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## Policy Brief #6

The Atlantic Council of the United States, The Middle East Institute,  
The Middle East Policy Council, and The Stanley Foundation

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# U.S. Challenges and Choices in the Gulf: Iran and Proliferation Concerns

*This policy brief is based on the discussion at the eighth in a jointly sponsored series of congressional staff briefings on “U.S. Challenges and Choices in the Gulf.” To receive information on future briefings, contact Jennifer Davies at [jdavies@stanleyfoundation.org](mailto:jdavies@stanleyfoundation.org).*

## I. The Proliferation Picture in the Gulf: A Tough Neighborhood

The Gulf region is beset by historical rivalries, competition for regional influence, territorial disputes and explosive conflicts. These factors create a dangerous strategic environment in which many key regional actors look to defend their national interests by pursuing weapons of mass destruction (WMD) and ballistic missiles.

This regional attraction to WMD poses serious problems for U.S. policymakers. It represents a clear and present danger to U.S. interests, troops and allies in a region with vital oil and gas deposits, a pivotal geographic location and a volatile recent history. Iraq is currently the center of attention in Washington and at the United Nations (UN) because of the combination of Saddam Hussein’s determined efforts to acquire WMD and the disarmament obligations imposed on Iraq by the Security Council in 1991 and thereafter. In contrast, Iran’s WMD development programs remain largely unknown and unchecked. They were the main subject of a recent Congressional Staff Briefing organized by the Atlantic Council of the United States, the Middle East Institute, the Middle East Policy Council and the Stanley Foundation.

### *Focusing Attention: The Clear Iraqi Threat Versus the Ambiguous Iranian Proliferation Picture*

Iraq is considered to have clandestine nuclear weapons programs, biological and chemical weapons stockpiles and short range (1000 kilometer) ballistic missiles.<sup>1</sup> UN weapons inspections confirmed the existence of these in the early and mid 1990s and the Iraqi government’s past missile attacks on Israel and Saudi Arabia, as well as its chemical weapons use against both Iran and its own people, have been well documented.

Though concrete information on Iranian WMD programs is relatively unavailable, Iran is widely believed to have clandestine nuclear weapons programs, biological and chemical weapons stockpiles and medium range (1000-3000 kilometer) ballistic missiles.<sup>2</sup> In addition, as a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), Iran has legally commissioned Russian firms to complete a German-designed nuclear power plant at Bushehr and is negotiating with Russia for the supply of additional power reactors. The relative ambiguity of Iran’s WMD programs combined with U.S. suspicions regarding its Bushehr project raise the basic question of Iranian regional threat perceptions. How does Iran view its security situation, and how are these views linked to the current Islamic regime in Tehran? What are the linkages with the conventional or WMD programs of Iran’s neighbors?

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<sup>1</sup> *The Financial Times*, 11 July 2002.

<sup>2</sup> *Ibid*

## II. The Proliferation Picture in Iran

### *The Legacy of the Iraq-Iran War*

Iranians view Iraq as one of the foremost threats to its security. Iran fought an eight-year war with Iraq (1980-1988) during which Saddam Hussein's forces employed chemical weapons and conducted massive missile attacks on Iranian cities. The international community largely stood by, content to sell weapons to both combatants. This history of WMD attacks on Iran by Iraq (and even of tacit international support for Iraqi war efforts in the 1980s) lead Iran to the conclusion that it must provide for its own defense, making acquisition of missiles and WMD relatively more attractive.

### *The View from Tehran: Other Regional Considerations*

Iraq aside, Iranians live in a threatening strategic environment. Across the Gulf, to the Southwest of Iran, Saudi Arabia is a signatory to the NPT and a strong advocate of a nuclear-weapon-free zone in the Middle East.<sup>3</sup> However, it possesses Chinese CSS-2 missiles with a range of 2,600 kilometers and, since the end of the Gulf War, the Saudi government has invested heavily in upgrading its military. (Military expenditures accounted for 13% of the Saudi GDP in fiscal year 2000, some \$18.3 billion.<sup>4</sup>)

Though Israel does not border on the Gulf, its policies and armaments are viewed as a major threat by many in the region and are often a standard against which others' military programs are designed. Israel possesses nuclear weapons, though it has not signed the NPT. Indeed, Gulf states such as Iran and Iraq cite Israel's nuclear capability as justifying their own need for nuclear weapons, though this is but one of the motives behind their programs. In addition, Israel maintains medium range ballistic missiles (1000-3000 kilometer) and is believed to have chemical and biological weapons stockpiles.<sup>5</sup>

Recently, the U.S.-led ouster of the Taliban regime in Afghanistan has yielded a large concentration of U.S. forces in countries that border Iran. U.S. forces are currently based in Saudi Arabia, Kuwait, Turkey, Bahrain, the United Arab Emirates, Oman, Yemen, Afghanistan, Pakistan, Uzbekistan, Tajikistan and elsewhere in Central Asia.<sup>6</sup> These developments are seen as threatening Iranian security because of the possibility of strategic encirclement by foreign powers or by states in the region such as Pakistan, which has both nuclear weapons and a recent history of tense relations with Tehran.

Given the above considerations, even a future end to Saddam Hussein's rule in Iraq and a clear termination of Iraq's WMD programs would not entirely mitigate Iran's security concerns. Iranian leaders see their country as the natural leader in the Gulf region and will continue to wish to ensure that they have the military as well as other sources of power to play this role. Not only does Iran see Iraq and Saudi Arabia as challenging its position, but Iran and Turkey compete for regional influence and the United Arab Emirates disputes Iranian ownership of three islands – Greater Tunb, Lesser Tunb and Abu Mussa – located at the entrance to the Gulf. Iran also maintains a cooperative-competitive relationship with Russia; Russia sells Iran armaments and nuclear reactor technology, though the two vie for influence in the Caspian region and central Asia.

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<sup>3</sup> *The Financial Times*, 11 July 2002.

<sup>4</sup> *The CIA Factbook: Saudi Arabia*. On the internet at: <http://www.cia.gov/cia/publications/factbook/geos/sa.html>

<sup>5</sup> *The Financial Times*, 11 July 2002.

<sup>6</sup> Global Security.org, *U.S. Central Command Facilities*. On the internet at: <http://www.globalsecurity.org/military/facility/centcom.htm>

### ***Iran's Strategic Goals***

Broadly, Iran's foreign policy is aimed to ensure:

- Its political independence;
- Recognition of its territorial integrity and;
- Recognition of its leadership role in the region.

Iranian leaders probably reason that possession of WMD (particularly nuclear weapons) will help them achieve these goals. WMD appear to offer dependable and relatively inexpensive protection from external threats, especially as Iran's conventional forces are not all that strong, and would increase Iran's regional clout vis-à-vis Iraq, Saudi Arabia and Israel. For these reasons, WMD are likely to remain an attractive option to Iran's leaders – regardless of who is in power – and some experts even argue that under a new nationalist regime Iran's nuclear program might advance more rapidly than it has done in recent years under the regime dominated by the Islamic clerics.

### **III. U.S. Challenges & Choices: Managing Proliferation Issues with Iran**

#### ***Recognizing Limitations***

If Iran's leaders remain determined to pursue WMD, the United States will almost certainly be unable to prevent them from acquiring nuclear weapons, short of overt military attack, in view of Iran's oil wealth and extensive human resources and international networks. Moreover, with no direct government-to-government relations (and almost no unofficial presence in Iran because of U.S. sanctions), Americans have little first hand knowledge of how the Iranian government and public currently think about WMD. As a result, the United States has little ability to engage influential Iranians in discussion about security issues in the Gulf. Iranian development of nuclear weapons, for example, could spark a nuclear arms race in the region, which would further threaten Iranian national security. Regardless, Iranians appear more seized with internal problems related to the mismanaged economy and to the invasive social strictures imposed by the clerical regime. Reform is badly needed and the government tries to divert the attention of its people by focusing on the threat posed by the "Great Satan."

Coercive efforts by the United States, mainly in the form of unilateral sanctions, have proven ineffective in compelling Iranian leaders to give up WMD options. Many experts believe that even with U.S. sanctions in place, Iran has enough money to spend what it chooses on WMD development. By this logic, a lifting of U.S. economic sanctions – which have in any case proven less effective over time – need not automatically lead to higher Iranian spending on WMD or ballistic missiles and would likely provide better U.S. access to Iranians.

Another limitation on U.S. policy options is the U.S. government's recent rejection of a proposed strong verification regime for the Biological and Toxin Weapons Convention (BWC). In so doing, the United States has effectively precluded the possibility of international inspection of suspected Iranian biological weapons facilities and reduced U.S. diplomatic credibility in regard to international weapons inspection generally. By contrast, the Chemical Weapons Convention (CWC) already benefits from a strong verification regime; it is unlikely, however, that the U.S. government would challenge Iran over suspected violations as such action could expose the United States to similar, retaliatory Iranian challenges.

#### ***Ways to Increase U.S. Influence in Iran***

Improved relations between the United States and Iran are not likely until Iran resolves the internal contradictions between the policies of its clerical regime and the will of its people. In the longer term, however, many experts believe that the Iranian people will gain increasing control over their lives and,

eventually, over their foreign policy. The United States is evidently quite popular among the people of Iran and normal relations might be quickly restored if such an option were put to a vote.

In the meantime, the United States should pursue many of the strategic interests it shares with Iran, such as energy security and combating terrorism, international crime and illegal drugs. It can also work to reduce tension in the region. For example, the United States could make known to Iran general U.S. objectives vis-à-vis Iraq and warn Iranian ships of U.S. exercises in the Gulf. There are probably also opportunities for cooperation with Iran in rebuilding Afghanistan and, quietly, for dealing with Saddam Hussein.

In the near term, due to the lack of trust between the two parties, such cooperation is improbable. Building trust would require, at a minimum, a toning down of rhetoric on both sides. Iranian leaders should reduce public incitements to “crush” the United States (and to destroy Israel) and U.S. leaders should reconsider the utility of labeling Iran a rogue state. Even limited U.S.-Iranian engagement could give the Bush administration valuable information and leverage – a better understanding of events in Iran and a greater potential to influence them.

### ***Delaying Iran’s Acquisition of WMD***

Ultimately, Iranian leaders will decide whether and how far to pursue WMD and ballistic missiles. Given the limited influence of the United States over these decisions, U.S. efforts in the short term must instead focus on working with potential suppliers of critical technologies, particularly Russia, to limit their exports to Iran. Though a member of the Missile Technology Control Regime, Russia provides the bulk of Iranian nuclear and missile technology. U.S.-Russian *rapprochement* over the fight against terrorism, along with Russia’s entry into the new G8, suggests the utility of pressing for tighter Russian export controls. The Russian government is well aware of U.S. concerns and it has indicated that any fuel provided for Iran’s nuclear reactor will be returned to Russia for reprocessing – thus reducing the chances that some may be diverted for nuclear weapons.

U.S.-Russian cooperation could also provide the opportunity to develop a “trust-but-verify” approach to Iranian WMD and missile development. For example, the United States might drop its objections to Russia’s nuclear energy contracts with Iran, provided that Iran agree to return all its spent fuel to Russia for reprocessing and to accept the more intrusive advanced safeguard inspections approved by the International Atomic Energy Agency (IAEA). Such an agreement would help Iran maintain its international *bona fides* as fully compliant with its NPT obligations. In turn, this renewed U.S. commitment to international treaty verification would help empower the IAEA and provide a valuable conduit for U.S. efforts to track Iranian activities.