



Area: Security & Defence - ARI 89/2006

Date: 7/8/2006

Iran's Nuclear Gamble

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Theme: The critical dynamics of Iran's international relations might potentially give way to a multi-level short-term escalation.

Summary: From a possible tightening of today's sanction-policies to armed conflict, numerous hypothetical outcomes are to be considered, concerning the ever worsening current crisis between Iran, on one side, and Europe and the U.S., on the other. Given its peculiar-and widely unknown-institutional, economic and social structure, Iran seems to be displaying a defying attitude, counting on temporary power factors and on peculiar and risky political necessities. To all of the above must be added the increasing unpredictability of Washington's security policies, in terms of the fight against both terrorism and emerging threats, such as nuclear proliferation.

Analysis:

The Overall Context

According to the constitution of the Islamic Republic of Iran, as amended at the end of the 1980's, the President has a clearly profiled function in terms of exerting his own powers, as far as managing state affairs is concerned. Among such powers, one should certainly not forget the one concerning the management of both national/state interest and security, also by means of controlling the Supreme Council for National Security, though always within a specific spectrum shaped by the Supreme Leadership of The Islamic Revolution.

Regarding Iran's nuclear issue, as already pointed out several times by both numerous western observers and some Iranian parliamentarians within the Majlis, the President repeatedly and deliberately went beyond the limits of his own powers, thus exposing his country to evident risks and undermining the logic of its national security.

However, Iran's President so far, at least, has constantly scaled down the issue of his country's nuclear ambitions within the framework of Teheran's necessity and right to develop its own national and civil capability, simultaneously respecting the Non-Proliferation Treaty and pursuing a "stop-and-go" policy concerning its openness to the I.A.E.A. and its inspections; a policy, in itself, destined to cause more tensions than clarity, as far as such topic is concerned.

Iran's nuclear project is a long-term one, potentially useful in terms of national energy policies and certainly attainable in an alternative manner, especially as far as its political profile is concerned.

Concerning Iran's current establishment, though, the "nuclear factor" has another and specific function. The President, in fact, has explicitly taken advantage of the fierce nationalism largely featured in today's Iranian society, thus transforming such program in

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a matter of national dignity. The "nuclear factor" has become Iran's number one national priority and being able to pacifically pursue it through those manners deemed as both necessary and adequate, free from any interference whatsoever, is considered an inalienable national right.

The vast majority of the citizens of the Islamic Republic, including dissenting minorities and expatriate communities, largely agree upon such stance. It appears, therefore, clear how the President could have played a clever game concerning the project's development procedures, adopting conducts and actions that do not violate the NPT - which Iran signed in 1968 - but which, on the other hand, evidently appear to be contrary to the logic of cooperation and transparency imposed by the I.A.E.A.

That is how the "nuclear factor" became the epicentre of one of the most dramatic confrontations in the history of the country, progressively growing worse and acquiring ever worrying tones on both sides.

The nuclear case, though, is not the only "hot issue" as far as today's Iran is concerned. The President, in fact, repeatedly attacked the state of Israel from the very first day of his mandate, clearly exceeding Iran's traditional stance on the issue and openly threatening the security of the Jewish state. Not forgetting his despicable statements on the Holocaust and his constant threat of wanting Israel "wiped out" from the world map.

The insertion, though, of an anti-Semitic element within the more general anti-Zionist context which "historically" characterized the Islamic Republic of Iran openly clashes, on the one hand, with the evidence of regional assets and, on the other, with the long-term dynamics of the relations between these two countries, simply representing another - and artificial - factor aimed at escalating the general crisis between Iran and the West.

Who controls Iran today?

Today's Iran political and institutional order has been deeply influenced by the outcome of the 2005 presidential election. Ahmadi-Nejad's victory brought to the top of the political and institutional system a new generation of politicians coming from the clergy and - first and foremost - from both the secular wing and the former Pasdaran.

This new component is also characterized both by the presence and the support of some figures once connected to the Hojjatieh Society and by close ties with the bazaar, a traditional centre of Iran's political and economic power.

The top of Iran's establishment has, therefore, a clearly conservative and religious orientation, although with moderately critical positions - at least in some of its components - compared to the traditional leadership of the first-generation religious figures. Thus Iran's profile can be considered both constitutional and political.

Although mostly in a latent manner, a political and ideological component can therefore be identified as antagonist towards the traditional power structure of those first-generation religious figures, which can be generically linked with both Ayatollah Khamenei and Rafsanjani's faction.

This new component has created a strong and charismatic figure for Ahmadi-Nejad, thus upsetting the traditional power logic that, until that day, has been connected with the Presidency and suggesting a newly happened power-increase, as far as such office is concerned.

Actually, considering the absence of any constitutional amendment whatsoever, Ahmadi-Nejad's powers are exactly the same compared to those of his post-1989 constitutional

reform predecessors. From this point of view, neither an increased degree of autonomy nor an increased amount of power can be observed as far as the President is concerned but only a wider margin of tolerance first and foremost in his relations with the Supreme Leadership, the Expediency Council and the Council of Guardians.

Yet it is an unstable balance, mostly because of some elements of the current “winning faction” being openly hostile to the very institutional model of the Islamic Republic and because of emerging conflicts of interest concerning the control and the management of the very heart of Iran’s economic system: the aforementioned bazaar and the extremely powerful foundations.

A growing dichotomy within the “conservative camp” can therefore be observed, with its inner fractures and political limits becoming more and more evident after the 8 years of unity during Khatami’s reformist presidency. Within such camp, the President is just a wedge in a far more complex mosaic and not an autonomous and independent centre of power, as opposed to what the West too often believes.

Ahmadi-Nejad is, therefore, part of a “faction” within which he sides with a diversified group of political and, first and foremost, economic interests striving for a change in Iran’s political system which, on the other hand, cannot be considered so radical that it can endanger the existence of the Islamic Republic. This is a “presidentialist” change rather than a “reformist” one, with the power prerogatives of wide sections of today’s establishment hardly to be touched.

Moreover, and on a short-term perspective, there is a widespread concern about the impact popular discontent might have. Ahmadi-Nejad won last year’s election not only thanks to the convinced support of his followers and of vast Pasdaran-factions. He won it, first and foremost, because a large number of voters dissatisfied with his reformist predecessor and his non-delivered reforms, decided to give credit to his promises and intentions.

It is a phenomenon which can be observed also in traditionally anti-government and anti-institutional contexts where he has been perceived either as “the man of change”, as opposed to Rafsanjani’s continuity, or as “the man who will wipe out corruption and mismanagement”, two ever-common features during the reformist double-mandate.

A relatively wide electoral constituency -slightly over 50% of the voters –was mostly gained, though, thanks to major promises, as far as infrastructures, employment and other social issues are concerned. Promises which will only be partially kept, and only for a limited amount of time, given Iran’s current energy industry revenues and which will be mostly devoted to “one-off measures”, with the state once more playing its traditional “price-ceiling” role concerning the country’s ever growing internal problems and inequalities.

Therefore, Iran has a highly unstable political and economic context, as a minor section of the population controls the major part of the country’s economy and as the personal assets of some politicians and “oligarchs” starkly contrast with Iran’s average income. A context dominated by a tiny “command aristocracy”, whose strength lies with economic and agrarian power, a deeply conservative system, traditionally hostile to change.

Another relevant factor also has to be considered: Iran’s demographic evolution, which, in turn, brought about major changes to the 1979-overall landscape in which the Revolution started. Around 70% of Iran’s almost 70-million population is, in fact, less than 35 years old and its demands/needs of 1.5 million jobs per year is in stark contrast with Iran’s capability, which is limited to around half a million a year. Such non-satisfied needs

determine ever-increasing demands for change that, in turn, have the potential to initiate far-reaching processes whose final outcomes cannot be predicted.

The President has contracted major obligations with such an overwhelming fraction of his country's total population. He promised welfare, employment, infrastructures and a bright future. On the other hand though, he is to operate within a mono-sectorial (energy-driven, that is) economic framework facing considerable problems, as far as both its diversification and, first and foremost, its international interaction are concerned.

He has promised a different Iran, a country where the needs of these new generations are to be met and a country where corruption, mismanagement and disparities are to be eradicated. Thus a very ambitious program and a very difficult one to put into practice.

Ahmadi-Nejad's options

Preserving Iran's current status quo means trying to recreate those 1980-conditions which allowed the then newly-born Islamic Republic to consolidate and thus preserve itself. In terms of possible options, this means isolating and sealing off the country. But whereas such 1980-conditions were facilitated by both the storming of the US-Embassy in Teheran and the war against Iraq, today's overall context looks very different.

And that is also the reason why it is possible to catch a glimpse of a constant determination, on Ahmadi-Nejad's part, to reach a confrontational level. In absence of objective conditions which could cause the country to be internationally isolated and sealed off, increasing tensions with the outside world - on a purely verbal level so far - can help give way to further diplomatic troubles which, in turn, could be very useful in order to determine a more decisive and longer-lasting regional crisis.

And reading between the lines, Ahmadi-Nejad's rhetoric sounds more and more in line with Fardid's theories, an Iranian philosopher who favoured political violence in order to achieve change and who was soon sidelined after he had gained a considerable consensus during the times of the Revolution. Ahmadi-Nejad's constant use of a Mahdi-related symbolism, a theme both the anti-Baha'i and Hojjatieh factions strongly agree with, is also the result of such an inspiration. In fact, it is the coming of the Mahdi that will start the era of the universal and final fight between good and evil.

In a Machiavellian manner, the aim, therefore, justifies the means. Iran's urgent necessity consists in carrying out its post-reformist transitional period in the least possible traumatic way. Without external interferences and, first and foremost, without the "looming ghost" represented by the pressing necessity of irreversible social, economic and political innovations.

Iran needs time to pursue a reformist process that is essentially destined to favour a generational change, of which no agreement has yet been found within the complex power system of the Islamic Republic. It is a problem that is to be solved within the system and which, necessarily, cannot be influenced by external factors. On the other hand though, and in order to have the best possible working ground, there is a risk of adopting hasty solutions, underestimating possible collateral damages or not giving possible outcomes the right importance.

There is no doubt about Ahmadi-Nejad's intention aimed at leading Iran's "critical dialogue" with the West towards an even more critical direction. The nuclear issue, a matter of both state security and national pride, can easily be considered the "red thread" of a seemingly unsolvable crisis. But behind Ahmadi-Nejad's apparent diplomatic naivety, lies a much more sophisticated plan.

In fact, he has been and still is very clever in using a selected but robust set of issues upon which international tensions concerning Iran can heat up. The nuclear problem, and first and foremost the possibility of a regional proliferation, has been the starting point of this strategy.

The “Jewish factor” is also to be considered, with both Israel’s security and the Holocaust as two extremely sensitive aspects, as far as defining Teheran’s relations with the U.S.A. and Europe is concerned. Iran’s President is well aware of all this and that is why a strongly anti-Semitic element can be viewed as a relevant novelty concerning Teheran’s traditional attitude towards Israel: absolutely anti-Zionist but also peculiar and pragmatic.

In fact, Israel’s 1980’s-efforts aimed at protecting Iran from both Iraq and the Arab financial supporters of that war, during which the two countries bitterly fought against each other for eight years, are well known. Such Israeli “Realpolitik” not only helped the containment of Iraq’s ambitions but also favoured Washington’s “dual containment” policy. Israel was obviously pursuing its own interests at the time but it did not matter that much, as far as Teheran was concerned, since Iran was fighting the war in almost total international isolation. Besides, Teheran is also aware of the fact that certain Arab states favour an American attack against Iran even more than Israel itself.

Today as back then, a clear degree of both isolation and autonomous management of its political evolution means continuity to Iran; continuity of the Islamic Republic, first and foremost, but also continuity of its complex political and economic system. Despite some major differences within Iran’s establishment, a clear and comprehensive convergence is to be found regarding the necessity of granting the system its continuity. And such necessity is also agreed upon by a large section of the population.

The Islamic Republic is Iran’s social and economic backbone. Forcing a potentially dangerous change or, as many western analysts do, predicting a new revolution, is absolutely contrary to the interests and to the prospects of both security and stability of the largest part of Iran’s population. Numerous and clear forms of opponents to the system and to its ruling class can be easily found. On the other hand though, general and popular priorities point towards economic stability, employment and continuity and tend to sideline the issues of change and western-style freedom and democracy.

Iraq’s example, following the collapse of both its state and institutions, has deeply shocked Iran’s public opinion. Iraq’s chaotic post-intervention situation, as far as a great deal of Iran’s citizens is concerned, represents an absolutely negative model which is to be avoided at all costs.

Corruption is also a part of Iran’s public life. Despite what the President repeatedly states, and already stated, it is not an enemy to be erased, come hell or high water, but a tolerated and justified feature if the social fabric it is a part of keeps on generating at least relative prosperity. Therefore, the problem lies not with Iran’s current system in itself, but rather the guarantee of an acceptable continuity that is largely pursued by the different components of Iranian society. President Ahmadi-Nejad’s main medium-term problem will thus be that of having enough resources in order to guarantee such continuity.

Europe and the US

If its confrontation with the outside world seems to be a plausible strategy in order to achieve a partial degree of isolation, Iran’s risk assessment does not appear to be that clear. The nuclear issue-stalemate and the constant perception of Israel’s security being threatened seem to have given way to a dangerous mechanism, as far as international relations are concerned.

The European Union is still pursuing a negotiation-oriented approach towards the Islamic Republic by means of a Franco-British-German "trojka" which, up to now, has not gained that much from Iran, thus progressively losing its international credibility. The U.K. has long lost any real possibility of exerting its influence on Teheran, whereas France has traditionally pursued a somehow anti-Iranian stance.

A relevant surprise has come, instead, from Germany, with its well-defined and comprehensive approach never heard of before at a European level, whereas Spain and Italy have played almost no role whatsoever so far. Spain's absence can be justified considering its modest local economic involvement and a limited history in terms of bilateral relations with Teheran. Italy, on the other hand, can be hardly comprehended, if nothing considering the size of its economic interchange. On the other hand though, Rome can be partially justified if one does not forget the clear, even if hardly made public, degree of hostility it had to endure from the so-called EU3 (U.K., France and Germany) because of Italy's currently perceived problems in terms of both political instability and foreign policy conduct.

Javier Solana, on behalf of the European Union, offered Iran in June a new set of proposals to unlock the nuclear issue, receiving the traditional expression of interest and the gratitude from Larijani and Mottaki, but without any specific deal or calendar for the acceptance. Many observers suggests the G8 meeting in Russia as a deadline for such a deal, where Russia could enormously benefit, and much more than Europe. It is however highly uncertain any form of deal or agreement with Iran on Solana's proposals, with actually the risk of transforming that in a new and fertile ground for further negotiation on the Iranian side.

As far as Washington is concerned, the Iraqi experience has imposed a low profile, first and foremost media-wise, in dealing with the Iranian issue. Nevertheless, and despite an evident readiness to pursue a diplomatic solution, the military option, in case of a stalemate, seems to be gaining ground.

According to high-ranking sources within Washington's armed forces, a military confrontation against Teheran is supposed to range, at least in theory up to now, from a strike-attack against Iran's nuclear project development-related infrastructures to a much more comprehensive action aimed at eradicating the critical centres of power, both military and political, within the Islamic Republic.

Confrontation and the limits of the regime change strategy

Despite the chances of a foreign military intervention against Iran still being rather limited, the potential effects of an escalation must be reckoned with. The possibilities of pursuing any form of radical political change though the use of force are considered to be very scarce. A clear nationalist factor and an evident capability to unite even diversified components in defending the State have always been highly recognizable forces, as far as Iran is concerned.

Any military action against Teheran is likely to be perceived as a major national humiliation rather than a chance for "liberation", as Iranians have always shown a determined cohesion in defending their country; with such concept, as far as the majority of the population is concerned, being separated from the merely institutional one of the Islamic Republic. And that is also why Iran's establishment does not fear a military escalation that much.

Moreover, it seems very unlikely that Iran can be the target of a military ground-invasion with, furthermore, a possible American use of tactical nuclear weapons, in order to

destroy Iran's military and scientific sites, bearing the considerable risk of re-legitimizing the use of atomic weapons after 60 years of tacit but still universal ban.

A major difficulty in recognizing credible opposition forces must be reckoned with. Within the country, the only area of dissent, younger generations and university students, has been silenced at the end of the 1990's, with the Diaspora also lacking real political meaning.

Both monarchist and traditional left-wing forces, such as the Tudeh or the Fedayn-e Kalq (with the latter deemed as nothing more than dangerous terrorists by the most part of the population), play a strictly marginal role and the same can be said of both independent and traditionalist secular forces. All of the above, despite the vast amounts of US-money being spent on pro-opposition projects that, for the most part, have been devolved to non-effective media operations.

Such an overall situation has always caused ambiguity, as far as western policies are concerned, with Iran's establishment, on the other hand, traditionally aware of the aforementioned factors strengthening its position. The biggest risk, as far as today's Iran-U.S relations are concerned, lies with the possibility of Teheran considering a confrontation with Washington - even a military one - not that dangerous and even useful in order to help inner consolidation also through the freezing of international relations.

Furthermore, it seems pretty hard to assess how Iran perceives the different ways in which a possible U.S.-led (or coalition-led) intervention could take place. A limited-duration and intensity strike-attack, aimed at destroying Iran's nuclear project development-related infrastructures, could turn out to be the best option, as far as Teheran is concerned.

On the one hand, the stalemate concerning the development of this industrial sector would be overcome thanks to a forced interruption, Washington could be blamed for that and, first and foremost, the resulting strong degree of international isolation could be used in order to justify whatever social, political and economic change within the country.

The younger generations within Iran's establishment could thus remove one of the heaviest burdens it inherited from the first generation of revolutionary politicians, thus overcoming one of the most undesired obstacles, as far as exerting its power is concerned.

The chances of a surgical strike limited at erasing Iran's nuclear program-related infrastructures seem, however, rather slim. Moreover, the unpredictability of America's current foreign policy conduct should not be forgotten, something that can also be read, as far as Washington is concerned, as the possibility of a far more powerful intervention.

From verbal to military confrontation: effects and perspectives

Whereas a military confrontation between the U.S. and Iran is a possible outcome to be reckoned with, the size and the temporal extension of a possible military intervention are two still very unclear features.

Three different scenarios are to be examined. The first one consists of an increased verbal confrontation, resulting in Iran's increased diplomatic isolation, but excludes the use of force. The second one consists of a military escalation resulting in a limited-scale and limited-intensity direct confrontation with Iran. The third one, and the most likely one in case a war breaks out, consists of a large-scale operation aimed at systematically striking the structure of Iran's political and military power.

Whereas the first two scenarios are not supposed to have major consequences at both a regional and global level, the third one could give way to an Iranian attempt at both widening the conflict and generating an international crisis, whose final outcomes are extremely hard to predict.

A prolonged, systematic and particularly intense military action against Iran's institutions and armed forces could weaken - mostly by striking the Guardians of The Revolution - the ability of Iran's central government to keep its non-predominantly ethnically Persian provinces under control, thus giving way to an inner confrontation which could both hasten a major institutional collapse and also favour the dismantling of the State as a unified and unifying entity.

Before collapsing, Iran's governmental authorities could resort to some sort of indiscriminate retaliation, striking sensitive targets throughout the region hoping to widen the conflict and to involve some other Arab countries in defending its anti-American and anti-Israeli stance.

It should nevertheless be noted that, despite the chemical and bacteriological attacks it had to suffer from Iraq, Iran never retaliated back in any indiscriminate manner whatsoever, respecting the limits of conventional warfare until the end of the conflict it fought against its western neighbour. It is therefore possible, even though still uncertain, that Iran could stick to this same policy should an armed confrontation break out.

On the other hand though, should such possible military confrontation acquire far bigger proportions and should Iran be confronted with a clear prospect of defeat, the possibility of Teheran adopting other tactics and techniques cannot be ruled out, especially in terms of an area where it might stand some "fair chances" in comparison with its competitor(s).

In the event of such a scenario, Iran could, most likely thanks to its Shahab missiles, strike both Kuwaiti and Saudi refineries as well as American military installations in Qatar. The involvement of Saudi Arabia and Kuwait in the conflict could determine an uncontrollable increase in international oil prices, with possible serious consequences, as far as supplies are concerned.

In terms of general energy flows, the respectively involved Kuwaiti and Saudi amounts would be added to Iran's 4 million daily barrels (only 2mbd of which are currently available for export), thus causing presumably disastrous effects on oil supplies. An attempt at blockading the Strait of Hormuz, or at least at making navigation there almost impossible (mines, various forms of attacks, etc.) must also be taken into account, with similar operations, albeit of a minor entity, possibly taking place also at Iran's northern borders in terms of hostile actions against Azeri oil installations.

Iran could also try and maximize the effects of the influence it has on southern Iraq, by increasing the number of attacks and hostile acts against both Coalition forces and local Sunnis, whereas it can be presumed that both Hamas and Hizballah, despite their ostensibly clear anti-Israeli stance, will choose not to be too involved in an all-out confrontation against Israel.

Conclusion:

None of these possible outcomes seems to be decisive or capable of provoking radical changes, neither short-term nor long-term ones, as far as both international and local scenarios are concerned. Many important international actors could nevertheless feel a major impact. In fact, China, Japan, Europe and Russia would suffer both economically and politically. Economically, because of a presumable loss in terms of investments, and politically, because of their inability in managing the developmental process of the crisis.

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