

DOSSIER



Club des Vigilants

POUR APPRIVOISER L'AVENIR



The consequences of US military intervention in Iran The risks of the status quo

*The study described below was conducted by a working party of the **Club des Vigilants**^(*1), led by **Jacques Andréani**. Members of the working group include Etienne Copel, François Nicoullaud and Marc Ullmann. Several economists and geopoliticiens have lent their assistance to this effort. Jacques Andréani is a former French Ambassador to the United States, François Nicoullaud is a former French Ambassador to Iran, General Etienne Copel is Vice Chairman of the Haut Comité Français pour la Défense Civile (French Civil Defense Committee) and Marc Ullmann directs the studies carried out by the Club des Vigilants.*

Introductory note

At the time we present this study, it may seem that the likelihood is receding that US will use military force to resolve the conflict that currently opposes Iran and the UN Security Council, the Council of the International Atomic Energy Agency (IAEA), and the majority of the countries that belong to these two forums. Nonetheless, our view is that "the option remains on the table," simply because partisans of an initiative of this kind, both in the United States and in Israel, have by no means ruled it out, and are most likely waiting for an appropriate time to take action. Accordingly, given the serious global consequences of an attempt to resolve this crisis by military means, we wish to bring the considerations below to the attention of the public in various countries, the United States in particular.

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SUMMARY AND CONCLUSIONS

1/ The possession by Iran of nuclear weaponry would pose serious threats to international security

Even though the Iranian government asserts that its nuclear program is for peaceful purposes only, even though any bomb that it could build over the coming years would be a rudimentary one, and even if it were not in a position to use it on an adversary, there is no doubt that an Iranian bomb would heighten tensions in the Middle East which are already at an acute stage. It would also strengthen the position of leaders who are identified with the struggle against the West, destabilize other Middle Eastern governments, and encourage other States to acquire nuclear weapons, undermining all hope for a functioning non-proliferation regime.

¹ * *This would translate roughly as the Watch Club or Club of the Vigilant, not to be confused with "vigilante."*

2/ Peaceful means exist for preventing Iran from acquiring nuclear weapons : containment and negotiation

The aim of containment is to get Iran to yield to the demands of the IAEA and the UN Security Council. Contrary to what has sometimes been suggested, sanctions are not ineffective. They are creating problems for Iran on both an industrial and a financial level, and make the country understand it is paying too high a price for its current attitude.

This brings us to the idea of negotiations, one element of which would be the lifting of those sanctions. Another would be the settlement of pending disagreements between Iran and the IAEA.

The negotiations that have already been conducted reached a stumbling block over the issue of uranium enrichment. Western negotiators have made a stop to Iran's enrichment a precondition for discussion. The Iranians assert that, as a signing party to the NPT, it has the right to enrich uranium. To resolve this stalemate, Russia has proposed allowing Iran to use nuclear energy for peaceful purposes without having to enrich uranium itself. Going a step further, one might even envision the right to enrich uranium under more stringent IAEA supervision, the details of which would be spelled out in a separate agreement.

In any case, the outcome of any negotiation will depend on the relationship between the United States and Iran. Will America accept Iran as a major regional power? Will America agree to put every pending issue on the table, including security guarantees? The Iranians will want negotiations to be open-ended. The Americans will fear a long, drawn-out process with no resolution, and therefore may ultimately be tempted to resort to the military option.

3/ A military intervention could achieve some of its aims, but would be both counter-productive and extremely dangerous

Any operation of this type would have to consider the possibility of reprisals by Iran or its allies in the region, due to the fragility of the small Gulf States, not to mention US exposure in Iraq and the vulnerability of oil sourcing and supply routes.

A limited bombing campaign and – a fortiori – a global strike, would postpone the nuclear program. But politically, it would be the opposite of a solution. It is unreasonable to think that this action would topple the current Iranian government and thereby advance the coming of a democratic Middle East. An attack from outside forces would, on the contrary, allow the current regime to strengthen its grip. Air strikes with collateral damage that would necessarily include loss of human life would only inflame anger and hatred. Across the Middle East, - which is not lacking for hot spots and where resentment of America is widespread - the operation would exacerbate these feelings. Pro-Western governments, caught between the rock of American support and the hard spot of domestic public opinion, would be condemned to maintain an ambiguity that would be difficult to manage. The governments of Egypt and Pakistan would find themselves in a particularly difficult situation.

The price of oil would reach new heights. An oil shock on a scale that rivals the current one (+\$80 per barrel) would strip around 4% from global GDP. The ex post macro-economic cost, after factoring in the depressive impacts that this shock would have on the global economy, would be about the same but could be more severe. Consumer spending, corporate investment and employment would all be adversely impacted, leading to stagflation in the global economy.

The use of force on the part of the United States would inevitably lead to tensions between the US and its European allies. Assailed by criticism from all sides while engaged in a new military adventure with considerable risks, the United States would suffer an additional loss of global influence. Russia, and especially China, would be the big winners.

For many countries in the developing world, the impression would be created that the US is attempting to defend—by a unilateral use of force—an unjust, quasi-colonial system.

In sum, the authors of this study consider that if the United States decided that the way to come to terms with Iran's nuclear ambitions is through a show of military force - even

while other, peaceful routes still remain open - America would seriously abdicate its responsibilities. Instead of working for the emergence of a new world order, the US would contribute to increased global instability and deepen already strong anti-American and anti-West feelings in many parts of the globe.

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STUDY

In this paper we provide an assessment of the risks of an American attack against Iran. Even those advocating this type of intervention acknowledge the seriousness of these risks. But they refuse to rule out this option as long as no response is given to the claim that the continuation of Iran's nuclear program, in the absence of determined action intended to counter it, could have even worse consequences. Would an attack against Iran make the world a more dangerous place? Certainly, they will say, but isn't Iran on the verge of making the world a more dangerous place anyway? This question can be further subdivided into two distinct questions: First, does the acquisition by Iran of nuclear weapons constitute a danger? Second, do peaceful means exist that will prevent this from happening? After addressing these two questions, we will look at the probable consequences of the military option.

A/ How would Iran's having the bomb pose a threat?

In our opinion, it is wise to leave aside the reassuring notion that, as Iran's leadership has asserted, the country ultimately harbors no military intentions insofar as its nuclear research and industry are concerned. This is not an issue where we think it advisable to take declarations of goodwill or intention at face value. The avenues that allow for peaceful use of nuclear power are the same as those that allow for its military use. This is particularly true with respect to uranium enrichment.

Some observers contend that Iran has no intention of building a nuclear bomb, but seeks only to acquire the capacity to allow it to do so. The Nuclear Non-Proliferation Treaty (NPT) does not make such distinctions; it speaks in binary terms of acquiring or not acquiring nuclear arms. In addition, it is worth noting that, in the past, Iran has sought to hide its programs from the IAEA and that, according to some, it has worked on the configuration of nuclear warheads. These asserted facts, whose magnitude is uncertain, constitute legitimate grounds for suspicion with respect to Iran's intentions for many observers. Moreover, for international opinion, the radical language of Iranian President Ahmadinejad, and in

particular his rhetoric concerning the negation of the Holocaust and the ineluctable disappearance of Israel, do not speak in his favor.

Accordingly, we think it is wise to assume as a working hypothesis that the Iranian nuclear program is at least partly motivated by the desire to acquire nuclear weapons.

It is true that the weapon the Iranians could build in a few years' time would be cumbersome and difficult to use, as was the bomb dropped on Hiroshima. It would take several years to move on to a miniaturized warhead carried by a missile. Therefore, there would be no real urgency.

But the experimental detonation of an Iranian bomb, even one that is rudimentary, would have four immediate consequences. The first would be the prestige and intimidation effect, which would come about independently of the military properties of the weapon. The second would be the incommensurable threat that would be felt by Israel, which could produce reactions that might be difficult to control. The third would be the example given to other countries, particularly in the Middle East, which could launch similar military programs but have abstained from doing so thus far. Finally, Iran would be considered a nuclear power not authorized by the NPT. A point of non-return would have been reached. Iran would have nothing left to lose: it would undoubtedly leave the NPT, if it had not already done so, and in any case would refuse to be subject to any form of control. The subsequent evolution of its program would escape the supervision of the IAEA.

In other words, a nuclear power is a nuclear power, regardless of the nature of its arsenal. With the first nuclear test, most of the expected effects are produced—in any case, most of the political effects.

Another piece of wishful thinking consists of saying that Iran would not use its bomb against Israel, because if it did, it would be immediately turned to dust. We know that the country's leadership is not that suicidal. But nuclear weapons are not weapons of attack; they are for deterrence. Behind the shelter provided by this deterrence, Iran could destabilize the region and establish its hegemony. In addition, an Iranian bomb could reinforce the notion that Israel can't gain acceptance in the region and that in the long term it will be necessary to prepare ourselves for its disappearance as a State, which is in fact an idea propagated by Ahmadinedjad himself.

The other arguments used to underscore the dangers of Iran as a nuclear power are more dubious: the unpredictability of the current regime, its ties to terrorist organizations. It is only one short step from these observations to the claim that nuclear weapons in the hands of Iran could be activated outside the scope of a decision taken by its highest political and

religious leaders, or that it could be transferred to Hezbollah. Fortunately, this does not seem to be realistic. The Iranian state appears solid; the idea of a transfer of an atomic weapon to terrorist groups sounds like something dreamed up by a political fiction writer.

Iran's possession of nuclear arms would intensify the already acute tensions in the Middle East. It would strengthen those leaders who are identified with the struggle against the West, the United States and Israel. It would destabilize Arab regimes that are favorable to the West, pushing them to form a bloc around Saudi Arabia or, conversely, allowing themselves to fall under the tutelage of the Iranian government.

If Iran should obtain a nuclear military capacity, it is very likely that several other States would feel encouraged to acquire atomic weapons. Saudi Arabia comes to mind, as does Egypt. This contagion would be disastrous for the non-proliferation regime.

In other words, the Iranian bomb would maximize current tensions and temptations.

B/ Barring military action, are there ways to prevent Iran from acquiring nuclear weapons?

These ways do exist, they fall into two categories—containment and negotiation.

The aim of containment is to render more difficult the execution of a nuclear program and encourage Iran to bend to the injunctions of the IAEA and the UN Security Council. Some of the sanctions are the result of resolutions passed by the Security Council in 2006 and 2007; others have been adopted unilaterally by the United States, the European Union and other sovereign states. Most of the US sanctions are linked not just to the nuclear issue but also to the whole range of disputes that currently divide the two countries. The European Union has adopted sanctions in addition to those of the UN and is talking about adopting others.

Taken alone, these measures are not enough to force the Iranian government to alter its policy. On the other hand, it is wrong to contend that they are ineffective. They create bottlenecks by placing limits on financial transactions, technology transfers and the importation of sophisticated materials and equipment. Above all, they create a climate of uncertainty: investors have not only the existing sanctions to fear but also those that may follow. And so Iran, which has the greatest need to modernize its oil industry, exploit its natural gas reserves and develop its refinery capacities, is having the hardest time finding the assistance it sorely lacks.

Could a more punitive policy be effective? The amount of latitude for a tougher stance is infinitesimal. It is remarkable that both Russia and China have twice voted in favor of imposing sanctions. It is doubtful that they will go much further. The United States can toughen its domestic sanctions. But the Iranians will try to find ways to work around them, and they will undoubtedly succeed, especially in the event that the unanimity of the five permanent members does not survive more intense US pressures.

Sanctions are not an end in themselves. They are intended to make members of the Iranian government understand that they are paying too high a price for their current attitude, and that they would be in a better position if they changed their course. This leads naturally to the idea of a negotiation, one of whose elements would be the lifting of sanctions, another being the settlement of the disagreements between Iran and the IAEA. Outside of these two chapters, the discussion could cover US-Iranian relations and various aspects of the situation in the Middle East.

This particular negotiation would not be much different from the one conducted from 2003 to 2005 by Iran with France, the United Kingdom and Germany – nor the one which began in 2006 when the United States joined the three E.U member states to submit a joint offer. Indeed, the 2006 round is not dead. The end was never formally declared and it could resume at any time. The last episode to date was the joint proposal floated by the permanent members of the Security Council and Germany, which Iran neither accepted nor rejected.

The negotiation broke down over the uranium enrichment program. For the Iranians, since the NPT guarantees access to nuclear energy for peaceful purposes, any country that has signed it has the right to enrich uranium if it is to be used in this way. **The authors of the proposal made in 2006 consider that the Security Council permanent members and Germany are justified in opposing uranium enrichment by Iran as being counter to the objectives of the Treaty, and are right to try to find a method to enable Iran to benefit from the peaceful use of nuclear energy without being involved directly in uranium enrichment. There is such a method.** Russia, for example, has offered to enrich uranium on its own soil and deliver all of the enriched uranium that Iran needs for its civil program. Other formulas starting from the same principle are imaginable.

By taking further steps to meet Iran part way, **we could imagine the recognition of the right to enrichment under the stepped-up supervision of the IAEA within the framework of a customized agreement**, whose exercise would be limited in terms of quantity and/or accompanied by a moratorium, justified by the fact that the need for enrichment will only be established at a future stage of Iranian development.

The Western powers have posed, as pre-condition to any discussion, that Iran put an end to its enrichment activities, or that these be permanently halted. The Iranians in turn have complained that the West is asking as a precondition that should in fact be one of the possible outcomes of any such discussion.

The other reason for the impasse has to do with the relationship between the United States and Iran. The "package deal" that the six nations offered to Iran was not enough to persuade the current government in Teheran that regime change was not on Washington's agenda. Iran does not feel that it is protected from hostile action on the part of the Americans.

Would America agree to conduct a discussion with Iran on a broad array of subjects? Everything would be put on the table: both the "imperialist" conduct of Washington and Iran's interference in the Middle East. Something might result from this kind of candid encounter. But it would first require an attenuation of the language on both sides.

For the Iranians, the main interest of a negotiation resides in an official dialogue with the United States that would seek an agreement with mutual benefits. **The Iranians would like to see a negotiation get under way and last. The Americans will press for a conclusion. They will fear getting locked into a dead-end process that the Iranians would deliberately prolong in order to forestall the moment of new sanctions.** Therefore, there is probably a time when, from the US perspective, the use of force might once again start to make sense.

C/ The risks of a military intervention

Would a military operation achieve its intended aims?

Military action on the part of the United States would aim to eliminate or at least set back Iran's nuclear program; strengthen the military and political hold of the US over the Middle East; hide the US failure in Iraq or compensate for it; ensure the security of Israel.

The more grandiose idea, according to which by attacking Iran the Americans would obtain what they did not get from waging war in Iraq (that is, progress toward a democratic Middle East) is so far-fetched that it is hardly worth mentioning. The dream of the neoconservatives has well and truly died.

A US attack could pursue the aim of either destroying or dealing a serious setback to the nuclear program, or—above and beyond this objective—of provoking a level of chaos that would facilitate the overthrow of the current regime.

The regime change objective is difficult to achieve by military means. Experts on the subject have insisted that a sustained bombing campaign cannot by itself bring about this result, which would require the introduction of substantial ground forces, which seems unrealistic and even impossible given the US's current lack of available troops. Accordingly, we might imagine more or less hidden support for local actions carried out by political opponents or ethnic minorities.

This operation would entail a targeted bombing and missile campaign that seeks to destroy nuclear installations—either all of these installations or just some of them. Even operations of this kind, which we could no doubt qualify as “targeted”, would probably presuppose that one first destroys anything that could get in the way of strikes or that would enable retaliation: air defense system, transmission and command centers, offensive or defensive missile batteries, even military installations in general and government administrations related to defense.

Basically, the idea would be to carry out a vast air strike campaign that would stretch over several weeks and aim at several hundred targets with the collateral damage that one could imagine.

According to one version, air strikes would reach objectives such as power production, harbors and oil terminals, bridges and roads, industries, and administrative or political targets, as was done in Serbia in 1999.

One might also think about more limited bombing, in the event that the hesitations and disagreements in the US camp lead to a half-measure, with partisans of the “big stick” method finding themselves unable to carry out a more ambitious operation, but wanting nonetheless to give a sort of warning shot that would show they are not resigned.

In the United States, there is discussion over the feasibility of destroying nuclear installations—some of which are deeply buried—through a sustained bombing campaign.

Would the state of Israel, which is pressing the United States to take action, play a direct role? If the United States decided to attack, it might not be in its interest to have the Israelis on its side. On the other hand, if the US is hesitating and in need of a pretext, we can imagine an escalation organized in advance, which would lead to a limited bombing campaign on the part of the Israelis, followed (after inevitable retaliation by Iran) by a large-scale US campaign designed to protect Israel. Another version, less plausible, would be—in the absence of a prepared scenario—an escalation that would bring in the United States after an independent initiative on the part of Israel.

Regardless of what one thinks of the possibility of destroying underground installations, an air strike campaign could do serious damage to the nuclear program. While it would not be definitively eliminated, it would take a long time to rebuild the program and the subsequent possible development of an atomic weapon would be pushed back accordingly. Collateral destruction would also require an immense reconstruction effort.

Our opinion is that, regardless of US military might, an attack against Iran would trigger fairly considerable local retaliation, that it would provoke changes inside Iran that are exactly opposite to those hoped for, and that the effects on the situation in the Middle East would be extremely negative. It would also be disastrous for the global political balance and economy.

Possibilities for military reprisals

Against a massive bombing campaign, Iranian's defenses would be rendered inoperable. But what should attract our attention is the ability of Iran to rapidly conduct reprisals.

On the military level, Iran's own capacity to stage a retaliation would be vulnerable, but could survive in part. Its long-range missiles would probably not survive the bombing of the launch sites, but the Iranians could activate smaller and more numerous means of attack that are impossible to eliminate in one fell swoop: small boats that can attack naval or ground targets in the region and rockets. The small Gulf States, which are so near to Iran, are like china shops where the Iranians could do serious damage. Saudi Arabia would have reasons to worry about the safety of its oil installations. The leadership of the United Arab Emirates expects to be the target of reprisals under the hypothesis we are envisaging. As for the Iraqi theater, where combatants who confront US troops are already receiving assistance doled out either under the supervision of the Iranian government or by certain activist elements—for example, the Pasdarans—it would not be difficult to reinforce this assistance.

In addition, Hezbollah could possibly retaliate by striking Israel, US targets and countries that follow US policy. Hamas could also get involved.

Therefore, military reprisals are a possibility and, while they should not be exaggerated, they do need to be taken into account.

Human and political consequences in Iran

Even a cold and dispassionate analysis cannot overlook the human aspect of the hypotheses under consideration. **After the misfortunes of the prolonged war with Iraq, after the material difficulties that are undoubtedly mainly attributable to the regime, but**

that the latter is blaming on the sanctions, air strikes with collateral damage—which would necessarily be deadly and against which the civil population would be defenseless—would ignite feelings of anger and hatred.

In other words, from a political perspective, **the military option would be the opposite of a solution. An attack, no matter how powerful, would not lead to the downfall of the regime, but could in fact offer it an opportunity to strengthen its grip on the population.** The country would be weakened, but there is no reason to think it would collapse. In the short term, it would pose less of a threat and its regional ambitions would be eclipsed, but the turnaround that would ultimately come about would be motivated by an acute desire for revenge.

Political consequences in the region

Washington strategists should expect strong political reactions throughout the Middle East. It goes without saying that this region does not lack for pockets of tension, and resentment against America is widely felt. A military operation against Iran would immediately lead to an exacerbation of these sentiments. Beyond that an Iran under attack would have no problem fanning the flames in the region. Iraq is intimately linked to Iran. Contrary to what American partisans of a hawkish approach undoubtedly believe, **the weakening of the Iranian regime following a US attack would not make things easier—either for the already difficult task of managing the situation in Iraq or for the Shiite majority government that the United States has formed.** It is even possible to imagine that in the face of a US attack against Iran, the Iraqi leaders put in place by the Americans could decide to show that they are not mere puppets and begin calling for the departure of US forces from their country.

Moreover, the US attack might lead to a state of revolt on the part of the significant Shiite minorities in Saudi Arabia and the smaller Gulf states, which Iran could leverage in order to weaken the governments of these countries.

For these governments, caught between support for the United States and public sentiment, they would be condemned to even more ambiguity; an ambiguity that would be difficult to manage in the presence of embarrassing dilemmas, concerning in particular the possible use of their territory or their air space. They might have to publicly protest against the use of force by America while secretly hoping that the initiative succeeds.

Egypt and Pakistan would require particularly close monitoring. A hostile action against Iran would further weaken Hosni Mubarak, who is already having trouble maintaining a political course that undoubtedly is in complete opposition to the aspirations of the majority of the Egyptian population. As for Pakistan, which is a nuclear power, a brutal reversal of the

situation, leading to the ascension to power of leaders who have decided to join forces with movements hostile to the West, would generate concern and even high anxiety.

Economic consequences

An American attack against Iran would lead to an increase in US military expenditure that can be estimated at between 50 and 100 billion dollars, i.e., 0.3 to 0.6% of US GDP, assuming that these strikes were concentrated within a short time frame. This increase would deepen the US budget deficit, which in the short run would stimulate economic activity and inflation. It would also deepen the US current account balance and weaken the dollar. As long as there are no or few ground missions, these effects would be somewhat limited.

But the principal consequence would concern the price of oil, which would soar to new heights, cutting into global demand. In addition, while the military operations would be short term if there is no ground component to them, the oil shock would be much more lasting. An oil shock whose magnitude would be the equivalent of the current shock (+80\$ the barrel) would shave around 4% off global GDP growth, if we use as our starting hypothesis consumption of 87.5 million barrels of crude oil a day. The ex-post macro-economic cost, after taking the depressive effects of this shock to the global economy into account, would be in the order of an equivalent scale, or could even be more. Consumption, investments and employment would all be impacted. Within two or three years, this would mean stagflation for the global economy.

However, this cost in absolute terms of US strikes is not representative of their economic cost, to the extent that in the absence of such strikes, our economies would nonetheless have to bear the cost of sanctions over a relatively long period. It is relatively difficult to anticipate the economic consequences of a sanctions policy, to the extent that they will depend on the severity of this policy. The containment strategy, which would mobilize 30.000 men, 30 vessels and 200 planes to close off Iran's airspace and ports, and that would include economic sanctions likely to significantly reduce oil deliveries from Iran, could have a high macro-economic cost, of around 1 to 2% of global GDP. The net cost of US strikes would be double or even quadruple the cost of a strategy of containment pursued over a long period.

To the direct negative impact on economic activity would be in addition to the indirect effects. The political tensions would increase the level of worry.

Consequences for global political balance

A new use of force in the Middle East on the part of the United States would inevitably introduce difficulties with its European allies, which will be reluctant to condone the use of

force even if they share Washington's apprehensions with respect to Iran's current policy. In the event of a US attack, Russia and China, which have been poorly rewarded for the responsible attitude they have maintained in recent years with regard to the Iranian nuclear issue, would certainly distance themselves from the United States, and might even give some signs of support for Iran. **Assailed by criticism from across the board and engaged in a new and highly risky military adventure with prospects that are uncertain to say the least, both the image and the influence of the United States would once again be further impaired. Russia, and especially China, could only come out as winners.**

For many, in the countries located in the South, the impression that would be created is that of an attempt to defend through the unilateral use of weapons, an unjust system functioning to the benefit of Western powers. In fact, the controversy surrounding the nuclear ambitions of Iran is a microcosm in which one can see, on a reduced scale, the entire problem of a future system of world governance. We are in a world order that was defined in 1945. This order is, in some respects, not egalitarian, and there is a growing belief that it is also being managed in a way that is particularly unjust, under the authority of those nations that are best served by it. This remark does not mean that this order should give way to anarchy, or that any system that has non-egalitarian features ought to be rejected out of hand. The notion of the non-proliferation of nuclear weapons, for example, can be considered as recognizing an inequality that should be maintained. But it is normal to ask questions: Why Israel and not us? Haven't the nuclear powers forgotten their promise to negotiate in good faith for nuclear disarmament and, ultimately, for the elimination of these weapons? These questions are related to others, pertaining to the non-execution of Security Council decisions, and the double standard that exempts some nations from the obligations that are incumbent on others. These are questions that will have to be answered if we want to define a new system of world order. In the opinion of many, the United States has not spent enough in the past ten years taking these issues into account and, while the Europeans may have done so, it has been with timidity without follow-through.

If, in a situation where peaceful routes remain open, the United States should nonetheless decide to use force against Iran because of serious concerns, undoubtedly not unfounded, and after provocations by the Iranian leadership, many would feel that it is neglecting its duty as a global power at the exact moment that a new political era is about to begin in America.