

Engaging Iran is risky, but confrontation is even riskier

Anthony Bubalo

The Sydney Morning Herald

15 February 2007

P. 13

Some evil states are less evil than others - at least, that's the impression left by the US nuclear deal with North Korea. Washington's pragmatic accord with Pyongyang leaves Iran as the only member of the "axis of evil" that the US is not talking to. But it is time for that to change, too.

The North Korean deal sends an important, if ambiguous, signal to Iran. Hardliners in Tehran will point out that by standing firm - indeed by declaring itself a nuclear weapons state - North Korea got the US to accept a deal that, by many accounts, it had rejected three years ago. At that time the North Koreans were willing to freeze plutonium production, but the US sought full disarmament. But now the US has accepted less to keep Pyongyang at the negotiating table.

The problem for hardliners in Iran's heavily factionalised regime is that they have been forced onto the back foot in recent months. The failure of candidates allied with the President, Mahmoud Ahmadinejad, in last year's elections has been compounded by criticism from within the regime - even possibly from the supreme leader, Ayatollah Ali Khamenei - of the president's confrontational rhetoric on the international stage.

That rhetoric is blamed for the passage of UN Security Council Resolution 1737 last December. The modest package of sanctions it contained was seen by many Western observers as a gentle slap on the wrist for Iran's continued refusal to, among other things, suspend its uranium enrichment program. But in Tehran the resolution was seen as a failure in its efforts to keep the international community divided on the nuclear issue.

Worse for Tehran is that it has also lost huge amounts of revenue in recent months as international oil prices have plummeted. There are even fears the budget could go into deficit at a time when international financial sanctions on Iran would limit its ability to obtain foreign credit. Against this background the North Korean deal may, in fact, bolster the arguments of more pragmatic elements of the regime who will point to it as a sign of Washington's ultimate willingness to compromise.

The regime leadership has long feared the US was only using the nuclear issue as a pretext for pursuing its real objective - regime change. The North Korean agreement may assuage those fears to some extent. The regime may also feel strong enough on other fronts vis-a-vis the US, notably in Iraq, to come to the negotiating table. But if there is, on the Iranian side, a window of opportunity for talks, it won't stay open long.

Ahmadinejad's more restrained statements on the nuclear program and the Israeli-Palestinian conflict in recent days suggest he is toeing a regime line on avoiding incendiary rhetoric for the moment. Ultimately, however, he has more to lose than gain by any warming of relations between Iran and the US.

In all probability Ahmadinejad will again seek opportunities to stoke confrontation in the hope of forcing his internal opponents to coalesce against an external threat, distracting attention from his economic failures and even increasing revenues by pushing up international oil prices.

Whether the US will exploit this window remains an open question. Since the start of the year, the US has been trying to give Iran a cold shower over its regional ambitions to capitalise on America's distress in Iraq.

In Iraq the US has taken a more aggressive posture towards Iranian agents and recently outed Iranian military support for the insurgency. In Lebanon and the Palestinian territories it has increased its support for local political forces in their struggles with Iranian proxies. In the Gulf it has boosted its military forces and talked up a Sunni Arab alliance against Shiite Iran.

Of course, all of this is probably part of a prudent effort to compel Iran to change its behaviour without using military force - or even, to prepare the ground for talks.

There are risks for the US in engaging Iran. While Tehran may be ready to negotiate, it is far from clear what it would be prepared to concede. There is a broad consensus among the regime for support of the nuclear program and any decision to negotiate may be more about buying that program time.

But if all the talks do is expose continuing Iranian obduracy then the US has lost nothing. Nor would Washington have to wait indefinitely for Tehran to demonstrate its willingness to put the nuclear program on the table. The consequences of a US-Iran military confrontation far outweigh the risks of negotiating. But confrontation is where we are headed if neither side is bold enough to change trajectories in coming months.

Anthony Bubalo is a research fellow at the Lowy Institute for International Policy.