

Revisiting Iran?

Chaired by Ian Bremmer and Fareed Zakaria, the Gramercy Round convenes over dinner in New York's historic Gramercy Tavern. Its task is to consider pressing issues that have received insufficient attention from the established foreign policy community. The round meets to discuss questions with an eye to promoting realistic assessments and innovative approaches for American policy. The round met late last year to consider innovative approaches to Iran. The situation has changed since that meeting, so several of the round's participants updated their thoughts for The National Interest.

Fareed Zakaria

An effective response to Iran's nuclear challenge requires our policymakers to answer three interrelated questions. First, is Iran's goal to achieve hegemony in the Persian Gulf and throughout the Middle East? Second, is that possibility sufficient cause for the United States to act, and to strike Iran militarily? And finally, should it be a guiding principle of U.S. foreign policy to militarily neuter countries inimical to our interests?

It makes a major difference if one concludes that Iran pursues nuclear weapons for a suicidal *Götterdämmerung*, in which Iran sacrifices its statehood to strike Israel and the United States. But if, despite the rhetoric, Iran is engaged in traditional statecraft (seeking hegemony and influence), it opens the door to a wider range of policies, among them containment, deterrence and negotiation.

But there are no "guaranteed solutions." A carrot-and-stick approach has led states like Brazil, Kazakhstan and Libya to either give up existing nuclear weapons or forego nuclear weapons programs. On the other hand, sanctions had no effect on India and Pakistan during the 1990s. After all, back in 1971, then-Pakistani Foreign Minister Zulfikar Ali Bhutto famously declared, "Even if Pakistanis have to eat grass, we will make the bomb." So the challenge is how to punish Iran if it continues its nuclear program.

U.S. policy needs to be much more deft and able to operate on a two-track approach, rather than defining different alternatives as "either/ors." There is no reason not to censure Iran—while at the same time holding out the possibility of Tehran's rehabilitation as a full member of the international community. Negotiations can occur alongside sanctions for past and current indiscretions. We need to show Iran that its nuclear program can make it more of a pariah state—but we also have to allow a viable "way out."

Cliff Kupchan

Let's start with defining what "a nuclear Iran" means. This is a situation where Iran has installed 1,500 to 3,000 working P-1 centrifuges underground at the Natanz enrichment facility, making Iran able to obtain a working nuclear bomb within one year. Iran would not need to develop or explode an actual nuclear device; here, Iran would enjoy the benefits of "strategic ambiguity"—the world is aware that Iran could quickly

Fareed Zakaria is editor of *Newsweek International* and host of the public television show *Foreign Exchange*. Cliff Kupchan is director, Europe and Eurasia, at the Eurasia Group.

obtain a weapon, but the country hasn't necessarily crossed any red lines. Many experts believe Iran could achieve this by late 2007 or early 2008.

Supreme Leader Ali Khamenei, President Mahmoud Ahmadinejad and the vast majority of Iranian elites are committed to acquiring nuclear capabilities. There is no sign of significant upper-level disagreement on nuclear policy, though the electorate rebuked Ahmadinejad, the most vocal proponent of an aggressive nuclear policy, in municipal council elections on December 15, 2006. His supporters received no more than 25 percent of the seats in any major city.

The central challenge facing the United States is how to deal with all this. Neither the UN nor direct talks are likely to help in stopping Iran. Resolution 1737, passed December 23, imposed but mild sanctions. Another resolution is possible, but Russian and Chinese opposition to harsh sanctions means the UN process is grinding to a halt. And while the United States should talk to the Iranians, let's be realistic—major gulfs separate Tehran and Washington, gulfs exacerbated by President Bush's announcement on January 10 that the United States will actively disrupt Iranian activities in Iraq. The United States would insist on a long-term suspension and want an effective veto over Iran's ability to resume enrichment; Iran would at best agree to a technical pause of several months and would want a major non-U.S.-dominated forum to decide when it had regained the international community's trust.

So the United States will try to isolate Iran economically. The U.S. Treasury Department has sanctioned two Iranian banks allegedly involved in illicit activities, seeking to cut off the banks' access to dollars and dollar-based trading, and to adversely affect the interests of groups affiliated with them. Washington is successfully encouraging foreign banks to follow suit and will probably sanction more Iranian banks. The United States is applying diplomatic pressure to foreign governments, banks and companies to curtail business with Iran, with some success. Washington has especially targeted Iran's oil sector, which accounts for 80 percent of export earnings, and has succeeded in diminishing foreign oil companies' activity in Iran and foreign lenders' willingness to finance new projects. In extending these efforts, Washington will likely attempt to form multilateral coalitions of the willing with G-7, EU and allied Gulf nations to sanction Iran jointly.

These efforts, however, are unlikely to induce a fundamental change of course. The reach of U.S. sanctions and pressure is significant but limited; Iran can trade in other currencies, and banks and oil companies from countries that don't support Washington or have exposure in the United States can step in. Many nations are likely to oppose harsh sanctions: Russia and China have strong economic interests in Iran, many members of the Non-Aligned Movement support Iran's position, Iran has leverage as a major exporter of oil and even major EU nations such as Germany have reservations about sanctions outside the UN. Coalitions of the willing will probably be undersubscribed.

Another option is to intimidate Tehran militarily. A second carrier battle group will arrive in the region in February 2007, Patriot missiles will be deployed in allied nations and the United States will disrupt Iranian activities in Iraq. This initiative is risky. It could lead to direct U.S.-Iranian hostilities in Iraq or contribute to an Iranian-Saudi proxy war, and *it* is likely to strengthen Iranian hard-liners.

So the United States probably faces a choice between deterring a nuclear Iran and taking military action. Iran poses challenges to deterrence—multiple sources of power, unpredictability and inconsistent behavior are all inimical to deterrence theory. Factionalism could lead to dysfunctional outcomes in nuclear debates, where not only Ahmadinejad, but also the radical head of the paramilitary Basij, Mohammad Hejazi, and hard-liner Ayatollah Ahmad Jannati (Secretary General of the Guardian Council) may

have a place at the table. Second, Ahmadinejad and his Abadgaran movement are risk-acceptant, which could pose specific challenges to deterrence. Under a nuclear shield, Tehran may more aggressively use Hezbollah or other groups to attack Israel, or U.S. or foreign troops in Iraq, Afghanistan and Lebanon.

But deterrence theory would probably, if problematically, apply. The supreme leader and many of his advisors are traditional conservatives with track records of pragmatic behavior—Khamenei did agree to suspend enrichment for two years. Iran's greatest vulnerability is its economic infrastructure, especially in the oil sector. Most of Iran's oil and gas fields lie in the southwest corner of the country, as do all six of its major export terminals. This would give deterrence a significant foothold. Finally, deterrence would mean strengthening the military capabilities of Sunni Arab governments to deter and withstand Iranian pressure. That means increasing military ties with authoritarian regimes that may lose domestic legitimacy in coming years.

The second option is military action—and if the United States does not act, the chance of unilateral Israeli action rises. The existential nature of the Iranian threat, Ahmadinejad's rhetoric and Israeli doubts about U.S. resolve make the chances of an Israeli strike not insignificant, especially if Iran quickly masters nuclear technology. And an Israeli decision would receive at least some U.S. support.

But the target set could be vast—in the many “tens” of sites. Primary targets would include the uranium conversion facility and stored uranium gas in Isfahan and the enrichment plant at Natanz. The rest of the targets are dispersed and hardened, with many perhaps unknown to Western intelligence. They include hardened centrifuge plants and probably hardened research and development facilities. Many Western experts believe the United States could set back the Iranian program roughly three to four years by hitting a wide target set—longer if Washington is willing to inflict multiple rounds of strikes.

The enormous risks here include the possibility that Iran would try to close the Strait of Hormuz and seriously destabilize Iraq. This is unlikely, as oil exports are Tehran's umbilical cord, and a failed state in Iraq is among Iran's worst nightmares. But retribution would include targeting of U.S. and Western troops in Iraq, Afghanistan and Lebanon and possible attacks against Americans around the world.

Intermediate proposals exist, but their chances of success are slim. The International Crisis Group has proposed a three-stage plan: first, a two- to three-year suspension by Iran; second, a three- to four-year period during which Iran would have a very limited program with all enriched uranium stored outside the country; and third, indigenous production, using facilities owned by many nations. Unless Iran built a clandestine site, this plan would deny weapons capability for five to seven years. This is probably the best outcome the United States can hope for, but its time has likely passed. Iran won't suspend for that long, and the plan would allow Tehran to master nuclear technology—unacceptable to the United States.

Iran's nuclear program has a full head of steam, but there's time for the United States to use sanctions and creative diplomacy. While there's only a chance of success, Washington must play it to the hilt.

Joel Rosenthal

Should U.S. policymakers just let the clock run out on the Iranian regime? Last December's election for the municipal council and religious assembly saw reformers win heavy support. This has compounded the deep split within the Iranian body politic

Joel Rosenthal is president of the Carnegie Council for Ethics in International Affairs.

and increases the likelihood that Supreme Leader Khamenei and his entourage (including former President Rafsanjani) will further limit President Ahmadinejad's actions.

Iran is not an aspiring superpower. It has political and economic liabilities. Politically, standoffs with the United States (over the nuclear program and Iraq) and Israel (over Iran's support of Hezbollah during the Lebanon conflict) pose problems on the world stage. Economically, high unemployment and foreign investors, reluctant due to regional instability, pose problems. Furthermore, high oil prices are causing massive problems for the non-oil economy while furnishing revenues for a government that may not be able to revitalize the economy, but can buy off much of the immediate discontent. If history is any guide, Iran will enter a major economic downturn in two to three years.

The “nuclear crisis” has been of great benefit to Ahmadinejad, enabling him to rally nationalist sentiment and divert attention from electoral losses. His administration promised, but has failed, to tackle pressing domestic issues; Ahmadinejad was elected on a platform of combating corruption and providing more opportunities for ordinary Iranians. Without inoculation from the nuclear confrontation, the regime would face a crisis in the next three to five years, as its liabilities caught up with it. Moreover, the government will be unable to provide jobs for the “youth bulge”, failing to fulfill its platform.

The United States should focus on regime change from within while remaining wary of overplaying its hand. Iranian reformers would get into a lot of trouble if the government discovered they were getting checks from the United States. The United States wants regime change but may well have to accept that democracy gives people the option to change regimes, but does not mandate such a change. As a result, the United States will have to be much less confrontational. Why shouldn't we be “buying time” to put the regime back on schedule for internal transformation through domestic pressures that would solve the problem without war?

Gideon Rose

Iran's attempt to acquire a nuclear weapons capability is deeply problematic. If successful, it will threaten the interests of the United States and its allies, lead to arms racing and instability throughout the Middle East, and rip more holes in the already-tattered global non-proliferation regime. Given the obvious risks, it is depressing how many take Iran's actions in stride and, in some cases, even enable them. Every country concerned about terrorism, non-proliferation or Middle Eastern security should be searching for ways to head off the danger.

If the problem is serious, however, it is not the world-historical crisis some alarmists claim. When the Iranian nuclear program will reach its goals is unclear, and much can happen in the interim. Tehran's motivations appear to be at least as much defensive as they are offensive, so even if it gets the bomb, an unprovoked Iranian nuclear strike is highly unlikely. There is little reason to think Iranian leaders are suicidal, so American and Israeli arsenals should deter a nuclear exchange. And the risks of exposure and retaliation should reduce the likelihood of the regime handing off nukes to terrorists or other non-state actors. Given all this, I think the least bad approach to the situation is containment—a coordinated effort to put pressure on Iran and make clear the current path could make Tehran an international pariah.

Some will say that such a course runs unacceptable risks and that the only sure way to deal with the situation is to strike now before the cancer metastasizes. Yet preventive war has a deservedly bad reputation. Containment, in contrast, deserves more respect

Gideon Rose, managing editor of *Foreign Affairs*, is a former assistant editor of *The National Interest*.

than it gets, since it has been quite good over the years at managing risks at acceptable costs. The danger Iran poses may be real, but it is far less than the dangers that were posed by, say, the Soviet Union or Mao's China—and in both of those cases the United States managed to outwit, outlast and outplay its rival. It did so by, among other things, keeping its head, rejecting suggestions to strike first and relying on time to reveal its own system's strengths and its opponents' weaknesses.

The reason so many in Washington have forgotten this is not because Iran is uniquely terrifying, but because the United States is uniquely powerful. Only now that it is a global hegemon can it calmly consider an unprovoked strike against a substantial regional power, simply because it worries about what that power might do with the weapons it might eventually acquire. The whole discussion is a sobering reminder that America's foreign policy faces two separate challenges: managing the world and managing itself.

Richard K. Betts

An Iran with nuclear weapons should certainly make everyone nervous. But what to do depends on the balance of risks between inaction (apart from containment, deterrence and sanctions) and action. As the calamitous results of adventurism in Iraq show, the latter's risks are high. Anyone who beats the drum for war against Iran fits the classic definition of a fanatic—one who redoubles his effort as he loses sight of his goal.

Iran has ambitions and has been on a roll (especially since the United States handed it an *entrée* to Iraq). But it is easy to forget that the Iranian nuclear threat looks big today only by default—in the post-Cold War world there are no truly hefty threats to U.S. survival, so lesser ones fill the vacuum. During the Cold War we lived for decades with far more potent challenges. Until the rapprochement of the 1970s, China especially seemed wilder and crazier than the ayatollahs' Tehran. The Cultural Revolution showed a government gone mad. China had fought a war against us in Korea and came close to war again in two Taiwan Strait crises. Mao Zedong sounded terrifyingly divorced from reality when speaking of how China could absorb hundreds of millions of casualties in a nuclear war and come out ahead by virtue of its surplus population. We have yet to hear anything that chilling from Ahmadinejad.

We not only managed to live with Mao's finger on the nuclear button, but Nixon turned the Chinese threat into an asset through the diplomatic coup that aligned Washington and Beijing against Moscow. Rapprochement may not be in the cards today, but the underlying potential for it in Iran's domestic politics is more promising than it seemed in China in the 1960s, at least if we do not inflame Iranian opinion by attacking.

Focusing on Iran distracts attention from more worrisome dangers. North Korea—which has already tested and begun stocking up on nuclear weapons and is ruled by a regime weirder than Tehran's—should be higher on the list. Even in Iran's part of the world, Pakistan should worry us more. Indeed, Pakistan may harbor the greatest potential danger of all: Chances of a coup or revolution deposing the Musharraf regime and installing pro-Taliban Islamists are not trivial. If that happened, Al-Qaeda's chances of gaining access to nuclear weapons would zoom up overnight. The Shi'a of Iran are the least likely to share WMD with the Sunni jihadists who have been their bitter enemies.

No one should be nonchalant about Iran getting nuclear weapons, just as no one wanted them in the hands of Stalin or Mao. But that sentiment tells us nothing about what we should do to prevent it from happening. Today, neoconservatives view hesitancy to attack Iran as timorous and un-Churchillian. Their logic echoes that of radical strate-

Richard K. Betts is director of Columbia University's Arnold A. Saltzman Institute of War and Peace Studies.

gists decades ago. Fears of aggression by a strengthened Stalin generated proposals for preventive war in the 1950s and similar proposals to deal with China in the 1960s. In both cases American leaders decided that the risk of relying on deterrence and containment was the lesser evil. Would any sober person say those decisions were weak-kneed and wrong?

We spend most of our time focusing on what can be done to stop Iran. Well and good, if we find a way. But even leaving aside the further alienation of the Muslim world a U.S. assault would bring, there is no evidence that an air attack would crimp Iran's nuclear capabilities for more than a few years, while energizing leaders to rebuild and strike back. (We have given Tehran ample warning to hide important elements of the necessary infrastructure.) The only military option that would reliably prevent acquisition of nuclear weapons—invasion and indefinite occupation—is out of the question.

Of course we should do what we can, within reasonable risk, to stop Iran. Other carrots and sticks need more attention, but even a better set may not succeed. We need to focus more on how to cope if Iran fields the weapons. This means figuring out the limits of our political demands, and what we could give as well as get, to negotiate a *modus vivendi*. Other cases remind us that some tough strategic challenges must be managed until conditions make them tractable. We can do worse than taking guidance from the Cold War experiences of containment and deterrence.

Ian Bremmer

It's not clear to me that the Iranians would engage the United States if the Bush Administration offered, which is itself highly unlikely. Ahmadinejad and his domestic allies believe Iran has growing influence in the region and an improving geopolitical position. In November, I heard a speech from Iran's chief nuclear negotiator, Ali Larijani, at the Arab Strategy Forum in Dubai. He was more assertive and self-confident than I've ever seen him. He said Iran wouldn't talk with the United States until the White House announced a complete withdrawal of troops from Iraq. He invited other Middle Eastern states to join Iran in a regional security organization that excludes the United States and called on Arab governments to develop nuclear programs to facilitate a nuclear OPEC.

There's an awful lot of posturing here, and that's a big part of the problem. The Iranian president clearly believes that he wins support at home by taking a harder-line position on the nuclear program. There's broad agreement across the population and among the elites that a nuclear program is good and that the country has the right to develop one. But Iran isn't a totalitarian state like North Korea. There's real opposition in the country to other elements of Ahmadinejad's political agenda. We've seen that from Iranian journalists who bluntly challenge his economic policy during press conferences and in the student protests that disrupted one of his recent speeches and ended up on Al-Jazeera. We see it in the results of the recent municipal elections. The real challenge for the Bush Administration is to develop a more nuanced and moderate approach, one that stops feeding Ahmadinejad new opportunities to play the defiant champion of resistance to the United States—but without surrendering to his hard-line position.

Fostering opposition in Iran is about getting out of the way so Ahmadinejad's rivals can change the political subject and focus on the president's weaknesses, particularly economic mismanagement. So the United States should stop talking up the military option; sending another carrier into the region only feeds the problem and allows Ahmadinejad to dominate the conversation within the country. The United States should

Ian Bremmer is president of the Eurasia Group and a contributing editor to *The National Interest*.

speaking much more softly. That approach would not only make it harder for Ahmadinejad to whip up support against the West at home and on the international stage, it would help relieve upward pressure on oil prices, depriving the Iranian government of some of the revenue it uses to consolidate its position and stave off domestic criticism. (The relatively mild tone of Bush's speech at the General Assembly last fall accomplished that, especially since jittery markets were expecting something much more incendiary.)

As for oil markets, if the Saudis overproduce for six to twelve months to bring some spare capacity on line, that would put pressure on Ahmadinejad's government. The Saudis could balk at that suggestion. If they do, the United States can remind them that the eventual alternative may well be military action against Iran. No one, including the Saudis, really wants that. They certainly don't want a nuclear Iran, but they really don't want the risks and uncertainty that would come with more military action in the region.

At the same time, the United States should use targeted leverage to directly punish the Iranian regime. Washington has really irritated the North Koreans by tracking and freezing regime assets in Macau, their top priority prior to six-party talks. To the extent that the Treasury Department can do much the same thing with individuals directly involved in Iran's nuclear program—and folks at the State Department believe it could make a difference—they should press ahead with European allies, Japan and others. And they should target financial transactions at chokepoints like Dubai, where Iran does so much of its banking.

Nikolas K. Gvosdev

Policymakers have to face the cold, harsh reality that any course of action *vis-à-vis* Iran is risky and will hurt some key U.S. foreign policy priorities. There is no "cost-free" solution.

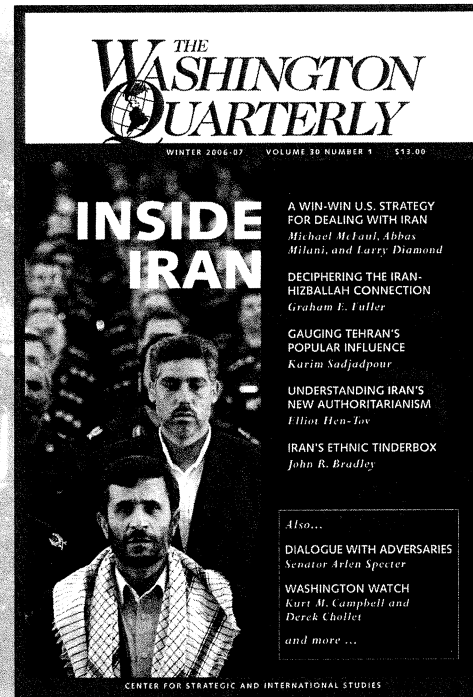
To what extent would the ayatollahs agree with Hans Morgenthau's contention, "The individual may say for himself: 'Fiat justitia, pereat mundus' (Let justice be done, even if the world perish), but the state has no right to say so in the name of those who are in its care"? Without a definitive answer, it is difficult to evaluate whether traditional stimuli (sanctions, deterrence and so on) for changing regime behavior will work.

And is the price for certain resolution (say, a certifiable de-nuclearization via regime change) higher or lower than that of living with an ambiguous and dissatisfying status quo? For the last decade, India and Pakistan have grappled with everything from the role their nuclear arsenals should play in relationship to their conventional forces, to the ongoing fighting in Kashmir, to the extent to which a government in Islamabad is responsible for terrorist groups operating inside of India. Infiltrators coming across the Line of Control and dueling artillery barrages seem tolerable annoyances that do not risk an escalation that could result in a nuclear exchange—but does the nuclear stalemate mean that a large-scale attack in Mumbai or against senior government officials would similarly be tolerated? We saw how Hizballah poorly predicted Israel's response to the kidnapping of their soldiers and small-scale rocket attacks last summer.

But what should most concern us is solving the Iran question "by default"—which is where it seems we are headed. In this scenario, our inability to set priorities and assess costs leads to the worst of all possible worlds: a nuclear-capable Iran unencumbered by regional security architecture, a series of informal arrangements setting out redlines on issues such as terrorism (similar to the China-Taiwan precedent) or greater steps toward energy independence and diversification. □

Nikolas K. Gvosdev is editor of *The National Interest*.

In the current issue, *The Washington Quarterly* celebrates its 30th year with a new cover design and editorial board.



EDITORIAL BOARD

Kurt M. Campbell, <i>Chairman</i>	Vladimir A. Orlov
Walter Laqueur, <i>Chairman Emeritus</i>	Mitchell B. Reiss
Lael Brainard	Susan E. Rice
Daniel Byman	Simon Serfaty
Karen Donfried	Anne-Marie Slaughter
Yoichi Funabashi	James B. Steinberg
G. John Ikenberry	Ashley J. Tellis
Jeffrey W. Legro	Bruno Tertrais
Michael Mastanduno	Celeste A. Wallander
Michael McFaul	Wu Xinbo
C. Raja Mohan	Fareed Zakaria
Robin Niblett	
Joseph S. Nye	

"The *Washington Quarterly* consistently presents its readers with in-depth analysis of all sides of today's critical geostrategic debates."

—Zbigniew Brzezinski,
Former National Security Adviser

<http://mitpressjournals.org/twq>

Alexander T.J. Lennon, Editor-in-Chief

PUBLISHED QUARTERLY BY THE MIT PRESS FOR THE CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES