

The Audit of Conventional Wisdom

In this series of essays, MIT's Center for International Studies tours the horizon of conventional wisdoms that animate U.S. foreign policy, and put them to the test of data and history. By subjecting particularly well-accepted ideas to close scrutiny, our aim is to re-engage policy and opinion leaders on topics that are too easily passing such scrutiny. We hope that this will lead to further debate and inquiries, with a result we can all agree on: better foreign policies that lead to a more peaceful and prosperous world. Authors in this series are available to the press and policy community. Contact: Amy Tarr (atarr@mit.edu, 617.253.1965).

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Iran: Rogue State?

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Iran is now an important focal point for U.S. foreign policy. Yet many have argued that the United States lacks a coherent foreign policy on Iran, amounting to no more than an enormous list of "evils": namely, that Iran exports its radical Islamist revolution, supports Hezbollah and Hamas and actively opposes the Middle East peace process, is building nuclear and biological weapons capacity, was involved in the bombings of the Jewish center in Buenos Aires and the Khobar towers in Saudi Arabia, provides Al-Qaeda with safe passage and refuge, helps insurgents in Iraq, assassinates its own dissidents and oppresses its people, and so on.

Some of these claims are substantiated, while others are based on speculation and circumstantial evidence. Some of them are of real concern to the United States, while others are used rhetorically to put more pressure on the Iranian government. Overall, this portfolio of Iran's transgressions has been used to characterize it as a "rogue" state that is dangerous to its neighbors and to the world. In fact, a closer look at each of these issues would indicate otherwise. Iran's nuclear strategy in particular seems to suggest rationality rather than rogue behavior. If that is the case, then it is time for Washington to change its assumptions in dealing with Iran.

Iran's Nuclear Strategy

The U.S. government firmly believes that Iran's nuclear projects are geared toward nuclear weapons. The nuclear ambitions of Iran are a major concern for the United States, for two reasons. First is the ability of Iran to use such weapons against Israel and U.S. troops in the region; and, second, the United States is concerned that the Iranian government may pass nuclear weapons to terrorists to be used on U.S. soil or that of its allies.



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continued from page 1 — While the consequences of a nuclear-armed Iran are potentially grave, the urgency of the issue seems to be overemphasized. A U.S. National Intelligence Estimate recently concluded that Iran indeed is not close to a functional weapons program.³ According to leaks from the report published in the *Washington Post*, it is predicted that Iran is unlikely to have enough highly enriched uranium to make a nuclear bomb "before early to mid-next decade." Still, U.S. officials insist that Iran's program is of major concern. With the election of a hardliner as president in Iran and Iran's rejection of the "final" European Union proposal on August 5, 2005 to stop its nuclear development, tensions have reached an all-time high.

Seen from the Iranian leadership's perspective, the pressure from the international community has its benefits. Iran has survived the past two decades under economic sanctions of all sorts and isolation of different degrees by the United States and Europe. By insisting on its rights to civil nuclear development and the appropriate fuel cycle under the Nuclear Non-Proliferation Treaty (NPT), Iran has gained much without even having exhausted all of its negotiation options. Already the EU and the United States have affirmed its inalienable rights to civilian nuclear power.⁴ After being denied 22 requests for accession to the World Trade Organization by the United States, Iran was allowed to start membership talks in May 2005.⁵ The European Union's package of incentives may be far from what Iran officially expects at this time, but it is far beyond anything that would be offered to Iran, had it not insisted on its nuclear program. Iran hopes to get more if it shows sufficient determination to press forward with its program.

At the same time, Iran seems to be careful not to openly violate the NPT and has shown itself relatively open to inspections. Its denial of unlimited access to military sites for UN inspectors may be more of a tactical move to maintain the mystique of its nuclear program than an active effort at hiding an advanced weapons program. At this stage, it seems that Iran would like to develop a "virtual" deterrent, or the potential capability for an actual deterrent, rather than go for a full-scale weapons program.

Dismissing Sanctions and Military Threats

For Iran, the consequences of the nuclear negotiations game seem to have positive payoffs with acceptable risks. If Iran is taken before the U.N. Security Council, there is little ground for sanctions given that it has not taken definitive steps toward nuclear weapons development. Also, with China and Russia present, Iran has little to fear, or so it assumes—both appear ready to block sanctions. The time it takes for such processes would allow Iran to go further along its enrichment activities, increasing the stakes and strengthening its hand in negotiations.

Iran is convinced that the United States will make every effort to change the current regime in Tehran, whether or not Iran pursues its nuclear program. For Iran the threat of military action is not new; President Reagan's lavish support for Saddam Hussein in the Iran-Iraq war in the 1980s and the shooting down of an Iranian civilian airliner in 1988 (resulting in 290 deaths) were signs for the regime that Washington would not refrain from a military confrontation. The comparative experience of Iraq and North Korea seems to have convinced Iranian leaders that a hard line would be the only thing that could save them from the fate of Iraq's Ba'ath regime.

At the same time, the threat of imminent military action by the United States to deal with the nuclear standoff is deemed insignificant in Teheran. A full-scale invasion is not expected with the U.S. military stuck in Iraq and Afghanistan, and air strikes are not a plausible option to set back the program. In fact, such attacks would surely unite the currently disgruntled

public behind the regime by spurring Iranian nationalism. The threat of using tactical nukes against Iran, which the administration is rumored to have considered,⁶ is also seen by the Iranian leadership as an empty threat, since the implications would go beyond Iran and could create an international crisis with unforeseeable consequences.

Mitigating Risk

Iran's risk mitigation strategies rely on improving its prominent position in the world energy market, expanding its international ties, and maintaining its influence over non-state regional and global actors.

The Energy Shield: Iran counts on its prominent position in OPEC at a time when oil prices are above the \$60 mark (as of August 2005). The importance of Iran's 4.2 million barrels per day oil production capacity in a fragile energy market is insurance against military invasion, international isolation, and economic sanctions.

Geopolitical Status: Iran is quietly expanding its global influence by engaging China, Japan, and India in long-term energy contracts and by engaging in Iraq's reconstruction. Thanks to President Khatami's reform era (1997-2005), Iran's relationship with its neighbors is probably at the best it has been since the 1979 revolution, and it seems unlikely that Mahmoud Ahmadinejad, the new president, would undermine those relations. Iran's strong support of Iraq's Shi'ite government and the Afghan government, both allies of the United States, has created common interests that are not easy to overlook.

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The Wildcard Factor: While Iran's influence over Hezbollah and Hamas may be gradually waning due to internal political developments in Lebanon and the Palestinian territories, it has not tried to dispel fears by U.S. analysts that any threat to Iran would result in a region-wide escalation of reprisals by its protégées. Iran's position vis-à-vis al Qaeda is also unclear at this point. Iran has little affinity with Saudi or other Sunni Jihadists who are killing Shi'ites in Iraq. A strategic collaboration between Iran and al Qaeda is therefore quite unlikely. Iran reportedly prosecuted 3,000 al Qaeda members who had infiltrated Iran in the last couple of years. 7 Yet Western sources believe that Iran is holding top-level al Qaeda members, including Ayman Alzawahiri and Saad bin Laden, without returning them to their native countries, as has been done with others who have been arrested.8 While not corroborated, such cases, if true, could also serve as a bargaining chip with the U.S. in the future. Overall, it seems Iran is using American rhetoric on its connection to terrorist groups to caution against military threats; while Iran's conventional forces may be no match for the U.S. military, Iran hints that it has more muscle if push comes to shove, including making life hell for U.S. troops in Iraq and Afghanistan and subverting the recent progress in the resolution of the Israeli-Palestinian conflict.

Reconsidering U.S. Policy on Iran

The above discussion would indicate that Iran's nuclear strategy is a good example of its rational behavior in international relations. While there is always a chance that Iran will overplay its hands, the basic rationale for their actions is rooted in a game-theoretic perspective of payoffs, costs and associated risks.

The image of Iran as a rogue state dates back to the days of the hostage-taking crisis and the Iran-Iraq war. A more detailed study would reveal increased rationality in Iran's foreign relations since 1988. If Washington continues to use an antiquated mental map of Iran's position in the world, it will find itself in a position where the only available options to deal with Iran would be irrational and limited.

The implication of Iran's rationality may prove crucial in shaping U.S. policy toward Iran, prompting a different approach in dealing with the Islamic Republic. The particular direction of such a change would depend on a fresh assessment of the rapidly changing position of Iran in the world, and dealing with Iran

as a rational actor, with discernable and even predictable interests, prerogatives, and capabilities.

I therefore argue that *détente* would be a more effective U.S. strategy than Washington's current approach. A policy of *détente* could entail a serious reconsideration of the American strategy to isolate Iran, which has actually strengthened the hands of conservatives in the Teheran regime. An increased emphasis on Iran's human rights record and a policy that is based on game theoretic perspectives in its approach, are

also warranted. A stronger alliance with the Europeans in dealing with the nuclear issue is also worthwhile—e.g., substituting smart sanctions targeting proliferation activities for current blanket sanctions that even prohibit Iranian students from taking the TOEFL (Test of English as a Foreign Language). Indeed, the establishment of limited diplomatic ties with Iran could help contain Iran's threat to the United States, while encouraging the Iranian regime to be a more responsible member of the international community.

article footnotes

- ¹ John R. Bolton, Remarks to the Conference of the Institute for Foreign Policy Analysis and the Fletcher School's International Security Studies Program, Washington, D.C., December 2, 2003.
- 2 Iranian Nuke Dreams Challenge Bush Doctrine, Fox News, Monday, April 25, 2005, http://www.foxnews.com/story/0,2933,154407,00.html.
- ³ Kenneth Timmermann, "Nuclear dance of 1,000 veils," *Washington Times*, August 5, 2005. This repeats a long pattern, beginning in the early 1980s, of intelligence services predicting that Iran is a few years away from a bomb. See http://www.nti.org/e_research/profiles/Iran/1825_1826.html.
- 4 "EU reaffirms Iran's "inalienable" right to nuclear energy", Khaleej Times Online, August 5, 2005.
- $^{\rm 5}$ "Iran to Start WTO Accession Talks," Weekly World Trade News Digest, June 1, 2005.
- 6 "Deep Background", by Philip Giraldi, *The American Conservative*, August 1, 2005 http://www.amconmag.com/2005_08_01/article3.html.
- 7 "Iran official claims major al Qaeda crackdown," Canadian Broadcasting Service, July 17, 2005.
- 8 "Iran holds Al Qaeda's top leaders," Christian Science Monitor, July 28, 2003.



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