

Iran's Military Power: Capabilities and Intentions

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Brief Analysis

On March 13, 1996, Michael Eisenstadt, Senior Fellow at The Washington Institute, and Dr. Geoffrey Kemp, Director of Regional Strategic Programs at the Nixon Center for Peace and Freedom, addressed The Washington Institute's Policy Forum. Mr. Eisenstadt presented the findings of his forthcoming Policy Paper, *Iran's Military Power: Capabilities and Intentions*, and Dr. Kemp commented on his presentation. The following is a rapporteur's summary of their remarks.

MICHAEL EISENSTADT

Weapons and Terror

In 1989, at the end of the war with Iraq, Iran pursued a major military build-up in order to attain power, prestige, and influence in the Gulf; military self-sufficiency; and deterrence capabilities against foreign threats. However, financial problems forced Iran to significantly decrease military procurements, cancel arms contracts, defer or stretch-out procurement of key items, and prioritize the allocation of scarce financial resources. Iran has had to content itself with selectively enhancing its military capabilities.

Iran's nonconventional weapons programs are among the regime's top priorities and Tehran continues to invest significant resources in these efforts -- as German, Russian, American, and Israeli intelligence services report. Iran has chosen the nuclear route because it may be the only way to become a regional military power without destroying the Iranian economy. Iran's attempts to procure certain items useful to the nuclear fuel-cycle during the past decade raise suspicions about Iran's nuclear ambitions. With significant foreign assistance and the ability to overcome other problems, Iran may eventually succeed in its efforts to acquire the bomb.

Iran's capacity for subversion and terror remains one of Tehran's few levers in the event of a confrontation with the United States. In the early 1980s, Iranian terrorist success bolstered the new regime during the first years of the revolution and helped it to consolidate its domestic power base. Recently, state-sponsored terrorism has sullied Tehran's image and contributed to the country's isolation. Moreover, Iran's attempts to subvert the Arab Gulf states have prompted them to rely more heavily on the United States for their security, thereby complicating Iranian efforts to end U.S. military presence in the Gulf.

Implications for U.S. Policy

The threat that Iran poses to U.S. interests comes from the two extremes of the threat spectrum: weapons of mass destruction (WMD) on the one hand, and Tehran's capacity for subversion and terror on the other. The United States also faces a secondary threat to its interests in the form of Iran's naval build-up in the Gulf which could disrupt the flow of oil and inflict losses on U.S. naval forces in the event of a confrontation. For the foreseeable future, however, Iran will try to avoid a major confrontation with the United States that could lead to losses it cannot afford to replace or the imposition of stiffer economic sanctions against it.

It does not appear that Iran will be the next Iraq or that it is an ascendant regional power. Iraq was able to borrow foreign money and expand its military forces while Iran has experienced financial problems from the outset of its build-up. Additionally, Iraq had broad access to western and eastern markets for arms and technology whereas Iran is an isolated pariah state that has few options for acquiring arms and technology. While it may not be the next Iraq, Iran's nuclear ambitions, its aspirations for regional power status, its support for radical Islamic groups, its capacity for terrorism and subversion, and its geographic position adjacent the world's oil supply lines still enable it to threaten key U.S. interests in the Middle East.

To date, U.S. policy towards Iran has produced mixed -- albeit overall positive -- results. The most important achievement of U.S. policy toward Iran is its success in curbing Iran's troublemaking potential through strategies of arms, technology, and finance denial. While sanctions have not succeeded in inducing Iran to change its policies, they have succeeded in denying it the means to carry these policies out. Thus, in order to contain Iran militarily, it has been necessary to contain it economically. When the direct and indirect effects of sanctions are considered, they could have a significant long-term impact on Iran's economy, military capabilities, and perhaps even its political landscape.

GEOFFREY KEMP

The United States needs to be concerned with Iran's WMD-program and capacity for terror and subversion. Conventional weapons are expensive so the non-conventional weapons -- chemical, biological, and nuclear -- are becoming "the poor man's option." Iran also pursues the nuclear option because they are surrounded by nuclear powers, including the United States. Combining WMD with chemical or biological agents is a frightening possibility. In terms of WMD, the current U.S. deterrent strategy is ambiguous. In the event of a nuclear attack on an American target the United States will respond with nuclear weapons. However, what is appropriate deterrence against chemical and biological weapons? What sort of commitments should the United States make to U.S. allies in the event of nonconventional warfare?

American policy vis-à-vis Iran

When deciding policy, the United States should not lose sight of long-term strategic objectives. An important resource in the area is energy. Specifically, Iran straddles two large oil and gas reservoirs: the Persian Gulf and the Caspian basin. The energy needs of China and Russia have prompted growing ties with Iran. Their links highlight a dilemma for U.S. policymakers: by isolating the country and turning Iran into a pariah state, it pushes Iran into the arms of Russia, China, and North Korea.

From a strategic perspective, the United States needs to secure as many access routes as possible to the Caspian Basin to facilitate the transfer of oil and gas reserves -- including routes through Iran. Although the need to discuss transportation is imperative, negotiating with Iran is nearly impossible. The country fears ruining the momentum of their revolution by entering a dialogue with the "Great Satan."

Most Iranian exiles are supportive of American policies vis-à-vis Iran, but they shudder at the suggestion of covert

operations. For real change in Iran, the United States should work with the disaffected population including the military, clergy, and older population who are tired of the ruling class and lived better under the Shah than the present mullahs. The most likely reason for change will be pressure from the military or moderate mullahs and not some counter-revolution by the mojahedin khalq.

The United States should strengthen efforts to get rid of Saddam Hussein as the best way to limit Iran's freedom of action. More than any single act, this would upset the mullahs' strategic calculus, opening up new avenues to promote changes in Tehran.

This Special Policy Forum report was prepared by Shira Vickar. ❖

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