



Conservative
Middle East Council

NUCLEAR IRAN: ENGAGEMENT OR INTERVENTION?

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FOREWORD

It is with great pleasure that we publish Shashank Joshi's insightful and lucid analysis on the Iranian nuclear programme. By structuring his commentary around seven key questions Shashank has skilfully brought to light the perils of a military strike on Iran, something that all parliamentarians should keep at the forefront of their minds.

I believe the effects of such an attack would not be purely temporary. An Israeli strike would surely bring about a conflict that would lock in the Islamic Republic for a generation, cement the appalling Syrian regime, radicalise Arab opinion at time of profound transition, ignite Hezbollah on the Lebanese border and boost Hamas. It would undoubtedly lead to a series of violent terrorist acts, propel the price of oil through the roof and trigger a possible regional war, and at best it would set back Iran's nuclear ambitions for only a few years.

Diplomacy, negotiation and constant, unremitting effort to resolve this matter should be the order of the day; we must encourage every effort to ease tensions and repair diplomatic relations. In this regard, our strong relationships with Oman, Qatar and the UAE are extremely important. We must work alongside them, the United States and Saudi Arabia.

Oil sanctions are having a crippling impact on the Iranian regime and seem set to create the conditions for some sort of a political compromise, and given the US elections on one hand, and the 2013 Iranian Presidential elections on the other, it is time for us to be bold - we must be prepared to explore confidence building measures that allow diplomacy to bear fruit and exert every effort to ensure that, for lack of diplomatic endeavour in the short term, the Middle East region is not plunged into a conflict that would surely last a generation.

A handwritten signature in black ink, appearing to read 'Nicholas Soames', with a long horizontal line underneath.

The Rt Hon Nicholas Soames MP PC
President, Conservative Middle East Council



INTRODUCTION

In less than a decade, the Iranian nuclear programme has transformed from irritant to crisis. In 2006, Iran had no centrifuges spinning and possessed no enriched uranium. Robert Joseph, the US Under-Secretary of State for Arms Control, declared that year: “We cannot have a single centrifuge spinning in Iran. Iran is a direct threat to the national security of the United States and our allies”.

Today, Iran has nearly 10,000 centrifuges spinning. It has produced nearly 7,000kg of uranium enriched to 3.5% and, much more dangerously, nearly 190kg of uranium enriched further, to 20%, which is in fact nine-tenths of the way to weapons-grade.¹ If that stockpile were further enriched the remaining tenth of the way, this would suffice for approximately a half dozen bombs.

In 2012, negotiations held in Istanbul, Baghdad and Moscow showed positive signs, but then collapsed. Israeli threats of war, almost certainly exaggerated, persuaded a number of states to impose sharply punitive sanctions on Iran, the severest ever imposed on the country. This economic pressure has contributed to riots in Iran, but it has done nothing to slow nuclear progress.

This paper is structured around seven key questions.

1. Does Iran really want nuclear weapons?
2. How long would it take Iran to acquire nuclear weapons?
3. Would we know if Iran was actively building nuclear weapons?
4. How dangerous is a nuclear Iran to Britain and its allies?
5. Would a nuclear Iran set in motion further nuclear proliferation?
6. Are sanctions working?
7. Is military action a solution?

The answers to these questions are in flux. The Iranian leadership is at its most fragile in years, riven with splits and preparing for presidential elections, and life after Ahmadinejad, in June next year. A deal with Iran may be particularly hard to achieve in the run-up to these elections, leaving either a narrow window for diplomacy immediately after the US elections, or a dangerous eight-month period of limbo until after Iran gets a new president. In the interim, Iran faces the loss of a crucial ally in Syria, and the prospect of economic collapse and accompanying protests. To the west, Israel’s political and military elites are bitterly divided over the wisdom of military action, and the United States may itself undergo a change of leadership within a few months of this report’s release.

Despite these uncertainties, this report does come to several important judgments. The evidence that Iran has conducted nuclear weapons related research is more extensive, detailed, and IAEA-corroborated than the evidence which lay at the heart of the Iraq War a decade ago. However, it is also important to note that the same evidence indicates that Iran paused the most worrying parts of its nuclear programme nearly a decade ago. Iran has not yet decided whether it even wants a nuclear bomb, and faces strong incentives to stop short of that point. If it decides to “dash” for a bomb, whether in plain sight of inspectors or through subterfuge, it faces a high risk of detection and, thereafter, a military campaign led by the United States.

¹ Both of these are Low Enriched Uranium (LEU), as opposed to High Enriched Uranium (HEU) used for weapons. However, the higher-grade material, 20% enriched uranium, is sometimes known as “reactor-grade”, as it is what the Tehran Research Reactor (TRR) must run on.



A nuclear Iran presents several potential risks, including the strengthening of Tehran's relationships to militant groups in the region and beyond. This might generate demand for greater British and allied military deployments in the Persian Gulf. However, these risks should not be exaggerated. Nuclear weapons did not help Britain to coerce Argentina into returning the Falkland Islands. Similarly, Iran could not easily engage in nuclear blackmail against its neighbours. A nuclear Iran would undoubtedly heighten the fears of Iran's regional adversaries, but Saudi Arabia is the only state likely to have both the motive and opportunity to seek nuclear weapons of its own. Yet, such an outcome might be averted if the Kingdom receives other security guarantees.

Sanctions are biting hard on Iran's economy, and likely played a role in forcing Iran back to the negotiating table in 2012. However, it is crucial to distinguish economic impact from political effect. Even a severely squeezed Iran is unlikely to accede to the demand that it suspend all enrichment. A more creative diplomatic solution is required. This should begin with limited sanctions relief from the West in return for suspension of enrichment to 20% from Iran. Political conditions will make this difficult until Iran completes its own presidential elections in June 2013, but sanctions should not be seen as a long-term solution.

Military action would not only set back the important cause of democracy in Iran, but it would probably persuade Iran to reconstitute a more determined and well-hidden nuclear programme outside the view of the International Atomic Energy Agency (IAEA). The choice between bombing Iran and an Iran with the bomb is a false one.

1.

DOES IRAN REALLY WANT NUCLEAR WEAPONS?

Nuclear weapons require three things: fissile material (enriched uranium or plutonium), a warhead that can trigger a nuclear explosion from this fissile material, and a delivery system to transport the warhead to its target. Iran is presumed to have made progress on all three fronts.

Iran possesses approximately 1,000 short and long-range ballistic missiles, the largest force in the Middle East. Over the last decade, Iran has also travelled much of the way to producing fissile material. It began enriching uranium at a sprawling enrichment plant at Natanz and, after 2009, began doing so at the Fordow site buried deep under a mountain. Both of these were built in secret.

Warhead design is more complicated. According to the CIA, the clandestine nuclear network of Pakistani scientist A.Q. Khan provided Iran with "advanced and efficient" nuclear weapon parts, perhaps including a full warhead design. More recently, according to a 2007 US intelligence assessment, Iran possessed a full-fledged covert nuclear weapons programme until 2003.

This programme was detailed in the IAEA's November 2011 report. It was built around the Physics Research Center (PHRC) in Tehran, and overseen by Mohsen Fakhrizadeh – described in the *Wall Street Journal* as Iran's Robert Oppenheimer. Iran has not allowed the IAEA to interview Fakhrizadeh, and even bulldozed the site of the PHRC, turning it into a park.²

² Annex: Possible Military Dimension of Iran's Nuclear Program, GOV/2011/65: *Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions in the Islamic Republic of Iran* (Vienna: International Atomic Energy Agency (IAEA), November 8, 2011).



It is important to understand that Iran's interest in nuclear weapons has probably changed over time. According to intercepted communications, this secret programme was suspended in 2003, as a result of severe international pressure. However, as the US nuclear expert Jeffrey Lewis explains, "the individuals [involved in Iran's programme] continue to go to work every day, existing as a latent capability to restart a nuclear weapons programme".³

After the debacle of Iraq, should we trust all this evidence? It is deemed credible by the IAEA, an arm of the United Nations. However, critics point to a leaked US diplomatic cable in which the IAEA's director, Yukio Amano, admitted that "he was solidly in the US court on every key strategic decision, from high-level personnel appointments to the handling of Iran's alleged nuclear weapons program". Whereas Amano's predecessor was criticised by Israel as being unduly pro-Iranian, Amano has overseen much greater pressure on Tehran.

Moreover, the IAEA relied mostly on its members – those with a political stake in the outcome, like Israel or Britain – for the bulk of its evidence. Robert Kelley, a former IAEA inspector, has criticised the IAEA's most sensitive claim that Iran did some work on weapons after 2003. He argues that only three pieces of evidence suggest Iranian weapons work after this date. Two of these are only attributed to two member states, so "the sourcing is impossible to evaluate", and the third might have been fabricated.⁴

How should we interpret all this?

Iran's critics ask five pointed questions:

1. First, why would Iran have such a secretive programme, including an underground enrichment plant, if it did not plan to build a weapon?
2. Second, why does Iran insist on enriching its own uranium, when it is not cost-effective to do so unless one has at least ten nuclear reactors? After all, "of the 30 countries with operational nuclear power plants, only one third produce their own uranium", and Russia has promised to fuel Iran's reactor at Bushehr.⁵ Yes, Iran has said it will build nuclear power plants, but few take this seriously.
3. Third, why is Iran enriching too much uranium for its Tehran Research Reactor, but too little for all the power plants it says it will build?
4. Fourth, why has Iran negotiated in an obstructionist and delaying style, refusing agreements – such as the 2009 fuel swap – that would build confidence but preclude bomb-building?
5. Fifth, if Iran has truly peaceful intentions, why has it stonewalled the IAEA on so many issues?

Iran's defenders contest these points. They argue that Iran was repeatedly denied even legitimate nuclear technology in the 1990s, which explains its secretive procurement. They claim that the indigenous production of fuel would boost Iran's nuclear medicine industry, that Iran's plans for nuclear power may be inefficient but are sincere, and that fuel supply from foreign powers is unreliable ("even the European Union may break up in three generations", argued Iran's representative to the IAEA back in 2004).

They also point out that the Supreme Leader has issued a fatwa prohibiting the production, stockpiling, and use of nuclear weapons (critics respond, correctly, that such a fatwa is easily reversible). Finally, Iran insists that it is not obliged to allow the IAEA into military sites, since it

³ Jeffrey Lewis, "The Ayatollah's Pregnant Pause," *Foreign Policy*, August 15, 2012, http://www.foreignpolicy.com/articles/2012/08/15/the_ayatollahs_pregnant_pause?page=full.

⁴ Robert Kelley, "Nuclear Arms Charge Against Iran Is No Slam Dunk: Robert Kelley," *Bloomberg*, January 11, 2012, <http://www.bloomberg.com/news/2012-01-11/iran-nuclear-weapons-charge-is-no-slam-dunk-commentary-by-robert-kelley.html>.

⁵ Mark Fitzpatrick, "Containing the Iranian Nuclear Crisis: The Useful Precedent of a Fuel Swap," *Perceptions* 16, no. 2 (Summer 2011): 75.



has not signed something known as the “Additional Protocol”. Many of these are reasonable claims. Ultimately, however, Iran has done nothing to assuage concerns about the most damning allegations levelled by the IAEA, even if most of these pertain to work it paused a decade ago.

It should be reiterated that even Iran’s most bitter adversaries do not think it has decided to build a bomb at any cost. Possessing the option of acquiring nuclear weapons, rather than actually doing so, has been called “nuclear hedging”. This represents a *via media* between abjuring nuclear power or key elements of the fuel cycle, like enrichment, and actually building nuclear weapons. Iran would gain prestige, and perhaps some deterrent value, from simply possessing the technical means – “the art rather than the article”, as Churchill put it in 1951 in reference to Britain’s choice. This may be an unsatisfying conclusion. However, those who seek to make much stronger claims than this are on shaky evidentiary ground.

2.

HOW LONG WOULD IT TAKE IRAN TO ACQUIRE NUCLEAR WEAPONS?

If Iran’s leadership changed its mind and decided on rushing for a bomb today (something called “breakout”), how long would it take? This depends on a few things, such as how many bombs it would want and how much it cares about being caught red-handed.

First, Iran would need to produce somewhere between 4kg and 25kg of weapons-grade uranium. The lower bound makes some heroic assumptions, such as that Iran has received or developed a sophisticated bomb design, which that it is much more efficient, and that it doesn’t mind bombs with very small yields.⁶ The upper bound would be the amount needed for a cruder device, which is more likely.

To produce this, Iran could use all of its enriched uranium. However, the process of enrichment is such that most of the work is done at the beginning. Therefore Iran is more likely to use 20% enriched uranium because this – somewhat counterintuitively – is nine-tenths of the way to weapons-grade.

Although Iran has set aside some of this for making fuel for its reactor, that amount could be converted back with a bit of work. Add it all up, and Iran could make around 20kg of weapons-grade uranium. Unless Iran keeps setting aside new production for fuel – a positive step that should not be discounted – then it could easily have enough for 25kg some time before the end of 2012. That means it has enough for at least one bomb, and perhaps more. If we assume that Iran cannot convert back the material it has set aside for fuel, then Iran has enough for just 9kg of weapons-grade uranium, but could double that by late spring or early summer 2013.

How long would it take for Iran to produce weapons-grade uranium? It depends entirely on where Iran decides to breakout. At Fordow, the likeliest site because of its fortification, this would probably take somewhere between two and four months, and perhaps as little as one month if the number of centrifuges keeps going up. If Iran managed to get its newer generation centrifuges working, something it has been trying and failing to do for years, this might turn into a matter of weeks.⁷

⁶ Anonymous, “Where Is Israel’s Red Line for Iran?,” *Arms Control Wonk*, September 14, 2012, <http://lewis.armscontrolwonk.com/archive/5699/how-close-is-iran-to-bomb-1>.

⁷ David Albright and Christina Walrond, *Iranian Production of 19.75 Percent Enriched Uranium: Beyond Its Realistic Needs*, ISIS Report (Institute for Science and International Security (ISIS), June 15, 2012), http://www.isisnucleariran.org/assets/pdf/Twenty_percent_production_15June2012.pdf.



However, fissile material then has to be turned into an actual bomb. Weapons fabrication requires turning uranium metal into pits, the miniaturisation of a bomb to fit into a warhead, the development of a trigger, and so on. These are complex procedures, although it is very difficult to judge how far Iran's pre-2003 weapons research may have taken it.

In January 2012, US Defense Secretary and former CIA director Leon Panetta said "the consensus is that, if [Iran] decided to do it, it would probably take them about a year to be able to produce a bomb and then possibly another one to two years in order to put it on a deliverable vehicle of some sort in order to deliver that weapon". Given the time lapsed since Panetta's comments, this would indicate a breakout time of 1-2 years.

There is a further possibility that Iran might choose not to breakout at a known facility, but instead send its partially enriched uranium to a (hypothetical) secret facility for the final leap to weapons-grade, or simply use an entirely parallel programme unrelated to the one we know about. The breakout time would then depend entirely on how many centrifuges were at this facility, and how they were arranged. However, even if Iran does have a secret enrichment facility (and, remember, Fordow was secret until was discovered in 2009) then it's not likely to be as big as the declared ones.

The upshot of all this is simple: *Iran is not inches away from a nuclear bomb.*

3.

WOULD WE KNOW IF IRAN WAS ACTIVELY BUILDING NUCLEAR WEAPONS?

One of the main obstacles to Iranian breakout would be detection. The IAEA conducts regular inspections at Natanz and Fordow, including some on as little as two hours notice.⁸ Iran therefore has three choices.

First, it could conduct breakout "in plain sight" i.e., while inspections were ongoing, and just hope that it finished the job in between visits from the IAEA. Given the breakout timelines discussed above, this is highly unlikely. Moreover, Iran would first have to reconfigure its centrifuges for producing weapons-grade uranium, something that would give the game away. As soon as it looked as though Iran was about to, or actually, enriching uranium to anything higher than 20%, which is not technically illegal, this would almost certainly be treated as equivalent to a dash for a bomb.

Second, it could expel inspectors (and dismantle the accompanying detection systems, like IAEA cameras). But this would also set alarm bells ringing straight away, and Iran would not be given the benefit of the doubt.

In short, enriching uranium to higher than 20% or expelling inspectors would almost certainly violate both Israel's and the United States' so-called red lines – triggers for intense pressure, and probably military action.

Iran has a third option. It could bypass inspectors altogether, by trying to produce all the fissile material it needs at a separate, hidden site. Iran's chances of keeping this hidden are questionable,

⁸ Mark Hibbs, "IAEA Inspectors' Risk in Iran," *Arms Control Wonk*, August 20, 2012, <http://hibbs.armscontrolwonk.com/archive/990/iaea-inspectors-risk-in-iran>.



as so many of its attempts at concealment in the past have failed. There is no evidence that such a site exists, so it is difficult to consider this scenario.

Assume, however, that Iran did succeed in secretly producing fissile material, or publicly producing fissile material and smuggling this to a secret site. Iran would still have to take a number of steps to produce a bomb. US officials argue that they would be able to detect these steps, using satellite evidence of conventional explosives relevant to a nuclear warhead, intelligence from Iran's scientific community, and changes in the status of dormant facilities alleged to have led pre-2003 weaponisation research.⁹

Above all, American officials are confident that Iran's Supreme Leader, Ayatollah Khamenei, would have to give the final order to produce a bomb. Director of National Intelligence James Clapper told Congress earlier this year that "we believe the decision would be made by the supreme leader himself, and he would base that on a cost-benefit analysis". Israeli officials, particularly Ehud Barak, worry that Khamenei might not give an explicit order, but instead encourage the nuclear apparatus to inch in that direction.

However, certain actions – such as producing fissile material, or converting that into metal form – would almost certainly require orders to be given. There is plenty of evidence that multiple intelligence services have penetrated different aspects of Iran's nuclear programme and political leadership, including the communications of Khamenei himself. All this suggests that orders to make nuclear advances would carry a very high risk of detection.

4.

HOW DANGEROUS IS A NUCLEAR IRAN TO BRITAIN AND ITS ALLIES?

Assessments of a nuclear Iran cover a wide range of risks, some real and others greatly embellished.

The first claim is that Iran's leadership is characterised by an unprecedented degree of irrational behaviour, which might make it immune to ordinary deterrence. This claim should not be taken seriously.

The Soviet Union under Stalin, which had absorbed twenty million wartime deaths and sponsored subversive Communist movements throughout Western Europe, was viewed in similarly threatening terms as Iran today. The famous NSC-68 report, written the year after the Soviets' acquisition of nuclear weapons, judged Moscow to be "animated by a new fanatic faith, antithetical to our own", aimed at "domination of the Eurasian landmass".

Western assessments of Mao Zedong's China were similar. Tens of millions of peacetime deaths have been attributed to Mao's reign, including a great number during the period of the Great Leap Forward immediately preceding China's nuclearisation. Mao spoke in dismissive terms of nuclear war, arguing that "imperialism would be razed to the ground, and the whole world would become socialist". Yet both of these regimes obeyed the logic of nuclear deterrence.

This is why Senator Joseph Lieberman's argument earlier this year, that "containment might have been viable for the Soviet Union during the Cold War, but it's not going to work with the current fanatical Islamist regime in Tehran", is highly suspect.¹⁰

⁹ David E. Sanger, "On Iran Nuclear Effort, 2 Questions Split U.S. and Israel," The New York Times, March 6, 2012, <http://www.nytimes.com/2012/03/07/world/middleeast/on-iran-2-central-questions-divide-us-and-israel.html>.

¹⁰ Josh Rogin, "32 Senators Call for 'No Containment' Strategy for Iran," Foreign Policy: The Cable, February 16, 2012, http://thecable.foreignpolicy.com/posts/2012/02/16/32_senators_call_for_no_containment_strategy_for_iran.



A second, more plausible, concern is that nuclear weapons can make it rational to take risks; that they encourage brinkmanship, with the possibility of escalation to nuclear level. Perhaps the most useful comparison is with Pakistan, a state sponsor of terrorism which, after obtaining nuclear weapons, appeared to be emboldened.

Iran would be able to deter attacks on its core territory. This has a number of implications. If an Iranian uprising against the regime resulted in a civil war, then other states might be deterred from intervening as they did in Libya. Yet, as Syria demonstrates, such an intervention in a country as large and complex as Iran is anyway a remote prospect.

The second concern is that Iran might be willing to take greater risks in its foreign policy, safe in the knowledge that the response from other countries would be “capped”. Just as Pakistan launched the Kargil War in 1999, knowing that India could not strike major cities as had previously been the case, could Iran not brazenly supply Hezbollah with more advanced arms, or coerce its neighbours into settling disputes on favourable terms? ¹¹

There are some problems with this scenario. Pakistan hosts militants on its own soil, meaning that India can't get at them, whereas Iran mostly helps them in other places, like Lebanon or Iraq. Iran's adversaries – whether Israel or the United States – may be inhibited from striking Iran's core territory, but they can still use their overwhelming conventional military advantage to fight limited wars, just as India did in 1999 (remember that Iran spends only slightly more on defense than Belgium).

If Iran decided to send its own forces abroad, then a nuclear bomb wouldn't make them any less vulnerable. After all, Soviet nuclear weapons did not protect Soviet forces deployed in Egypt in the 1973 Arab-Israeli War (58 dead) or in the Korean War (282 dead).

The point is that while a nuclear Iran might very well take more risks, it would still face a powerful and hostile coalition of powers led by the United States. The need to deter a nuclear Iran might require an upgraded Western military presence in the Persian Gulf region.

This would almost certainly involve Britain, and particularly the Royal Navy. It might also tie Britain closer to autocratic and potentially unstable regional powers in a manner that would throw up new complications for British foreign policy. Much more research is needed on the risks and policy options in such a scenario.

5.

WOULD A NUCLEAR IRAN SET IN MOTION FURTHER NUCLEAR PROLIFERATION?

Many worry that Iranian nuclear advances would set in motion an uncontrolled proliferation cascade as other regional powers scrambled for their own bombs. This is an understandable concern. Multipolar nuclear rivalries, involving three or more nuclear-armed states, may well be more complicated and unpredictable than bipolar ones.

However, history suggests that nuclear weapons don't inevitably, or even usually, beget nuclear weapons. Most intelligence estimates over the years have drastically overstated the likelihood of proliferation cascades. A declassified American document from 1964, the year of China's first nuclear test, identified over a dozen nations “with the capacity to go nuclear” and five more

¹¹ For one such interpretation, see Ash Jain, *Nuclear Weapons and Iran's Global Ambitions: Troubling Scenarios*, Policy Focus (Washington D.C.: The Washington Institute for Near East Policy, August 2011), <http://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus114.pdf>.



on the margin – yet only a tiny fraction ever did. When the Soviets got the bomb, Yugoslavia or Sweden – both on that list of proliferation risks – did not follow. Taiwan did not follow China. South Korea and Japan did not follow North Korea.¹²

It might be argued that these states, Yugoslavia apart, were allies or clients of the United States, and therefore enjoyed an additional layer of protection – both conventional and, in certain cases, nuclear. Yet this is also true of Iran's rivals today, even if the future alignment of Egypt and Saudi Arabia is in greater doubt than before the Arab Spring.

In Egypt, the political empowerment of Islamists is likely to complicate security cooperation between Washington and Cairo – this was clear from President Mohammed Morsi's slow and cynical reaction to September 2012's protests against the US Embassy, and President Barack Obama's subsequent message that Egypt was "not an ally". However, Egypt will remain a major beneficiary of American financial and military support for years to come, and the still powerful armed forces are likely to maintain a high degree of control over security policy. Egypt would also lack the financial resources and political coherence to pursue a nuclear weapons programme.

Turkey has also been charting an independent, popular stance in the Middle East. Yet, Ankara remains firmly yoked to NATO, and on uneasy terms with Iran – the two have severely clashed over Syria. It is telling that Turkey's first instinct was to look to its NATO allies for support over a Turkish jet downed by Syrian fire. It should also be remembered that Turkey already hosts American nuclear bombs, a portion of which are allotted for Turkish warplanes under NATO's nuclear sharing arrangements. Although Turkey values its nuclear programme, it is highly unlikely to seek indigenous nuclear weapons.¹³

Saudi Arabia is the greatest proliferation risk. Riyadh was deeply concerned over the speed and ease with which the US allowed Hosni Mubarak of Egypt to fall, and has reacted to the Arab Spring in a defensive and even paranoid fashion. Saudi Arabia is also the country that has the most reliable access to nuclear weaponry. A longstanding arrangement with Pakistan is understood to give Riyadh access to nuclear technology and/or weaponry, whether in the form of a complete warhead, Pakistani nuclear guarantees, or other assistance.

In 2009, King Abdullah reportedly told former US Middle East envoy Dennis Ross, "If they [Iran] get nuclear weapons, we will get nuclear weapons".¹⁴ In 2007, a highly classified cable from the US Embassy in Riyadh noted that "Saudi leaders ... have made it clear that the Kingdom would be vulnerable to a nuclear-armed Iran if the Saudis did not also possess a nuclear capability", and that their policy is partly intended "to buy them time to develop an independent Saudi nuclear deterrent".¹⁵

However, Saudi Arabian nuclearisation is not a foregone conclusion.¹⁶ Despite ongoing tensions, Washington and Riyadh are bound by an extremely dense set of strategic, military and economic ties. Between 2005 and 2009, 40 per cent of Saudi Arabia's arms imports came from the United States (42 per cent came from Britain, which is likely to follow American policy). A nuclear Saudi Arabia would alarm the US Congress and Israel, and the Kingdom would be wary of cutting itself off from spare parts and further arms.

What is certain is that Saudi Arabia's traditional allies, including Britain, would come under severe pressure to offer it even greater diplomatic and military assistance in the event of a nuclear Iran.

¹² Francis J. Gavin, "Same As It Ever Was: Nuclear Alarmism, Proliferation, and the Cold War," *International Security* 34, no. 3 (2010): 7–37.

¹³ One excellent overview is Sinan Ülgen, *Turkey and the Bomb* (Washington D.C.: Carnegie Endowment for International Peace, February 2012), <http://carnegieendowment.org/2012/02/15/turkey-and-bomb>.

¹⁴ Chemi Shalev, "Dennis Ross: Saudi King Vowed to Obtain Nuclear Bomb After Iran," *Haaretz*, May 30, 2012, <http://www.haaretz.com/news/diplomacy-defense/dennis-ross-saudi-king-vowed-to-obtain-nuclear-bomb-after-iran-1.433294>.

¹⁵ "US Cable: Scen setter for APHSCT Townsend Visit to Saudi Arabia, 5-8 February 2007" (US embassy, Riyadh, February 1, 2007), <http://cables.mrkva.eu/cable.php?id=94861>.

¹⁶ Thomas W. Lippman, "Saudi Arabia: The Calculations of Uncertainty," in *The Nuclear Tipping Point: Why States Reconsider Their Nuclear Choices*, ed. Kurt M. Campbell, Robert J. Einhorn, and Mitchell Reiss (Brookings Institution Press, 2004).



6.

ARE SANCTIONS WORKING?

Our policy today assumes that time is on the West's side, as Iran cannot indefinitely endure the current sanctions. In October, the EU agreed a new round of sanctions, including a ban on almost all financial transactions between European and Iranian banks. The US also has the ability to add more sanctions still.

Over time, it is argued, Iran will be forced to agree to a suspension of its enrichment programme and to cooperate with the IAEA in good faith, lest economic strangulation threaten the survival of the regime. As such, why offer sanctions relief? In private, officials are candid that a major purpose of sanctions is not to radically alter Iranian behaviour, but to avert an Israeli military strike.

Sanctions are undoubtedly having an impact on Iran's economy. Unemployment has sharply increased, the currency has collapsed, and the implied annual inflation rate is 196%, prompting protests in Tehran.¹⁷ Iran is now the first Middle Eastern country to experience hyperinflation. Iranian oil exports have been cut by at least a quarter (with revenues down by 35 per cent) since the beginning of 2012, which will result in approximately \$10 billion of foregone revenues. Surplus oil (roughly a million barrels per day) is being forced into storage on tankers, but with two-thirds of the Iranian tanker fleet now occupied.

President Ahmadinejad, having earlier played down the significance of sanctions, now acknowledges that "the sanctions imposed on our country are the most severe and strictest sanctions ever imposed on a country". In fact, sanctions likely played a key role in forcing Iran back to the negotiating table – whereas last year Iran refused to talk about its nuclear programme before sanctions were lifted, this year it has done so unconditionally.

However, we should be careful to distinguish economic impact and political effect. Iranian leaders have repeatedly and publicly articulated that the right to enrich – and not just to import fuel – is a red line in negotiations, and that sanctions will not produce Iranian submission on what is presented, in part, as an inalienable right and therefore a basic point of principle. Although it's impossible to say with certainty, sanctions – no matter how punitive – are unlikely to force Iran's hand. Moreover, there is no significant political grouping within Iran, not even reformists, who would favour abandoning Iran's enrichment programme on pain of sanctions.

Sanctions should be understood as the means to an end, and not a goal in and of themselves. The objectives should be threefold.

First, Iran's breakout time – the time it would take Iran to produce a nuclear bomb – should be made as long as possible. The best way to achieve this is to cap Iran's enrichment at 3.5%, and getting Iran to suspend – and eventually abandon – enrichment to 20%, which is closer to weapons-grade, and export its present stockpiles in return for reactor fuel.

Second, we maximise our ability to detect illicit Iranian activities when we have more frequent and intrusive inspections.¹⁸ The most valuable objectives in this regard would be two things: first, Iran's re-application of what is known as modified code 3.1 of its Subsidiary Arrangements with the IAEA, which obliges Iran to report the construction of new nuclear facilities, and, second, Iran's re-adoption of the Additional Protocol to its Safeguards Agreement, which gives the IAEA broader powers of verification.

¹⁷ Steve H. Hanke, "Hyperinflation has arrived in Tehran", Cato Institute, 3 October, 2012, www.cato-at-liberty.org/hyperinflation-has-arrived-in-iran/.

¹⁸ Geoffrey Forden, "Paradox: Now Is the Time to Deal," Arms Control Wonk, September 25, 2009, <http://forden.armscontrolwonk.com/archive/2474/paradox-now-is-the-time-to-deal>.



Third, and finally, Iran should be asked to come clean on its past nuclear weapons work, in exchange for an amnesty. This would clarify how much Iran knows about making a nuclear warhead.

The key point is this: whether or not Iran enriches uranium is far less important than the constraints under which it does so. Limited and graduated sanctions relief should be put on the table in return for each of these steps – the most urgent of which is the first. Ultimately, sanctions should only be entirely lifted when Iran cooperates with the IAEA and receives a clean bill of health.

A deal involving these mutual concessions might not be possible before the middle of 2013. For the past year, the US has struggled to show flexibility in nuclear talks with Iran because of political competition at home. Regardless of whether the President is re-elected or replaced by Mitt Romney, the new administration will have more leeway to take greater risks.

Similarly, Iran's leadership may choose not to stick its neck out until President Ahmadinejad is replaced in the June 2013 elections. Until then, the Supreme Leader, who calls the nuclear shots, will be loathe to hand a diplomatic victory to Ahmadinejad, who has been a thorn in his side.

This means that there is a dangerous eight-month window approaching, in which sanctions will bite deeply at the same time as Iran accumulates worrying amounts of uranium enriched to 20%, leaving each side increasingly anxious. Indeed, Israel's Prime Minister Benjamin Netanyahu told the United Nations General Assembly in September 2012 that late spring or early summer 2013, precisely the point at which Iran's election season will be in full swing, was the point of maximum danger.

Recent reporting by Julian Borger in *The Guardian* suggests a slightly different perspective: that Western states do in fact see a potential opportunity to strike a deal in the several months after the US elections, but before the constraints of Iran's election season begin to tighten. This would ease the pressure until March or April 2013, but would still leave a dangerous period over the summer.

Beyond 2013, if we refuse to relax sanctions until Iran stops all enrichment, or Iran refuses to make concessions, then we could find ourselves in a much more prolonged standoff. This is highly problematic for a variety of reasons.

Entrenched sanctions can empower elements of the regime, like the Iranian Revolutionary Guard Corps, which benefit from smuggling. If sanctions-induced economic collapse causes popular dissent and mass protest, this might force Iran to make concessions – yet it might alternatively harden Iran's stance, make nuclear weapons more attractive as an insurance policy against foreign intervention and, as with the 2009 protests following Ahmadinejad's disputed re-election, make it politically awkward for the West to deal with a regime conducting a crackdown.

The experience of Iraq in the 1990s suggests that sanctions can have profound humanitarian consequences – already, Iranian medical patients are being affected – and generate deep resentment. An enfeebled, contained Iran might seem appealing – but it will be anything but stabilising.



7.

IS MILITARY ACTION A SOLUTION?

Unless Iran takes an especially provocative step, unilateral Israeli airstrikes against Iranian nuclear facilities, either before or after the US elections, are unlikely.

The government of Prime Minister Benjamin Netanyahu faces resistance from serving and retired security chiefs, tepid public support (less than a fifth of Israelis favour such action) and opposition from President Shimon Peres himself. Netanyahu has not shown himself to be a risk-taker in the past, and understands the limits to Israeli capability.

Israel would face problems of overflying around 1,000 miles of partially unfriendly airspace, insufficient aerial refuelling aircraft, and the possibility that Iranian resistance would either deplete a strike force en route, thereby limiting the damage that could be done, or deplete the returning aircraft. Former CIA director Michael V. Hayden has said that effective airstrikes remain “beyond the capacity” of Israel, in part because Israel’s most effective munitions, the 5,000-pound GBU-28 “bunker buster” bombs, would not be guaranteed to sufficiently penetrate the underground facility at Fordow.¹⁹ Some analysts have suggested that Israel could mount a special forces raid, but this would almost certainly be too difficult.

American estimates are that Israel could set the Iranian programme back by approximately one year. An American strike would be more effective, both because of its ability to mount repeated attacks and the penetrativity of its munitions. But, as former Secretary of Defence Robert Gates has acknowledged, “the reality is that there is no military option that does anything more than buy time – the estimates are three years or so”.²⁰

This problem lies at the core of the military option: it does not represent a solution, but merely a delaying tactic. It carries with it the near certainty of the expulsion of IAEA inspectors, presently the best means of detecting any diversion of enriched uranium for weapons purposes, the possibility of (perfectly legal) Iranian withdrawal from the NPT, and the likelihood that Iran would reconstitute its nuclear programme in covert form.²¹

Critics make three counterarguments. First, Iran could simply be struck again, in a series of actions that Israeli officials have called, in a grimly casual phrase, “mowing the lawn”.²² Second, even a short delay might provide time for sanctions to bite and regime change to take place. Third, Israel was successful in its airstrikes on Iraq’s Osirak reactor in 1981 and Syria’s under-construction al-Kibar reactor in 2007.

These counterarguments are each flawed.

First, even if repeated strikes against Iran’s nuclear infrastructure were politically advisable – and they are categorically not, given the human cost and regional instability that such attacks would incur – they may not even be technically possible, because human intelligence sources, however impressive, could only tell us a limited amount about new, covert sites.

¹⁹ Elisabeth Bumiller, “Iran Raid Seen as Complex Task for Israeli Military,” *The New York Times*, February 19, 2012, <http://www.nytimes.com/2012/02/20/world/middleeast/iran-raid-seen-as-complex-task-for-israeli-military.html>.

²⁰ David E. Sanger and William J. Broad, “U.S. and Allies Warn Iran Over Nuclear ‘Deception’,” *The New York Times*, September 26, 2009, <http://www.nytimes.com/2009/09/26/world/middleeast/26nuke.html>.

²¹ Shashank Joshi, “Schrodinger’s Bomb,” CNN: *Fareed Zakaria GPS*, March 9, 2012, <http://globalpublicsquare.blogs.cnn.com/2012/03/09/schrodingers-bomb/>.

²² Steven Simon, *An Israeli Strike on Iran*, Contingency Planning Memorandum (New York: Council on Foreign Relations, November 2009), 3.



Second, the time taken for sanctions to fatally weaken the regime almost certainly exceeds the time it would take for the regime to develop nuclear weapons. Saddam Hussein clung on for 12 years despite facing sanctions, an oil embargo, two no-fly zones and international isolation. Approximately six years separated the imposition of major economic sanctions on South Africa and the repeal of apartheid laws, with an even longer period if one accounts for oil embargoes of the 1970s; Rhodesia's white minority regime endured sanctions for well over a decade. These timelines are far in excess of those that would be necessary if sanctions were to "outrun" any Iranian decision to break out and seek nuclear weapons.

Third, the analogies with airstrikes on Iraq and Syria are misleading. Syria's nuclear programme was at a far more incipient stage than Iran's sprawling nuclear infrastructure.

As for Israel's attack on Iraq, according to the most recent scholarship, this "triggered a nuclear weapons program where one did not previously exist", such that "within a decade Iraq stood on the threshold of a nuclear weapons capability". After the strike, "from 1983 until 1991, the [Iraqi nuclear] program's staff increased by 60 per cent annually", and Saddam Hussein injected around twenty-five times the resources that had been previously allocated. Iraq also made it a priority to keep its programme well hidden.²³ The only thing that put a halt to this was the First Gulf War, something that is exceedingly unlikely to take place against Iran.

Preventive military action is a counterproductive policy. It is the best way to ensure that Iran secretly resumes any nuclear weapons activities that it had paused in 2003. It would also reduce international visibility into the Iranian programme. For this reason, it should only be considered as a response to Iran directly and verifiably crossing red lines that indicate imminent breakout.

²³ Målfrid Braut-Hegghammer, "Revisiting Osirak: Preventive Attacks and Nuclear Proliferation Risks," *International Security* 36, no. 1 (2011): 102, 117–118.



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