reflected a European departure from their earlier insistence on "indefinite suspension" championed by the United States.<sup>13</sup> That said, the EU3 still pursues the goal of making Iran's voluntary suspension permanent, though not as forcefully as the United States, in anticipation of a "hot" confrontation between that country

#### KAVEH AFRASIABI AND MUSTAFA KIBAROGLU

and Iran over this issue.

In addition, the Paris Agreement called for cooperation between Iran and the EU against international terrorism "irrespective of progress on the nuclear issue" while clearly establishing a direct linkage between the nuclear issue and any future progress on Iran-EU trade talks and EU support for Iran's bid to join the WTO. Also, the EU3 promised to provide "firm guarantees on nuclear, technological, and economic cooperation and firm commitments on security issues" should the differences over enrichment by resolved. Subsequently, from December 2004 to March 2005, three "working committees" on nuclear, economic-technical, and security matters negotiated in Brussels, submitting their final drafts to a joint "steering committee" that would set the next course of action.

In a certain sense, the Paris Agreement, viewed by the signatory parties as a "temporary agreement," was as much a leap forward as it was a leap toward a paradoxical dead end. It followed war-weary Europe's quest for a diplomatic resolution of the nuclear proto-crisis, but one that was more effective as a timely stop-gap measure to prevent the issue from exploding into a full-scale crisis, which still fell desperately short of the necessary ingredients for a mutually satisfying resolution. What is more, it also sowed the seeds of a future United States-EU schism over Iran, given the consistent opposition of the United States to anything short of Iran's full cessation of its enrichment program.

For the moment, however, a happy resolution seems to have been reached, notwithstanding President Bush's recent claim to have the European backing for Security Council action against Iran if the Iranian regime rejects the package of economic incentives in exchange for a perpetual halt to its uranium enrichment

Contrary to recent media reports of an impending Israeli strike on Iran, the socalled "Osirak option,"—named after Israel's successful demolition of Iraq's nuclear reactor in 1981—is nearly impossible. program. This amity may turn sour, however, in light of the fact that the Paris Agreement underscored Iran's right to peaceful nuclear technology, which by definition encompasses the right to produce the

nuclear fuel for its reactor(s).<sup>14</sup> Widely interpreted as "deeply flawed" by U.S. commentators, the Paris Agreement was nonetheless an important benchmark that set European standards for dealing with Iran: that is, a comprehensive, multilevel approach following the prescriptions of "linkage diplomacy" whereby the future of long-standing negotiations between Iran and the EU on the 'Trade and Cooperation Agreement' were yoked to the net result of the nuclear talks. This did raise

concerns about 'nuclear reductionism,' since the whole sum of Iran-EU relations may be reduced to naught should the nuclear talks fail.<sup>15</sup> After all, compared with the minimal economic relations between the United States and Iran due to sanctions, Europe is Iran's largest trading partner and has much to lose if the present "linkage diplomacy" translates in the future to an EU trade embargo on Iran.<sup>16</sup>

#### WEIGHING THE OPTIONS WITH IRAN

There is much talk these days of the "military option" vis-à-vis Iran's nuclear facilities, to be pursued particularly by Israel. Yet, contrary to recent media reports of an impending Israeli strike on Iran, the so-called "Osirak option,"—named after Israel's successful demolition of Iraq's nuclear reactor in 198—is nearly impossible. This is due primarily to Israel's "tyranny of distance," to quote an Israeli general, and the unwillingness of any of Iran's neighbors to allow Israel use of their air space or territory against Iran due to the combined fear of backlashes and long-term harms to their economic and other ties with Tehran. Already, leaders of Turkey, Pakistan, and Azerbaijan have reassured Iran that this will not happen. Nor is the position of the Shi'ite-dominated Iraqi government any different.<sup>17</sup>

In contrast to (the barely constructed) Osirak, Iran's power plant in Bushehr is nearly completed. Several hundred Russian technicians work at the plant. Their lives would be put at risk by aerial bombardment, which would likely ignite a harsh reaction from Moscow on whom Israel depends for much of its oil imports. There are also operational difficulties inherent in any attempt to hit the multiple nuclear facilities in central and other parts of Iran: in Isfahan, Natanz, Arak, and Tehran,<sup>18</sup> and the "collateral damage" to nearby population centers is sure to cause a tidal wave of angry responses and the re-radicalization of an Islamic regime more determined than ever to build a nuclear arsenal by withdrawing from the NPT almost immediately. Instead of such negative scenarios, the world may be better off pursuing the positive track of diplomatic and political solutions. Let us enumerate the options first.

#### PITFALLS IN THE 'CARROT AND STICK' APPROACH

Recently, a number of Iran experts have maintained that, due to its economic vulnerabilities, Tehran's theocratic regime may be persuaded to relinquish its nuclear ambition if faced with "big rewards" or "big sanctions." This argument is often derived from an analysis of Iran's fragmented polity dominated by hard-line ideologues versus pragmatists for whom "fixing Iran's failing economy must top all

else."19

There are several problems with this analysis, however. First, within Iran, the nuclear issue may be divisive, but Iran is divided less along factional lines and more among proponents of competing policy options vis-à-vis the outside world's pressure. Such analysts also overlook the 'bureaucratization' of nuclear decision-making in Iran: In addition to the Supreme National Security Council, representing all

# [Iran]'s economic situation is not as desperate as portrayed in the West.

branches of government, nuclear decision-making in Iran is a function of the Technical High Committee, which also includes members

from all the key civil and military branches. This Committee, led by the Office of the Leader, Ayatollah Ali Khamenei, was initially set up in 1997 as a way of streamlining nuclear decisions via a consensual process; during the first two years of its existence, the Foreign Ministry, now a leading player in Iran-EU nuclear talks, was not even represented in the Nuclear Technical High Committee.<sup>20</sup>

Second, Iran's nuclear program is fueled mainly by Iran's petrodollars, and the country's economic situation is not as desperate as portrayed in the West. Recent reports published by the IMF point out that, last year, Iran topped the Middle East in annual economic growth (with a rate of over 6 percent) thanks to relatively high energy prices, a positive balance of trade "higher than ten other Middle East states," budget reforms, unification of the foreign exchange rate, downsizing of the public sector, reduction of non-tariff trade barriers, and establishment of private commercial banks. A 2004 World Bank report similarly states, "the country's health and education indicators are among the best in the region." Iran's foreign debt is about \$9.2 billion, compared with \$28 billion for Egypt, constituting a mere 8 percent of the GDP-this confirms a healthy economy. Neither the inflation rate of 15.9 percent nor the unemployment rate of 15 percent, tabulated recently by Iran's Central Bank, are particularly alarming given the fact that out of a population of 67 million, some 21.6 million are actively employed. Meanwhile, youth unemployment has dropped from 21 percent to 18.7 percent and female unemployment is down to 17.9 percent. At the same time, in 2004, "Iran witnessed almost 100 percent growth in the country's non-oil exports and a total amount of \$7 billion foreign investment in manufacturing activities and infrastructure projects."

Third, another pitfall of the economic argument is its selectiveness. Proponents of this approach often merely point out the huge amounts of capital needed to refurbish Iran's "ailing" oil industry, yet they don't care to bother with the relevant fact that Iran, despite the U.S. sanctions, has recently done well in luring

foreign capital. Over 440 foreign firms were present at Iran's oil and gas fair in April 2005, and a recent \$100 billion "deal of the century" was signed for (lique-fied natural) gas with China, which is likely to increase to another \$50 to 100 billion when a similar oil agreement, currently being negotiated, is inked. India too is on the verge of entering a huge gas deal with Iran, approximating \$40 billion.

A U.S. policy towards Iran based on a caricature of Iran's realities is obviously self-disserving. Even in the absence of positive economic indicators, as the examples of North Korean and Pakistani proliferation clearly demonstrate, security considerations can hardly be influenced by mere economic factors. In fact, recalling how the Clinton Administration's carrot approach—trading North Korea's heavy water reactors for economic incentives—ultimately failed to derail Pyongyang's nuclear ambitions, one must wonder why a similar approach would have any chance at proving more effective in Tehran?

Nor does it help to resort to a caricature of Tehran's theocratic regime as universally subversive. One glance at Iran's regional diplomacy makes it immediately evident that Tehran has improved relations with nearly all its neighbors including Saudi Arabia, Kuwait, and Qatar, which signed "low security cooperation" agreements with Iran in 2000 and 2001.<sup>21</sup> Tehran today prides itself on spearheading regional cooperation through the multilateral organization ECO (Economic Cooperation Organization) which includes Turkey, Pakistan, Azerbaijan, Afghanistan, and the Central Asian republics (swapping oil with Iran).<sup>22</sup>

We should not forget, to draw on the North Korea analogy, that the Clinton Administration gave economic incentives in exchange for the dismantling of two heavy water reactors and they still did not prevent North Korea from realizing its nuclear 'break-out' scenario. Naively, the West is about to commit a similar error with Iran while also consistently ignoring the profound dissimilarities between Iran and North Korea: in addition to being two vastly different political systems, they also have very different security and military needs and postures.<sup>23</sup> For one thing, Seoul is within range of North Korea's artillery and the latter has little need for diversification of means of its delivery.<sup>24</sup> Another major difference is that unlike North Korea, which exited the NPT without more than a statement of regret by the Security Council, Iran is an NPT member and, what is more, has signed the intrusive Additional Protocol (although the hard-line controlled parliament has yet to approve it).

Iran should not be expected to follow Libya's example of dismantling its nuclear program. Aside from the issue of national pride and Iran's more complex polity militating against such a scenario, Iran, by way of contrast to Libya's importation

of all its nuclear technology,<sup>25</sup> has managed to produce many components of its nuclear program at home including the various parts of its uranium enrichment facilities. Hence, objectively speaking, given the depth of nuclear know-how, a cessation of nuclear activities will not give any guarantee that a "reverse engineering" will not occur at some point in the future. In other words, whether the outside world likes it or not, Iran has become permanently proliferation-prone.

Instead of ignoring the critical facts mentioned above and thus assuming that Europe is joining the U.S. bandwagon on Iran's nuclear threat as most Iran experts in the United States do, a prudent alternative is to critically examine the state of nuclear talks between Iran and the European Union, and the various options proposed by both sides.

#### IRAN'S PROPOSAL FOR MONITORED ENRICHMENT

Perhaps—and we state this with a tinge of tentativeness, in order to ensure against a nightmare 'break-out' scenario—it is worth considering a contained, monitored enrichment program combined with Iran's economic, security, and political integration with the West. Indeed, as repeatedly stated by Iranian negotiators, in the absence of such a program, what need is there for the Additional Protocol and all the related concerns with safeguard standards?

Already, the EU has expressed satisfaction with Russia's deal with Iran, signed in February, for the return of spent fuel from the Bushehr reactor.<sup>26</sup> Of course, to quote the IAEA's chief, Mohammad El Baradei, in his latest CNN interview, "Iran obviously would like to have their own independent enrichment." Unless and until the NPT provisions are revised, for example by the creation of an international

# Whether the outside world likes it or not, Iran has become permanently proliferation-prone.

consortium of states and companies under the IAEA aegis to distribute nuclear fuel at market prices, Iran

remains entitled to its legal right to produce nuclear fuel for its reactor(s). At the moment, Iran has not expressed any official position for or against such a consortium, which it has been invited to join by the IAEA chief and the Paris Agreement. This brings us to a consideration of Iran's present negotiation position: an offer of objective guarantees that the enrichment cycle will be contained at low (i.e., 3.5 to 8.0 percent) levels, and that henceforth no re-enrichment, feared by the West, would take place. In making this offer, Iran has followed the advice of various IAEA scientists and other experts to provide the guarantee that all the low-enriched uranium would be immediately converted to fuel rods under full external supervision.

Iran's offer, presently contemplated by EU, is categorical and, contrary to some media reports, there is no request by Tehran to exclude the operation of some 500 centrifuges. Such disinformation serves to poison the negotiation climate and the potential for a major breakthrough. Considered a middle of the road, compromise solution, Iran's proposal goes beyond the Additional Protocol to provide technical and objective guarantees that no diversion of nuclear activity for weaponization will occur; it provides a more expanded role for IAEA inspectors, who have already spent more than 1,000 inspection hours in Iran over the past few years up to the level of a constant presence in Iran, together with extensive use of surveillance cameras and tamper-proof seals. This proposal has a greater chance of putting the genie of Iran's nuclear weapons potential back in the bottle than the token incentives offered by the Bush Administration described by Iran's top nuclear negotiator as "peanuts."27 This approach, initially brainstormed by Schroeder and Chirac, is flatly rejected by Iran as "unequal exchange" given the hundreds of millions invested in the facilities which the West demands must be dismantled. Iran-EU negotiations have now reached a fork in the road. After succeeding in enlisting Washington's consent to its diplomatic track, Europe and America can harvest much in the path of non-proliferation by giving serious consideration to Iran's proposal.28

#### **CONCLUSION: THE QUESTION OF SECURITY GUARANTEES**

In May, 2005, during their latest round of talks as of this writing, Iran and EU3 agreed to maintain the status quo until the end of Summer 2005, both to allow the untangling of the nuclear issue with Iran's presidential elections and also to give the EU time to advance a concrete proposal detailing the various economic, nuclear, and security incentives offered Iran.<sup>29</sup> In the same month, Iran successfully fended off the U.S. and European attempts at the NPT Review conference to close the "loopholes" allowing transfer of nuclear technology,<sup>30</sup> thus weakening future Western cause against Iran at the Security Council. Increasingly, the Iran-EU talks have focused on the security question, which undoubtedly requires full U.S. input.

In exploring this question, it is important to factor in Iran's national security calculus, and above all an emerging "nuclear paradigm" according to which Iran's "break-out" capability alone can potentially act as a deterrent vis-à-vis the encircling U.S. power. Widely popular in Iran, invoking the idea of a "nuclear populism,"<sup>31</sup> this paradigm discursively operates along the lines of Iran's national security discourse, which is still rife with the memories of Iraq's invasion in the 1980's. While there is no consensus on this paradigm-in-the-making and certain officials

question its feasibility in the absence of a "second strike capability,"<sup>32</sup> there is a strong argument in favor of a future Iranian "nuclear shield" in light of the "Iraq lesson," i.e., the perception that—rhetoric aside—it was the U.S.-led coalition's correct estimate of Iraq's military weakness and lack of WMD that led to the unilateral invasion by the "unrestrained superpower."<sup>33</sup>

Notwithstanding the above, a U.S.-EU guarantee of non-invasion and noninterference in Iran's national sovereignty has the best chance of rupturing the discourse on the necessity of a nuclear deterrence, which had earlier surfaced in reaction to Iraq's nuclear buildup. As the U.S. invasions of Afghanistan and Iraq, which destroyed two major national security worries for Iran, have been rightly interpreted as "boons for Iran,"<sup>34</sup> the overall strategic environment of Iran has, in fact, improved considerably, enhancing Iranian national security confidence.

Hence, in addition to an explicit security pledge by the United States and Europe, the following steps are recommended: An Iran-NATO dialogue, notwithstanding Iran's participation in the recent NATO summits in 2002 and 2003, focusing on Persian Gulf security, and an Iran-OSCE (Organization for Security and Cooperation in Europe) dialogue in light of Iran's recent attendance at OSCE conferences in the Caspian Sea basin on "environmental security." Like Russia, Iran has strong misgivings about NATO, yet it may be receptive towards the idea of a "NATO-Iran Council," notwithstanding NATO's recent Istanbul Cooperation Initiative aimed at Iran's Arab neighbors in Persian Gulf. Simultaneously, aware of a degree of organizational competition between NATO and OSCE, Iran may be inclined to allow OSCE a greater input into the Persian Gulf security calculus by prioritizing its dialogue with OSCE and, perhaps, even entertaining the thought of following in the footsteps of its neighboring Caspian states and becoming an OSCE member state in the future.

In conclusion, while there is no guarantee that any of the security guarantees offered by the West will suffice to put the genie of an Iranian nuclear menace back in the bottle, the mere absence of such initiatives right now must be counted as a serious impediment to current efforts to re-track Iran's nuclear programs on a completely peaceful footing.

#### Notes

1. Interview with a career diplomat from the Iranian Ministry of Foreign Affairs in Tehran, Iran who wished not to be cited by name.

4. There is "groupthink" in the United States about Iran's nuclear build up, e.g., John Bolton, the new

<sup>2.</sup> Ibid.

<sup>3.</sup> For more on this, see Rebecca Johnson, "Is the NPT up to the challenge of proliferation?" *Disarmament Forum* (2004).

designated U.S. Envoy to the UN, has repeatedly stated that, "Iran is continuing its pursuit of weapons of mass destruction." See John Bolton's testimony to the House International Relations Committee, 24 June 2004. See http://www.globalsecurity.org/wmo/library/congress/2004\_h/040624-bolton.htm. For similar views see, Arnaud de Borchgrave, "Iran in bombsights?" *Washington Times*, 12 January 2005.

5. Interview with Mr. El Baradei by CNN, available on the CNN website, 17 March 2005. Mr. El Baradei stated that, "I think they [the Iranians] insist we should not be treated differently from any other country."

6. In his report on UN reform, UN Secretary General Kofi Annan stated, "On non-proliferation, the International Atomic Energy Agency's verification authority must be strengthened through universal adoption of the Model Additional Protocol, and states should commit themselves to complete, sign and implement a fissile material cut-off treaty." Quoted in *In Larger Freedom: Towards Development, Security and Human Rights For All*, Report of the Secretary General to the General Assembly, March 21, 2005 (GA/59/2005).

7. In his 2004 State of the Union Address, President Bush demanded that, "The Iranian regime must give up its uranium enrichment program and plutonium re-processing, end its support for terror." Quoted from *The New York Times*, 3 February 2005.

8. See "Taking Aim at Iran," London Times, 13 March 2005.

9. The New York Times, 17 March 2005.

10. Sergei Blagov, "Russia steadfast on Iran," Asia Times, 30 March 2005.

11. "Turning Iran Away From Nuclear Weapons," Arms Control Association (July/August, 2003).

12. For more on the IAEA's reports, see Miriam Rajkumar and Joseph Cirincione, "The IAEA's Report on Iran, No Slam Dunk," Carnegie Endowment for International Peace (September 2004).

13. Quoted in IRNA, 6 November 2004.

14. After the so-called Tehran Declaration in October 2003, British Foreign Secretary Jack Straw stated, "We all believe in the rights of any sovereign nation to develop a civilian nuclear program." Quoted in "Iran agrees to inspections after EU talks," *Deutsche Welle* Website, 21 October 2003.

15. See, for example, Johannes Reissner, "Nuclear Issue Instead of Iran Policy?" SWP Comment 11, German Institute for International and Security Affairs (March 2005).

16. For a discussion of Iran-EU relations, see Julie Scandella, "The "Linkage Policy": Economic and Political Negotiations between EU and Iran," *Iran Review*, Vol. 1 (August 2004), 39-51.

17. For more on this, see Kaveh Afrasiabi, "The myth of an Israeli strike on Iran," Asia Times, 8 April 2005.

18. On Iran's nuclear facilities, see Andrew Koch and Jeanette Wolf, "Iran's nuclear-related facilities: A Profile," Center for Nonproliferation Studies Database (Monterey Institute of International Studies, 1998). Also see Mustafa Kibaroglu, "An Assessment of Iran's Nuclear Program," *The Review of International and Strategic Affairs* (Spring 2002), Vol. 1. No. 3, 33-48.

19. See Kenneth Pollock and Ray Takeyh, "Taking on Tehran," *Foreign Affairs* (March /April 2005). The authors present a flawed analysis of Iran's factionalism, e.g., portray Larijani, a nuclear hard-liner opposed to the Paris Agreement as a "sell-out," as a pragmatist on the nuclear issue. Also, these authors, disregarding Iran's official denials to the contrary, claim without the slightest evidence that, "The Iranian government has insisted that it would never give up its nuclear weapon program."

20. This information is based on interview of the authors with key nuclear decision-making officials in Iran in Fall, 2004.

21. For more on this, see Kaveh Afrasiabi and Abbas Maleki, "Iran's foreign policy since 11 September," *Brown Journal of World Affairs* (Winter / Spring 2003).

22. For more on the ECO, see Kaveh Afrasiabi and Jallli Pour, "Regionalization in a competitive context: the case of Economic Cooperation Organization," *Mediterranean Affairs* (Fall, 2003).

23. For a typical article that overlooks such important distinctions between Iran and North Korea, see David E. Sanger, "What can and can't be done about North Korea and Iran," *The New York Times*, 26 September 2004.

24. See Bruce Bennett, North Korea's Threat to South Korea (Rand Corporation, March, 2003).

25. According to Mohammad Saidi, the Deputy Director of Iran's Atomic Energy Agency, "all the

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components and design of the centrifuge system has been done by internal technicians and domestic producers." Quoted in *Tehran Daily*, 3 April 2005.

26. "EU appreciates Russian support on dialogue with Iran," quoted in IRNA, 2 April 2005.

27. Interview of authors with Iran's Permanent Representative to the United Nations, Mohammad Javad Zarif, 11 April 2005.

28. See Kaveh Afrasiabi, "Den Geist in der Flasche halten: Iran bietet Europa die Überwachung seiner Atomtechnik" (Putting the Genie Back to the Bottle), *Tagespiegel*, 26 April 2005.

29. This agreement was the result of both Iranian "brinksmanship" threatening to resume the centrifuge activities and stern European warning that they might bandwagon with the United States on sanctions. See "EU Diplomats: Iran Risks Sanctions for Nuclear Activity," *Voice of America*, 11 May 2005.

30. For more on this see Dilip Hiro, "Iran, the West and the NPT," *Middle East International*, 11 May 2005. Given the absence of any 'smoking gun' on Iran's nuclear program, the legal right of Iran to produce low-grade nuclear fuel militated against any future Western complaint against Iran to the UN Security Council.

31. The elements of this nuclear populism can be discerned in a recent *New York Times* report on Iranian "national pride" concerning their nuclear program. See Neil MacFarquhar, "Across Iran, Nuclear Power Is a Matter of Pride," *The New York Times*, 29 May 2005.

32. Speech by Dr. Mostafa Zahrani, Director of Iranian Foreign Ministry's think tank, the Institute for Political and International Studies (IPIS) at a German-Iran Roundtable, Berlin, 3 May 2005. However, the strategic vulnerability of thousands of U.S. military personnel in Iran's vicinity, as viewed from the prism of Iranian nuclear deterrence, lessens the gravity of the absence of a second-strike capability.

33. This sentiment is shared by a number of high ranking Iranian policy-makers, including Dr. Mahmoud Vaezi, Deputy Director of the Center For Strategic Studies, in his conversations with the authors in Fall, 2004. A case of Iranian "group-think" is the perception that Iraq's pre-invasion destruction of its WMD played a big role in the United States' decision to invade it in 2003.

34. There is a growing consensus among Western experts that Iran is a net winner of the post-11 September U.S. actions in the Middle East. See "US Gulf Actions Seen As Boons For Iran," *Baltimore Sun*, 29 May 2005.

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