

Iran Report Makes Case for Keeping Pressure On

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Articles & Testimony

Some analysts are arguing that because last week's National Intelligence Estimate concluded that Iran halted its covert nuclear program in 2003, sanctions against Iran are no longer necessary. In fact, the opposite conclusion could be drawn from the report, which suggests that Iran is vulnerable to outside pressure on the nuclear issue -- and much more still needs to be done on this front.

In 2005, the U.S. embarked on a new strategy designed to ratchet up the financial pressure against Tehran for its nuclear-related activities and its support for terrorism. The U.S. made clear that as long as Iran persisted in defying the international community, the costs of its behavior would increase. Treasury Undersecretary Stuart Levey warned that Iranian leaders risked "turning the country into a financial pariah" and that Iran had to choose whether to continue down this "path of isolation."

Underlying this strategy was the premise that Tehran's decision-making on the nuclear program could be affected by outside pressure. The NIE released last week backed this type of approach, noting that Iran's nuclear-related decisions are guided by a "cost-benefit approach rather than a rush to a weapon irrespective of the political, economic and military costs." In fact, according to the estimate, Iran's decision to halt its covert nuclear weapons program in 2003 was in response to "increasing international scrutiny," which indicated that "Iran may be more vulnerable to influence on the issue than we judged previously."

While Iran may no longer have an active covert nuclear weapons program, this hardly means that there is no reason to worry. As Iran has announced, it continues to move forward on its uranium enrichment activities, in defiance of U.N. Security Council resolutions. The fissile material generated could quickly be turned into a nuclear bomb should Iran choose to resume its weaponization program. What the NIE suggests is that Iran might modify its behavior on its entire nuclear program in the face of the right mix of carrots and sticks.

The NIE may also raise additional questions for the International Atomic Energy Agency to pose to the Iranians about the program's history. Although Iran might be unwilling to answer these questions, this is the type of transparency required under the Nuclear Nonproliferation Treaty for countries to operate peaceful civil nuclear programs.

Although the NIE has deflated some of the momentum the U.S. had built up for financial pressure against Iran -- and may even hurt the chances for a third U.N. Security Council resolution targeting additional Iranian institutions and officials -- it could help in one respect: The NIE may restore some of the intelligence community's credibility as an independent, apolitical actor.

This would be an important development on the financial front because intelligence is at the heart of the case Treasury is making about Iran's activities. Over the past two years, senior Treasury officials have traveled the world, briefing their finance ministry counterparts and the private sector on Iran's deceptive financial practices. These include Iran's use of front companies; frequent requests by Iranian state-owned banks to remove their names from financial transactions; and the involvement of these same banks in Iran's nuclear and missile programs and terrorist financing. The evidence is clear that doing business with Iran is a risky endeavor.

While Treasury has had considerable success, its efforts have undoubtedly been hindered by widespread international skepticism about intelligence information post-Iraq. Events that bolster the intelligence community's credibility should have positive ramifications for Treasury's efforts to use intelligence information in its outreach campaign.

The bottom line is that the threat posed by Iran has not gone away. The NIE suggests that continuing efforts to raise the costs of Tehran's behavior remains an important and viable strategy. Only once Iran has abandoned all of its nuclear ambitions will it be a time to say that we have succeeded.

Michael Jacobson, a senior fellow at the Washington Institute for Near East Policy, served as a senior adviser in the Treasury Department's Office of Terrorism and Financial Intelligence. ❖

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