

# The Iranian nuclear “crisis”

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## Abbreviations

IAEA: International Atomic Energy Agency

UNSC: UN Security Council

NPT: Nuclear Non-Proliferation Treaty

EU-3/E3: Germany, France, UK

## Summary

The current Iranian nuclear crisis started in 2002 when accusations were made that Tehran had not reported everything it should have reported to the IAEA in relation to its nuclear activities. Iran had indeed committed infractions, but those were relatively minor, and have now been dealt with. Nevertheless, a crisis had been triggered and the IAEA was called upon to examine Iran’s nuclear activities, which it has been doing intensively since then.

As of today, after about five years of intrusive inspections, the IAEA has concluded time and again that there is no military nuclear program in Iran. So why is the crisis still alive? Because there is still one issue that needs to be verified: the so-called “weaponization studies.” Those are documents that the US and others claim point to an Iranian military nuclear program. However, there is in fact no credible evidence for those claims, and the authenticity of the “weaponization studies” is dubious, as will be seen in more detail below.

Except for the weaponization studies, the crisis should indeed be over. This is because in a crucial development, in August 2007, Iran and the IAEA agreed on a “work plan” that outlined all the outstanding issues that needed to be resolved to satisfy the IAEA that Iran’s nuclear program was civilian. A timetable of a few months to resolve the issues was also established. In February 2008, the IAEA declared that all outstanding issues had indeed been resolved—and that therefore Iran’s file should be closed. However, the US then pushed to prominence the weaponization studies, which reopened the debate about Iran’s activities—since the studies are composed of thousands of pages of documents which will need to be examined by the IAEA, the crisis could go on for a long time. Iran denies that those studies point to any wrongdoing, but as usual, the Western powers claim otherwise.

One key sticking point currently is that although world powers ask Iran to suspend uranium enrichment in order to conduct negotiations, Iran refuses to do so. Iran has this right under the NPT, but the West claims that suspension would restore confidence in Iran’s program. The media portrays Iran as defiant and stubborn, but in fact Iran’s behavior is a product of recent Western actions.

Some recent historical background is useful to see why and to understand the dynamics of the current crisis. In 2003-2004, a bargain was struck between Iran and Western powers (the latter acting through the EU-3).<sup>1</sup> In a nutshell, Iran agreed to provide assurances that its nuclear program was civilian, not military; in return, Western powers agreed to cooperate with Iran in the nuclear, technological and economic fields, and to provide Iran with security guarantees. What did this mean in practice? First, Iran had to allow the IAEA to conduct inspections to determine the civilian/peaceful nature of its nuclear activities; Iran also agreed to suspend its uranium enrichment voluntarily to build confidence; finally, Iran also agreed to implement the IAEA's "Additional Protocol," which allows for more intrusive inspections, to make sure that its nuclear activities would be examined thoroughly. On the other hand, the West had to cooperate with Iran technologically and economically (for instance, by facilitating its access to nuclear technology) and to provide security guarantees, for instance assurances that Iran would not be attacked, and steps towards the establishment of a Nuclear Weapons Free Zone in the Middle East, which essentially means the elimination of Israel's nuclear weapons.

The problem is that although Iran fulfilled its part of the bargain, Europe and the West did not. Indeed, Europe proposed in August 2005 a package supposed to fulfill their part of the deal, but which in fact did not offer any significant security guarantees to Iran, nor did it make any meaningful offers of cooperation—even if the EU's website describes the offer as "far-reaching."<sup>2</sup> One important reason why Europe failed is US pressure. For example, the US refused to offer security guarantees to Iran, insisting that the military option was on the table.

This jeopardized the negotiations because Iran was forced to conclude that even if it does suspend enrichment, this leads nowhere, and that notwithstanding official pronouncements, in practice, the West simply refuses to let Iran enrich uranium and wants it to be stopped permanently. The West's pretext, throughout the crisis, has been that Iran's activities may be military, even though the IAEA reported many times that they are not (as mentioned above, the West's latest "evidence" are the weaponization studies). In short, this is why Iran is reluctant to suspend uranium enrichment at all today.

Since 2005, the dynamics and issues at stake have remained similar. Basically, the West is seeking to convince Iran to give up enrichment, and does so in two ways, through a "double-track strategy" of carrots and sticks. The first offers cooperation in several fields in return for giving up enrichment. For instance, Iran was offered help to build nuclear reactors and nuclear fuel to power them. There have been so far two packages of carrots, in June 2006 and June 2008. The second strategy has been to enact successive rounds of sanctions by the UNSC, and on top of that, by the EU and the US. There have been three rounds of UNSC sanctions so far.

As of today, those packages of carrots and sticks have not convinced Iran to give up enrichment. Iran finds that the carrots offered are not significant enough. However, giving up on enrichment and receiving fuel from abroad would not be an unusual arrangement, as there are other countries that do just that. But under international law,

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<sup>1</sup> As outlined in the October 2003 Tehran Agreement and the November 2004 Paris Agreement between Iran and the E3.

<sup>2</sup> [http://ec.europa.eu/external\\_relations/iran/nuclear\\_en.htm](http://ec.europa.eu/external_relations/iran/nuclear_en.htm)

this is for Iran to decide, not for world powers; one key issue is that having fuel delivered from abroad would make Iran vulnerable to blackmail from world powers.

## **The Iranian nuclear “crisis”**

This section reviews in more detail the nuclear crisis and gives some historical context to the recent events.

### **The 1979 revolution**

The foundations for Iran's nuclear program were laid in the 1950s, in cooperation with the US and some European countries (at the time, Iran, under the Shah, was a Western ally). Iran signed the NPT in 1968 and ratified it in 1970. Plans were drawn by the Shah to construct up to 23 nuclear power stations across the country together with the US by the year 2000. So, when the West and Iran were allies, world powers were not so troubled by Tehran acquiring nuclear technology.

The 1979 revolution was a turning point in terms of foreign cooperation on nuclear technology, as Western governments then refused to cooperate with Iran. The US successfully put pressure on various countries not to help Iran in the nuclear field, and as a result, the theocratic regime turned elsewhere and concluded deals with Russia and China, as well as agreements on the black market.

### **The 2002 revelations and Iranian May 2003 proposal**

In August 2002, an associate of the MEK (an Iranian terrorist group working against the mullahs), Alireza Jafarzadeh, revealed the existence of two secret nuclear sites at Natanz and Arak. He did that at a press conference in Washington DC even though the MEK was classified by the US as a terrorist organization. He was most probably fed the information by Israeli intelligence and encouraged by the pro-Israel lobby in the US, which wants regime change in Iran.

Clearly, there were possible avenues to settle the crisis early on, but they were rejected by the Bush administration. In May 2003, probably feeling vulnerable due to recent US success in toppling Saddam's regime in Iraq, the Iranians, through the Swiss Ambassador, sent an offer of cooperation to the US. This offer was very important, as Iran made many far-reaching concessions: it included an offer of full cooperation on nuclear programs, a historic acceptance of Israel and the termination of Iranian support for Palestinian militant groups. But although this offer was discussed at the highest levels of the Bush administration, Cheney and Rumsfeld rejected it: they did not want negotiations with Iran. The US even reprimanded the Swiss ambassador to Tehran for conveying the Iranian offer to the US.

### **The “deal”: Tehran/Paris Agreements and the August 2005 offer**

In October 2003, Iran made several confessions to the IAEA about its nuclear program, following international pressure to answer some important outstanding questions. This led to two similar agreements, in Tehran in October 2003 and in Paris in November 2004. Both agreements contained a “deal” between Iran and Europe (standing

for the West).<sup>3</sup> Basically, Iran pledged to provide assurances to the international community that its nuclear program was civilian, not military. In return, the EU/Western powers pledged to cooperate with Iran on technological, nuclear and economic matters, and to provide Iran with security guarantees. Iran and the West established working groups to concretize the deal.

As stated in the Paris Agreement:

“In the context of this suspension [of enrichment by Iran], the E3/EU and Iran have agreed to begin negotiations, with a view to reaching a mutually acceptable agreement on long term arrangements. The agreement will provide objective guarantees that Iran's nuclear programme is exclusively for peaceful purposes. It will equally provide firm guarantees on nuclear, technological and economic cooperation and firm commitments on security issues.

A steering committee will meet to launch these negotiations in the first half of December 2004 and will set up working groups on political and security issues, technology and cooperation, and nuclear issues.”

But those agreements placed the EU-3 at odds with the US, since in the agreement the Europeans basically acknowledged Iran's rights under the NPT to use nuclear energy peacefully and to help Iran towards this end, something the Bush administration opposed. The administration wanted to bring Iran quickly to the UNSC and to proceed with sanctions. For instance, in March 2005, Iran presented a proposal that reduced its plans from 50,000 originally planned centrifuges to 3,000 in an effort to reach agreement, but the US rejected this. Later in early summer 2005, Iran proposed to reduce that further to a few hundred centrifuges, but again the US rejected it.

In August 2005, the EU made an offer to Iran to attempt to save the bargain, but Iran rejected it. This was the immediate trigger for the EU-3 to make plans to refer Iran's case to the UNSC, and therefore constitutes a turning point in the crisis.

The official interpretation of this turning point, heard from Western leaders and the media, is the following: the EU and Iran struck a deal in Paris in November 2004, and in August 2005, the EU made a generous offer to Iran. However, Tehran rejected the offer out of hand, and resumed conversion of uranium. Therefore, Iran broke the deal, and is responsible for the problems that followed.

However, the real story is in fact the opposite. Iran did fulfill its pledge to “provide objective guarantees that Iran's nuclear programme is exclusively for peaceful purposes” by letting the IAEA inspectors in, by suspending enrichment, and by implementing the IAEA's Additional Protocol, which provides for more intrusive inspections. The IAEA inspectors did not find that Iran's nuclear program was military. Therefore, this should have led the Europeans to fulfill their part of the bargain. However, their “generous” offer was in fact not generous at all, turning the Paris Agreement upside down. Therefore, the EU-3, held back by the US, broke the deal—not Iran.

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<sup>3</sup> For this section's argument, see Selig Harrison, It is time to put security issues on the table with Iran, *Financial Times*, 18 January 2006; Siddharth Varadarajan's 3-part series “The Persian Puzzle” on the Iranian nuclear crisis in *The Hindu*, 21, 22, 23 September 2005.

To demonstrate this, we need to look at the EU-3's August 2005 offer. First, "firm commitments on security issues" were never made: the US refused to provide security guarantees to Iran, and steps towards the establishment of a zone free of nuclear weapons in the Middle East—which essentially means eliminating Israel's nuclear weapons—were left vague. The EU was never able to convince the US to offer those security guarantees. Second, pledges of cooperation were anything but "firm guarantees." For instance, regarding Iran's access to nuclear technology for civilian use, it was stated that "the E3/EU would commit themselves not to impede participation in open competitive tendering." "Not to impede" is clearly not a "firm guarantee." Further, Iran was basically told to abandon permanently its enrichment and reprocessing facilities, as it was stated that Iran would make "a binding commitment not to pursue fuel cycle activities other than the construction and operation of light water power and research reactors."

In other words, the only possible "objective guarantee" the E3 was prepared to accept against misuse of enrichment facilities was for Iran not to have them at all. The August offer also asked Iran to import enriched uranium fuel, meaning that Iran would be dependent on fuel from abroad, which could be cut off at any time, even though Iran has a domestic supply of uranium ore.

This assessment of the August 2005 offer was confirmed by some European diplomats off the record. For instance, Asia Times online reported:

"some European diplomats, off the record, admitted to Asia Times Online that the package was "an empty box of chocolates". But "there is nothing else we can offer", a diplomat said. "The Americans simply wouldn't let us." The diplomats also confirmed that both France and Germany were absolutely ready for a deal, considering they want to invest heavily in Iran, and want to close oil and gas agreements. The problem was Britain. "We know," said officials in Tehran, barely disguising their smiles."<sup>4</sup>

In short, Europe, held back by the US, was unable, or unwilling, to fulfill its part of the bargain.

## **2006 referral to UNSC**

Iran's rejection of the August 2005 offer made it possible—given the media propaganda depicting Iran as the guilty party—for the West to argue for the referral of Iran's case to the UNSC. Russia, China, and the non-aligned countries first resisted such move, but it eventually happened on February 2006.

However, this referral was not warranted. What Iran had yet to do at that stage was to provide the IAEA sufficient information on the history of its nuclear program for it to satisfy itself that there were no undeclared nuclear materials or activities. But this alone could hardly constitute grounds for referring the country to the Security Council since the IAEA, in the previous two years, had found discrepancies in the use of nuclear material in as many as 15 countries. Among these are South Korea, Taiwan, and Egypt. In 2002 and 2003, for example, South Korea refused to let the IAEA visit facilities connected to its laser enrichment program. Subsequently, though Seoul confessed to

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<sup>4</sup> Pepe Escobar, Iran knocks Europe out, Asia Times online, 7 September 2005.

having secretly enriched uranium to a 77% concentration—which is almost sufficient for nuclear weapons—neither the US nor the EU suggested referring the matter to the UNSC.

### **The West’s “double-track” strategy**

Since about late 2005, the West has adopted the so-called “double-track” strategy of offering Iran carrots and sticks simultaneously, which correspond respectively to incentives packages (so far 2 have been offered: in June 2006 and June 2008) and sanctions rounds (so far 3 have been enacted by the UNSC: in December 2006, March 2007 and March 2008; in addition, the US and EU have enacted their own sanctions, which come on top of the UNSC’s). Those sanctions restrict trade with Iran and freeze Iranian assets worldwide, among other things.

The key dynamic of the current negotiations is that the West seeks to convince Iran to give up enrichment, in exchange for cooperation in several fields. So far, in Iran’s view, the offers of cooperation have not been significant enough for the regime to give up enrichment, and that is why agreement has still not been reached. There is always a vague uncertainty about the nature of the enrichment suspension that is asked by the West. Theoretically, one could suggest that the request is for a temporary suspension and that eventually Iran could be allowed to enrich; however, in practice, the West is doing everything it can to force Iran to give up enrichment permanently.

Since 2006, with Iran’s file now in the hands of the UNSC, Russia and China have become more active players in the negotiations and have pressured successfully Western powers to make some concessions. For instance, the June 2006 offer was a product of Russian/Chinese pressure and revealed a softening of the US position, at least tactically. Washington said it could sit at the table with Iran and the EU to negotiate, but as a precondition for the negotiations, Iran would have to suspend enrichment. However, this did not preclude the possibility that Iran might one day resume enrichment once all outstanding questions had been resolved and international confidence restored. Previously, the American position had been to reject enrichment for Iran entirely.

The incentives packages offered “carrots”—on the condition that Iran suspend enrichment—such as help in building light water reactors; support for Iranian membership in WTO; a US pledge to lift certain economic sanctions; and provision of nuclear fuel from abroad. However, Iran has rejected those packages because they do not allow it to enrich uranium; because Washington still refuses to include any security guarantees to Iran; and because the suspension precondition for the negotiations will probably lead nowhere, as it did before in the case of the “empty” August 2005 offer.

### **2007 “work plan”**

In August 2007, a very important agreement was struck between Iran and the IAEA, the so-called “work plan.” It listed the remaining outstanding issues to be verified by the IAEA to satisfy itself that Iran’s nuclear program is of a peaceful nature. It also established a timeline with deadlines to deal with each one of the outstanding issues; it was estimated that they could all be resolved within a few months. This was a very significant development: it meant that once the outstanding issues were resolved, Iran’s nuclear file could be closed—i.e., the crisis would be over.

But the US and EU condemned the plan, claiming it just gave a chance to Iran to buy more time to develop its nuclear industry (although Germany thought the plan should

be given a chance to work). For instance, just as the work plan was agreed to, Bush said that Iran's nuclear program would cast the Middle East "under a shadow of nuclear holocaust." Later, John Bolton called for military strikes and regime change in Iran, declaring: "I think we have to consider the use of military force. I think we have to look at a limited strike against their nuclear facilities... If we were to strike Iran it should be accompanied by an effort at regime change... The US once had the capability to engineer the clandestine overthrow of governments. I wish we could get it back."<sup>5</sup> Then Bush said that Iran had to be prevented from provoking "World War III."

Nevertheless, progress was made on the work plan, and the outstanding issues were resolved one by one, roughly in line with the timetable's deadlines. As such, the IAEA was able to state a few months later, in its February 2008 report, that every outstanding issue had now been resolved, with one exception: the alleged "weaponization studies."

This is where we stand today: the IAEA is still investigating the alleged weaponization studies; the West claims that they provide evidence that Iran's nuclear activities are not completely peaceful; Iran denies those allegations. When those studies are examined to a satisfactory degree by the IAEA, Iran's file should be closed.

### **The alleged weaponization studies and the current situation**

But the overwhelming weight of the evidence is clear: Iran's nuclear program is civilian, not military. Of course, theoretically, it is always possible that we will one day find some credible evidence that points to a military program—but today, such evidence simply does not exist. There are also several reasons that suggest that the alleged studies are just another pretext found by the West to keep the crisis alive.

What is this overwhelming evidence that Iran's activities are civilian? And what are the reasons why the alleged studies are most probably groundless?

First, the IAEA has stated time and again in its reports that "The Agency [IAEA] has been able to continue to verify the non-diversion of declared nuclear material in Iran. Iran has provided the Agency with access to declared nuclear material and has provided the required nuclear material accountancy reports in connection with declared nuclear material and activities." (this is from the latest report, 26 May 2008, but some variant appears in previous reports as well). This means that the IAEA has inspected all known nuclear activity in Iran and concluded that it is all civilian.

Of course, one could always ask, "but what about nuclear activities that are secret and unknown?" This is what Western powers are constantly suggesting and that is why they claim that we cannot be certain yet that Iran's activities are completely peaceful.

But this is disingenuous, to say the least. First, although there sometimes is a perception that Iran's nuclear program is "unsupervised" and that there are many things we don't know about it, in fact, it is one of the most exhaustively inspected and supervised nuclear programs in the world, in light of some 3,500 inspector-hours of inspections of its facilities since 2003.<sup>6</sup> Moreover, for about two years (from late 2003 to early 2006) Iran implemented the IAEA's Additional Protocol, which provides for more intrusive inspections (for instance, inspectors can conduct "snap inspections" at short

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<sup>5</sup> <http://www.guardian.co.uk/politics/2007/sep/30/conservatives.iran>

<sup>6</sup> Kaveh Afrasiabi, The myth of 'weapons-grade' enrichment, Asia Times online, 26 June 2008: [http://www.atimes.com/atimes/Middle\\_East/JF24Ak04.html](http://www.atimes.com/atimes/Middle_East/JF24Ak04.html)

notice and can go to more facilities than under regular procedures). And after all that, the IAEA still has not found anything.

Secondly, another important point is that for some time now, under American pressure, the IAEA has seen its role transformed into one of asking Iran to “prove a negative.”<sup>7</sup> This means that the IAEA has stated that it is still unable to conclude that there are not, somewhere in Iran, some unknown facilities/activities which would still need to be inspected. The problems with this are, first, that the IAEA is nevertheless unable to point to any evidence that indeed suggests that there are some undeclared activities in Iran; second, this game of “proving a negative” could in theory go on forever—one would need to examine every single square meter of Iran’s territory to make sure there is nothing to declare there, plus its subsoil, because there could be hidden underground facilities—so every cubic meter of Iran would need to be inspected. In short, those standards are not reasonable, and are not applied to other countries.

Thirdly, even the American intelligence community stated that Iran’s nuclear activities are not military. This was presented in the November 2007 NIE, which said that Iran did not have a nuclear weapons program. So, even US intelligence is saying that Iran’s activities are not military.

Regarding the alleged weaponization studies, there are several reasons why they should be viewed with skepticism. First, the documents come from a stolen laptop of mysterious origins. Analysts say that the laptop comes from Iran and that it has been obtained by the US in 2004 through the Israelis. The authenticity of the documents, and what they prove, has been debated by many.

Second, although the Bush administration had used the laptop documents before, they handed some of the evidence from the laptop to the IAEA only one week before the IAEA released its February 2008 report, in which it stated that the only issue now outstanding was the alleged weaponization studies. So why did the Bush administration hand over the “evidence” it claims incriminates Iran so late in the game, in fact, just a few days before Iran’s case was about to be closed? Wouldn’t it have been more sensible to bring the “evidence” earlier and prove that Iran was pursuing nuclear weapons work? This all points to attempts to derail the diplomatic process and prevent the IAEA from closing Iran’s file, since by handing “evidence” a few days before the February 2008 report, it made sure that the Iranians would not have time to reply before its release. Nevertheless, in the report, the IAEA stated that it “has not detected the use of nuclear material in connection with the alleged studies, nor does it have credible information in this regard.”

In the IAEA’s latest report (May 2008), the situation is similar. Again, the IAEA stated that “It should be emphasised, however, that the Agency has not detected the actual use of nuclear material in connection with the alleged studies.” Also, the IAEA was only authorized by the US to show part of the “evidence” to Iran: “The Agency received much of this information [the “evidence”] only in electronic form and was not authorised to provide copies to Iran.” The problem here is that Iran is now being accused of something but the full evidence is not provided to Iran on its alleged wrongdoing. As reported by the New York Times, the Director General of the IAEA, Dr. ElBaradei, said:

“We have to give them access to the documents — I think it’s fair,” he said in an

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<sup>7</sup> This has been going on since about mid-2005, according to Scott Ritter, *Target Iran*, (New York: Nation Books, 2007), p.180. In general, Scott Ritter is an excellent analyst on the Iranian nuclear crisis.



interview last August. “I’m a lawyer, and due process will tell me that I cannot accuse a person without providing him or her with the evidence.” He added, “I can’t accuse a country saying, ‘You will get your charges but I am not going to tell you what the charges are.’ ”<sup>8</sup>

### **Latest developments**

The US recently agreed to sit down with Iran to discuss the nuclear issue, and did so on July 19, 2008, by sending under secretary of state for political affairs William J. Burns for talks in Geneva. On the one hand, this constitutes a positive shift in US policy, which previously refused to talk to the Iranians before they suspended enrichment. The meeting was the most important diplomatic encounter since the 1979 Islamic Revolution between the United States and Iran. On the other hand, it remains to be seen whether this leads to a substantive shift in policy.

The objective of the latest negotiations in Geneva is for the “Iran 6” (US, UK, France, Germany, China, Russia) to convince Iran to agree to a “freeze-for-freeze” agreement in which Iran would agree not to increase its number of centrifuges for six weeks, and during the same time, world powers would not seek additional sanctions. This would pave the way for more substantive negotiations. However, so far, Iran has not given a positive answer to this plan. World powers gave Iran an ultimatum of two weeks to answer, in early August 2008.

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<sup>8</sup> David Sanger and Elaine Sciolino, U.S. to Produce Data on Iran’s Nuclear Program, New York Times, February 15, 2008.