
Iran's 'Risk-Taking' in Perspective

In collaboration with the Atomic Energy Commission (CEA)

Shahram Chubin

Winter 2008



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Introduction

Assessing any state's intentions is a difficult undertaking – especially at a specific moment in time. When a state is considered hostile, its behaviour erratic, and its system opaque, what is difficult under normal circumstances becomes nearly impossible. It may thus often seem prudent to attribute the worst of intentions to such states, but this can create a self-fulfilling prophecy. Iran with its revolutionary pretensions, fiery rhetoric and nuclear ambitions, is a case in point, since it is particularly difficult to 'read.' Located in the centre of a geopolitically sensitive and conflict-riven area, Iran is in a position to influence – positively or otherwise – the Persian Gulf, the Caucasus, the Middle East and South Asia. This influence may furthermore be expanding as a result of the weakening of Iraq and Lebanon, divisions among the Palestinians, and the more general rise of the Shi'i across the broader region. Add to this the ambiguous aims of Iran's nuclear programme and the shadow this has already thrown across the region, and the need to assess Iran's intentions accurately appears crucial. Here, Iran's past behavior may provide some help, especially when it comes to Iran's proclivity for risk taking – provided the acquisition of a nuclear capability does not alter Iran's intentions or behavior so as to make the past irrelevant.

Some commentators believe that Iran's ideology and past behaviour suggest that a nuclear-capable Iran will be inclined to take on a high level of risk, without concern for the potential costs of this recklessness, and that Iran may perhaps even welcome the risks involved.¹ By contrast, the recent National Intelligence Estimate (NIE), a composite of US intelligence agency estimates, has concluded that Iran's "decisions are guided by a cost-benefit approach" and therefore "may be more vulnerable to influence" than they had previously (i.e. 2005) judged.² These divergent views broadly reflect the division between those who believe that a nuclear Iran cannot be deterred and must be prevented from acquiring a nuclear capability at all costs and those who believe that Iran, like others, can be deterred and therefore contained if need be.

The author would like to acknowledge the contributions to this paper of an anonymous reviewer, and the participants in a workshop at IFRI, Paris, in June 2007.

¹ See Norman Podhoretz who quotes Bernard Lewis in support of this argument, "Stopping Iran: Why the Case for Military Action Still Stands", in: *Commentary*, February 2008, p. 8.

² "Iran: Nuclear Intentions and Capabilities", in: *National Intelligence Estimate*, National Intelligence Council, Washington D.C., November 2007.

Much of this debate, which projects Iran's likely behaviour, is based on extrapolations into the future of past Iranian behaviour. This note argues that Iran is generally risk averse, but not when it comes to creating crises, which it has seen as opportunities for an asymmetrical strategy, that is countering the US' hi-tech warfare by an indirect and low-tech means. While Iran may not be deliberately confrontational, it tends to pursue strategies and tactics that are apt to make miscalculation and confrontation more likely. Some of these are cultural and some regime-specific. The result is a mixed record of pragmatism and opportunism, often associated with different factions within the regime. In a nuclear environment this dualism will be more dangerous. Establishing stable deterrence will therefore be difficult to achieve.

The Elusive Concept of Risk-Taking

It can be difficult to identify what exactly is involved in 'risk-taking.' In some ways 'risk-taking' implies a common or mutual belief in what the risks are and whether the stakes make them worth running. But states may have *different* conceptions (and valuations) of the issues at stake and different evaluations of the risks that are said to be attached to those stakes.

It is difficult to separate risk-taking from bargaining and, as Thomas Schelling has observed, "most conflict situations are essentially bargaining situations," involving threats of damage and mutual damage. In bargaining weakness is often strength and "the power to constrain an adversary may depend on the power to bind oneself." In essence "Bargaining power (...) is the power to fool and bluff" the ability to "set the best price for yourself and fool the other man into thinking this was your maximum offer." Bargaining may involve "burning bridges" and giving "irrevocable commitments," which may be risky behaviour in crisis. Brinkmanship, which seeks to exploit a crisis, is the "deliberate creation of a recognizable risk of war, a risk that one does not completely control."³

Rationality is a slippery concept as well. Schelling notes:

*"Rationality is a collection of attributes, and departures from complete rationality may be in different directions. Irrationality can imply a disorderly and inconsistent value system; faulty calculation, an inability to receive messages or to communicate efficiently; it can imply random or haphazard influences in the reaching of decisions or the transmission of them, or in the receipt or conveyance of information; and it sometimes merely reflects the collective nature of a decision among individuals who do not have identical value systems and whose organizational arrangements and communication systems do not cause them to act like a single entity." The utility of (apparent) irrationality in bargaining situations is clear as well.*⁴

Received assumptions about rationality, risks and values may be erroneously applied to all states. Some states for example, may value

³ Thomas Schelling, *The Strategy of Conflict*, Cambridge Mass: Harvard UP, 1960, pp. 5, 18-19, 22-24, 199-200.

⁴ Schelling, *op. cit.*, pp. 16-18.

justice more than order, stability and peace. Assuming that all states value the same things is a recipe for ethno-centric distortion.⁵

The tendency to project onto others one's own preferences can be misleading. The "utility functions" of other states may be different. In the extreme case human life may have a different value and the use of violence may in fact be welcomed, for example, to confirm claims to victimisation or to demonstrate martyrdom. This may express itself in greater propensity to start wars. In such cases, the probability of punishment may not be enough to establish deterrence. What may be required is the certainty of a devastating attack on values highly regarded by that state.⁶ Dror identifies a number of other propositions, which Western states incorrectly and automatically project onto others, including:

- "Crisis is bad", the assumption that the opponent will seek to contain crisis rather than provoke it, initiate it, or seek to exploit it;
- "Power breeds responsibility" and others will act 'responsibly' (and also want what we want);
- "Risk is minimised", others will want always to reduce the risks rather than indulge in 'reckless behaviour' or 'brinksmanship';
- Adversaries are a fixed, 'unitary entity' and the related neglect of the internal dimension of adversary's strategy.⁷

As we will see, these faulty assumptions as well as the bargaining utility of irrational behavior are all applicable to Iran.

⁵ Ken Booth, *Strategy and Ethnocentrism*, London: Croom Helm, 1979, pp. 140, 174.

⁶ These and other considerations were developed by Yehezkel Dror in his pioneering *Crazy States: A Counterconventional Strategic Problem*, Milwood NY: Kraus Reprint 1971/80, pp. 25, 8-81.

⁷ Dror, *op. cit.*, pp. 9-10, 12-13, 17-18.

Specific Characteristics of the Iranian Case

The Islamic Republic of Iran after nearly thirty years still exhibits certain disquieting characteristics associated more with a revolutionary movement than an established government or normal state. It is animated by a sense of grievance and entitlement, and sees itself as a 'victim' treated badly by history and the great powers.⁸ This can give Iran's rulers a belief that the "rules" do not, or should not, apply to them.

Iran's revolutionary pretensions push it to spread its "model" whether through the active export of the revolution in the 1980's or the softer version since then of still providing a 'model' while acquiring leverage on its neighbors. Iran's leadership believes that the regime's legitimacy is bound up with the export of revolution and anti-Americanism, which together have propelled it under Ahmadinejad to an "active" or "offensive" strategy in the Middle East. Iran wants to be the indispensable power in the region, without which no regional problem can be solved. One of Tehran's main strategies for doing so is to equip itself with the power to be a spoiler in every regional conflict. It hedges its bets by creating links with all sides and all groups Sunni and Shi'i alike. Hence its often contradictory ties with Shi'i Hezbollah and Sunni Hamas; with the Mahdi army and the Badr brigades as well as Sunni insurgents in Iraq; with Afghan warlords, Shi'i groups in the Hazara, the central government *and* the Taleban; with Al Qaida and the local governments threatened by it. By doing so, it positions itself to be a player in every regional conflict. This approach gives Iran's strategy leverage, based on its ability to be an indispensable factor in the resolution of a any regional issue. The strategy is risky since some of these groups are in fact hostile to Iran (Al Qaida). Moreover, in Iraq and Afghanistan it creates a de facto proxy war with the US, with the attendant risk of escalation into large scale conflict. This modus operandi has been a consistent feature of post revolutionary Iran as has the use of 'cut-outs' or proxies in its asymmetrical war with the US. Terrorist acts are by their nature difficult to attribute with certainty or to prove unequivocally in standards required in a courtroom. This makes unequivocal attribution of terrorist sponsorship harder, a fact on which Iran has played. This ambiguity has allowed Iran to advance its claim to a major role in regional

⁸ A typical example of the mentality is the Supreme Guide Ali Khamene'i speech in mid-2007, "We believe that the world owes us something. Over the issue of the colonial policies (...) over the issue of proliferation (...) the world owes us something (...)", Vision of Islamic Republic of Iran Network 1, Tehran, in: *BBC Monitoring*, July 2, 2007.

affairs. However, indirect strategies are not necessarily a recipe for avoiding confrontation. If regularly successful, they can desensitize their proponents, leading to a false sense of impunity and arrogance that will increase the risks and amplitude in a crisis situation. The risks associated with this strategy have appreciably increased since 9/11, yet this has not diminished their use by Iran.

Another aspect of Iran's foreign policy is the opaque nature of the regime's decision-making structure. The formal structure itself reflects a dualism between elected and appointed officials. The informal world of kinship and affiliations affects the exercise of power as well. Factionalism, which has become more pronounced in the past few years, exacerbates the differences in tendencies among those able to influence or exercise power and decisions. "The schizophrenic nature of the regime itself"⁹ which alternates pragmatism and ideology (theology) do not add either to its consistency or its predictability. Factional competition has also animated Iranian strategy. The 1979 US embassy siege and hostage crisis was not the only case where a major action was motivated by domestic political competition rather than the product of a considered decision.¹⁰ More recently, President Mahmoud Ahmadinejad has instrumentalized confrontation with the West for his own factional purposes. As one observer noted, this "reckless contempt for American power" saw him "actively pursuing a fight."¹¹ Another analyst has suggested that the hardliners in Iran "are gambling on confrontational tactics as the means to secure the regime's future. Having weighed the risks, the hardliners have decided that compromise and concession would threaten their hold on power more than provocation does."¹²

This suggests that it is simplistic to believe that a desire for survival is the regime's priority, and that Iran will accordingly be pragmatic and predictable. Some elements in the regime in fact believe that regime survival is more likely to be guaranteed by crisis, embattlement and confrontation than by moderation and business-as-usual. Indeed the struggle for domestic power may be determined by the skilful exploitation of foreign policy crises. This would suggest that "risk" per se is a secondary consideration. One result of this system is that "freelance" initiatives within the government are not uncommon and may further increase the unpredictability of the regime, as illustrated in the episodes addressed below.

⁹ For one discussion of this see Mehdi Khalaji, "Apocalyptic Politics: On the Rationality of Iranian Policy", Washington Institute for Near Eastern Affairs 2008, p. 33. John Limbert refers to the side by side existence of a "republican" and "revolutionary" structure, with the consequence that it is difficult to know who is in charge. United States Institute of Peace, pp. 7-8.

¹⁰ For this episode see Mark Bowden, *Guests of the Ayatollah*, NY: Atlantic Monthly Press, 2006, pp. 92-94, 608-614.

¹¹ Ali Ansari, "Iran under Ahmadinejad", in: *Adelphi Paper*, No. 393, London: IISS, 2008, pp. 52, 60, 93.

¹² Sanam Vakil, "Tehran gambles to survive", in: *Current History*, December 2007, p. 420. The author notes also that these same elements are not merely reacting but "seek out any opportunity for further posturing and antagonism".

Two cultural aspects of Iranian behaviour that appear in negotiations as in crises are worth flagging:

- A degree of indifference and ignorance about the other party. This may be due to excessive focus on domestic considerations and fortunes; or to ideological blinders; or to arrogance and laziness. One consequence is an insensitivity toward others concerns, which can lead to miscalculation.¹³
- “Expect hands to be overplayed”. Iranians, Limbert argues, “can push a small and momentary advantage to a point beyond calculations of gain and loss.” They can then appear “to discard calculation of advantage and disadvantage and become captives of unrealistic, rigid positions and extremist rhetoric.”¹⁴

We now turn to some cases.

¹³ John Limbert, “Negotiating with the Islamic Republic”, in: *Special Report*, No. 199, Washington D.C.: United States Institute for Peace, January 2008, refers to this characteristic in relation to knowledge of the United States.

¹⁴ Limbert, pp. 9-10. Of course this can become self-destructive and in commercial dealings Iranians sometimes sabotage an entire deal rather than make a minor concession.

Iranian Risk-Taking in Perspective 1979-2007

Even allowing for the imprecision and ambiguity in the term, risk-taking is worth looking at, by considering cases where Iran has either miscalculated or courted risk in a crisis. Iran's decision to continue the war against Iraq after it had expelled Iraqi troops from Iranian territory ranks as a classic case of misjudgment. Not only did the war last another six years, but it ended on far worse terms than were available in mid-1982. Iran's continuation of the war brought the Arab states together into the newly formed Gulf Cooperation Council (GCC). It pushed the United States and France to side with Iraq and supply it with arms and intelligence. It reinforced the impression that Iran not only wanted to dominate Iraq, but to spread its revolution through the entire region. Iran's miscalculation was that it could somehow overturn Saddam Hussein and dominate largely Shi'i Iraq, without an international reaction. It misjudged its own military capacity and under-rated Iraqi nationalism. Iran's policy directly challenged the U.S. policy of preventing the domination of the region by unfriendly states, which had been stated expressly in both the Carter and Reagan doctrines. From an outside perspective it seemed that Iran's leaders were endangering the revolution by seeking to expand it. From their own perspective, however, they may have been extending the revolution in order to preserve it. Whatever the calculation, it was erroneous and risky. They may well have become captives of their own rhetoric, chanting "War, war until victory" without much thought for the consequences.¹⁵

A similar miscalculation characterized Iran's decision to target Kuwait in 1985/6. In response to Kuwaiti trans-shipment of supplies in wartime to Iraq, and acting on the slogan "either everyone's oil supplies are safe, or no one's are," Iran responded to Iraqi attacks on its oil exports with missile attacks on Kuwait. In the ensuing "tanker war" in 1987 when Kuwaiti tankers were reflagged by the United States and Soviet Union, Iran continued its attacks. As a result, much of its navy was destroyed by the United States. Rather than back down, Iran responded by mining the Gulf and Red Sea, an indiscriminate strategy, which held little prospect of success but escalated the dispute with the United States and Europe, while widening it to the Red Sea. In other words, Iran was willing to raise the stakes, even when it held a relatively weak hand. Essentially, had Teheran

¹⁵ Limbert, *op. cit.*, pp. 13-14. Shahram Chubin and Charles Tripp, *Iran and Iraq at War*, London: Tauris, 1988.

escalated the conflict further, it would have been disastrous for Iran since the United States and its allies would have more than met the challenge.

Iran's support for terrorism has, from the inception of the revolution, targeted enemies all over Europe and even the United States, persisting for nearly two decades. Despite the risks involved (Syria, Iraq, and Libya have all been punished by sanctions, military strikes or attacks), Tehran has yet to eschew terrorism. Iran supported and may have planned the Hezbollah attacks on the US embassy (April) and marine barracks (October) in Lebanon in 1983. Iran was behind the *Dawa* party's attempt to assassinate the Emir of Kuwait in 1983. Iran is suspected of complicity in the attacks on Jewish targets in Argentina in April 1992 (Israeli embassy) and July 1994 (Cultural centre). The toll from these acts were several hundred. In the Argentine case they suggested a willingness to 'retaliate' to Israeli actions by targeting not only Israelis but Jews and not only in the region but anywhere in the world. This widening of the conflict, a form of "horizontal escalation", is a theme in Iranian strategy.¹⁶

Iran was initially suspected of financing the attack on a U.S. civilian plane at Lockerbie in 1988, as retaliation for the downing of an Iranian passenger plane six months earlier – a civilian Iran Air Flight 655 was downed by US missiles on the USS Vincennes, July 1988. Iranian leaders vowed revenge and Iran was the prime suspect for the Lockerbie attack, until information incriminating Libya turned up.¹⁷ Iran is also suspected of complicity in the bombing of U.S. soldiers in 1996 at Al Khobar (Saudi Arabia)¹⁸ and is known to have provided sanctuary and support for Kurdistan Workers Party (PKK) activities against Turkey in the 1990's¹⁹. Finally, since 2001, Iran is known to have provided sanctuary of elements of Al Qaida. There is some suspicion that Iran is now going further and turning a blind eye to Al Qaida operations on its soil.²⁰

¹⁶ The Argentine cases are still pending. The others are still open to different interpretations. By its nature terrorist acts are difficult to attribute and prove in a court of law. It is therefore significant that the German court's indictment of Iranian officials for terrorism in the *Mykonos* case in 1996 established that terrorism was indeed part of Iran's official instruments of policy.

¹⁷ As of 2007, the charges of Libya's sponsorship appear to have been erroneous and the dossier has been reopened. Attention will return to examining others' motivations and capabilities. Iran stands out for having the motive, the time and the expressed aim of revenge. If pursued this could be a potential time bomb in US-Iranian relations. Of many sources see Ken Pollack, *The Persian Puzzle*, NY: Random House, 2004, p. 472 (fn. 29).

¹⁸ See the balanced 9/11 Commission report which noted that the case for Iran's complicity in the Khobar bombing was "strong". *9/11 Commission report*, NY: Norton, 2004, p. 478 (fn. 13).

¹⁹ Soner Cagaptay and Zeynep Eroglu, "The PKK, PJAK and Iran: Implications for US-Turkish Relations", in: *Policy Watch*, The Washington Institute for Near East Policy, No. 1244, June 13, 2007.

²⁰ Stephen Fidler "Iran 'turns blind eye' as evidence of al-Qaida operations increases", in: *The Financial Times*, July 7/8, 2007, p. 1. The 9/11 Commission report also noted Iran's links with Al Qaida, pp. 240-241.

As noted above, Iran has shown a consistent tendency to invest in all sides of a conflict to maximize its options and its leverage on a given issue. This pattern is evident in its toleration of Al Qaida, nominally and at times actually hostile to the Shi'i. Iranian support for Al Qaida is also evident in Iraq, where Iranian support through the Qods Brigade and Hezbollah has resulted in arms, funding and training of several factions including the Mahdi army, the Supreme Islamic Iraqi Council (formerly SCIRI), the *Dawa* party, and various Sunni insurgent groups.²¹ To blunt the risks that this support for terrorist groups poses, Iran insists on its willingness to talk with the United States on Iraq, as "proving the falsity of American accusations of Iran's instability role in Iraq."²² Here again Iran is playing a risky game. Tehran's active though indirect support for insurgents in Iraq amounts to a proxy war with the United States. Such a war cannot be controlled or calibrated very carefully. A senior Iranian official (and former Guards commander) observed that the United States was taking "the possibility of defeat (in Iraq) very seriously. We must not resort to adventurism and irrational acts."²³ But such prudence is exceptional within Iran.

A similar pattern emerges in the Levant where Iran supports Hezbollah as well as the Sunni groups Hamas and Islamic Jihad. Israel sees these elements as Iranian proxies, and the Iranian President observed "with God's help, the countdown button for the destruction of the Zionist regime has been pushed by the hands of the children of Lebanon and Palestine." Since the Palestinian President alluded to the Iranian role in the Gaza coup and Javier Solana saw the events of Gaza and Lebanon as linked, the Iranians have made little effort to cover their tracks.²⁴

Iran's activities, which put the lives of Americans, the British and Israelis at risk, do not meet the definition of responsible behavior and risk retaliation. Such reliance on deniability and the difficulty of proving actual involvement may eventually be undermined by the sheer number of such policies – what one might call the "footprint", or pattern of operations, and scope of such activities, cumulatively.

²¹ Michael Gordon, "US links Iran to raid that killed GI's in Iraq", in: *International Herald Tribune*, July 3, 2007, pp. 1, 6. Richard Minter and Michael Smith, "Iran supplied missile that hit UK helicopter", in: *The Sunday Times*, June 24, 2007, p. 25. See also Julian Borger and Ian Black, "Proxy war could soon turn to direct conflict", in: *The Guardian*, September 15, 2007.

²² Ali Akbar Velayati quoted in Kaveh Afrasiabi, "After the Talks, Iran starts talking" <http://www.atimes.com/atimes/printN.html> (July 5, 2007).

²³ Mohsen Reza'i, in: *Iranian students News Agency* (ISNA), January 21, 2007.

²⁴ For Israel Yaakov Katz, "Iran is the driving force behind global Terror", in: *Jerusalem Post*, July 5, 2007; "Palestinian intelligence fingers Iran in Gaza seizure", in: *Iranfocus*, June 24, 2007 (<http://www.iranfocus.com/modules/news/print.php?storyid=11651>); "Solana suggests Iran behind Gaza and Lebanon attacks", in: *Iranfocus*, July 2, 2007 (<http://www.iranfocus.com/modules/news/article.php?storyid=11743>); Ahaminejad statement Reuters "Iranians' remark on Israel is condemned", in: *The New York Times*, June 5, 2007 (http://nytimes.com/2007/06/05/world/middleeast/05iran.html?_r=1&oref=slogin&).

In Afghanistan as in Iraq, Iran has an interest in the stability of its neighbor, and preventing the emergence of extremism on its doorstep. However, as in Iraq, Iran also sees an interest in weakening the United States. It does this by supporting elements hostile to Western troops, thus running the risk of a political implosion in that country that could harm Iran's own interests. Iran thus covers all bets by supporting the Karzai government, warlords in the Herat (Shi'i) regions *and* insurgents opposed to the NATO presence including their former foes, the Taliban.²⁵ While investing in Afghanistan, Iran is also destabilizing it by the forcible mass expulsion of refugees and permitting (if not facilitating) arms trafficking into that country.²⁶

Iranian risk-taking is most clear in recent activities in the Persian Gulf, which raise questions pertinent to its conduct in Iraq and Afghanistan: to what extent is the central government in Tehran actually in control of Iranian policy? Are there freelancers or rogue elements that can influence policy by precipitating crises?

The question of the influence of the Revolutionary Guard has been raised in relation to the *Al Qods* brigade in Iraq and the arms flows into Afghanistan. It is also posed with regard to Iran's provocative capture and subsequent release of British marines in the Gulf in March 2007 (An incident that followed a similar one earlier, in 2004). Coming on the heels of increased tensions between Tehran and Washington, and in the wake of a U.S. military build-up in the Gulf, the incident could easily have provoked a crisis if the British had resisted arrest and deaths had occurred. Such a fight might have escalated rapidly. Iran's Revolutionary Guard appears to have acted on its own initiative, just as earlier they had been responsible for painting graffiti on U.S. warships, another dangerously irresponsible act in a war-zone.²⁷

²⁵ Of many sources see for example Brian Bennett, "Iran raises the heat in Afghanistan", in: *Time Magazine*, February 22, 2008.

²⁶ See "Gates points to Iran as source of weapons to Taliban", in: *Iranfocus*, June 13, 2007 (<http://www.iranfocus.com/modules/news/article.php?storyid=11554>). Lionel Beehner "Backgrounder: Is Iran abetting the Taliban?", in: *The New York Times*, June 11, 2007 (http://www.nytimes.com/fcr/world/slot1_200070611.html?_r=1&oref=slogin&pagewant); Anuj Chopra, "Iran in Afghanistan, friendly foe", in: *ISN Watch*, July 6, 2007; Breffni O'Rourke, "Middle East Conflict zones: Are Iranian arms flowing into Iraqi, Afghan conflict zones?", in: *Radio Free Europe/Radio Liberty*, June 4, 2007 (<http://www.eferl.or/featuresarticleprint/2007/0649ec56e-7f91-4947-b940-61b3068f57>); Marie-France Calle, "Comment L'Iran utilise les réfugiés pour tenter de faire éclater l'Afghanistan", in: *Le Figaro*, July 6, 2007, p. 15.

²⁷ The British marines' capture in 2007 by the IRGC appears to have been undertaken on their own initiative. It reflects not only their relative autonomy but also the regime's misjudgement of the repercussions. Their subsequent release as a "gesture of friendship" did not have the same resonance abroad as it might have had within the regime itself. This type of grandstanding and flamboyant gesture suggests a deficient sense of others' perspectives. See Limbert, pp. 8,11-12. For the graffiti incident see Shahram Chubin, "Iran: Domestic Politics and Nuclear Choices", in: *Strategic Asia*, 2007 (NBR). Note also the Guards targeting of Kuwait

The evidence that the Iranian government may not be in full control raises the question of civilian control of the military but also suggests that the military may have less concern for the “diplomatic consequences” of specific incidents.²⁸ This insensitivity may be explained by a fixation on domestic politics discussed earlier. More recently attempts to further exploit the incident and “humiliate” the British is suggested by the decision to parade the boats captured in March on the streets of Tehran.²⁹

Another naval incident that risked hostilities and escalation occurred in January 2008. A number of small revolutionary guards in well armed, high speed boats converged on the US fleet near the Hormuz straits while making threatening noises and demands. Interpretations differed. What an Iranian Foreign Ministry spokesman called “an ordinary occurrence”, President Bush called a “provocative act” noting “this not the time for any provocation in the region.” Admiral Michael Mullen, Chairman of the Joint Chiefs of Staff, while warning Iran not to underestimate US resolve said “We are not anxious to see a miscalculation here which could occur, and certainly not anxious to get into combat with them.”³⁰ France considered Iran’s behavior dangerous. This was also the view of the GCC states, although they remained silent.³¹

What made this incident especially risky was the fact that the overall context of Iran-US relations was tense with Iran’s proxy war in Iraq and U.S. hints of military strikes on facilities and retaliation. But over and above that, the incident was indicative of the two states’ perceptions. The US was concerned about the vulnerability of its fleet in an enclosed area, to land-based missiles, mines and the swarming of fast patrol-boats that could overload its timely means of detection and retaliation, and inflict a major loss on it.³² In probing and posturing Iran may have been testing U.S. defences, U.S. will, or simply demonstrating the Guards’ swashbuckling reliance on asymmetrical war. Whatever the explanation, the risks of an inadvertent clash that could escalate was high. Again the question raised, but not answered, was whether the incident was centrally controlled and planned, or the product of local – i.e. Guards – initiative.

in the Iran-Iraq war which might have been another freelance operation, see Kenneth Katzman, *The Warriors of Islam: The Revolutionary Guards*, Boulder, Colo: Westview, 1993.

²⁸ There is a striking analogy with China where the same issue has been raised, see David Lague “Mystery in Beijing: Who runs the military?”, in: *The International Herald Tribune*, June 23/24, 2007, p. 2.

²⁹ In: *The Daily Mail*, February 1, 2008.

³⁰ The Iranians are quoted by Thom Shanker and Brian Knowlton, “US Describes Confrontation with Iranian Boats”, in: *The New York Times*, January 8, 2008. President Bush is quoted by Daniel Dombey and Roula Khalaf, “President occupied by opportunity and a threat”, in: *The Financial Times*, January 16, 2008, p. 2. Admiral Mullen is quoted by the *Agence France Press*, January 11, 2008.

³¹ Bernard Kouchner, *Reuters*, January 9, 2008

³² This was based on war games that saw this as a serious risk in enclosed waters. See David Crist, “Iran’s small boats: A big problem”, in: *The International Herald Tribune*, January 21, 2008, p. 6.

In the prolonged impasse over Iran's nuclear ambitions, Iran has used the threat of destabilizing the region or ceasing all cooperation with the International Atomic Energy Agency (IAEA), as a way to deflect sanctions. In its negotiations with the EU-3 and later the P5+1 on the nuclear issue, Iran has consistently demonstrated a tendency to bargain hard. Whether this can be called risk-taking is debatable, but it certainly reflects a willingness to respond to the international community with a tit-for-tat strategy that often involves raising the stakes. For example, in arguing against further sanctions Iran has threatened at various times to "accelerate" enrichment activities, while limiting access of IAEA inspectors and barring specific inspectors, Iran also hinted that it might withdraw from the NPT if pressed. A good example of this is senior negotiator Ali Larijani's oblique reference to Iran's capacity and willingness to destabilize the region. Asked whether Iran would end its talks with Javier Solana if there were another UN resolution he answered: "If some adventure-seeking countries want to interrupt the process of diplomacy, this may have some effects ... I think for the big powers the prevalence of tranquility would be more important."³³

Iran's position on these issues suggests a preference for "managed crises" in its negotiations, a form of brinkmanship that relies on the threat of a total breakdown in negotiations, as leverage for its position. There is a parallel in its approach to Iraq and Afghanistan, in which its interest in stability is hardly less than that of the United States. Still Tehran has pursued a "managed chaos" on its borders, in the hope of weakening its adversaries, while itself accepting the risks of a loss of control.

Iran has made explicit threats of retaliating against US, Israeli and US allies' targets in the event of an attack on Iran. But its main aim is obviously Israel. Iranian missiles have borne graffiti calling for "death to Israel." The Lebanon war of 2006, which Iranians claim as a victory for their "model of resistance" used by Hezbollah, along with funding, suggests a strategic partnership that could be used against Israel. Statements such as that of the current head of Iran's Revolutionary Guards that Israel would soon be destroyed by the "hands of Hezbollah"³⁴ reinforce the perception that Iran is working through Hezbollah in its usual indirect manner. This clearly raises questions about Iran's behavior should it become nuclear capable. Concern about this has already affected regional politics. The shadow of Iran's nuclear capability was responsible for the intensity of Israel's response to Hezbollah in 2006. Again, in the autumn of 2007, Israel's strike on a Syrian facility was intended to convey to Iran the

³³ Quoted in Parisa Hafezi and Henrique Almeida, "Solana says atom talks with Iran envoy constructive", in: *Iranfocus*, June 24, 2007 (<http://www.iranfocus.com/modules/newsprint.php?storyid=11650>).

³⁴ Mohammad Ali Jafari, "We will soon witness the destruction of Israel by Hezbollah", in: *Fars News Agency*, February 18, 2008, *BBC Monitoring*, February 19, 2008 and Tehran, *Reuters*, February 18, 2008. For a brief discussion of the Iran-Hezbollah connection see Matthew Levitt and Jake Lipton "Dangerous Partners", in: *Policy Watch*, No. 1267, Washington Institute for Near East Policy, July 31, 2007.

message of Israel's determination to defend itself as vigorously as necessary.³⁵

In the Persian Gulf, Iran has threatened to target U.S. allies in "glass houses" as part of a policy of horizontal escalation that aims to hold U.S. interests and allies hostage.³⁶ It has also threatened to close the Gulf and stop the export of oil, a strategy reminiscent of its approach in the Iran-Iraq war. Threats to escalate conflict may deter an adversary but, over time, they may also reinforce the adversary's assessment that the state is worryingly irresponsible and that its willingness to increase the stakes makes it unpredictable. In brief, the readiness to threaten major regional instability intended to deter an attack, may reinforce other states' perceptions of Iran's irresponsibility and hence the desirability of at least punishing the regime if not actually changing it.³⁷

Iran's sense of grievance does not lend itself to passivity or acceptance of a strictly defensive posture. Rather, in promoting its goals, including the extension of its influence, it reaches far afield using an indirect or asymmetrical strategy that plays to its own strengths rather than that of its opponents. Exploiting ambiguity and plausible denial, it relies on its cunning to protect it from retaliation. Lacking proof that would hold up in court, fearing further attacks and blackmail and noting Iran's importance, its adversaries have inadvertently, though palpably, failed to respond by punishing such activity. France and the US in the 1980's and the United States chose again in the 1990's *not* to react to Iranian terrorism. There are always good reasons for avoiding responses, if only to prevent further exchanges or hopes that new group (e.g. Khatami after Al Khobar) will be more restrained. As a result, however, Iran's sense of impunity has been reinforced along with its belief in the effectiveness of its indirect strategy.

Iran has thus absorbed the wrong lessons.³⁸ It has suffered neither the UN Security Council sanctions of Libya or Iraq, nor the isolation of

³⁵ For these two cases see respectively Ze'ev Schiff, "Israel's war with Iran", in: *Foreign Affairs*, November/December 2006, pp. 23-31 and Seymour Hersh, "A Strike in the Dark", in: *The New Yorker*, February 16/18, 2008, pp. 58-73.

³⁶ For the background to this strategy see this author's "Whither Iran: Reform, domestic Politics and Iran's National Security", in: *Adelphi Paper*, No. 342, Oxford, IISS, 2002. For more recent variants see former Defence Minister, Gen. Ali Shamkhani and Michael Smith "Iran threatens Gulf blitz if US hits nuclear plants", in: *The Sunday Times*, June 10, 2007 (<http://www.timesonline.co.uk/tol/news/world/article1909896.ece?print=yes>). See also former Guards Commander Mohammad Bager Zolghadr, "Attack on Iran will endanger US interests worldwide", in: *Iranian Students News Agency (ISNA) website*, June 9, 2007 and *BBC Monitoring*, June 10, 2007.

³⁷ There are even reports of uncertain accuracy of Iranian agents conducting reconnaissance of European nuclear power stations. See *Daily Mail*, May 22, 2007.

³⁸ For an insightful discussion of some of these cases and issues see Nathan Thrall, "How the Reagan Administration Taught Iran the Wrong Lessons", in: *MERIA*, Vol. 11, No. 2, June 2007. For a similar view see Jonathan Schanzer, "Why the threat of war doesn't scare Iran", in: *Infocus* (Jewish policy center) Summer 2007.

North Korea. “Getting away with it” has become a regime signature. From this standpoint, the perception of western weakness, disunity and a want of purpose, is surely inescapable. This in turn makes the strengthening of moderate forces in Iran more difficult, for if the *price* for past actions has been negligible (while the actions are cost-effective), how can the regime as a whole be persuaded to drop it? Establishing red-lines in a more dangerous nuclear environment will be difficult and risky. *Restoring* a deterrence that has eroded is probably harder than establishing it from scratch.

Risk-Taking in a Nuclear Environment

What does this admittedly mixed and ambiguous record suggest about Iranian risk-taking in general and probable behavior in a nuclear environment, in particular? The difficulty of defining risk-taking precisely (when is it simply hard bargaining?) and the subjectivity of it (when is it simply “upping the ante” as opposed to willfully running risks?) should not obscure certain characteristics of Iranian behavior.

First, there is the strategy of indirection and ambiguity, the use of clients, one-time operatives and proxies, making attribution difficult. Second, is an obliviousness and insouciance about others' concerns. Third, there is a willingness to escalate and widen disputes. Fourth, there is a pattern of misjudgment and miscalculation. Fifth, there is the issue of freelance activity versus central control. Besides, the (further) nuclearization of the Middle East would be alarming, no matter which state led the way, for a number of structural reasons worth noting.

- There are numerous overlapping sources of conflict, making for multiple axes. Replicating the bipolar deterrence relationships of the Cold War will be difficult.³⁹
- Short distances and warning times together with ambiguity about sources, in a region with a “missile culture”, will leave little margin for error.
- The incentive for further proliferation will be strong.

There are also a number of specific uncertainties regarding a nuclear-capable Iran.

³⁹ For differing views contrast Pat Clawson, “Artificial Intelligence”, in: *World Jewish Digest*, Washington Institute for Near East Policy, February 2008 and Gideon Rachman “Good News: You are not likely to be nuked any time soon”, in: *The Financial Times*, July 27, 2007, pp 11. A nuclear environment, by raising the costs of miscalculation, should concentrate minds on the need for restraint. Yet as we have seen in the Indian subcontinent, this has not always been the case. In the conflictual, multipolar Middle East, crisis stability in the event of conventional conflict may be difficult.

- What sort of nuclear path will Iran follow? Will it seek an operational weapons-capability with a test (leaving the NPT) or a virtual capability on the threshold (within the NPT)?
- To what purposes will nuclear weapons be put? As a bargaining card, to enhance status, gain recognition in the region and for a “grand bargain”? Or as a purely strategic tool, whether for deterrence or for coercion?
- Will deterrence be solely invoked against other nuclear weapons or against superior conventional weapons as well?
- Will they be used only for homeland defense or for extended deterrence and to what areas will the latter be applied (Iran, the Shi'i, the Muslim 'ummah, for Hezbollah)?⁴⁰

There are certain specific characteristics that are cause for concern:

- Iran's self absorption, insensitivity, opaqueness and lack of strategic dialogue (notably with the most concerned state, Israel) increase the risks of miscalculation.⁴¹
- Iran's nuclear populism and grandstanding are likely to lead to instability in crises.⁴²
- Iran's revolutionary ideology and its propensity to export its model are likely to act as a set of blinkers, making differentiation between national and revolutionary interests, more problematic.
- Iran's relatively weak conventional forces increase pressure to lower the threshold of the use of nuclear weapons, rather than rely on them as a last-resort deterrent.

⁴⁰ Usually the formula is that nuclear weapons can “only” deter nuclear threats against the homeland/ vital interests. But this begs the question “what is the homeland?”. A few years ago a retired Chinese General (who was disavowed) argued that the use of nuclear weapons for the defence/ incorporation of Taiwan was acceptable, as *Taiwan was a part of the homeland*. Particular Iranian leaders might consider it Iran's mission to defend the Shi'i community elsewhere, or the wider Muslim community of believers (*ummah*).

⁴¹ As Hassan Nasrallah the leader of Hezbollah, admitted after the summer war in Lebanon 2006, he would not have abducted the soldiers if he had known what would follow. Thus miscalculation of the other side's reaction was at the root of that short war. "Nasrallah regrets war in hindsight", in: *The Daily Star*, August 28, 2006; "Hezbollah leader says he never thought capture would lead to war", in: *Khaleej Times Online*, August 28, 2006.

⁴² As Paul Bracken has noted in his writing. For example “The Second Nuclear Age”, in: *Foreign Affairs*, January/ February 2000.

- The decision-making system is “imperfect”.⁴³ At the very least, the line of authority between the central government and the field is faulty and imprecise. Command and control of nuclear weapons (release authority, pre-delegation central versus field authority for use etc.) will need to be defined more precisely.
- There is the related problem of safety of installations and materials since those most trusted by the regime are likely to be the most zealous. This is a formula for a repetition of the A.Q. Khan phenomena: freelancing (or official winking) in the transfer of sensitive technology/materials for ideological and commercial reasons.⁴⁴ Deliberate centrally transferred supply of nuclear materials is less likely than leakage or theft by ‘trusted’ elements.

Iran’s attitude toward nuclear weapons and nuclearization of the region has been deliberately ambiguous. As befits a state that does not wish to admit its ambitions and does not know how far these ambitions extend (or will be permitted to extend) and what purposes nuclear weapons are intended to serve, Iran’s statements are contradictory and inconclusive. The key supporter of the programme from its start, Hashemi Rafsanjani, made reference to the asymmetries between Israel and the Muslim world, more from vanity and idle speculation than as a statement of policy.

“If one day comes when the world of Islam is duly equipped with the arms Israel has in possession, the strategy of colonialism would face a stalemate because application of an atomic bomb would not leave anything in Israel but the same thing would just produce damages in the Muslim world.”⁴⁵ Nonetheless, in the context of Ahmadinejad’s visceral hostility toward Israel, that state could probably not afford to give Iran the benefit of the doubt. Ali Larijani tried to reassure the international community on this score: “How can an atomic bomb solve the problems between Palestine and Israel? If an atomic bomb is dropped on Israel, all Muslims will die.”⁴⁶

⁴³ Schelling has suggested that a decision process is imperfect “in the sense that the response to particular contingencies cannot exactly be foretold by any advance calculations, that the response to a particular contingency may depend on certain random or haphazard processes, or that there will be faulty information, faulty communication, misunderstanding, misuse of authority, panic or human or mechanical failure.” *The Strategy of Conflict*, p. 29. Iran fills most of these criteria.

⁴⁴ The IRGC, or revolutionary guards, are both zealous and avaricious, mixing commerce and defence of the revolution with freelancing activities (as we have seen) not always controlled by the civilian authorities.

⁴⁵ Rafsanjani speech on Jerusalem (Qods) Day, December 2001 cited in Shahram Chubin, “Whither Iran?” (2002).

⁴⁶ Ali Larijani, Secretary of the Supreme National Security Council at the time. Speech at 43rd Munich Security Conference, February 11, 2007.

Despite denials about any nuclear weapons ambitions, Iranian officials routinely refer in ambiguous terms to how things will change when Iran achieves its goals, thus President Ahmadinejad: “Once nuclear Iran is stabilized, all relations and equations will change in our favor.”⁴⁷

⁴⁷ “Enemies incapable of launching a strike on Iran—Ahmadinejad”, in: *Iranian News Agency (IRNA)* website, June 28, 2007 and *BBC Monitoring*, June 29, 2007.

Conclusion

Debating Iran's nuclear ambitions and their implications has become a cottage industry for op-ed writers, pundits, *tiers-mondistes* and *bien pensants*. We can only surmise from past behaviour and experience in comparable situations, how Iran will behave and what risks it will take in a nuclear environment. This at least seems clear: the acquisition of a nuclear capability by Iran in its present mood would "solidify Iran's regional dominance and its attempts to disrupt the status quo in the region".⁴⁸ Yet it is equally clear, as others have noted, that establishing "a deterrent relationship between the United States and Iran implies a certain level of mutual acceptance of the political status quo."⁴⁹ This implies an Iran willing to accept the political status quo and act as a normal not revolutionary state and a United States able to accept such a state pursuing an influential role in areas where it has legitimate interests. In the final analysis, Iran's risk-taking would be reduced if it felt more secure and more recognized.

In a nuclear environment, the need to avoid conflict/confrontation on any level, is self-evident. What is not is Iran's recognition of this. The main danger that a nuclear Iran would pose is not so much that it would seek deliberate confrontations as that it would be unrestrained in taking actions that make both confrontations more likely and crises more unstable. From Iran's past behavior it is difficult to argue that a nuclear Iran will be more rather than less restrained. Establishing rules of the game, deterrence and redlines will be harder in a nuclear environment, if they are not already recognized and understood in non-nuclear one. It is difficult to see how the acquisition of a few nuclear weapons by Iran would stabilize the region, while Iran is in its current phase and mood. The more normal Iran noted above, however, would be a different matter. For ultimately the identity of the possessor (and its behavior) is an important part of the threat from nuclear proliferation.⁵⁰

⁴⁸ Karim Sajjadpour, in: Patrick Clawson and Michael Eisenstadt (eds.), "Deterring the Ayatollahs", in: *Policy focus*, No. 72, Washington Institute for Near East, 2007, pp. 28-29. This is the principal thesis of my own book, *Iran's Nuclear Ambitions*, Washington D.C.: Carnegie Endowment, 2006.

⁴⁹ Jeffrey Lewis, in: "Deterring the Ayatollahs", p. 22.

⁵⁰ For elaboration see this author's *Iran's Nuclear Ambitions*, Washington D.C.: Carnegie Endowment, 2006.

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