

NUCLEAR ASPIRATION AS A HEDGING STRATEGY: THE CASE OF IRAN

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In international politics, how a state determines to take strategic action is a consequence of how it sees itself in relation to others. In order to opt for one strategic choice over others, it considers a number of options, which may be weighed in symmetric significance, to leverage other states. The leveraging behaviour among states, often called a hedging strategy, comes from strategic calculations to maximise flexibility and reduce loss by choosing the best option for the next move. This is so in the strategic field as well as the nuclear area. In general, many researchers have attempted to study hedging behaviour, for example, among nuclear weapon states, where there is symmetric rivalry in terms of physical deterrence. However, any strategic sketching of future plans, including unclear strategic moves or increasing uncertainty, can also be used as a strategic action between adversaries. In the case of Iran's nuclear activity, it is important to understand that the theme of nuclear aspiration is being used as a hedging option not only between Iran and its adversaries/competitors but also among the competing states that are dealing with Iran.

Presently, Iran, often mentioned as a fence-sitter, occupies the centre of gravity on nuclear proliferation and is one of the disputed areas of

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debate. While it is important to predict the future proliferation links and nuclear non-proliferation regime only if Iran becomes a new example of a nuclear success, till now it has been somewhat premature to conclude what plans the Iran government has for its nuclear activity. This is largely because the conclusion of the International Atomic Energy Association (IAEA) report continues to be muddled.¹ The IAEA report does not fully agree with the series of National Intelligence Estimate (NIE) reports released by the US, which are completely in disagreement with

the claims by the Iranian government. Interestingly, on the one hand, it is significant to speculate on whether Iran's real intention is for nuclear weaponisation or not; however, it is also necessary to see how all the states involved deal with this theme, with some using it as a bargaining chip to deal with Iran, while others seek to maximise their national interest in a larger strategic framework.

Notably, if the theme of nuclear aspiration itself can be used as a bargaining chip, it would be one of the strategic assets that can be applied in a strategic hedge to leverage nuclear bargaining with Iran. And, from Iran's point of view, it also can be used for domestic politics for leverage among different political groups by reiterating the national value in the foreseeable future and keeping the options open. Along with the assumption that Iran's nuclear activity is used for hedging among the states, it leaves a number of follow-up questions: What is the importance of the Iranian nuclear issue in Iran's entire Foreign Policy (FP hereafter)? How do others perceive the significance of Iran's nuclear issue in their FP? If there is no absolute gain in FP among states, what exchangeable factors would be required to cap, delay, or buy time to deal with, the Iranian nuclear programme? How does Iran narrate other options to deal with others in the exchange of positions

1. International Atomic Energy Agency (IAEA), *Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council Resolutions in the Islamic Republic of Iran*, Board of Governors, GOV/2012/9, February 24, 2012, IAEA.

concerning the issue of nuclear development with other states? How do others hedge each other to accommodate each country's national interest in regard to the Iranian nuclear issue? Do Iran and the others use the theme in a flexible way? And, if there is convergence of interest to deal with the Iranian nuclear issue, what is the formation of a strategic circle?

Subsequently, those questions lead us to contemplate on why many states are facing multifaceted political views and diversified policy options that are aimed not merely at own security guarantees, but also to prevent the probable worst case scenario, which thwarts further hedging to Iran when it clashes with understanding and justifying the nuclear threat and proliferation among sanctioning and sanctioned states.

HEDGING AND RISK MANAGING: APPLICATION TO IRAN

Though there is lack of systematic understanding of the hedging strategies in international relations, it is overall pertinent to comprehend that hedging is "a set of strategies aimed at avoiding a situation in which a state cannot decide upon more straightforward alternatives such as balancing, bandwagoning, or neutrality".² An important part of the hedging strategy is that it lays out that a 'hedger' does not simply pursue straightforward strategies such as balancing, bandwagoning, or perceptible containment, but is about accommodating the national interest in a more flexible way.³ A hedging strategy, adopted by a small or medium sized state, assuming that Iran is a regional power, not a major power in the world, can possibly maximise strategic options through diplomacy. For example, it is based on leverage underpinning a limited partnership, cooperation to create mutual strategic value and outcomes, and also to reduce loss through unrelated systemic errors. It anticipates certain possibilities that provide opportunities like dealing with a wide array of strategic convergence by easing present constraints and expanding potential strategic scenarios from a leveraged position. This approach, a so-called insurance policy in general, encourages preserving one's position against uncertainty, and hiding one's intentions from target states.

2. Øystein Tunsjø, *US Taiwan Policy: Constructing the Triangle* (Oxon: Routledge, 2008), p. 110.

3. Evelyn Goh, "Understanding "Hedging" in Asia-Pacific Security", *PacNet* 43, August 31, 2006.

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The advantage of a hedging strategy is that it provides both short-term and long-term benefits. A state can avoid outright loss through stiff confrontation in the present and, at the same time, it can aim to increase its hedging ability to enable survival after the worst scenario of conflict, like a war.⁴ According to scholars analysing the world within a systemic framework, a state must seek and

picture different long-term threats and opportunities as a core strategy to capture a shifted concentration of power, whether a dominant power rises or falls.⁵ Therefore, it drives mutual hedging that eventually invokes a dynamic strategic engagement between rivals.⁶

Many states put in efforts in applying hedging behaviour in the nuclear field and the state of nuclear weapons. Nuclear weapons are still symbolic in terms of their potency as a deterrent and in preempting military options, and engagement and containment in diplomatic options.⁷ The advantage of nuclear weapons is prolonged in that possessing them does not require additional elaboration to convince adversaries aiming at destructive power. Since the nuclear bomb was introduced, security strategies have moved forward in a realist style to balance and to prevent/reduce external threats—a hedging strategy is, in fact, applied in nuclear weapon states in many cases.⁸ It is widely known that most nuclear weapon states adopt hedging strategies, and if deterrence does not play a crucial role, they may go for alternatives or other precautionary tactics, according to the situation, such as preemptive strikes that guarantee premeditated victory.

However, a hedging strategy is not only confined to nuclear weapon states but is used also by nuclear aspiring states. This means that a strategic

4. Brock F. Tessman (2007), "System Structure and State Strategy: Adding Hedging to the Menu". <http://tessman.myweb.uga.edu/research/System%20Structure%20and%20State%20Strategy>
5. Ibid.
6. Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability", *The Washington Quarterly* 29(1), 2005, p. 145.
7. Elli Louka, *Nuclear Weapons, Justice and Law* (Massachusetts: Edward Elgar Publishig, Inc., 2011), pp.34-38.
8. Goh, n.3.

portfolio of weapons programmes and options is present not only as a physical defence system, but also by an elastic diplomatic network that handles the various tools that are accepted by a number of counterparts during the nuclear discourse. Broadly, the tools of this policy can contain an integrated use of diplomacy, the defence portfolio in collaboration with the military, intelligence, economic assets, law enforcement, and national decision-making. Therefore, though nuclear weapon states obtain accessible military options on the basis of a leveraged nuclear strategy, the consideration of hedging is applicable to aspiring nuclear countries like Iran.

As a result, viewing the international systems in complex asymmetric dyads, especially in regards to nuclear imbalances, a state like Iran that faces a disparate strategic environment may reject the concept by which power-holders are good at balancing the system. Rather, Iran may perceive that power-holders do harm for emerging or regional powers, that is apparent when the present confrontation between Iran and the West is analysed. Interestingly, many argue that one of the ways to overcome the primary immediate external threat is by the emergence of another state or states in an alliance, which can build multipolarity.⁹ However, this is not applicable in Iran's case. Therefore, Iran's hedging approach is located on a narrower margin, reflected by maximising national assets such as geo-political position, economic standing, and socio-cultural bonding apart from with other Gulf Cooperation Council (GCC) countries. As states obtain different assets for their hedging strategy, Iran also has distinctiveness in its plans and how it utilises its strategic assets such as oil to differentiate itself from other successful or unsuccessful nuclear aspirants.

It is intriguing that Iran (and Pakistan as well) is an inimitable case that experiences diplomatic turnover on nuclear cooperation that is vibrantly determined by a domestic decision-making process to adopt changing international politics. Since current concerns over nuclear proliferation are rooted in sophisticated nuclear assistance or cooperation which results in

9. Traditional balance of power theory introduces that states have a tendency to formulate counter-productive coalitions that may be able to prevent asymmetric power preponderances. Tessman, n.4.

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horizontal proliferation, it is pertinent to point out the characteristics and determinants of sensitive nuclear assistance¹⁰ that determine potential nuclear suppliers by an examination of the cross-national perspective.¹¹ Though this does not put aside the importance of a single case-study to chronicle how domestic factors influence the state to go for nuclear power, it probably needs to be emphasised that a cordial relationship between two or more states

can instigate potential nuclear proliferation through nuclear technology assistance.

If nuclear assistance or proliferation is envisaged between friendly states or those aiming at establishing an inner circle,¹² and if newly assisted states or latecomers also know that they can acquire the balance of power by the acquisition of nuclear weapons to change the strategic rectangles of friends or foes, a nuclear aspiring state is likely to opt for the hedging strategy. Though a nuclear weapon is not the only tool of a hedging strategy, it is significantly interpreted as a component of national prestige. It is a consequence of the proliferation issue that has to be analysed, that is, how a new nuclear state, or potential new supplier, can dissuade superpowers and regional rivals from focussing on its vulnerabilities and strengths to make itself into a nuclear hub and prevent its dependency on uncertain nuclear decisions taken by adversaries.

Subsequently, in the case of Iran, as it decides whether to pursue a nuclear weapon programme or not, and to what extent it will take time to make a decision is a matter of changing the “patterns of diplomatic missions and settlements” in the enduring dispute between Iran, the West and the other regional rivals.¹³ Most likely, it may shift the perception of the use of nuclear weapons in cases of dyadic intensive conflicts to deter adversaries.

10. Erik Gartzke and Matthew Kroenig, “A Strategic Approach to Nuclear Proliferation”, *Journal of Conflict Resolution* 53(2), 2009, pp.151-160.

11. Ibid.

12. Kyle Beardsley and Victor Asal, “Nuclear Weapons as Shields”, *Conflict Management and Peace Science* 26(3), 2009, pp.235-255.

13. Gartzke and Kroenig, n.10, pp.151-160.

It can alter its nuclear influence on the symmetric dispute behaviour to protect other strategic assets by hedging.

EVOLUTION OF IRAN'S HEDGING BEHAVIOUR AND NUCLEAR ASPIRATION

At first glance, one may ponder on how Iran prioritises its nuclear programme while adopting a tough, inflexible nuclear diplomacy at all costs, if it pursues hedging strategies using a nuclear standoff. Voluminous scholarly works have debated and elaborated on Iran's nuclear aspirations using theoretical frameworks. Iran's nuclear aspirations have been discussed in broad ways like focussing on the nature of Iran that makes it seem inevitable that it should move towards nuclear power as asserted by the realists; analysing domestic socio-political decision-making as explained by constructivism reflecting constitutive elucidation; or historical narratives that do not consist of classified international chain reactions.¹⁴ There is a debate among many on how Iran's national identity or nuclear preference is to be interpreted and whether internal or external variables should be weighed. In what follows, using the discursive approach within constructivism, Iran's nuclear hedging is interpreted and the possible options, within the frame of constitutive explanations, are considered in the domestic discourse.¹⁵ Applying this to Iran's nuclear diplomacy in international relations, it may be more objective to explain what Iran wants to do as a consequence of how it sees itself in relation to others.¹⁶

In general, while Iran's national pride is well preserved and marked historically in the domestic sphere, its position in international politics has been constantly challenged by the engagement by other parties. Particularly, the shift of the strategic framework dominated by external powers prevents Iran from being more flexible in the region. This has been perceived as ambition by its adversaries, yet refuted as a subject of sovereign right by

14. Homeira Moshirzadeh, "Discursive Foundations of Iran's Nuclear Policy", *Security Dialogue* 38(4), 2007, pp.521-543.

15. Ibid.

16. Vendulka Kubalkova, "Foreign Policy, International Politics, and Constructivism", in Kubalkova Vendulka, ed., *Foreign Policy in a Constructed World* (New York: M.E. Sharpe, 2001), pp.15-37.

the Iranian leaders. As a matter of fact, a series of events from the 19th century, or perhaps the 16th century, as some argue, provided a stream of history in which Iran has consistently been surrounded by competitive, rival great and superpowers in the Middle East, Anglo-Russian rivalry in the 19th century, German and Ottoman-Britain and Russia rivalry during World War I, US-Soviet Union rivalry during the Cold War, and currently, the continued power rivalry and regional competition, including, Arab-Israel and Shi'a-Sunni rivalry.¹⁷

The security perception, emphasised by other unfriendly states has been compounded by the standards of decision-making among Iranian elites and supreme leaders; Iraq continues to be a threat from the time of the Iran-Iraq War in the 1980s; Pakistan established nuclear capability by asserting an asymmetric relationship with India; Israel is an undeclared nuclear state; and the US is a nuclear hegemonic power.¹⁸ During the Cold War, Iran also seemed to have a fear of proxy wars between itself and Afghanistan and Iraq, rather than a direct attack from the Soviet Union.¹⁹ And the Israel factor has been a constant in Iran's security concerns. Overall, along with superpower rivalry in this region, Iranian decision-makers have kept their eyes on, and engaged in, regional wars and skirmishes that, by and large, have compounded Iranian nuclear discourses.

It shows that, despite the Shah's cooperation with the US, Iran's nuclear posturing has been aimed at its independent share in international politics, if possible by itself, or finding the alternatives on the basis of limited cooperation. At its peak, the Iranian supreme leader's desire for Persian pride was expressed, and often quoted as the "neither the East nor the West" policy at the apogee of the Iranian Revolution in 1979.²⁰ The Iran-

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17. Bulent Aras and Fatih Ozbay, "The Limits of the Russian-Iranian Strategic Alliance: Its History and Geopolitics, and the Nuclear Issue", *The Korean Journal of Defense Analysis* 20(1), 2008, pp.46-48. And Manuchehr Sanadjian, "Nuclear Fetishism, the Fear of the 'Islamic' Bomb and National Identity in Iran", *Social Identities* 14(1), 2008, p.89.
 18. William Van Kemenade, *Iran's Relations with China and the West: Cooperation and Confrontation in Asia*, Netherlands Institute of International Relations, 2009, p.59.
 19. Nader Entessar, "Iran's Nuclear Decision-Making Calculus", *Middle East Policy* 16(2), 2009, pp.27- 28.
 20. Sanam Vakil, "Iran: Balancing East Against West", *The Washington Quarterly* 29(4), 2006, p.52.

Iraq War in the 1980s deeply influenced the Iranian perception of security, not only at great cost and damage to Iran, but also by understanding that no allies stood by Iran; for example, consider the Soviet's pro-Iraqi position during the war.²¹ Recently, the US occupation of Afghanistan since 2001 and invasion of Iraq in 2003 alarmed Iranian leaders enough to consider the nuclear programme and suspend Iran's foreign relations with those competing with the US. Therefore, the major power's pioneering cooperation with Iran has been described differently according to the situation, often negatively, for example, Russia's initial engagement toward Iran was seen as "accidental engagement"²² or "nuclear gamble"²³ and China's relations with Iran were seen as "cooperative opposition against the US".²⁴ Clearly, Iranian leaders have limited Iran's cooperation with Russia and China, and, to some extent, with India, for its coverage of the nuclear issue;²⁵ even with the US and Germany in the past, relations were established neither on long-term amity nor any type of alliance.

At the same time, along with Iran's nuclear intention on the nuclear weapons programme that had been debated by Western experts, it is worthwhile to consider that Iran has had concerns about an alternative source of energy, fulfilling a long-term energy need and protecting its oil assets. Most Western scholars and governments refute Iran's claim about an alternative pattern of energy reliance in the future. However, it cannot be entirely ignored that the Iranian government is inevitably considering a national industrial system that plans on expanding Iran's hedging option. According to Nader Entessar (2009), even Mohammad Reza Shah's pro-West government's completed key research on Iran's future energy project in the early 1970s kept open the option of nuclear power, as advised by Mr. Mahvi, a founder of the Iran Nuclear Energy Company (INECO) and the Iran Management Technical Consultations Company (IMTC), who advised that Iran's possession of a nuclear weapon

21. Aras and Ozbay, n.17, p. 47.

22. Vladimir A. Orlov and Alexander Vinnikov, "The Great Guessing Game: Russia and the Iranian Nuclear Issue", *The Washington Quarterly* 28(2), 2005, p. 50.

23. Victor Mizin, "The Russia-Iran Nuclear Connection and US Policy Options", *Middle East Review of International Affairs* 8(1), 2004, p. 74.

24. Van Kemenade, n.18.

25. Vakil, n.20, pp. 51-52.

From the Iranian side, it is fairly clear that Iranian elites believe that Iran is surrounded by nuclear powers, that is, the US, Israel, and Pakistan.

would reduce its dependency on arms deals from other countries.²⁶

Hence, one can argue that the nature of the Iranian nuclear aspiration and the dispute with the West is considered a *fait accompli*, and there is no elaborate interrelation between Iranian political groups such as hardliners or reformist Islamists, as it is determined by a systemic structure.²⁷ According to them, the broad picture of the Iran-Washington confrontation has always been drawn in pursuit of security objectives that the Islamic regime believes should not be determined by the West, presently the US and Israel.²⁸ The stiff confrontation is not only shown by mutual verbal aggression between Iran and the US—"Axis of Evil"²⁹ versus "Great Satan"—but also in dealing with the non-proliferation regime in arguing about the additional protocols for signatories. Iran's claim of a peaceful nuclear energy programme is consistently refuted by the US, since Israel discovered the secret sites at Natanz and Arak in 2002 as evidence of Iran's impermissible nuclear progress. Globally, though Iran has been accused of being a potential nuclear-armed state by a series of National Intelligence Estimate (NIE) reports in 2003 and 2007, this was not repeated in the 2010 report³⁰.

From the Iranian side, it is fairly clear that Iranian elites believe that Iran is surrounded by nuclear powers, that is, the US, Israel, and Pakistan. The presence of Israel in the Middle East is a singular challenge to Iran's national security as its conventional and nuclear capabilities are all ahead of those of Iran's military. Apart from the US military assistance, Israel's

26. Nader Entessar, "Iran's Nuclear Decision-Making Calculus", *Middle East Policy* 16(2), 2009, pp. 27- 28.

27. Amin Saikal, "The Iran Nuclear Dispute", *Australian Journal of International Affairs* 60(2), 2006, pp.193-199.

28. Ibid.

29. George W. Bush, "President Delivers State of the Union Address", The White House, January 29, 2002.

30. According to the National Intelligence Report of 2010, the US government failed to conclude that Iran has an equivocal intention go for nuclear. "US Faces a Tricky Task in Assessment of Date on Iran", *The New York Times*, Global Edition, March 17, 2012.

achievement of the triad nuclear capability, warplanes like the F-16s, F-4s, F-15s for carrying nuclear warheads, Jericho I and Jericho II, Shavit nuclear designed missiles and Dolphin-class submarines distresses Iran which desires regional dominance that is planned for its survival among global powers.³¹ Compared to Israel, which is assumed to possess the maximum of 400 nuclear warheads, Iran is seen as not capable of deterring, or even countering a possible attack from such an adversary.³²

However, a set of threat perceptions for architecting a hedging strategy is induced in order to evolve a rational security goal from the different discourses among which that of the political group is dominant. In other words, composing the hedging options, for instance, to what extent Iran would compromise, depends on how the domestic situation changes. While some argue that Iran experiences a lack of communication on the nuclear policy between the decision-makers and the public,³³ Iran evidently undergoes a political debate and vibrant criticism from opponents, unlike other nuclear states that have been named the enemy of the US.³⁴ Iranian factions consist of different participants, including traditional conservatives, pragmatic conservatives, principlists, reformists, and the Iranian Revolutionary Guards who invoke policy resilience through political checks and balances according to the situation.

Domestic debate among these groups helps Iran's political elite visualise the classic Iranian ideals with regards to its nuclear aspiration. For example, the traditional conservatives, led by Ayatollah Ruhollah Khomeini, stand by Iran's uncompromising need for nuclear capability that is based on the ideology of *moqavamat* (resistance) and *khod-kafai* (self-sufficiency), fundamentally against the West.³⁵ The pragmatic conservatives represented by Rafsanjani believe in religious values and economic reforms

31. Amin Saikal, "The Iran Nuclear Dispute", *Australian Journal of International Affairs* 60(2), 2006, pp.193-199.

32. "Israel-Iran Military Comparison", <http://www.juancole.com/2012/02/israel-iran-military-comparison.html>

33. Sanadjian, n.17, pp. 77-100.

34. Shahram Chubin and Robert S. Litwak, "Debating Iran's Nuclear Aspiration", *The Washington Quarterly* 26(4), 2003, pp. 102-103.

35. James Dobbins, et. al., *Coping with a Nuclearizing Iran* (Pittsburg: RAND Corporation, 2011), pp. 12-16.

that prevent strategic inflexibility in dealing with the global powers. They also seek a stable stance for regional dominance. At times when Iran gave vocal expression against the sanctions implemented by the US, and its support for resistance groups like Hezbollah, the view of this group, which suggests a practical approach in Iran's international relations, was often underestimated. The power concentration in the domestic politics tends to constrain this approach by other supreme clerics.

The other opinion is suggested by the conservatives who have risen to prominence after Ahmadinejad's election in 2005. They prefer not to compromise in Iran's bargaining with externals, as they are of the view that Iran is an ascendant power which creates an inevitable conflict with the US over hegemony in this region.³⁶ They also believe that Iran would break through its political vulnerabilities and security issues by the strict enforcement of given principles. On the other hand, the reformists' alarming fundamental reforms, established in a radical Islamic group that has lost its power on economic and foreign policies, seem not to play any meaningful role in the nuclear discourse because of the current President, Mohammad Ahmadinejad, and his conservative support, which he has had since 2005.

Presently, the Iranian Revolutionary Guards, organised after the Iranian revolution, is one of the most influential groups that played a crucial role during the election in 2009 with its subordinate military force, the Basij.³⁷ Its position in the Iranian economy has grown stronger because of its expansion in various national infrastructure fields, including the energy sector by the Revolutionary Guards' construction company, Khatam al Anbia, and its officers' participation.³⁸ This military position in Iran's political and economic arenas seems to neutralise other political groups such as the reformists and the pragmatic conservatives. The concerns over the military's role in Iranian foreign and defence policies enlarge the transforming regional security order. According to the views from the US

36. Ibid.

37. Anthony H. Cordesman and Martin Kleiber, *Iran's Military Forces and War-Fighting Capabilities* (Washington: Centre for Strategic and International Studies, 2007).

38. James Dobbins, et. al., *Coping With a Nuclearizing Iran* (Pittsburg: RAND Corporation, 2011), pp. 12-16.

and European countries, uncertainties on Iran's leverage on its nuclear posture would increase along with an increase in the Revolutionary Guards' influence. First, if the Iranian Revolutionary Guards take over control of the ballistic missile forces, and the nuclear command and control, a possibly nuclear-armed state will be under the guidance of the Guards and that will be hazardous to the West and Israel. Second, as the Revolutionary Guards is shaped by an ideological foundation to protect Iran, it is likely to narrow the possibility of rapprochement with its adversaries, and last, the Guards, in a stable political and economic position, may continue to support the conservative and fundamentalist approach, emphasising regime survival against external threats.³⁹ However, it is premature to conclude that Iran will pursue only the radical and irrational proposition in the international community.

Overall, like other states, though perhaps differently perceived to some extent, as Iran is seen as a theocratic country⁴⁰ or authoritarian regime in the West,⁴¹ the voices from the various groups provide the marginalised strategic options that they can pursue. These discourses show how important Iran's nuclear issue is in shaping Iran's foreign relations, how its nuclear aspiration has been identified and justified by its leaders, and how the significance of a nuclear programme has been enjoyed by the majority of a decision-making group. Hence, given the history and its geo-political environment, Iran's nuclear aspiration cannot be asserted as entirely an irrational strategic move.⁴² However, as there are many different perceptions and strategic analyses of Iran, it creates a proactive hedging behaviour rather than a reactionary posture among the global powers and Iran's neighbouring countries as well. It generates mutual hedging on Iran and others that creates a broad circle of hedging.

39. Ibid., pp. 9-29.

40. Siamak Khatami, *Iran, A View from Within: Political Analyses* (London: Janus Publishing Company, Ltd, 2004).

41. Dmitry Shlapentokh, "Gulf States' /Saudi Arabia's and Russia's Approach to Iran: Similarities and Differences", *Defense and Security Analysis* 26(3), 2010, p. 305.

42. Zbigniew Brzezinsky and R.M. Gates, *Iran: Time for a New Approach* (New York: Council on Foreign Relations, 2004).

Iran's nuclear hedging does not only invoke the global powers' mutual hedging on nuclear proliferation, but also induces a complicated hedging spectrum in the region as more states are involved.

HEDGING BEGETS HEDGING: IRAN AND OTHERS

As seen by Iran's long-standing desire for independence in regional and international relations, there is leveraged limited cooperation in Iran's nuclear diplomacy. Though Iran has faced hardships, it seems to have been successful in exploring its interests among the superpowers.⁴³ From an optimistic view, the West analyses that Iran has been somewhat successful in exploiting nuclear non-proliferation regimes and sustaining economic sanctions, echoing its sovereignty and regime survival, with the assistance of Russia and China.⁴⁴

On the other hand, the Gulf states and Saudi Arabia perceive Iran as managing to prevent the US and Israel from operating militarily, as well as blocking terrorist intervention in the event of a direct head-to-head confrontation with the US and Israel.⁴⁵ Interestingly, Iran's nuclear hedging does not only invoke the global powers' mutual hedging on nuclear proliferation, but also induces a complicated hedging spectrum in the region as more states are involved. Since no state wants to have a net loss due to the war, they would rather have a long assured benefit that would prevent consequential and indefinite returns.

Markedly, in the discussion of Iran's nuclear activity, Iran's contribution to the world economy is closely referred to and it draws out follow-up policies among others. Iran's economic influence as one of the largest oil exporters in the world constitutes a major component of its influence, even as the economy has not been a foremost issue when discussing Iran's nuclear programme.⁴⁶ In 2012, the interrelation between Iran's nuclear programme and oil supply will apparently increase in accordance with

43. Aras and Ozbay, "The Limits of the Russian-Iranian Strategic Alliance: Its History and Geopolitics, and the Nuclear Issue", *The Korean Journal of Defense Analysis* 20(1), 2008, p.55.

44. Ibid.

45. Shlapentokh, n.41, p. 305.

46. Suzanne Maloney, *Iran's Long Reach* (Washington: United States Institute of Peace, 2008), p. 60.

Iran's decision to halt oil exports to Britain and France in reaction to the oil embargos.⁴⁷

By and large, dealing with Iran's nuclear programme in the regional domain, with the US-Israel and Russia-China in particular, provides different views and hedging approaches with each other and in Iran that are based on a dissimilar set of assumptions. The assumption or the standard of perception established is impacting on strategies dealing with Iran and other varied issues. For instance, while most states see Iran as a theocracy, an authoritarian regime, or even a semi-totalitarian regime in the post-Khomeini era,⁴⁸ there is varied acceptance among others. Applying one of the views that democratic states do not conflict with each other, as Western scholars understand, in dealing with a nuclear aspiring Iran, the US and Israel inevitably tend towards the option of creating a new regime in any discussion of Iran's nuclear programme. In response, Iran's option of going forward to become a nuclear power is certainly related to regime survival and preventing intervention from established pro-Western regimes that impose strict sanctions. Iran's nuclear hedging is certainly aimed at finding strategic partners who do not intervene in its domestic politics.

However, the alliances do not pursue the same policy toward Iran. The US and its alliance provide less likely policy resilience owing to a different policy toward other states dealing with the Iran issue. Though the US and Israel are allies in their joint effort on Iran's nuclear issue, they have slightly different strategic approaches in order to accomplish their strategic hedging. Whereas Israel constantly harps on preemptive strikes on Iran's nuclear facilities, the US has less of an appetite to consent to anything that may have irreversible consequences and escalate tensions and the arms race in the Middle East.⁴⁹ Unlike Israel, the US has several concerns regarding current allies in the Middle East. First, the Gulf countries' dependence on US protection needs to last long enough to prevent sketching of the

47. "Iran Halt Oil Shipments to Britain, France", *The Washington Post*, February 19, 2012.

48. Majid Mohammadi, *Judicial Reform and Reorganization in 20th Century Iran* (New York: Routledge, 2008), p. 163.

49. "The Perceptions Game in Israel, Iran and the US", *Stratfor*, March 2, 2012, <http://www.stratfor.com/geopolitical-diary/perceptions-game-israel-iran-and-us>

While China adopted the international non-proliferation norm, it has kept expanding nuclear cooperation as Iran was under IAEA surveillance.

diversification of the security order by other global powers.⁵⁰ Second, the US' influence and national interest in this region should not be washed out by Iran's nuclear slogan, Muslim bombs against Israel⁵¹, and last, if there is an arms race among states in this region, it is inevitable that they will compete with other global arms exporters like Russia and China.⁵² In addition, Washington's hedging toward China presents other significance in the global strategic framework. Interestingly, countering China's approach toward Iran, the US government has attempted direct and indirect hedging to balance China-Iran relations. On the one hand, the US applies strict sanctions to Iran, arguing about the perilous situation in nuclear proliferation, and on the other, it tries to enter into nuclear cooperation with China in a nuclear market, anticipating that Beijing would reduce its oil dependency on Iran, fulfilling China's domestic requirements, and meeting Washington's strategic needs to decrease China's influence on Tehran, thus, providing benefit for the US nuclear industry.⁵³

Conversely, in the case of China, it is less likely to adopt the "sinister theories of the US".⁵⁴ China inked a secret agreement, the China-Iran Nuclear Cooperation Agreement (NCA) in 1985, and emerged as a leading nuclear partner of Iran, with its own strategic calculus from 1985 to 1997. While China adopted the international non-proliferation norm, it has kept expanding nuclear cooperation as Iran was under IAEA surveillance. According to William Van Kemenade (2009), Beijing basically rejected the opinion from the West that only pro-Western countries were able to

50. James Dobbins, et. al., *Coping with a Nuclearizing Iran* (Pittsburg: RAND Corporation, 2011), pp. 30-31.

51. "Rafsanjani says Muslims Should Use Nuclear Weapon Against Israel", *Iran Press Service*, December 14, 2001. http://www.iran-press-service.com/articles_2001/dec_2001/rafsanjani_nuke_threats_141201.htm

52. Ibid.

53. Flynt Leverett and Jeffrey Bader, "Managing China-US Energy Competition in the Middle East", *The Washington Quarterly* 29(1), 2005, pp.187-201.

54. John W. Garver, "China's Iran Policies, Testimony Before the US-China Economic and Security Review Commission on "China's Current the Emerging Foreign Policy Priorities" (website).

obtain nuclear capability.⁵⁵ Specifically after the Cold War, China's policy on cooperation on peaceful nuclear energy with Iran, although it was linked with the A.Q. Khan network, was more of a strategic move to dissolve the US hegemony, which had been strengthened by 9/11.

In fact, China's current strategy in dealing with Iran and the entire Middle East elucidates a unique case in its history.⁵⁶ China's attraction to Iran is predominantly focussed on its oil supply that gives Iran the advantage of an open high oil sector to foreigners, unlike its competitor, Saudi Arabia. In the long-term, Beijing seems to seek China's growing reliance on Iran on the basis of a number of upcoming assumed scenarios. During peacetime, China can hold a positive position in Iran as a soft power mediating in the conflict between the US and Iran, and remaining part of the nuclear non-proliferation regime. In case of a military clash between the US and China, China can foil the US hegemony on Iran by halting its agreement in imposing new sanctions, aiming not to insulate regime change issues in Iran's domestic politics. China also perceives that it needs to fulfil its energy requirements until other alternatives are found, based on the hedging strategy in international relations.⁵⁷

From Iran's point of view, China's "going out"⁵⁸ policy would not hamper Iran's national interest in dealing with the West and it can provide a number of options for Iran. In calculating Iran's limited cooperation with China, Iran's protection of its Islamic ideology and regime emphasised by current President Mahmoud Ahmadinejad and the Iranian conservative group would not be swayed by choosing a non-Western country like China, and Iran is seen to anticipate that Iran-China relations can balance Russia as well. As long as China doubts the intentions of the West, it would be inclined to set up a cooperative defence relationship with Iran.

55. Van Kemenade, n.18, pp. 68-70.

56. Leverett and Bader, n.53, p. 188.

57. John W. Garver, "China's Iran Policies, Testimony before the U.S-China Economic and Security Review Commission on "China's Current the Emerging Foreign Policy Priorities", 2011, http://www.uscc.gov/hearings/2011hearings/written_testimonies/11_04_13_wrt/11_04_13_garver_testimony.pdf

58. Leverett and Bader, n.53, pp.187-201.

Russia is in a more complicated situation as its role in Iran is that of an arms dealer and offering nuclear cooperation, as symbolised by the Bushehr construction in conformity with the nuclear Non-Proliferation Treaty (NPT).

Russia is in a more complicated situation as its role in Iran is that of an arms dealer and offering nuclear cooperation, as symbolised by the Bushehr construction in conformity with the nuclear Non-Proliferation Treaty (NPT). For Moscow, the Middle East is a significant buffer zone that needs to be carefully dealt with in Central Asian relations.⁵⁹ However, Tehran observes that Russia is no exception in using Iran for its benefit. This was proved by the mutual ideological friction and the Soviet Union's pro-Iraqi policy during the Iran-Iraq War and the balance among regional rivals,

Iran, Turkey and Iraq, and global rivalry. Another factor that proves the use of Iran for Russian's benefit is its continued position in favour of Resolutions 1696, 1737, and 1747 passed by the UN Security Council, along with China, that no longer guarantees Iran's stance. Perceptively, the Russian elites understand that the fundamental security frame or balance of power in this region would not be changed by Iran's nuclear possession, even if Iran goes nuclear, and that, to some extent, is also accepted by Iran's neighbouring states.⁶⁰ In particular, Iran has become a relatively stable partner of Russia after the rapprochement to fulfill its requirements to maintain the 'near abroad' under its influence and not against Russia's national interest.⁶¹ According to some observations, nevertheless, the nature of this relationship is quite controversial in terms of the contradictory disposition of Russian foreign policy overall. Dealing with Iran's nuclear issue, despite the fact that Moscow worries over Iran's nuclear programme and transparency, is rooted in a profit-oriented approach.

Thus, Russia's hedging strategy seems to contain several stipulations such as the strategic cooperation with Iran must be 'not too far, not too close'

59. Kori N. Schake and Judith S. Yapho, "The Strategic Implication of a Nuclear-Armed Iran", *INSS McNair Papers*, 64, Institute for National Strategic Studies, 2011.

60. Shlapentokh, n.41, p.312.

61. Aras and Ozbay, n.17, p.50.

and is conditioned to prevent the US, European Union (EU) and Chinese influence in this region. At the same time, the limited cooperation with Iran needs to be confined within the Middle East to protect national interest, not to extend to multilateralism, given the case in point that Russia hesitated to give full membership of the Shanghai Cooperation Organisation (SCO) to Iran. From the Russian point of view, it would be better to give the minimum options to Iran and its nuclear aspirations as Russia is almost the only country to assist Iran's nuclear activity and it can leverage that in its relations with Tehran.⁶²

The Middle East, Saudi Arabia and the Gulf countries, though they are pessimistic about resolving Iran's hegemonic desire in this region, are hardly willing to pursue the US strategic assessment on Iran, owing to concerns over regional instability. They regard it as better to accommodate Iran by a diplomatic solution, not by sanctions or a preemptive military attack.⁶³ Ironically, in the strategic calculus between the US and the Gulf countries there is incomplete unison in a preference for the hedging and threat perception of Iran. In general, although Iran's propaganda on Shia communities and the connection with terrorism are hazardous issues for them, the Gulf countries have a common understanding that Iran is a country that the Middle Eastern states do/must/need to coexist with, while the US is the centre of gravity. While a nuclear-armed Iran is the ultimate threat in the future, they also understand that it is somehow far from the risk of a direct nuclear attack from Iran's nuclear programme. However, the issue of Israel cannot be taken off the table for resolving the Israel-Palestine dispute and the ideological threat which induces intensified fear and is more urgent.⁶⁴ Therefore, the Gulf countries basically agree on Iran's denuclearisation, yet a military attack will cause Iran's direct and indirect military retaliation via terrorism, shutdown of the Hormuz Strait, and will inspire the supporters of Iran's response to the US;⁶⁵ their vision of a Middle East Nuclear Weapon Free Zone or eventual elimination of

62. Ibid., pp. 55-57.

63. Shlapentokh, n.41, pp. 308-311.

64. Dobbins, et. al., n.35, pp. 30-33.

65. Ibid.

Saudi Arabia plays a big role in cultivating its hedging against Iran and building a long-standing and close relationship with the US.

Weapons of Mass Destruction (WMDs) is based on the common understanding that it must include Israel.

Like great powers, these countries' threat perception is about the defining priorities of strategic planning. Evidently, the Gulf countries are keener to observe Iran's policy about Shias toward the neighbouring countries such as Iraq, rather than Iran's nuclear programme even after

the US intelligence revealed and emphasised Iran's secret nuclear facilities in 2002.⁶⁶ From the view of the West, although the unstable picture of nuclear proliferation is emphasised in the global arena, Iran's nuclear development is somehow linked to the Arab countries' sympathy by inspiring the Islamic pride and sovereignty, described as pan-Arab or pan-Islamic aspiration.⁶⁷ However, it is more pertinent to understand that the pan-Arab desire is compounded by the Arab-Israel conflict that gives little incentive to Iran's nuclear policy.

Among these, Saudi Arabia plays a big role in cultivating its hedging against Iran and building a long-standing and close relationship with the US. Noticeably, Saudi Arabia's dealing with a nuclear Iran draws the hedging strategy toward the US, by not fully agreeing with Washington's conservative approaches against Iran and yet by assenting to China's increasing stakes in providing advanced weapons and military technology to preserve its dominant position and expand counter-value against a nuclear aspiring Iran.⁶⁸ In the meantime, other views are that Saudi Arabia might not want the US-Iran rapprochement as it would decrease Saudi Arabia's strategic substance, hedging a confrontational position toward Iran.⁶⁹ Improvement of its strategic ties with China is seen in the bilateral agreement on the nuclear cooperation pact signed in January 2012.⁷⁰ Possibly, as Saudi Arabia

66. El-Hokayem and Matteo Legrenzi, "The Arab Gulf States in the Shadow of the Iranian Nuclear Challenge", Working Paper, May 26, 2006, Henry L. Stimson Centre.

67. Ibid.

68. Leverett and Bader, n.53, pp.187-201.

69. Dobbins, et. al., n.35, p.35.

70. "Saudi Arabia, China Sign Nuclear Cooperation Pact", *The Wall Street Journal*, January 16, 2012.

is the biggest economy in the Middle East, and has made a nuclear deal with China as part of its future energy plan, Iran's justification on peaceful atomic energy cannot lose its position completely.

Other regional powers, such as Brazil and Turkey, are also known for participation in Iran's nuclear issue. Both states surprised the world by signing a joint declaration in May 2010 to agree on an exchange of nuclear fuel—low-enriched uranium to Turkey and enriched fuel to Iran.⁷¹ These parties' purpose on the Iranian nuclear issue implies that the regional powers, though they are seen to accommodate or bandwagon to major powers, in fact, suggest horizontal views in accordance with the regional powers, known as solution-oriented engagement.⁷² Turkey's long-standing involvement in Iran since 1639, through the Treaty of Kasr-i-Shirin, turned into a new phase of strategic understanding after the 2003 US invasion in Iraq.⁷³ For the last ten years, Turkey's traditional threat perception on Iran has changed tremendously by dealing with the US and Israel and its evolving ideological sentiments evoked from the negotiations with the EU countries over EU membership. Hence, even though there is a deep policy concern over Iran's nuclear aspiration, it ironically is welcomed on several grounds of the new hedging. It stands as a power struggle against global hegemony in the light of Iran's obligation to the NPT; Iran's nuclear issue is used, via a nuclear fuel swap deal, to equalise nuclear power between the US and Israel⁷⁴ and to observe the cost-risk calculation of the nuclear aspiration of Iran, whether to prevent a sudden attack from the West in the foreseeable future and any intentional attack from the US and Israel, if Turkey breaks up with the alliance. For Tehran, reorienting Iran-Turkey relations provides an opportunity to share strategic interests with other states by accommodating with Armenia and Azerbaijan, especially to compete with the US. Though many argue that there is little affinity in Iran's relations with those states likely to bring benefit for Iran's nuclear

71. Iran, Turkey, Brazil Agree on Nuclear Deal", *Tehran Times*, May 18, 2010.

72. Mehmet Ozhan, "Turkey-Brazil Involvement in Iranian Nuclear Issue: What is the Big Deal?", *Strategic Analysis* 35(1), 2011, pp.26-30.

73. Mustafa Kibaroglu and Baris Caglar, "Implications of a Nuclear Iran for Turkey", *Middle East Policy* 15(4), 2008, p. 60.

74. *Ibid.*, pp. 69-70.

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programme, this leverage would enable diplomatic empowerment, applying pressure and avoiding a direct confrontation with the US.⁷⁵

CONCLUSION

Iran's hedging on its nuclear issue seems to have been successful up to the present; the country has widened its hedging options by drawing forward a number of calculative benefits for other actors

that will eventually prevent a united coercive diplomacy against Iran. Furthermore, international relations to do with the Iranian nuclear issue provide a strategic circle of mutual convergence of interests. Domestically, Iran's nuclear policy is relatively viable when it comes to justifying national sovereignty while, at the same time, ensuring that the debate is open to the public. The evolution of Iran's hedging behaviour is seen to have originated from historic events; however, how and to what extent flexible options are reflected in foreign relations depends upon which political group gains power. In the discourse of Iran's nuclear programme via legal and illegal channels, this shapes the distinctive example of generating a hedging strategy whereby Iran has not been willing to enter into an alliance or full strategic partnership to deal with the international regime.

Owing to the disputed uncertainty of Iran's nuclear purpose, Iran's nuclear aspiration itself has become one of the hedging options among states that want to delineate how to deal with the foremost competitors, engaging Iran's nuclear activity for them. However, as this activity is difficult to define, though suspicious—as the West has noted—such nuclear activity and diplomacy should not be regarded as an irrational choice – rather, it is effective to produce strategic gain. And the type of regime seems to have little relation with determining whether a choice is rational or not in nuclear policy. Therefore, Iran's case needs to be analysed further on the basis of a cross-case study, rather than with a single focus as has been the case in

75. Varun Vira and Erin Fitzgerald, "The United States and Iran: Competition Involving Turkey and the South Caucasus", Draft, August 4, 2011, Centre for Strategic and International Studies. http://csis.org/files/publication/110804_iran_chapter_8_turkey_casp.pdf

previous research, since the Middle East is in a more complicated matrix than such research can demonstrate. In addition, as many states put Iran's nuclear issue on the table to leverage other diplomatic issues relating to Iran, the nuclear issue is not the sole variable in the hedging behaviour. This implies that aspiring for nuclear power, going nuclear or engaging in nuclear proliferation needs to be understood in terms of diplomatic leverage in foreign relations as a whole, and this is particularly clear in Iran's case.