



CDFAI

CANADIAN DEFENCE & FOREIGN AFFAIRS INSTITUTE

Canada and Iran: Looking Beyond the Present

by Ferry de Kerckhove
September, 2012



POLICY PAPER

Canada and Iran: Looking Beyond the Present

by Ferry de Kerckhove

CDFAI Research Fellow
September, 2012



Prepared for the Canadian Defence & Foreign Affairs Institute
1600, 530 – 8th Avenue S.W., Calgary, AB T2P 3S8
www.cdfai.org

©2012 Canadian Defence & Foreign Affairs Institute
ISBN: 978-1-927573-01-3

► **Executive Summary**

Canada has imposed a controlled engagement policy limiting talks with Iran to human rights, its regional role, notably towards Israel and the Middle East Peace Process, and its nuclear program. Given the interests at play in the region, is this policy contributing to a potential evolution of the regime's policy?

Iran matters for many reasons, few positively, other than its role as a major energy producer. It plays a nefarious role in the MEPP. Its nuclear program is shrouded with uncertainties even though, as of now, Iran has NOT started producing nuclear weapons.

The world is ill at ease with a theocratic regime with which there is no common language. We see the Iranian regime through our Western prism and hope for an uprising. The situation today is dangerous so we must try to better understand – not accept – the rationalities underlying Iran's behaviour rather than creating our own rationalities. Engagement, under strict conditions, including the recognition of a mutual interest in changed relationships, might better lead to long term stability. Negotiations must be conducted on an equal footing, irrespective of our profound dislike for the regime at the helm of the country. This entails for Canada to take specific measures.





In October 1976, Amir Abbas Hoveyda, the Shah's Prime Minister, wanted then visiting Quebec Premier Bourassa to be the interpreter in Canada of Iran's interest for our CANDU reactor. Our trade relations up until then were mostly limited to our oil imports from Iran, which, by 1975, had reached a quarter billion dollars.¹ When a few months later Hoveyda boarded the plane to visit Canada, witnesses all remember his pun "I will see what Canada CAN-DO". Others remember a certain Canadian irksomeness when then Governor General, Roland Michener, was not given pride of place as Head of State in the Protocol order during the 1971, 2500 year celebration of the Persian Empire by the Shah of Iran in Persepolis. Things did not go particularly well between our two countries once the Iranian Revolution started and our harbouring six American diplomats in our official residence – the famous "caper" after the mob's storming of the US Embassy – did not endear us to the new authorities, a small price to pay for a heroic deed!

DOWNHILL!

Despite feeble diplomatic attempts over time, three fundamental differences would soon mar any hopes of improvements: Iran's appalling human rights abuses, its antinomic positions on Israel and the Middle East Peace, and the nuclear non-proliferation debate. The assassination in June 2003 of dual Canadian Iranian citizen, freelance photographer Zahra Kazemi, by Iranian prison officials led Canada to take up the issue of human rights in Iran to the United Nations. Canada's efforts succeeded in getting a resolution condemning Iran's human rights abuses endorsed by a majority of the General Assembly. One can fully expect Canada will once again take the lead in September in introducing for the 9th consecutive year the UN resolution condemning Iran's human rights record. On the nuclear front, Canada has been at the forefront in both revealing² and condemning Iran's systematic attempts to procure nuclear enabling technologies and equipment.

Prime Minister Martin did not take kindly to President Ahmadinejad's infamous October 2005 comments on Israel, and he gave a formal reprimand to Iran's top diplomat in Canada while telling the press: "that kind of lack of respect, intolerance, anti-Semitism – this is the 21st century and that statement is just out of an era that is long past and never should have occurred."³ Prime Minister Harper, for his part, having enshrined a decidedly more pro-Israel policy, expressed clearly his distaste for Iran's denial of the Holocaust. The vicious trampling of activists during the 2009 elections only added to our deep discomfort with the country's regime. In fact, it is remarkable for all of Canada's foreign relations, Iran is probably the most inimical of all and has been such for a number of years. Not even North Korea ranks as low!

Canada's May 17, 2005 controlled engagement policy limits talks with Iran down to four subjects: Iran's human rights situation, Iran's nuclear program and its lack of respect for its non-proliferation obligations, the case of Zahra Kazemi, and Iran's role in the region. The key question is whether this policy, which expresses our legitimate concerns with the regime, is contributing positively to a potential evolution of the regime's policy in light of the extraordinarily critical interests at play in the region. This question is not unique to Canada.

¹ Robert Wright, *Our man in Tehran*, Harper Collins, 2011

² Adam Wallace, "Iranian Nuclear Program Nears Critical Mass With Canadian Disclosures", *The Cutting Edge*, October 5th 2009.

³ *Globe and Mail*, 27-10-2005



Today, the US has managed to engineer, probably, the vastest coalition of countries committed to sanctioning the Iranian regime. But will it achieve the intended goals?

A REVIEW

While today's focus on the international stage is on Iran's nuclear program, the totality of the relationship bears reviewing in order to obtain a clear understanding of the strategic implications of Iran's policies and actions in the immediate region and in the world. A review should be unfettered by likes or dislikes inasmuch as it is nearly impossible to feel any attraction to the Iranian regime; but this should not be a factor in the analysis. Catchy and dramatic expressions, such as "axis of evil", do not help in either devising policies or understanding one's own real interests.

WHY IRAN MATTERS?

Iran's regional influence

There are no simplistic answers to understanding what makes Iran both important and difficult to manage. Indeed, Iran's regional influence lends to alternative answers. Is it the expression of a power struggle between the Sunni-dominated Arab states led by Saudi Arabia vs. Iran and its allies, including Syria, Hamas and Hezbollah, or could it be simply the size, geostrategic position and resources of Iran that are at the heart of its influence? Most likely both. The Shia-Sunni dimension plays a growing and critical role at a time when Islamist governments and movements are holding more sway than ever before. Yet Iran has not been able to define for itself a clear role in the aftermath of the Arab Spring, notably due to the ongoing Syrian crisis.

Iran is playing a nefarious role in the Middle-East Peace Process (MEPP) through its proxies, but even its targeting of Israel is actually aimed at the US, the country that Iran blames for a history of hostile interventions, going back to Mossadegh, its support of the Shah dictatorial regime and of Saddam Hussein during the 8 year Iran-Iraq war. American Presidents, Republican or Democrat, have neither made, nor wanted to make, a dent in the Iranian Clerics' perception of the US. The latter's unconditional support for Israel simply made it easy for Iran to use the Israeli-Palestinian conflict to its advantage. For their part, while not putting it openly, the Arab countries despise Iran's interference into the MEPP, deemed to be an "Arab cause". Yet, there will be no stability in the Middle East and North African (MENA) region, even if an elusive Israeli-Palestinian durable peace was achieved without an effective handling of Iran. While sanctions may sometimes spur countries into action, only engagement, under strict conditions for both sides, including the recognition of a mutual interest in changed relationships, can lead to long term stability. But such an engagement should not be limited to Western countries and China and Russia could play a far more positive role than at present.

Iran's nuclear program

The whole issue of Iran's nuclear program is shrouded with uncertainties; yet, statements on it from all quarters are couched in certitudes. This is not to say that there are not strong arguments in favour of the underlying convictions. Indeed, the program raises a host of issues, starting with understanding the true purpose of Iran's nuclear activities in the context of, to say the least, undeniable failures in responding to its disclosure obligations towards the International Atomic Energy Agency (IAEA), which it contracted to as a signatory party to the Non-Proliferation Treaty (NPT). Those failings have led many countries to conclude that Iran is



dead-set on acquiring nuclear weapons, and few are prepared to consider the difference between Iran providing itself with the capacity to so equip itself – the “nuclear hedging strategy” – and actually going ahead with it.

Of course, the fine points of nuclear deterrence in such a climate are lost, as if the big Five – US, Russia, UK, France, China with the slow but incontrovertible acceptance of the entrance of India into the Club to make it Six – had ensured nuclear balance, while the “dangerous” newcomers, Pakistan and North Korea, were altering the balance and helping Iran to follow suit. Balance, if any, is only the product of responsible ownership, not of nuclear weapons themselves, particularly in an increasingly multipolar world. This is probably why the West, until recently, had generally felt reasonably secure about Israel’s nuclear weapons, officially neither denied nor confirmed by Israel as a non-party to the NPT. But as of now, Iran has NOT started producing nuclear weapons and should it acquire the full capacity to do so, it would take years for Iran to develop a capable arsenal. And if it ever reached that point, the international reaction would likely be far more unanimous on prevention measures than at present.

Scholars have argued that the proof of the ill intentions of Iran is its decision to bury its installations deep underground, as if the examples of Israel’s 1981 attack on Iraq’s Osiris nuclear reactor, or its 2007 bombing of Syria’s nuclear facility, were not sufficient inducements for self-preservation. The issue of Israel’s nuclear program adds to the uncertainty and Iran’s paranoia.

The world is, understandably, ill at ease with a theocratic regime in which there is no common language. We read intentions and make them certitudes. Our Prime Minister went as far as saying about the Iranian leadership: “these are people who have a particular ... fanatically religious worldview, and their statements imply to me no hesitation about using nuclear weapons if they see them achieving their religious or political purposes.”⁴ This being said, the Iranian regime makes no effort to explain itself, let alone endear itself to anyone. Of course, the siege mentality of “Iran vs. the world” helps coalescing the larger masses of the people. We see the Iranian regime through our Western prism and hope for an uprising even though the tragedy of the 2009 election has demonstrated the limit of the democratic movement, which today has no real leader, no clear ideology, and no organization. For its part, the regime mitigates the impact of sanctions on its people through cash payouts to the population!

We owe it to ourselves to better understand the rationalities underlying Iran’s behaviour rather than creating our own rationalities. This in no way means accepting theirs, but calls for engaging at a level of common sense! It is all the more important that most of Iran’s neighbours concerns over Iran’s nuclear program uncertainties relate to the risk of an arms race in the most unstable region of the world.

So the world today is trying to impose limitations on Iran’s uranium enrichment through sanctions to mitigate future concerns about the nature of its program and its possible weaponization.⁵ For its part, Iran claims it is pursuing enrichment for peaceful energy production. But then, why restricting access to the International Atomic Energy Agency’s

⁴CBC News, posted 17 January 2012

⁵ December 26, 2006, UNSC Resolution 1737 against Iran nuclear enrichment, followed in Canada on February 22, 2007 with the Regulations Implementing the United Nations Resolution on Iran. The sanctions include a ban on things that could contribute to Iran's activities linked to enrichment, reprocessing, heavy water or the development of nuclear weapons delivery systems. It also deals with freezing assets and travel notification of Iranian officials in Canada. On July 26 2010, sanctions were added under the Special Economic Measures Act.



inspectors when, for most Western observers, if Iran was seeking enriched fuel strictly for nuclear energy and other civilian purposes, it would not need an enrichment facility at and above 20%,⁶ nor restricting IAEA inspectors' access.

On the one side today, there is the expanding war-mongering attitude of Israel – particularly timed with the US elections – and, on the other, the Iranian paranoia against the IAEA, a UN organization perceived to be dominated by the West, in cahoots with Israel. Iran never fails to note that the West puts no pressure on Israel for its nuclear program. Between these two extremes, there must be a better response than a Herman Khan scenario into the abyss of a regional, if not a global war. Keeping a sense of perspective is in our best, collective interest – and that includes encouraging Israel to maintain it as well, particularly at a time of considerably heightened regional instability.

Iran and terrorism

Of course it is pretty hard to engage with a country accused by most Western countries and others of supporting terrorism, including Lebanese Hezbollah, Hamas, Palestinian terrorist groups, Iraqi militants, and Taliban fighters in Afghanistan, all aimed at the US and Israeli targets, while justifying it on the altar of the Palestinian cause. In the process, Iran adds to the volatility of the region and maintains pressure on Arab regimes. Iran's strategic relationship with Syria, going back to the Iran-Iraq war when Syria sided with Iran, is also a major factor of instability in the region. Indeed, as Henry Kissinger famously put it, "there can be no war without Egypt, no peace without Syria". Syria is also the conduit to Iran's funding of terrorist organizations and/or movements. The so-called Axis of Resistance is aimed at combatting the West's conspiracies against the Islamic world. The Alliance is going through a serious test in the present context of Syria's civil war. Yet, Ahmadinejad has forcibly reasserted his support for Bashar Al Assad.

Can Iran be treated as an interlocutor?

Throughout the past decades, in light of its behaviour, Iran has never been treated on an equal footing as a real interlocutor. Meetings of Western Foreign Ministers, particularly Canadians with their Iranian counterparts at the margins of international gatherings, are contrived and limited to recriminations. There has never been a full US engagement with Iran. Even President Obama's attempts to open up were met with scorn by Iran, and were blended with remnants of the previous administration's policies. Iran's paranoiac leaders, already troubled by changes in the region, the loss of allies, the growing assertiveness of Saudi Arabia, and the competition from Turkey as a major regional player, are actually tempted to use the threat of nuclear weapons acquisition as a counterpoint to encirclement to prove their regional power, be it of nuisance. Yet, it may be at this stage that a special effort should be made rather than treat the country as in a hunt and paint it in a dangerous corner.

Anything positive? The role of Iran as an energy producer

President Obama's sanction coalition against Iran – in which we fully partake – is definitely hurting Iran. And while the effectiveness of sanctions is questionable, they are a better policy than bombing Iran. One can only hope it produces results in time to avoid the worst alternative. The key question, of course, is to what extent more sanctions will be imposed, and how much more Iran will allocate dwindling, but never ending, oil export revenues to fund its nuclear

⁶ 20% is a very crude "weapon usable" level.



program. At 10% of world oil reserves, 15% of gas reserves, and as the 4th largest oil exporter, with a stronghold on 40% of the world's traded oil transit in the Strait of Hormuz, its role as a source of energy is critical, particularly for Asia. Even neighbouring countries depend on Iranian fossil fuel resources. And Canada, as an emerging energy superpower, has an interest in any potential dialogue. A major crisis with Iran in today's fragile world economy is a recipe for disaster and Canada would be one of the first victims of a major economic downturn.

Engagement?

It is going to take a lot to convince Iran of the West's *bona fide* in any engagement. That is the major obstacle to convincing ourselves to launch a real dialogue. Some scholars argue that Iran believes the West's nuclear concerns are only a smokescreen for a more fundamental attack on the Iranian Islamic Republic and its Islamic Revolutionary model. Iran's Khomeini inspired Shia populist, Islamic Revolution is equally at odds with the Sunni haughtier Wahabi version of Islam promoted by Iran's major foe – Saudi Arabia. That is a competition in which the West plays the obliging pawn in Saudi hands. Any engagement would also require a halt in cyber and other attacks on their nuclear program, also a doubtful proposition!

Then what? Can the US convince Tehran that failed negotiations could lead to armed confrontation? But how can a threat be effective if ultimately its implementation could cause more damage to the overarching interests of the one threatening than the threatened? This in no way precludes the US from enforcing freedom of navigation in the Gulf and maintaining maximum pressure on Iran's nuclear program through sanctions. But, at the end of the day, negotiations must be conducted on the basis of mutual gain, irrespective of our profound dislike for the abhorrent regime, according to our standards, at the helm of the country. The issue then, as Peter Clawson and Mehdi Kaladji⁷ put it, is one of altering the perceptions of the Iranian leaders, "a difficult task given their remarkable ignorance about the outside world, combined with self-confidence and ideological blinders that lead them to believe Iran is the rising power and the West is on the decline".

For Canada, there are several prescriptions:

1. Use its privileged relationship with Israel to discourage it from embarking on bombing the nuclear facilities of Iran;
2. Encourage Israel to engage fully on the MEPP so as to not only advance the cause of peace in the region but also to remove that conflict from the Iranian propaganda toolkit;
3. Make good use of our multicultural model of tolerance and pluralism to encourage other Western countries and beyond to display more openness and understanding towards Islam;
4. Ensure that assistance to new regimes emerging positively from the Arab Spring remains on the international economic agenda and encourage fellow G-20 and G-8 countries to enter into a dialogue with moderate Islamic regimes such as that of Morocco, Tunisia and Egypt, thus thwarting Iran's effort to bring them into a more extremist bent, but at the same time making clear that regime change in Iran is not the ultimate objective – however much we would applaud one;
5. Bring perspective on the Iranian fixation – often media driven, and fueled by Israel for its own purposes – and expose the fallacy of trying to erect an Arab common front against Persia or, worse, to enflame Shia-Sunni tensions;

⁷ The Washington Institute: PolicyWatch 1959 - Iran Confident As Sanctions Tighten 26 July 2012.



6. Rethinking the Controlled Engagement Policy while establishing clear red lines for any enlarged dialogue, but also expressing consideration for legitimate Iranian regional security concerns, such as Afghanistan, drugs and the future of Iraq;
7. Finally, thinking the unthinkable without predeterminations: what would a nuclear Iran actually mean for the world. Might it be less worrisome than Pakistan's?

► About the Author

Ferry de Kerckhove was born in Belgium in 1947. After attending secondary school Graduate I in France, he did his military service in 1965-66 (2nd Lieutenant Tanks). He has a B.Soc. Sc. Honours in Economics, an M.A. in Political Science from the University of Ottawa and pursued Ph.D. Studies at Laval University in Québec City. Mr. de Kerckhove has published several papers on international relations as well as on the relationship between the Muslim world and the West in specialized journals.

After working as an intern at the United Nations Development Programme (UNDP), Mr. de Kerckhove became a Researcher at the Québec Centre for International Relations and then later headed up the International Security Section at the Canadian Institute for International Affairs (Québec section).

In September 1973, Mr. de Kerckhove entered the Canadian Foreign Service. After a stint in European Affairs, he was posted as Third Secretary to the Canadian Embassy in Tehran. When Mr. de Kerckhove returned to Canada in 1976, he became Assistant Secretary, Inter-Departmental Committee on External Relations then moved to East European Affairs (Yugoslavia, Hungary, Romania, Bulgaria and Albania). From 1978 to 1981, he was responsible for Canada-France relations. From 1981 to 1985, he was Economic Counsellor at the Canadian Delegation to NATO.

Back in Canada, Mr. de Kerckhove became Deputy Director of the Political and Strategic Analysis Division, then Director of the Economic and Trade Analysis Division in the Policy Planning Bureau. In 1989, he became Director, Economic Relations with Developing Countries Division. In September 1992, he was posted to Moscow as Minister and Deputy Head of Mission.

Mr. de Kerckhove returned to Ottawa in September 1995 to become Associate Chief Air Negotiator. In January 1996, he became Deputy Head of the Policy Branch and Director-General, Federal-Provincial Relations in Foreign Affairs and International Trade. He remained in this position until being named Canada's High Commissioner to the Islamic Republic of Pakistan in August 1998. He spent three years in Islamabad. On September 13, 2001, Mr. Ferry de Kerckhove presented his credentials as Ambassador to the Republic of Indonesia. He was also accredited to Timor Leste.

Mr. de Kerckhove returned to Ottawa in September 2003 and joined the Faculty of Social Sciences at the University of Ottawa as a Canadian Center for Management Development Diplomat in Residence.

On August 9th, 2004, he returned to the Department of Foreign Affairs and became Director General, International Organizations. In July 2006, he added to his responsibilities the function of Personal representative of the Prime Minister for Francophonie.

From September 10th 2008 to September 10 2011, Mr. de Kerckhove was in Cairo as ambassador to the Arab Republic of Egypt.

He retired from the Foreign Service on September 23d, 2011.

▶ **Canadian Defence & Foreign Affairs Institute**

CDFAI is the only think tank focused on Canada's international engagement in all its forms - diplomacy, the military, aid and trade security. Established in 2001, CDFAI's vision is for Canada to have a respected, influential voice in the international arena based on a comprehensive foreign policy, which expresses our national interests, political and social values, military capabilities, economic strength and willingness to be engaged with action that is timely and credible.

CDFAI was created to address the ongoing discrepancy between what Canadians need to know about Canadian international activities and what they do know. Historically, Canadians tend to think of foreign policy – if they think of it at all – as a matter of trade and markets. They are unaware of the importance of Canada engaging diplomatically, militarily, and with international aid in the ongoing struggle to maintain a world that is friendly to the free flow of goods, services, people and ideas across borders and the spread of human rights. They are largely unaware of the connection between a prosperous and free Canada and a world of globalization and liberal internationalism.

In all its activities CDFAI is a charitable, nonpartisan organization, supported financially by the contributions of foundations, corporations and individuals. Conclusions or opinions expressed in CDFAI publications and programs are those of the authors and speakers and do not necessarily reflect the views of the Institute staff, fellows, directors, advisors, or any individuals or organizations that provide financial support to CDFAI.

