



Back to business as usual with Iran

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Five years of Western diplomacy aimed at swaying the Iranian regime from its nuclear path have demonstrated that the mullahs' dictatorship does not work like other states. Teheran has ignored both the "carrot" of economic incentives and the "stick" of international isolation, pursuing its quest for nuclear weapons at all costs.

Yet the latest American National Intelligence Estimate (NIE) on Iran does not even tangentially touch upon this experience. Instead, it tries to hide the rubble of the failed diplomatic initiatives behind a pleasing new image of Iran: Teheran, the report claims, "is less determined to develop nuclear weapons than we have been judging since 2005."

The report brings a single piece of evidence for this supposed new attitude: In fall 2003, Teheran is alleged to have halted its nuclear weapons program "in response to increasing international scrutiny and pressure." But precisely this assertion - the core finding of the report - is obviously unfounded.

AT THAT time, the discord between American and European Iran policy had reached a high point. The United States was not prepared to concede a nuclear program to Iran, since it would inevitably be used for military purposes. France and Germany, on the other hand, were attempting to show that a dialogue on matters of non-proliferation could achieve better results than the strategy pursued in Iraq.

In August 2003, against the massive opposition of the United States, Europe offered Iran conditional recognition of its nuclear program.

The European approach won out. In fall 2003, the "EU-3" - Germany, France and Great Britain - acknowledged Iran's "right to use atomic energy peacefully and in conformity with the Nuclear Non-Proliferation Treaty," as a German government press release from October 22, 2003, puts it. In return, Iran agreed to sign a new oversight treaty with the IAEA (without ever ratifying it) and suspended uranium enrichment for some weeks. The agreement "demonstrates the success of a strategy of cooperation," then-German Chancellor Gerhard Schröder enthused.

After 18 years of incessant violations of the Non-Proliferation Treaty, this deal was surely the best thing that could have happened for Teheran.

It is possible that Teheran suspended its work on nuclear warheads at the time. But it was under no special pressure to do so. Thus the core of any nuclear weapons program - uranium enrichment and plutonium production - remained intact. The European strategy even permitted the regime now openly to pursue its hitherto secret program under the comforting mantle of the Non-Proliferation Treaty.

IN THE intervening years as well, there has never been any serious "international pressure" applied. Thus, between 2003 and 2005 the EU succeeded in preventing the Iranian nuclear question from being referred to the UN Security Council. Quoting Germany's then-foreign minister Joschka Fischer, the *Frankfurter Allgemeine Zeitung* of September 7, 2004, notes: "Fischer said that in the negotiations on the Iranian nuclear program, the Europeans had always let it be known that the Iranians should regard Europe as a 'protective shield' as far as their strategic interests are concerned."

If this were not enough, German exports to Iran increased by 20 percent in 2003 and another 33 percent in 2004. The 2004 annual report on Germany's program of so-called Hermes export guarantees for enterprises doing business with Iran waxed positively rapturous: "The export guarantees provided by the federal government played a major role in German exports to Iran... Iran enjoyed the second-highest level of coverage for 2004, only slightly behind China."

In addition, in June 2005 a German-Iranian Investment Agreement came into force in order "to deepen the economic cooperation between the two states for their mutual benefit" (German Bundestag, Drucksache 15/1055).

SANCTIONS resolutions were passed by the UN Security Council in December 2006 and March 2007. But whereas the resolutions showed Iran to be politically isolated, they did not damage the Iranian economy. Only the unilateral measures undertaken by the United States had an effect on business interests.

In April 2007, however, as other companies were leaving Iran, the partly state-owned Austrian enterprise OMV signed a letter of intent for the largest natural gas deal that a European company has ever concluded with Iran. Subsequent efforts by newly elected French President Nicolas Sarkozy to establish a unified European sanctions regime were foiled by the determined resistance of Germany, Austria, Italy and Spain.

In light of the foregoing, it was positively surreal for the American president to claim at the recent press conference in Jerusalem: "The fact that they suspended the program is heartening in that the international community response had worked."

Perhaps such remarks are meant to promote stricter sanctions. But acting as if everything is going well, when the facts prove the opposite, hardly serves the cause.

THE AMERICAN National Intelligence Estimate has not provided the public an objective evaluation of reality, but rather a fantasy. Why? Have the authors of the report put forth a radical reevaluation of the Iranian threat in order to disguise what in fact amounts to a fundamental reorientation in America's Iran policy? Whereas the aim was hitherto to impede the building of potential bomb factories, it now seems that the NIE authors are only concerned about preventing the "restarting" of the weapons program.

In 2003, the US accepted the existence of an Iranian nuclear program so long as it was not weapons-related. In 2007, the NIE authors indirectly suggest accepting a weapons-related program also: "By 'nuclear weapons program,'" states the report, "we do not mean Iran's declared civil work related to uranium enrichment."

At last week's Jerusalem press conference, President Bush declared that "our efforts are to stop them from enriching." The NIE, however, took the wind out of this effort's sails.

"One-sided sanctions would be completely incomprehensible in light of the new political climate" a leading German business official said this week. According to a report in the German economic daily *Handelsblatt* of January 9, Germany's Federal Trade Agency (BFAI) in its most recent report on Iran even predicts a bright future for mutual business. "Despite continuous uncertainties in 2008," it writes, "there exists a promising potential for cooperation and business projects with Iran."

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