

**Confidential**

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# RUSSIA

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Vladimir Orlov reports from Brussels:

## WHAT IRAN NEEDS. WHAT RUSSIA CAN DO.

Having visited the Middle East, Washington and now Brussels in the past few months, I keep trying to figure out the answers to the following questions: Who wants a war with Iran? And will there be a war?

*My first conclusion is that very few people want a war with Iran. In fact, almost nobody does, barring the Saudis. Even in Israel, Netanyahu does not have the majority on his side. Nobody is ready for war - some for economic reasons, others because of their domestic political situation.*

*My second conclusion is, tensions over Iran will soon reach a boiling point, and the world will slide to a war regardless of its wishes. Why? The main reason is the current climate of total mistrust. There is no trust between the United States and Iran, between the Iranians and the Saudis, between the EU and Iran, and even between Russia and Iran.*

In this climate, someone will inevitably get spooked and jump the gun. Given the situation, experts in Moscow are faced with three questions. First, what does Iran want? Second, is there a solution to the Iranian nuclear problem? And third, what can Russia do?

## WHAT IRAN WANTS

The Iranian leaders have four key and interrelated strategic goals which they are trying to achieve as best they can.

Up until recently Iran has remained one of the most democratic countries in the Middle East. Its regular parliamentary and presidential elections, combined with a complex multi-tiered decision-making system, make the whole construct potentially vulnerable. The government in Tehran has already passed its first stress test, when the small but vocal Iranian opposition tried to seize the

*The first goal is to maintain internal political stability.*

initiative. That opposition is now being held at bay - but the sops being tossed to it from abroad are irritating the Iranian regime no end. That is in fact why Tehran has little incentive to seek a broad dialogue with the United States. Washington's overall objective is to topple the Iranian regime - or at least that's how things look from Tehran. Pedaling the nuclear issue is just an instrument to achieve a regime change. The Mullahs are not merely being paranoid. Iran has very real reasons to be weary. Its whole history, from the overthrow of Mosaddeq to Western support for the Shah, has taught the Iranians to be weary. In the great scheme of things, should it really make any difference to Iran who the current owner of the White House is?

***The second key Iranian goal is to achieve technological progress and self-sufficiency.***

Iran wants to be one of the leading global actors in the 21st century. To that end it needs to develop advanced technologies, because only they can guarantee independence, self-sufficiency and freedom of maneuver (that is another lesson from history which the Iranians have learned very well). Iran is finding it very difficult to break into the global elite in nuclear, missile, space and biotechnologies. For all the nation-consolidating technological breakthroughs, Iran is edging forward at a much slower pace than its leaders are prepared to admit. A period of rapid nuclear progress (based at least in part on flawed Pakistani technology) has given way to painful setbacks and stagnation. One of the problems is that Iran can rely only on its own resources as a result of the sanctions imposed on the country. The Iranians are in an even worse situation than Cuba was during the Cold War. Despite the Western blockade the Cubans could at least rely on Moscow for help. They soaked up Soviet assistance until they eventually edged past the Soviet Union itself in areas such as healthcare and biotechnologies. The Iranians have no-one to rely on; the Bushehr NPP is one of the precious few exceptions.

Lowering the risk of armed conflicts is the third lesson from history which Tehran has learned well, having gone through the excruciating experience of the war with neighboring Iraq. During that war, everybody helped Saddam Hussein, but nobody came to Iran's aide. It was then, in the mid-1980s, when Iraq was using weapons of mass destruction (chemical weapons) against the Iranians with impunity, that Tehran started thinking about acquiring nuclear weapons.

***The third Iranian goal is to protect the country from foreign intervention and minimize the risk of armed conflicts close to its borders.***

Ironically, Iran's problem with Iraq has been sorted out by the Americans. Now relations between the two Middle Eastern countries are warm enough not to require the use of WMD against each other. But the Iranian diplomacy has failed to achieve a similar détente with the Gulf states, with the possible exception of Oman and the UAE's Dubai emirate. In any event, the Iranians believe that their most important neighbor is the United States, represented by the Fifth Fleet and military bases in the region, plus the American forces in Afghanistan and the American drones in Pakistan. In other words, Tehran believes that relations with Washington are by far the most important factor of its national security.

The entire region is now in a state of flux and turmoil, so it is too early to say whether Iran has won or lost out as a result of the so-called Arab Spring. Tehran likes to pretend that it has won, but for now its alleged winnings are hard to discern. The proverbial Arab Street in Cairo used to cast envious glances towards Tehran under Mubarak. Iran had the Egyptians' attention despite the sectarian differences. But now Egypt is preoccupied with its new national project to the exclusion of anything else. Iran still wields some clout in the Arab states of the Middle East, but not nearly as much as Turkey does. As far as projecting its future influence goes, Tehran clearly has a lesson or two to learn from Ankara. Bashar al-Assad's Syria looks as though it may soon fall out of the sphere of Iranian influence. It will not be a foreign policy catastrophe for Tehran, but it will hurt. The Iranians are putting a brave face on, but things are not looking rosy for them.

**The fourth key goal is to bolster influence in the region, to become a regional superpower and a magnet for all the Muslims in the Middle East, be they Shi'a or Sunni.**

#### MEASURES NEEDED TO RESOLVE THE IRANIAN NUCLEAR PROBLEM

##### **1. Genuine and broad cooperation between Iran and the IAEA.**

Iran keeps making half-steps in this direction from time to time (in August last year, and in January 2012). These steps are a good sign - but they are not enough to convince the international community, including Russia, that all the Iranian transgressions are in the past. Iran must ratify the Additional Protocol, and abide by all its provisions voluntarily pending ratification. Iranians are already doing just that - but selectively. They must now abandon that selective approach.

Publicly and especially in private conversations, our Iranian colleagues complain that the IAEA leaks all their secrets to US and British intelligence, and that eventually all this information ends up in Israel's hands. Tehran finds this humiliating. But apart from the raw emotion, there are also some very rational considerations. With Israel openly mulling the possibility of a military strike against Iranian nuclear facilities, it is simply dangerous for the Iranians to have all their secrets exposed. Another charge laid at Iran's door is that the Iranians build their nuclear facilities first and inform the IAEA later. But I think it is entirely understandable why Iran does that. Can this impasse be resolved? I think it can, and Russia can play a leading role here - more on this later.

##### **2. Withdrawal of the demand for Iran to end uranium enrichment.**

The demand to end uranium enrichment is unrealistic and unnecessary. Unless Tehran violates its commitments under the NPT (and here the situation remains unclear, at least the *historical* part of it), there is no reason to impose something that is not an international norm, and will not become a norm any time soon. Economically Iran's course may not be entirely rational, but politically its aspiration to achieve self-sufficiency must be respected. That is the argument I keep hearing from my colleagues from developing countries, especially from Egypt. Any restrictions Iran chooses to impose on itself with regard to uranium enrichment would be an important step in the right direction - but any such steps must be voluntary.

**3. The UN Security Council must pass a resolution declaring the inadmissibility of any use of force or a threat of force (including cyber-attacks) against any nuclear facilities in the Middle East which have been placed under IAEA safeguards or demonstrated to IAEA inspectors at their own request, including the existing facilities and those under construction, and including also the personnel of those facilities.**

usual manner while its nuclear industry and nuclear scientists are facing constant threats and attacks.

**4. Iran must voluntarily desist from ramping up its uranium enrichment.**

That includes freezing the number of centrifuges in operation at its current level, not adding new centrifuges to the existing cascades, not launching new cascades, and not putting into the operational mode those centrifuges which are already spinning, but without any gas inside. The importance of this step has been emphasized by Russian Deputy Foreign Minister Sergey Ryabkov during a meeting of the *Dialogue Club International* held under the PIR Center auspices. Such a step would be a confidence-building measure rather than a legally binding norm.

**5. UN Security Council must temporarily suspend sanctions against Iran on the condition that Iran fully cooperates with the IAEA.**

Suspension of sanctions has already been proposed by some European experts. The sanctions can be completely rescinded once the IAEA closes the Iranian dossier.

**6. Building a climate of trust in the region on nuclear security issues.**

My colleagues from Kuwait and other Gulf states have expressed concerns about the reliability and safety of the Bushehr NPP, which Russia helped to build. They have called for stress-tests to be conducted at the NPP with the participation of observers from neighboring countries. The Iranian and Russian response to such requests should be positive and friendly.

**7. The launch of regional dialogue on the entire range of nuclear issues in the Middle East.**

The range of topics includes discussions on the establishment of a WMD-free zone in the Middle East (encompassing all the Arab states plus Iran and Israel) and on setting up a *Middle Eastern IAEA*, a body similar to Euratom. The upcoming Helsinki conference on a WMD-free zone in the Middle East could kick-start that dialogue - but only provided that the conference is seen as the beginning of a long confidence-building process rather than a one-off event.

**Iran must not be hampered in its efforts to develop nuclear energy. The country will inevitably acquire all the technologies needed for a complete nuclear fuel cycle; a bombing campaign by Israel will not stop it. The only result of such a campaign would be some obvious adjustments in Tehran's strategic calculations. We must understand Iran's strategic objectives, and try to learn to respect them. Three of these four objectives pose no threat to the region or the international community as a whole. If Iran's strategic goals are taken into account and accommodated, at least to a certain extent, Tehran will have no incentive to militarize its nuclear fuel cycle. As for**

*Iran's nuclear fuel cycle, all its neighbors, including Russia, will simply have to learn how to live with it. After all, all of us have been living with Japan's nuclear fuel cycle for decades, even though some of us don't even have a peace treaty with Japan. Nevertheless, the only thing we fear is another Fukushima rather than Japanese nuclear bombs.*

#### WHAT RUSSIA CAN DO

Let us start with the naïve question: why should Russia be unhappy with a nuclear-armed Iran in the first place?

On the one hand, some might say that even if Iran acquires nuclear weapons Russia's interests will not be affected one way or the other. It is true that Sochi (though not Paris) is within range of Iranian missiles - but hardly anyone thinks those missiles will actually be aimed at Sochi. Tehran's acquisition of nuclear weapons would usher in a new system of regional deterrence between Israel and Iran. Deterrence remained an effective instrument even during the darkest days of the Cold War between the United States and the Soviet Union. It now works for India and Pakistan. There is no reason why it shouldn't work in the Middle East. In fact, such a situation might even make it easier for Israel and Iran to reach some form of an arms control agreement, which is unthinkable in the current circumstances. Finally, Russia has been living with a nuclear-armed North Korea on its doorstep for five years now. This cohabitation was uncomfortable at first, especially in Russia's Primorye, which had to resurrect the long-forgotten practice of civil defense exercises. But five years on, everyone has got used to the situation. Remember also that Tehran is a lot more predictable and rational than the regime in Pyongyang, and unlike irresponsible and unstable Pakistan, it will not share its nuclear know-how and technologies with any other players.

But I, for one, do not buy all these arguments. Iran's acquisition of nuclear weapons would leave the NPT in ruins - and I firmly believe that the treaty remains a cornerstone of international security. It is also thanks to the NPT that Russia retains its enviable position as a member of the P5.

I do not share the opinion that if Iran goes nuclear, Saudi Arabia and Turkey will necessarily follow suit. But we will face an even worse problem: the NPT itself will become devalued and cease to exist. It is not just a matter of Saudi Arabia inevitably going nuclear if Iran does - the entire global nuclear scene will be plunged into chaos. And that would definitely be a blow for Russia's vital interests.

Russia believes that all possible sanctions to prevent Tehran from acquiring nuclear and missile technologies have already been put into effect. But amid the rising tensions Moscow should also think hard on whether all these sanctions are actually helping to achieve the desired effect, given the current circumstances. The United States and the EU have ignored Russia's strong recommendation not to impose any sanctions bypassing the UN Security Council. But Russia would be entirely within its rights to reconsider its approach to the UN Security Council sanctions which have already been approved, and take appropriate action at the Security Council if it believes that some of those sanctions have outlived their usefulness.

By the way, the Security Council sanctions were carefully worded not to infringe upon Russia's right to supply defensive systems to Iran, including the S-300 and S-400 SAM systems. But President Medvedev then issued a decree banning such supplies, and that ban has been put into effect. Now that Tehran is being openly threatened with missile strikes, would it not be appropriate to lift the ban and supply these SAM systems, and also to help Iran strengthen its defenses in other ways (provided that these Russian weapons are not transferred to third parties)?

Russia chose not to support Iran's application for membership of the SCO. It was decided that the organization should not accept new countries which are under UN Security Council sanctions. That temporary norm can be revised. Russia and other SCO members have many common interests with Iran in areas such as energy security, combating drug trafficking, and stabilizing the situation in Afghanistan after the upcoming NATO pullout. But before initiating this process Russia needs to understand Iran's intentions on a number of unresolved bilateral economic issues, including the issue of the Caspian Sea.

Finally, it would be useful for Russian governmental and non-governmental experts to meet and discuss - informally, for now - whether the Group of Six, which now handles most of the dealings with Iran, including the Iranian nuclear problem, is still fit for purpose. Even our American partners often say, «Let us try to resolve this issue (i.e. Iran) without the Europeans - they are of little use and their influence is negligible». Russia could work productively with the Americans in a bilateral format; that is in fact already happening, and the results so far are encouraging.

It is very important - now more than ever - to use a multilateral approach to the Iranian nuclear problem. We must not forget that there are other international actors with many constructive ideas, which Iran will perhaps be more inclined to listen to. For example, instead of the Group of Six, talks with Iran could be handled in the already existing BRICS format. Apart from Russia and China, which are members of both groups, BRICS also includes Brazil, which was involved in dialogue with Iran at an earlier stage (unless Dilma Rousseff has completely lost interest in the subject) and South Africa, which maintains close relations with Iran. India has been one of Iran's opponents in recent years - but that could actually be an advantage, especially given New Delhi's close ties with the United States and its reputation for impartiality in international affairs. Moscow should also step up its bilateral dialogue with Beijing on the Iranian problem.

Another possible format for dialogue with Iran, perhaps an even more promising one than BRICS, would be a new group led by Russia and Turkey. It could also include Brazil and South Africa, plus several other players with a proven track record on nuclear nonproliferation and a good standing both internationally and in Iran. Kazakhstan and Indonesia immediately come to mind. Perhaps Egypt could also play a role.

Needless to say, we have to be realistic: such a group will not be able to give Iran what it wants the most, i.e. security assurances from Washington (including a commitment not to use force and not to interfere in Iran's internal affairs). But, with Russia's active participation, the group would at

**Confidential**

least make the first and the most urgent step towards resolving the Iranian nuclear problem. That step is to make Tehran's nuclear program transparent and demonstrate that in its current shape it does not have a military component, while at the same time ensuring a sensitive treatment of the information received from Iran as part of that transparent approach. Each of the countries I have listed has reputable technical experts who could be granted unprecedented access to the Iranian nuclear infrastructure facilities, even those which are still under construction and which Iran has no international obligation to demonstrate. This group of experts should not in any way be seen as a replacement to the IAEA. It should rather work as an auxiliary body for the duration of the transitional period, until trust and confidence are fully restored - that, at least, is my vision for the group.

Cynically speaking, Russia could just live with the current situation with Iran, a situation of neither war nor peace. But such an approach requires full confidence that all the actors involved have nerves of steel and no-one is going to jump the gun.

I don't have that confidence. Suppose there is a military strike against Arak. Suppose new types of high-precision bunker busters are brought to bear near Qom. What next? An Iranian retaliatory strike against Tel-Aviv? A landing in Bahrain? A blockade of the Strait of Hormuz? Not necessarily. Iran can simply withdraw from the NPT, a treaty which will have failed to protect it. Russia, as one of the three NPT depositary states, will share the responsibility for such a turn of events. It is not in Russia's interests for tensions over Iran to escalate or spiral into a military conflict. That is why Moscow must not stand aloof; it must keep doing all it can to prevent the military scenario, acting responsibly and refusing to play someone else's game.

***The full version of this article will be published in «Russia in Global Affairs» journal.***

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*Moscow - Geneva, February 2012*

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