



# COMMENTARY

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## Iran, “Soft Power,” and Haleh Esfandiari

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There is always going to be a good case for dialogue with Iran, for the same reasons the US always talked to the USSR during the worst days of the Cold War, and should never have failed to recognize and talk to China. It is even more important to talk to hostile states than friends. The risks of misunderstandings are much greater, even limited progress in improving relations can help prevent wars, and present problems can lead to better relations in the future.

The Iranian arrest of Haleh Esfandiari, however, is a grim warning that dialogue with this Iranian government may have very little near term benefits. Her arrest is one more step in a process of steadily cracking down on contacts between US and Iranian moderates and liberals that began in the last years of the Khatami regime. Long before this arrest, Iranians in second track diplomacy and meetings outside the US had warned that they faced a steadily growing risk of government interference and arrest.

The Iranian president’s denial of Israel’s right to exist and the Holocaust has been a most egregious warning of Iranian attitudes. So have Iranian actions in dealing with nuclear proliferation, and Iran’s military focus on long-range missiles and asymmetric warfare capabilities in the Gulf.

The latest IAEA report, issued on March 23, 2007 does not directly address the fact that Iran seems to be rushing towards the creation of a centrifuge system with 3,000 or more units, with possible capability to produce one weapon’s worth of material a year when it is fully developed. As the attached excerpts show, however, the IAEA report does make Iran’s lack of cooperation and the risk of a nuclear weapons program all too clear.

Iran’s arms supplies and ties to the Hezbollah have been another warning signal, as have Iran’s support of Shi’ite militias and hardliners in Iraq, and recent indications of a more hostile role in Afghanistan.

Iran’s signals on dialogue with the US on Iraq have also been anything but reassuring. The US should make every effort to have a positive official dialogue that could help bring stability to Iraq when US and Iranian envoys meet in Baghdad on May 28<sup>th</sup>. However, Iran’s position on meeting with the US to talk about Iraq has been hostile beyond the usual standards of preconference posturing and leverage.

Iran’s Supreme Leader, the Ayatollah Ali Khamenei said in Mashad on May 17<sup>th</sup> that Iran only agreed to “face-to-face” talks with the US so that it could, “remind the US of its responsibilities and duties regarding security,” and to, “give them an ultimatum...The talks will only be about the responsibilities of the occupiers in Iraq...They think that the Islamic Republic has changed its firm, logical, and defensible policy in rejecting negotiation with the US. They are wrong...How is it possible to negotiate with the arrogant, bullying, expansionist, and colonialist government of the US.”

Iran’s foreign minister, Manouchehr Mottaki, said last Friday at the World Economic Forum in the Middle East in Jordan that the only way to deal with the issue is for the US to admit its role in Iraq is illegitimate and withdraw from Iraq and the Gulf, leaving security to Iraq’s neighbors. “We believe that sooner or later they have to decide to withdraw their troops from Iraq because that is the cause for the continuation of terrorist activities.”

He went on to say that Iraqi instability and the US occupation of Iraq were the two fundamental problems plaguing Iran's neighbors, and called for a "comprehensive solution" to address both issues that really meant pushing the US out of the region. These were not low profile remarks. He spoke while sharing a panel with Afghan President Hamid Karzai, Pakistani Prime Minister Shaukat Aziz,

Jordanian Prime Minister Marouf Bakhit, the Bahraini crown prince Sheikh Salman bin Hamad al-Khalifa and Saudi Prince Turki al-Faisal, former ambassador to the United States.

Ali Larijani said at the same meeting that the Bush administration was trying to bring Baathists back to power to create political conditions where it could leave Iraq: "Unfortunately, the Americans are under some pressure to leave faster (from) Iraq. They want some elements in Iraq to take control and they discovered the Baathists could do the job." Larijani went on to warn that efforts at conciliation would mean, "disaster for the Iraqi people, for the Iranians, for the Kuwaitis, (and) for the region."

Whatever the US might have done in talking to Iran when it seemed to have won in Iraq, and Iran was under Khatami, it probably cannot do now. Iran sees the US as having won its war in Iraq, as being forced to leave, and creating a weak Iraqi Shi'ite dominated government Iran can influence and use. The US has no incentives to offer Iran and no sticks. It does not even seem to have a clear plan for Iraqi stability and conciliation.

One wishes Ambassador Crocker luck, but there are reasons why Iraqi vice president Tareq Al Hashemi replied to Iran at the conference in Jordan on May 20<sup>th</sup> by saying that, "Our role is to put pressure on Iran but I must be realistic about that. I know who's actually the troublemaker. Not only Iran and Syria and neighboring countries. Many countries in fact...The Iraqi issue is becoming a threat to global stability and regional stability so everyone should be very careful about what is going on... For the benefit of the national security of Iran, Iran should not be tempted to interfere in my country. They should think seriously about that...At the end of the day I would like the Iranians to end their interference."

This takes us to the issue of the arrest of Haleh Esfandiari. It is hard to think of anyone less likely to act as an intelligence officer or to be involved in any hostile act of regime change. In fact, it seems brutally clear that Iranian intelligence and government officials deliberately chose one of the most innocent people available. Haleh Esfandiari's arrest is a symbol of the risks in carrying out any dialogue with the US and the West, any active form of dissent, playing a role in Iranian groups that deal with cultural contacts and exchanges, or working for any group which the regime can see as potentially creating any form of opposition.

This is, in fact, all too clear from the Iranian statements as to why Haleh was arrested, and the following official statement by the IRI Intelligence Ministry makes remarkably grim reading, down to the sudden semantic shift in which "soft power" becomes "soft overthrowing,"

Intelligence Ministry elaborates on Esfandiari's arrest  
Tehran, May 22, IRNA  
Intelligence Ministry-Esfandiari

Public Relations of IRI Intelligence Ministry here Monday elaborated on detainment of Haleh Esfandiari.

In Intelligence Ministry's communiqué, a copy of which was delivered to IRNA, we read,

"Intelligence surveys on efforts made by certain US institutes, foundations, and organizations aimed at influencing the developments in the Islamic Republic of Iran revealed certain facts for us."

It adds, "The truth of the matter is that those bodies are under the umbrella of such titles as democracy, human rights, and...playing the role that their intelligence and information services used to play against countries in question in the past."

The Intelligence Ministry announced, "Regarding Mrs. Haleh Esfandiari, too, we point out that she is the head and founder of the Middle East Program of Wilson Center in the United States, whose budget is allocated by the US Congress."

"That center is the connection ring between the Iranians and the US organizations and foundations whose main objective is fortifying the social trends that act in line with the interests of the aliens. For instance, Ramin Jahanbeglou, who was one of the guests of this center, had been chosen by the NED Foundation, relying on the cooperation of other US foundations, theoretized the model of East Europe's collapse, matched it with the situation in Iran, and tried to pursue it as a project."

The Intelligence Ministry reiterated, "In conducted research Mrs. Esfandiari has pointed out that the center's activities and programs related to Iran were sponsored and financed by the famous Soros Foundation, that is a US foundation owned by George Soros that has played key roles in intrigues that have led to colorful revolutions in former USSR republics in recent years."

The Ministry's Public Relations has furthermore stressed, "Relying on cooperation of Mrs. Esfandiari the head and representative of the US based Soros Foundation in Iran was identified and an arrest warrant was issued for him, the complementary research about the matter still continues."

The Intelligence Ministry announced, "In primary interrogations, she reiterated that Soros Foundation has established an unofficial network with the potential of future broader expansion, whose main objective is overthrowing the system."

According to those elaborations, some of those foundations send invitations to Iranian thinkers to give lectures, participate at seminars, or to present research projects, allocating budgets to such activities... trying to choose active partners in our country and link them to the decision maker circles and organization in the United States.

"In this respect the unseen key role played by certain intelligence agents and undercover officials in pushing forth the objectives of such projects is to be noted."

The Intelligence Ministry reiterates, "Although the short term objectives of the above mentioned foundations are mainly lined to their apparent activities, their mid-term objectives include a type of culture making, foundation making, and network establishment in the country, and their expansion in the long run, that is seriously pursued."

At the end, the Intelligence Ministry points out, "The ultimate goal of those foundations, too, is to fortify those networks at fields that are of interest for them and reaping the fruits of such activities in due time, that is nothing but people's confrontation with the system. This US designed model with its hallucinating and chanting sign is aimed at soft overthrowing of the system." 2329/1771

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This is a truly frightening hardening of Iranian interference in Iranian society, as well as a clear effort to warn virtually any Iranian about the risk of contact with the US, the West, and foreign NGOs. For those who know about Iran's approach to the problem, it is also an indirect warning that many of the polite and soft spoken Iranian "academics" and "experts" that do appear at international conferences are either vetted by Iranian intelligence or are allowed to appear without penalties because they can be trusted to either speak for the government or act in ways that defuse its critics.

There are still many Iranians who do dare to speak their mind, but private conversations make it clear that they saw the risk of doing so growing long before Haleh Esfandiari's arrest.

If there is any excuse for such Iranian actions, and there is none in this specific case, it is that the US has used Congressional funds for "regime change" to help support long-term information programs and exchanges that may influence Iranian opinion over time. Recent reports of a Presidential Finding calling for the CIA to support such efforts have not helped. This may at least partially explain the IRI Intelligence Ministry's use of the term "soft overthrow."

If so, it is time for this particular farce to end. Respectable Iranian opposition movements like the Shah's son have no real influence and power. The MEK murdered American officials and officers, some my friends, when I served in Iran. It was a vicious terrorist group that lost its battles with Khomeini, and then became a cult-like client of Saddam Hussein.

We do need efforts to reach out to Iran, to rebuild relationships, to communicate real US views and concerns rather than propaganda. We do need to use "soft" power to try to influence Iran in the future, but labeling this activity as regime overthrow, substitutes "stupid" power for "smart" power. The end result is to give some tenuous credence to the charges made by Iranian extremists and threatens to discredit precisely the kind of contact that is critical in reducing misunderstanding.

## **Attachment: Excerpts from IAEA Board of Governors, Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions<sup>1</sup> in the Islamic Republic of Iran, GOV/2007/22, May 23, 2007**

Since 22 February 2007, Iran continued to test single machines, as well as the 10- and 20-machine cascades and the two 164-machine cascades (one of which Iran has since disconnected), at the Pilot Fuel Enrichment Plant (PFEP). Between 21 February and 17 March 2007, Iran fed 4.8 kg of UF<sub>6</sub> into the single machines and the 10-machine cascade.

In the light of the increasing number of installed centrifuges at the Fuel Enrichment Plant (FEP), on 22 March 2007, Iran agreed to a modified safeguards approach for that facility which includes, in addition to a monthly interim inspection and design information verification visit, a combination of, inter alia, unannounced inspections and containment and surveillance measures. The first unannounced inspection was carried out on 13 May 2007.

Since the Director General's last report, Iran has fed approximately 260 kg of UF<sub>6</sub> into the cascades at FEP. Iran has declared that it has reached enrichment levels up to 4.8% U-235 at FEP, which the Agency is in the process of verifying. On 13 May 2007, eight 164-machine cascades were operating simultaneously and were being fed with UF<sub>6</sub>; two other similar cascades had been vacuum tested and three more were under construction.

Since early 2006, the Agency has not received the type of information that Iran had previously been providing, including pursuant to the Additional Protocol, for example information relevant to the assembly of centrifuges, the manufacture of centrifuge components or associated equipment and research and development of centrifuges or enrichment techniques.

The Agency has been monitoring the use of hot cells at the Tehran Research Reactor (TRR) and at the Molybdenum, Iodine and Xenon Radioisotope Production Facility (the MIX Facility) through inspections and design information verification. There are no indications of ongoing reprocessing activities at those facilities. The follow-up on the construction of hot cells at the Iran Nuclear Research Reactor (IR-40 Reactor) at Arak has been limited, however, to the analysis of satellite imagery since, as of 13 April 2007, Iran has not provided the Agency with access to the reactor site to carry out design information verification.

Satellite imagery indicates that civil construction of the IR-40 reactor and the operation of the Heavy Water Production Plant are continuing.

Iran has not responded to the Agency's long standing requests related to:

- the uranium contamination at the Physics Research Centre;
- Iran's acquisition of P-1 and P-2 centrifuge technology; and
- the documentation concerning uranium metal and its casting into hemispheres para. 19).

On 29 March 2007, Iran informed the Agency that it had "suspended" the implementation of the modified Code 3.1, which had been "accepted in 2003, but not yet ratified by the parliament", and that it would "revert" to the implementation of the 1976 version of Code 3.1, which only requires the submission of design information for new facilities "normally not later than 180 days before the facility is scheduled to receive nuclear material for the first time." In a letter dated 30 March 2007, the Agency requested Iran to reconsider its decision.

Iran has taken issue with the Agency's right to verify design information which had been provided by Iran pursuant to the modified Code 3.1 concerning the IR-40 reactor at Arak. The basis for Iran's contention is that, under the 1976 version of Code 3.1, to which it had "reverted", the verification of such information is not justified, given the preliminary construction stage of the facility (described as "far beyond receiving nuclear material") and the Agency's previous activities at Arak.

In accordance with Article 39 of Iran's Safeguards Agreement, agreed Subsidiary Arrangements cannot be modified unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in Subsidiary Arrangements. Moreover, Code 3.1 is related to the provision of design information, not to the frequency or timing of verification by the Agency of such information. The Agency's right to verify design information provided to it is a continuing right, which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility.

On 29 April 2007, Iran informed the Agency that the Fuel Manufacturing Plant (FMP) would receive natural uranium oxide powder soon in preparation for “preliminary process tests”.

There are a number of other matters about which the Agency has received no new information, such as Iran’s uranium mining activities, its experiments involving polonium, and the designation of inspectors to Iran.

Iran has not agreed to any of the required transparency measures, which are essential for the clarification of certain aspects of the scope and nature of its nuclear programme. These measures include discussions about information provided to the Agency concerning alleged studies related to the conversion of uranium dioxide into UF<sub>4</sub>, to high explosives testing and to the design of a missile re-entry vehicle.

Although the Agency is able to verify the non-diversion of declared nuclear material in Iran, the Agency remains unable to make further progress in its efforts to verify certain aspects relevant to the scope and nature of Iran’s nuclear programme. Pursuant to its NPT Safeguards Agreement, Iran has been providing the Agency with access to declared nuclear material, and has provided the required nuclear material accountancy reports in connection with declared nuclear material and facilities. Iran has, however, ceased to implement the modified Code 3.1 of the Subsidiary Arrangements with respect to the early provision of design information, and has not permitted the Agency to perform design information verification at the IR-40 reactor.

As previously stated, unless Iran addresses the long outstanding verification issues, and implements the Additional Protocol and the required transparency measures, the Agency will not be able to fully reconstruct the history of Iran’s nuclear programme and provide assurances about the absence of undeclared nuclear material and activities in Iran or about the exclusively peaceful nature of that programme. It should be noted that because the Agency has not been receiving for over a year information that Iran used to provide, including under the Additional Protocol, the Agency’s level of knowledge of certain aspects of Iran’s nuclear related activities has deteriorated.

Iran has not suspended its enrichment related activities. Iran has continued with the operation of PFEP. It has also continued with the construction of FEP and has started feeding cascades with UF<sub>6</sub>. Iran has also continued with its heavy water related projects. Construction of the IR-40 reactor and the operation of the Heavy Water Production Plant are continuing.

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