Iranian Nuclear Ambitions: Motives and Strategies

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U.S. Senate: Committee on Foreign Relations Wednesday, May 17th 2006 Mr. Chairman I am grateful for the opportunity to speak to you and your colleagues about a matter of grave importance to the United States, namely Iran's behavior and its nuclear program. The committee has asked me to comment on three subjects:

- Can Russia and China be helpful in pressuring Iran to change its present course?
- What are the attitudes of Iran's neighbors to the current regime and the course it has chosen to pursue?
- Do opportunities exist in the region for those seeking to contain Iran?

I will add a fourth issue:

• The need for continued U.S.- EU cooperation

Can Russia and China be helpful in pressuring Iran to change its present course?

There is no doubt, in my opinion, that Russia is the key player on this matter and that with adroit diplomacy it would have been possible to obtain the cooperation of the Putin government to put far more pressure on the Iranian regime to put limits on its nuclear program. In the event of Russian cooperation it is unlikely that China would be the lone dissenter to joint pressure against the Islamic Republic.

However we have not handled the Russia portfolio with skill. Russia sees Iran as a cooperative partner in an unstable part of the world straddling the Caucuses and Central Asia. In contrast the U.S. policy towards Russia's "near abroad" is seen in Moscow to be provocative. The laudatory objective of the Bush administration is to nurture more freedom in Eurasia and to develop multiple pipeline routes in the context of energy security. However in the specific context of persuading Russia that it is in its interests to turn on one of its partners, Iran, it must be asked what it is we are offering the Russians to make this difficult choice worthwhile? Russians privately tell you that if the Americans want to deal on Iran then it would require some *quid pro quo*, such as not encouraging Ukraine to join NATO or not deliberately making provocative speeches in the region a few weeks before the G-8 Summit in St. Petersburg. I would have to conclude that while there are good arguments for being critical of Russia and being supportive of neighbors such as Ukraine and Georgia, the Baltic states, and Kazakhstan, such pronouncements are counterproductive in the context of Iran policy.

Seen from the Russian point of view, not only are we interfering in their backyard, but if we eventually improve relations with Iran as part of some ultimate "grand bargain" and remove economic sanctions then Russia stands to lose a great deal of economic leverage in that country while witnessing the return of the U.S. and all that entails for the region.

A similar set of trade-offs could be made in the context of China. China is not unhappy to see us struggling in the Middle East, even though it does not want to see a failure in Iraq. Neither does

it want to see an Iranian nuclear program. Yet China, too, would need some *quid pro quo* to put serious pressure on Iran.

What are the attitudes of Iran's neighbors to the current regime?

Iran's neighbors have different specific problems with the current leadership in Tehran but all are concerned about its nuclear program. Most of Iraq's Shia leaders owe a big debt to Iran and have nurtured close ties with the Mullahs while making it clear that they do not wish to establish a Shia theocracy in Iraq. Turkey and Iran share common concerns about the evolving Kurdish region in northern Iraq. The Sunni Arab states are all fearful of Iran's hegemonic tendencies and talk about a "Shia Crescent" running from Iran, through Iraq into Syria and Lebanon. The Gulf states with significant Shia populations, notably Saudi Arabia and Bahrain, worry about domestic pressure. The UAE has a long- standing territorial dispute with Iran. Qatar has become a firm military ally of the U.S. Oman is probably the least worried about Iran, though this could change.

How to assess the impact of Iran's nuclear program on Gulf security? There is a major difference between Saudi Arabia and the smaller GCC countries, because of Saudi Arabia's size, budget, infrastructure, and regional aspirations. For instance, unilateral options open to the smaller Gulf states in the event of an Iranian bomb are very limited. Saudi Arabia, however, has the capacity and the wealth to consider some form of nuclear deterrent, most likely in cooperation with another country, such as Pakistan. Saudi Arabia already has Chinese SS-2 medium range missiles in its current inventory. It is not unreasonable to assume that Saudi Arabia could engage in nuclear purchases, either the basic fissile materials to make a bomb or a finished product. Furthermore, it is not only an Iranian bomb that could motivate Saudi Arabia to consider such an option. The propensity of Saudi Arabia to think about a nuclear option is related to the state of its relationship with the United States, which, until recently, was always considered the protector of the Kingdom in the last resort.

Aside from Saudi Arabia's reaction, the most likely <u>initial</u> response of the Gulf countries to the news of an Iranian nuclear weapons program will be concern about possible U.S. and Israeli preemptive military actions. The Bush Administration and Israeli leaders have both made it clear that the Islamic Republic's possession of the bomb will be an intolerable threat.

However, since the Iraqi war and the unreliability of western intelligence concerning Iraq's WMD programs, the case for preemptive war against supposedly proliferant states has been weakened and, therefore, the political costs of undertaking such action in the future have become much higher. If there is uncertainty with intelligence about an Iranian bomb, the US and Israel will have problems garnering support for military action. Even if the evidence is overwhelming and highly convincing (i.e. Iran either tests a nuclear device or announces it is building the bomb), there will be reluctance to endorse US-Israeli military action for fear of the chaos this could bring to the Gulf and the region.

Do opportunities exist in the region for those seeking to contain Iran?

An Iranian nuclear program means the U.S. will have strong reasons to maintain its military presence in the Gulf States. The nature and purpose of enhanced military cooperation between

the US and the Arabian Peninsula could take many forms. The most important component would be a counter-deterrent to indicate to Iran that any efforts to use nuclear weapons to intimidate or blackmail would be challenged by the US. The credibility of this counter-deterrent would be linked to the vulnerability of US forces and US targets themselves to Iranian intimidation. And here we are referring to regional targets. Iran is not expected to deploy an intercontinental ballistic missile capable of striking the continental United States for many, many years. It is difficult to see under what circumstances Iran could use its nuclear weapons in anger, except for in some suicidal spasm similar to the scenarios that were heard so frequently with respect to Saddam Hussein and his capacity for a glorious Gotterdammerung ending to his fiefdom.

Need for Continued U.S.- EU Cooperation

The Iranian government feels sufficiently confident of its diplomatic position on the nuclear program, at both the UN and the IAEA, to run the risk of a major confrontation with the United States and Europe. The key test will be whether the United States and Europe can continue to address this issue from the same set of principles and talking points. Much will depend on whether the Europeans are now finally prepared to join the United States on imposing economic sanctions on Iran if pressures from the IAEA at the UN Security Council fail. The Iranian nuclear issue will be a test not only of U.S.-European relations, but of European resolve as well. It is important to note how far out on a limb the European governments, particularly Britain, France, and Germany, have gone in proposing this agreement and what a challenge they face if the Iranians continue their nuclear enrichment program.

Iran's leaders appear to have calculated that they can withstand the diplomatic pressure they are likely to face and that even if sanctions are imposed Iran has the will and financial resources to ride them out. It remains to be seen what the long-term implications of this are for both Iran's domestic politics and its actions in Iraq. If the United States and Europe increase their rhetoric against the Iranians, and if sanctions begin to hurt Tehran, Iran may use its bargaining chips in Iraq at a critical moment in its post-Saddam political evolution. The linkage between the Iran's nuclear issue and its role in Iraq is becoming clearer.

Despite Iran's gleeful defiance of the international community on the nuclear issue, it would be unwise for Iran's leaders to take their current good luck for granted. The Islamic Republic faces significant social and economic challenges that can only be made more difficult by alienating the West. The embarrassing and unacceptable statements by its new President calling for Israel's destruction, while a popular theme in many Islamic countries, have harmed Iran's international image and caused further anxiety with his behavior at home. Regionally, Iran has poor relations with its Arab neighbors, and it cannot be assumed that Iraq's Shiite community will remain friendly and grateful indefinitely. Iran's vital national interests could be helped by ending the stand-off with the United States. Likewise, the United States has more to gain than lose if it adopts a more coherent and pragmatic policy toward the Islamic Republic.