Introduction

In its twenty-seventh year, it is not clear whether the government of the Islamic Republic of Iran (IRI) still rejects the international system and seeks to overturn it, or is striving to improve its position within the system. This question is posed starkly with respect to Iran's quest for a nuclear capability. Important as it is to keep the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) intact, it appears doubly so when faced by the threat of a revolutionary Iran seeking a nuclear capability. Given the nature of the Iranian regime and its past behavior, Iran's nuclear aspirations appear incompatible with the maintenance of the current regional system. The Middle East in particular and the global order more generally are thus challenged by Iran's quest for nuclear status.

Iran's drive for specific nuclear technology that could be used for weapons purposes raises a number of questions for the international community. The more specific issues relate to Iran's particular case as a revolutionary state, accused of sponsoring terrorism and located in a sensitive geopolitical zone that has seen three wars in the past decade and a half. The stakes are compounded because since September 11, 2001, the relationship between terrorism and proliferation—and rogue states and weapons of mass destruction (WMD)—has become the foremost security issue. In the U.S. view

at least, the wars in Afghanistan and Iraq attest to the fact that proliferation, terrorism, and the role of rogue states constitute threats that must be dealt with urgently and firmly. In this view, the "nexus of extremism and technology" suggests massive-scale danger from actors that may not be deterrable. Particularly in the Middle East, the U.S. response has been forward defense, preemption, and regime change.

The broader issues include the possible breakdown of the nonproliferation regime through further proliferation and recognition that the NPT may allow a state to get perilously close to acquiring nuclear weapons. The need to plug gaps in the treaty and to strengthen enforcement poses enormous political problems in the international system.

Global Context

The 9/11 attacks on the United States changed U.S. strategic priorities. In the 1990s non-proliferation and its link to rogue states had been identified as a priority in the post–Cold War era. These same states sponsored terrorism as well, but at this juncture terrorism was still seen as largely a law enforcement issue rather than a priority—a nuisance rather than a strategic threat. After 9/11, terrorism was transformed into a major threat, but the possibility that it might be married to WMD elevated it to a priority consistent with the risks it posed as an existential threat. Now the outlaw states became potential enablers of terrorist groups and potential suppliers of WMD to those who sought to inflict the maximum destruction on the United States. These states, dubbed the "axis of evil" in January 2002, were now clearly assimilated into the War on Terrorism. The United States' dark view of the world, based on the trauma of 9/11, was followed by a determination to prepare against any future surprise.

It soon became apparent that the rogue states had indeed cooperated in the area of WMD. North Korea and Pakistan *had*

exchanged expertise on nuclear and missile technology and weapons plans. North Korea and Iran *had* cooperated in the development of missile and possibly nuclear technology as well. Pakistan *had* provided, albeit unofficially through the AQ Khan network, technology and weapons designs to Libya and Iran.[1] What was referred to as a "nuclear Wal-Mart" reflected the global diffusion of technology and the porousness of borders in a globalized world.[2] Now nonstate actors, whether motivated by profit or ideology, could further proliferation unconstrained by the legal instruments that had been devised for states.

The United States reacted by hardening its policy. It saw no need to get permission from others to see to its own defense or to require weak and elusive multilateral consensus in order to act. The United States thus moved away from the reciprocal obligation that had been the core of the WMD order in the Cold War era toward a hegemonic order based on coercion rather than consensus.[3] This move away from a rules-based global order underlies the deeper crisis of legitimacy the NPT regime faces.[4]

Therefore, while the threat posed by nuclear proliferation has increased because of its possible link with terrorism and because of the diffusion of technologies and knowledge, the political context has become less conducive to effective and legitimate (that is, collective) responses. Iran has played on these divisions to cover its programs. And it is this current malaise that has led to the invocation of the image of a cascade of proliferation if current trends persist.[5]

In dealing actively with the proliferation threat posed by Iraq in 2003, the United States has gone from a high point of regional power to a position in which its credibility is damaged and it is embroiled in an internal conflict whose outcome looks, at best, unsure. The regional context has therefore improved for Iran since 2003.

As the military threat has passed, Iran has challenged the United States' creation of a new regional order. Buttressed by record oil revenues and leverage afforded it by a tight oil market, Iran has acted more confidently. In Iraq it has become a clear influence, and in the IAEA it has used the nonaligned states' sympathy to slip out of

constraints imposed by the EU-3 (Great Britain, France, and Germany) negotiations. Since August 2005 Tehran has moved to consolidate its mastery of the fuel cycle, confident in its ability to deflect or manage a referral to the UN Security Council (UNSC).

The United States has yet to adopt a formal policy toward Iran. Despite concern about terrorism and non-proliferation and fulminations about the nature of the regime in Tehran, Washington has an attitude rather than a considered, measured policy. Lukewarm support for European diplomacy, insistence on referral to the Security Council (without a strategy once there), and brandishing a military option (but refusing direct involvement) does not amount to a policy.

The key issue concerning Iran's nuclear ambitions is Tehran's quest for the full fuel cycle, which would put it within months (if not days) of a weapons capability. The United States and the EU-3 seek to constrain Iran's access to this technology or to induce it to forgo it in exchange for privileged access to less sensitive technology. But Iran insists on full fuel cycle autonomy. Negotiations have revolved around this issue, with incomplete results. The basic issue is one of trust: The West does not trust Iran with the technology, and Iran refuses to relinquish it. Negotiations have focused on what would constitute reassurance for the West and still enable Iran to access the technology. Given Iran's past record of nondeclaration of activities and dissimulation and the accompanying distrust of Iran's intentions, the West has concluded that it cannot give Iran the benefit of the doubt.

Assuming that Iran's technical capabilities remain limited in the next five years, the issue will remain whether Iran will persist in its attempt to acquire a nuclear capability by stages. Iran has sought to appeal to the developing states by depicting pressures on it as discriminatory and a denial of its rights under the NPT. By formally, if selectively, cooperating with the IAEA, avoiding major provocations, and gearing its acts to limited measures insufficient to justify a major punitive response, Iran has sought to minimize its exposure to concerted international pressure. Iran also encour-

ages and cultivates divisions among the major powers to continue on its course. Tehran counts on U.S. distraction (Iraq, Afghanistan, energy prices, Hurricane Katrina, and elections) and EU divisions and preoccupations (elections, terrorism, immigration and economies, EU referenda) to derail any momentum for sanctions. In the absence of a smoking gun and its expressions of willingness to negotiate, Iran expects the incentives for referral to the Security Council to be reduced for two reasons: first, it believes that the outcome of such a referral is uncertain; and second, its threats to react strongly if the matter is referred to the Security Council have raised the stakes considerably. By demonstrating division the Security Council would signal its impotence but a united council might only be possible by showing a different form of weakness—watering down its demands. It remains unclear what cost the major powers are willing to impose on a suspect proliferant and what price that state, Iran, is willing to pay to get close to a nuclear weapons capability.

The difficulty posed by states seeking technology that brings them close to a bomb is not simply one of evil outlaw states. The NPT was always Janus-faced, at once promoting nuclear technology (Article IV) and non-proliferation of nuclear weapons. The problem, as Albert Wohlstetter remarked in the 1970s, is that the technologies are essentially the same. The spread of nuclear technology, legitimate and even encouraged by NPT rules, can bring states close to a weapons capability. Without diversion and "without plainly violating their agreement," states "can come within hours of a bomb."[6] It is no wonder that thirty years later President Bush can remark that "we must therefore close the loopholes that allow states to produce nuclear materials that can be used to build bombs under cover of civilian nuclear programs."[7] This sentiment was echoed by U.S. officials in the 2005 NPT review conference with specific reference to Iran: "Some countries, such as Iran, are seeking these facilities (uranium enrichment or plutonium reprocessing plants), either secretly or with explanations that cannot withstand scrutiny. We dare not look the other way.... We must

close the loopholes in the Treaty that allow the unnecessary spread of such technologies."[8]

The problem is that tightening the treaty without renegotiating it will be difficult, not least in light of the discontent with the treaty on the part of many non-nuclear-weapons states. If ad hoc approaches are taken, there is the issue of drawing the line: Who is to decide where the line on such technologies is drawn, who is included and who excluded, and on what criteria?[9] The problem is compounded by the possibility of future energy crises and environmental concerns about global warming, which may indicate the revival of nuclear power. Increased interest in nuclear power would make controlling technologies more controversial politically.

Iran's ambiguous quest for nuclear technology thus unfolds at a time and place of great sensitivity. By seeking this technology—while claiming formal adherence to the treaty, using diplomacy, and adopting the language of a victimized non-nuclear-weapons-state simply seeking its due under Article IV of the treaty—Iran tests both the treaty and its supporters.

A policy to deal with Iran's specific motives and circumstances should not entail rewarding proliferation or derogating from the provisions of the NPT. However, devising an effective policy requires understanding Iran's ambitions and perspectives. Iran's achievement of a nuclear capability would increase its confidence and reinforce its tendency to block Western initiatives and seek a more prominent regional role.

The purpose of this study is first to assess the motivations driving Iran toward a nuclear capability all but indistinguishable from nuclear weapons. I discuss reasons why this should be of concern for the international community and assess Iran's tactics in the current negotiations and its intentions, as well as analyze international responses. I am principally concerned with what Iran is doing, what its motivations are, how it is going about it, and what it hopes to achieve. Necessarily the study is based on analysis and inference involving a discussion, for example, of negotiating style and tactics. I assume this issue will not be neatly solved in the near future and

that a good understanding of motivations, arguments, and tactics will continue to be essential, whatever new developments may occur in the next few years.

Setting the Stage: The Background to Iran's Nuclear Program

After explicitly targeting and criticizing the Shah's nuclear program as an example of the monarchy's corrupt taste for megaprojects, the Islamic Republic of Iran rediscovered an interest in nuclear power in the midst of the Iran–Iraq war (1986). Despite the fact that the unfinished Bushire reactor had been abandoned by German technicians and bombed by Iraq, Tehran sought to revive the project. The argument for this at that time was based on the costs already sunk in the project. When Germany, at the behest of the United States, declined to resume construction and finish the project, Iran turned to the Soviet Union. The untested idea was to try to marry Soviet technology and nuclear core to the existing German-built foundations. Reliance on Soviet and later Chinese assistance became features of Iran's nuclear program in the 1990s. By this time Iran had articulated a new and ambitious long-term program for nuclear power plants, with the stated rationale of energy self-sufficiency. It is now known that already in the 1980s Iran had been in contact with the AQ Khan network to give its sputtering program new impetus.

With declining oil income (in real terms after 1986), a rapidly increasing population, and extensive war and reconstruction expenses, Iran could not give the program the highest priority. The program hitherto had therefore been characterized by persistence and incrementalism. This changed after 1999, however, when the nuclear effort was intensified.[10] The accelerated drive came at a time when Iraq was tightly contained, when reformists were in office in Iran, and when the Clinton administration was making overtures for normalization to Tehran.

Iran's view of nuclear weapons was influenced by the lessons of its war with Iraq, especially with regard to self-reliance and pre-

paredness (hedging against surprise). Close observation of the international reaction to the North Korean case in 1994 yielded yet another lesson. Nothing in the Security Council response to that crisis suggested inordinate risks associated with developing nuclear weapons or any inevitability about a united front in that chamber. Throughout the 1990s Iran's insistence that U.S. accusations about its nuclear program stemmed from a bilateral feud with Tehran appeared plausible to some. U.S. efforts to halt the transfer of technology to Iran's allegedly civil nuclear program met with only mixed receptivity in Moscow and Beijing.

This brief synopsis of Iran's nuclear program suggests the following. Reactivated in the midst of war under adverse conditions, Iran's nuclear program was initially influenced by security issues. But Saddam Hussein's nuclear threat had essentially been eliminated or contained by 1991, well before Iran's program took off. The continuing impulse for that program stemmed from a prudent though vague desire to hedge against an uncertain future. In the 1990s, as the Islamic revolution lost its luster for its supporters at home and abroad, the nuclear option appeared to offer a way out, a point around which to rally nationalist opinion and to legitimate the regime. In a sense the nuclear program was in search of a rationale, which evolved from insurance against Iraq to energy independence and from regional status to deterrence against the United States. And along the way it picked up domestic interest groups.

Iran accelerated its nuclear program in 1999. The undeclared drive for enrichment or a nuclear capability or option within the treaty was upset by the revelations of mid-2002, which showed that Iran had built undeclared fuel cycle facilities, whose economic rationale was debatable and whose value for producing nuclear weapons was great.

Iran had sought to create a *fait accompli* on the Korean model but was derailed by the public revelations of its undeclared activities in mid-2002. Put on the defensive by these revelations (occurring when the United States was planning the Iraq war), Tehran sought an accommodation with the EU-3, which included constraints on its

activities. It took two years before Tehran regained its confidence to break free from the constraints it had accepted in September 2003. Iran thus moved away from reassuring the international community on its program to a defiant assertion of its rights. In the two years between September 2003 and August 2005, Iran's negotiations with the EU-3 (and through them the international community and IAEA) proved counterproductive. Intended to find a balance between the necessity of reassuring others of the peaceful nature of its activities and its ambitions for a nuclear program, the negotiations succeeded only in exacerbating suspicions. Iran acted as if it were a victim rather than a state found in flagrant dereliction of its commitments. The additional distrust created by the negotiations themselves were a result of Iran's negotiating style and tactics.

The sketch that follows underscores the negotiations' principal stages and results (see chronology for a complete list of key events in the timeline). Revelations of Iran's activities saw the IAEA energized and its Director-General Mohammad Al Baradei visit Tehran in February 2003. Inspections followed. In September the IAEA's Board of Governors called on Iran to ensure full compliance with the safeguard agreement by taking all necessary acts by the end of October 2003. Iran was told to suspend all further enrichment activities and to ratify and implement the Additional Protocol (AP) for enhanced inspections. Under pressure and the threat of referral (and possible U.S. military action), Iran accepted an agreement with the EU-3 in Tehran, suspending enrichment (for the duration of negotiations) and signing and implementing the AP. In return, Tehran sought to have its relations with the agency normalized and its nuclear file speedily dropped. Iran cooperated with the agency but remained adamant about resuming enrichment and maintaining opacity about some aspects of its program. When Iran sought to define its rights to include enrichment-related activities deemed suspended by its negotiating partners, the Tehran agreement of September 2003 was followed by the Paris agreement of November 2004, which closed any loopholes about enrichment-related activities. In June 2005 Iran served notice of its intention to resume

conversion activities. It rejected a broad incentives package proposed by the European states and resumed its activities in August of that year. Moreover, the new Iranian government adopted a more belligerent tone. Shrugging off progressively stronger resolutions from the IAEA threatening referral to the UNSC in the autumn, Iran resumed enrichment research in January 2006. The agency decided to refer Iran's case to the Security Council in March 2006, where it is now being considered.

Iranian Challenge

An Iranian nuclear capability is primarily an issue about Iran and the Middle East regional order, notwithstanding the enormous impact on the NPT regime. The nature of the regime in Iran and its behavior animate special concern about Iran's nuclear ambitions. A nuclear capability would give Iran the confidence to obstruct and challenge U.S. power and Western influence in the Middle East. A nuclear capability would also be an immediate guarantee against forcible regime change. This study argues that it is not Iran's acquisition of sensitive technologies per se that is of special concern, but the nature of the regime in Tehran and its behavior and orientation that give the threat a world-historical dimension. A nuclear Iran would be a dangerous, destabilizing competitor in a sensitive geopolitical area. The conjunction of a nuclear-capable Iran and a weakened, disintegrating Iraq under Iranian influence would compound the problem, dramatically destabilizing the region.

Therefore, the focus on Iran's nuclear capabilities should not obscure the primary concern: Iran's regional policies. A different Iran, or an Iran pursuing more moderate goals in the region, would not be perceived the same way as Tehran is today. An Iran less hostile to the West, less aggressive toward Israel, and less bent on creating a different regional order would certainly be less threatening. A different regime, a secular democratic one, would be the object of less concern, even if it were pursuing the same nuclear capabilities.[11]

This means that the discussion regarding Iran's nuclear ambitions is at times a discussion of the nature of the Iranian regime and raises the question of whether that regime is likely either to be replaced soon or to change its behavior to an appreciable extent. Iran has not yet had to choose between regime maintenance and its regional policies. Tehran sees the extension of its influence as an integral part of the regime's legitimacy, but *in extremis* it has no hesitancy in tempering its ambitions (as in 2002–2003).

Iran uses discontent with the NPT and anti-Americanism in the Middle East to pursue its goals, thus generalizing its case and strengthening its diplomacy. Iran is without a significant strategic partner or dependable ally. It is thus obliged to pursue its goals alone, which suits its particular brand of assertive defiance and opportunism. Tehran can rely on Russian, Chinese, and Indian interest and indulgence in respect to some of its ambitions (though not necessarily to its preferred spoiler role). Iran's size and weight make it a more formidable rival than other states identified as proliferants. Blocking Iran's access to technology, mobilizing diplomatic coalitions for sanctions, and countering its regional initiatives are thus much harder than in the case of countries like North Korea (or Libya). And as a major oil and gas supplier located at the crossroads of the Caspian and the Persian Gulf and the Arab and Asian subcontinent, Iran is not without potential assets.

Iran has invested in its nuclear infrastructure for nearly two decades. The program has been marked by persistence and incrementalism, by determination rather than urgency. As the absence of a crash program would suggest, the motives for investing in a nuclear option stem more from political than security imperatives. While the security rationale has been shifting, the political motive has remained unvarying and fixed. The impulse behind the program has been persistent, even if its aims have been unclear.[12]

Iran seeks technology related to nuclear weapons and, assuming the absence of a large-scale clandestine program, still has not made a definitive or irreversible decision to acquire nuclear weapons as opposed to an option. This is important in practical terms because

it signals that Iran seeks to stay *within* the treaty—as much for the technical cooperation it needs as for the vindication of its image as a respectable (as opposed to rogue) state. There is thus still time for an effective international reaction before Iran reaches the technological point of no return of self-sufficiency in its nuclear program.

Iran's quest for a nuclear capability (for "nonweaponized deterrence") can be understood by reference to certain key goals: a deterrent (regime maintenance), an instrument for regional influence, a nationalist card for regime legitimation, and a bargaining card.

The formative experience of the IRI with international politics was in the immediate aftermath of the establishment of the Islamic Republic when it was challenged by Iraq. The lessons it learned from that hard and bitter war, together with what have become enshrined as semisacrosanct "principles of the revolution," inform its nuclear policy as well as its public discourse: independence, equality, and nondiscrimination. The nuclear question is particularly notable for raising all of these issues in terms of access to technology, dependence on foreign suppliers, equality of treatment, and so on. Above all, the nuclear issue is one of symbolism, reflecting Iran's coming of age as an important power. The Iranians see it—and the issue of trust and confidence—as a two-way street of reciprocity and respect.

Iran's quest for a nuclear capability by stealth is not surprising in a region where transparency is not a part of the culture and where opacity and dissimulation are the norm. Disentangling fact from claim and argument from artifice is not easy. Grappling with Iran's aims needs a reconstruction of motives, experiences, and worldviews, while intentions are harder to assess. It is easier to argue that Iran seeks a capability than to assert that this decision has been made definitively, no matter what the cost. It is also difficult to be sure whether the nuclear program has become self-sufficient, whether there exist significant clandestine facilities, and what time frame this implies. Finally it is difficult to be certain whether the decision has been made to acquire nuclear weapons or an "option" short of that. The argument presented here is that while

Iran has been persistent, it has also been "playing it by ear," with no irreversible decisions taken and these sensitive to the costs associated with proceeding. In addition there is no strategic urgency arguing for a nuclear weapon as opposed to an option. However, the program is pursued according to what the traffic will bear. Iran's leaders have antennas very sensitive to the relative balance of power and what they can get away with. They see the regional balance of power since 2004 and the diplomatic balance of power since 2005 as having increasingly turned in their favor. Iran's relations with the IAEA and negotiations with the EU-3 since the 2003–2005 period can be characterized as defensive and thereafter as self-confident and assertive.

As Iran pursues its drive for a nuclear capability, the motives impelling it to do so and the implications of its achievement become more important; these questions will be addressed throughout this volume.