



## Policy Memo

For a quarter-century<sup>1</sup>, Iran was America's principal security partner in Southwest Asia, helping to contain the Soviet Union and to police the Gulf. It enjoyed cordial and cooperative relationships with Israel and Turkey. The Shah's enthusiastic embrace of secular nationalism obscured Shiite Iran's millennial religious differences with its Sunni Arab neighbors. Shared opposition to Soviet ideology and national power, as well as deference by both Persians and Arabs to American leadership, overshadowed traditional Persian-Arab geopolitical rivalry. Iran's policies supported Western and conservative Arab interests in the Fertile Crescent and Persian Gulf regions. Iran was a major arms market for the West. Despite the Shah's barely disguised aspirations to acquire nuclear weapons, his nuclear programs benefitted from American, French, and Israeli assistance.

The Islamic revolution of 1979 freed Iran from foreign influence and constraints, making it an independent actor in its own region. Iran became deeply estranged from the United States, Israel, and other Western countries as well as its Arab neighbors. Isolated by sanctions, it developed a widening array of indigenously produced armaments, enhanced capabilities for unconventional warfare, and a steadily more capable nuclear industry.

In this century's opening decade, the U.S. overthrow of Iran's principal Arab balancer and enemy (Ba`athist Iraq), repeated Israeli interventions in Lebanon, and Alawite-dominated Syria's lack of effective extra-regional support against its domestic and foreign enemies set in motion events that made Iran the political leader in much of the Fertile Crescent. Regime change in Iraq in 2003 created a power vacuum that was filled by Iraqis aligned with Iran. It also ignited a sectarian civil war between Sunnis and Shiites that has since spread well beyond Iraq. Iran's rising influence in the

region reawakened ancient rivalries with Sunni Arabs. Its missile and nuclear development programs alarmed Israel.

Escalating strife between Arab Shiites in the Fertile Crescent and Gulf has split the Arab world along sectarian lines. In the absence of an effective external counter to Iranian ascendancy, Saudi Arabia and most other members of the Gulf Cooperation Council (GCC) have moved to counter Iran themselves. They now seek actively not just to erode Hezbollah's dominance of Lebanese politics, but to destabilize Shiite rule in Iraq, and to overthrow the Assad regime in Syria.

The Gulf Arabs are, in effect, following Iran into strategic independence from America, which has come to follow their decisions as often as it influences them. Contention between Iran and GCC members now drives both region-wide proxy wars and politics in West Asia. Strife between religious and ethnic communities is erasing century-old borders drawn by European colonial powers in the Fertile Crescent, where the states these borders created are in danger of disintegration.

Events elsewhere in West Asia and North Africa are calling into question alignments formed during the Cold War. The Gulf Arabs now share a perception with Egypt and Pakistan that America is not a reliable security guarantor. They are in search of new partners to balance and deter Iran. To this end, Riyadh is attempting to enlist Cairo and Islamabad as allies. The Saudis and other Gulf Arabs are redoubling their efforts to diversify their international politico-military relationships. Arms markets in Egypt and the GCC are more open to non-NATO suppliers of weapons and training than they have been for decades.

GCC members see Iran's deliberately opaque nuclear program as conferring prestige that must be offset and capabilities that must be deterred. If extra-regional powers cannot deter Iran for them, the Saudis and other Gulf Arabs will do the needful, including fielding their own nuclear forces. In the meantime, they fear that the five permanent members of the U.N. Security Council plus Germany (or "P5+1") will trade acceptance of Iran's enhanced role in West Asia for assurances that it will stop

short of developing nuclear weapons. Some voice concern that Iran might again become the preferred regional security partner of the United States or another extra-regional great power.

Israel views Iran's nuclear programs as potentially challenging its regional nuclear monopoly, checking its military freedom of action, and menacing the very existence of a Jewish state in the Middle East. In light of these interests, some in Israel judge Iranian nuclear latency to be almost as threatening as actual Iranian nuclear capability. They demand that Iran's nuclear programs be ended, not just curtailed.

Europe, the United States, Russia, and China view Iran's nuclear programs in terms of non-proliferation objectives as well as through the eyes of their partners and friends in the region. Europeans fear a cascade of nuclear weapons proliferation in the Arab world, should Iran develop such weapons. The United States shares this concern and is mindful that Iranian nuclear weapons, even if deliverable only over short ranges, would directly counter and threaten U.S. forces deployed in the region. Russia does not want yet another nuclear power added to the several it must already guard against on the Eurasian landmass. China defers to American and Russian concerns.

The Geneva agreements with Iran to one extent or another satisfy the non-proliferation and other concerns of the P5+1. But they do not meet the requirements of regional actors like Israel and the GCC. Specifically, they say, these agreements:

- Do not prevent Iran from longer-term advances toward nuclear latency modeled either on Japan's development of nuclear breakout capability or Israel's undeclared by credible nuclear deterrent (or some combination of the two).
- Do not address the issue of Iranian development of missile and other nuclear-capable delivery systems.
- Do not provide the GCC countries with a deterrent against possible future Iranian nuclear weapons. The agreements mitigate, but do not eliminate, pressure on the GCC to match the worst-case analysis of Iran's nuclear

capabilities. (Israel already has its own nuclear deterrent.)

- Do not offer the GCC (which is turning to heavy reliance on nuclear power for electricity) prospects for parity of enrichment or other nuclear industrial capacity with Iran.
- Do not counter Iranian prestige or curb Iran's expanded footprint in the region. (On the contrary, as GCC states see it, they boost Iran's prestige, leave its sphere of influence in the Fertile Crescent intact, and offer no barrier to further politico-military inroads by it in the region.)
- Do not preclude the re-emergence of strategic partnership between the United States or other extra-regional great powers and Iran.

These contradictions between the interests of increasingly independent regional actors and the global community, as represented by the P5+1, create substantial risks that:

- Israel and/or Saudi Arabia might preclude agreement between the P5+1 and Iran by enlisting opponents in diplomatic or political actions that wreck the negotiations.
- Israel might attack Iran to derail the negotiations and draw the United States into a war aimed at laming Iran's nuclear programs.
- Israel might escalate its already extensive covert warfare against Iran in order to provoke retaliation that would derail negotiations with Iran.
- Escalated Israeli covert action against Iran might lead to counter-escalation by Iran against Israel, including tit-for-tat reprisal in Israel or against Israeli personnel and facilities abroad, further destabilizing the region.
- Saudi Arabia or the UAE might demonstrate lack of confidence in an agreement by preemptively inviting Pakistan to deter Iran by deploying nuclear forces to its territory, thus inadvertently challenging Iran actually to go nuclear.

These risks to the negotiating process and an agreement resulting from it are in addition to those posed by hard-line opponents of the agreement and proponents of a nuclear deterrent in Iran but would play into their hands. The objections of regional

parties to the proposed agreement suggest a rich agenda of issues on which the United States and Russia might cooperate. Some might involve other members of the UN Security Council or P5+1. The agenda should embrace measures to monitor and deter Iranian nuclear breakout, to underscore support for the GCC, and to support peace between Israel, the Palestinians, and the members of the Arab League. Ideas worthy of exploration include:

- Linked commitments not to object to each other's deployment or stationing of nuclear forces in the territory of any country in West Asia (including Israel and the GCC states) under active threat by Iranian nuclear weapons.
- Parallel declarations of extended deterrence commitments that would justify a response in kind to a nuclear attack on any state in the Persian/Arabian Gulf region.
- Enhanced bilateral and multilateral intelligence exchanges on Iranian nuclear developments.
- Proposed negotiations on a missile technology control regime for the Persian/Arabian Gulf region.
- Constitution of a P5+1 - GCC joint commission for policy dialogue, information exchange, and military planning to assure security in the Persian/Arabian Gulf region.
- Formation of a parallel joint commission with Israel.
- Endorsement of negotiations for nuclear disarmament and a nuclear-free zone in the Middle East on the basis of the foregoing arrangements and commitments.
- Arrangements for international management of enrichment and other elements of the nuclear fuel cycle for the GCC countries, with an open invitation to Iran to join these arrangements.
- UN Security Council support for an arms embargo on Syria and the combatants in the Syrian civil war, coupled with the convening of the external parties to the conflict as a prelude to a renewed dialogue between the Syrian government and its many opponents.

- P5+1 engagement in an Israel-Palestine peace process, should the current US-led effort not succeed.

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<sup>1</sup> From August 1953, when Mohammad Mosaddegh's government fell to a UK-US-sponsored coup d'état, to February 1979, when the Iranian monarchy was overthrown by indigenous religious militants.