

*This article was first published in the March 2012 issue of Defence and Security Alert (DSA) at www.dsalert.org
All rights reserved. No part of this article may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without written permission from the author, except in the case of a reviewer, who may quote brief passages embodied in critical articles or in a review. Author's email: snigir@gmail.com*

Iran- A War has Begun

by

Vice Admiral (retd) Vijay Shankar

The Nature of this New War

On the morning of 29 November 2010 the Iranian nuclear physicist Majid Shahriari was working his way on Artesh Street in central Tehran when a motor cycle pulled up alongside his sedan, stuck a metallic object and sped away. Within moments a shaped charge tore through the door and left the scientist a mangled mass of flesh. The scientist died instantly. Some twenty kilometres northward and a few minutes later in the foothills of the Alborz Mountains close to the Pas-e-Qaleh neighbourhood another motor cyclist drove up to the car of Fereydoun Abbasi Davani and placed his explosive, only this time the victim managed to get out of the car to safety before the bomb went off. Abbasi was a leading ballistic missile scientist. It was also the same day that Iranian President Ahmadinejad admitted that software that controlled high speed centrifuges used to enrich uranium for nuclear reactor fuel and (possibly) to weapon grade levels had been damaged in cyber attacks.

Wars through the ages occur when the established order is challenged and this challenge is resisted; and as Clausewitz so one-dimensionally put it “wars take place mainly for the defender”. But the trigger has varied from declaration to direct military action and sometimes more insidiously through covert action or by political riddance. In each case, empires and dispensations had fallen through erosion of the founding canon, that of obligation of the citizenry. Sometimes this occurs rapidly due to sheer weight of an intervening power or due to a slower process of exhaustion of internal energies. The nature of war that we are currently witness to in Iran does not readily fall into any mould. Covert action, cyber attacks and political alienation sufficiently reinforced by economic sanctions and intrusive nuclear inspections on the one hand, has unleashed globally disruptive nationalism on the other. Potentially a far more dangerous effect is what nations over the last century have turned to, the strategy of despair: terrorism.

Sanctions and the Coming Oil Shock

The UN ratified four rounds of sanctions against Iran between 2006 and 2010 in reaction to its refusal to halt uranium enrichment and co-operate with the International Atomic Energy Association (IAEA). These sanctions include a ban on the supply of heavy weaponry and nuclear-related technology to Iran, a block on Iranian arms exports, and an asset freeze on key individuals and companies. Resolution 1929, passed in 2010, mandates cargo inspections to detect and stop Iran's acquisition of illicit materials. The European Union (EU) has imposed its own restrictions on trade in equipment which could be used for uranium enrichment and has put in place an asset freeze on a list of 39 individuals and 141 companies and organisations which it believes are helping advance the country's nuclear programme. On 23 January 2012, EU approved a ban on imports of Iranian crude oil, a freeze of assets belonging to the Central Bank of Iran, and a ban on all trade in gold and other precious metals with the bank and other public bodies. The EU currently buys about 20% of Iran's oil exports.

The USA has longstanding comprehensive sanctions in place on Iran. Since 1980 the US has imposed successive rounds of sanctions, citing what it says is Iran's support for international terrorism, human rights violations and refusals to co-operate with the IAEA. The US sanctions prohibit almost all trade with Iran, making some exceptions only for humanitarian activity. In late November 2011 the US, UK and Canada announced more bilateral sanctions on Iran, in reaction to an IAEA report which suggested Iran's nuclear programme may have a military purpose. The US expanded sanctions to target companies that aid Iran's oil and petrochemical industries. Other countries including Switzerland, Japan, Australia and Canada have also imposed bilateral sanctions on Iran in recent years in response to Iran's lack of co-operation with the IAEA. A US law signed on 31 December 2011, imposed new sanctions on financial institutions dealing with Iran's central bank. The law is intended to hamper Tehran's ability to sell oil abroad. A fall in Iran's oil exports would not only have a big impact on the Iranian economy but its fall out could drive up the global oil price and harm global economies.

The 23 Jan EU's ban on imports of Iranian crude oil, is expected to have a more significant impact on the economy of the Islamic Republic, because the EU currently buys about a fifth of Iran's oil exports. Japan and South Korea, which

together account for 26% of Iran's oil exports, are non committal as yet. The sanctions are designed to bring the Iranian economy to its knees. The grim realities of its effects are there to for all to see as the Rial has dropped close to 70% against the US dollar in recent months.

Russia has rejected any further sanctions against Iran. China and India have indicated that they do not intend to curb Iranian oil imports. Turkey, too, has signalled that it will not adopt any oil embargo.

Impact of Sanctions on Energy Security

In order that the perspective is not lost sight of, the reader must come to grips with what universal sanctions will mean to the world particularly in the oil sector and how its denial will influence global energy security in general terms with specific reference to the Indian situation. Table 1 below makes a graphic statement of Iran’s oil export destinations. When viewed against the total world consumption of 86 million barrels/day (mbl/day), Iran’s exports amount to about 2.5% of global needs. However this does not give a wholesome picture of the situation. The largest consumer of oil, the USA, which accounts for over 25% of global consumption does not import any oil from Iran; and as far as the EU is concerned, 20% of Iran’s exports is destined to European consumers of which close to 15% goes to the weaker economies of Italy, Spain, Greece and Turkey for whom alternative sources are being put in place. The graphic, then, makes it amply clear that it will be the eastern economies that will be sorely hit by a denial regime.

Table 1

Iran's top oil export destinations 2010



Source: US Energy Information Administration

India is the world's 4th largest oil consumer at 3.5mbl/day, which represents 4% of global use and the amount that it imports from Iran is 344640bls/day against a total import of 3mbls/day which approximates 11.5% (all statistics in this section are sourced from the US Energy Information Administration, International Energy Statistics). Given these figures any disruption in supply or attempt to find alternative sources will have serious adverse impact on an already strenuous economic growth to the extent of one to two percentage points (authors estimate). The other economies that are likely to take the brunt of denial are China, Japan and Korea.

In the end analysis, restoration of oil supplies from Libya and Iraq and controlled ramping up of Saudi oil production serves to stabilize prices and for the western markets and replace EU dependence on oil sourced from Iran. Control of Libyan and Iraqi oil not only provided the strategic logic for the recent wars in these two nations, but also presents a convincing argument to answer one of the critical elements for a possible war in Iran. It is therefore hardly any surprise that Libya today globally exports 1.4mbl/day and Iraq 2mbl/day of which 20% goes to the EU which amounts to 680,000bl/day against 430,000bl/day that was coming from Iran (all figures in this section sourced from Global Trade Atlas and Energy Information Administration, USA). So as far as energy security is concerned, a war in Iran will raise not only anxiety levels amongst the eastern economies, but will rack these markets through another oil shock.

The Case for Asymmetric Warfare

Iranian maritime capabilities particularly to wage asymmetric warfare have, apparently, improved considerably since the tanker war of the 1980s. But it is clear that the impending conflict will have little semblance to the 80s when the scope and intensity were limited. "Asymmetric" warfare essentially refers to the way a weaker adversary can attempt to counter a much stronger military player by adopting a variety of tactics and weapons systems to create an alternative to a simple head-to-head contest. In the broadest sense of the word it entails a 'Denial Strategy' pitted against a 'Control Strategy'.

Iran, and especially the naval elements of its Revolutionary Guard Corps, has sought to develop a unique denial naval force based largely upon flotillas of fast, attack crafts backed up by a variety of crafts capable of laying mines, conventional

and midget submarines. These are supported by shore-based anti-shipping missiles, aircrafts, rockets and artillery all with rudimentary command and control. The theoretical problem with asymmetry in the Iranian context is that it draws inspiration from guerrilla land warfare doctrines which in the maritime domain translates to an inability to go beneath the surveillance blanket or threaten versatile command and control structures; counter precision strikes and fatally so, to break through enveloping manoeuvres.

The Persian Gulf and the Strait of Hormuz

The Persian Gulf is a 600mile water body that flows into the Arabian Sea through the Strait of Hormuz, it splits the Arabian Peninsula from Iran (see Map1).

Map 1: Strait of Hormuz

Source: www.bbc.co/news 10 Jan2012



The Strait of Hormuz is one of the most critical maritime chokepoints of the contemporary global energy system. Through its narrows (less than 34 miles) close to 18mbl of oil, a fifth of global consumption, courses through every day along two, 2 mile wide shipping lane carried onboard 5800 hulls (approx) annually (all figures sourced from Energy Information Administration, USA). The north and eastern side of the strait is dominated by the Iranian coastline while the southern side by Oman and the United Arab Emirates. Traffic density is high and well regulated, the waters are shallow and do not favour submarine operations and the constricted nature of the seaway does not support large scale stealth operations or large force manoeuvres. The Gulf nations produce nearly 30% of global oil while sitting on 57% of the world's crude reserves. It is also the repository of 45% of proven world gas reserves.

Closing the Gulf

Three issues have to be addressed when assessing Iran's ability to close the Gulf as threatened periodically. The first of these is the attitude of global shipping to disruptions; if the 8 year 'tanker wars' of 1980 to 1988 is any thing to go by despite 544 attacks during that period and 400 human casualties, after an initial 25% drop in traffic, the shipping industry adjusted to the risk and quickly resumed normal operations. The second issue is Iran's military potential to fulfil the task; as mentioned earlier neither are they equipped materially nor technologically for any sustained denial operations when up against US and coalition forces. What they could achieve is disruption through low level sporadic attacks on shipping and facilities in an effort to put pressure on the other Gulf States. Even this will have to be weighed against the probability of a massive US led conventional retaliation that would quickly neutralize their war waging capacity and cripple their economy. The third and most significant issue is that not only have the sanctions begun to bite and erode resolve, but also that Iran is itself acutely dependent on oil revenues.

The end analysis will suggest that Iran's ability to close the Strait of Hormuz is hardly a foregone conclusion (despite Vice President Rahimi most recent declaration that "not a drop of oil will pass through the Strait" as quoted by irna on 27 Dec 2011), particularly so in the light of the mounting US presence in theatre. In addition any step taken by Iran to disrupt energy flow will have crippling military and economic consequences. Under the circumstances the question really is, is Iran

willing to commit economic, military and political hara-kiri? And what of the strategy of despair: terror? Given the strategic situation, this too would invite disproportionate retaliation as indeed Iran would have noted the devastation caused in Libya, Iraq and Afghanistan.

Iran's Nuclear Program

The International Atomic Energy Agency (IAEA) has declared that medium-level uranium enrichment had begun at the Fordo plant near Qom in northern Iran. In reply Tehran has said it plans to carry out uranium enrichment there for purely peaceful purposes. The West argues Iran is building a nuclear weapons capacity.

In November 2011 the IAEA released its latest report on Iran's nuclear programme, suggesting that Iran is secretly working to obtain a nuclear weapon. Iran has dismissed the claim. The IAEA has long expressed concern about Iran's nuclear programme, but its latest report lays out the case in much greater detail than before. Drawing on evidence provided by more than 10 member states as well as its own information, the IAEA said Iran had carried out activities "relevant to the development of a nuclear explosive device". The report documents alleged Iranian testing of explosives, experiments on detonating a nuclear weapon, and work on weaponisation.

While the west is convinced of the veracity of these reports, there remains the absence of a 'smoking gun'. Notwithstanding, Iran undoubtedly would have noted the West's approach to Saddam and Gadhafi as opposed to Kim Jong Il and it is reasonable to assume that they would have come to the conclusion that it was the North Korean nuclear arsenal that made the difference. From this perspective it makes strategic logic for Iran to do nothing to change the West's belief that they are very close to weaponizing if not already in possession of a small nuclear arsenal.

Conclusion

A war has begun in Iran. Its nature is as never witnessed before; a combination of covert action, economic sanctions, political isolation and the threat of military pre-emption have not just crippled the Iranian economy but have check mated Iran's war waging potential. The threat of unleashing an asymmetric conflict is more pressure

tactics than a credible denial strategy and yet Solzhenitzin's words (in his book '1914') ring a sinister warning that "in war it is often small outcomes that determines the course of history". Clearly the invasion of Iraq and the war in Libya are elements of a grand scheme for eventual control regulation of the energy resources of the Gulf region. The only obstacle to this design is Iran's (eroding?) resolve and its nuclear program which seemingly provides the present regimen with the solitary lifeline for survival. Whether Iran has the political sagacity to cope with the current situation without giving opportunity for the US to take recourse to arms is a moot question, for if it does not it goes the Libya-Iraq way. In the meantime nations like India must cultivate alternate energy sources in preparation for the contingency when its energy lines from Iran are severely disrupted.



Vice Admiral (Retd.) Vijay Shankar PVSM, AVSM, holds an MSc in Defence Studies and is a graduate of the Naval War College, Newport, Rhode Island, USA. He is the former Commander-in-Chief of the Andaman & Nicobar Command, Commander-in-Chief of the Strategic Forces Command and Flag Officer Commanding Western Fleet. His Command and operational experience are comprehensive and include Command of INS Viraat the aircraft carrier and active service during the 1971 war against Pakistan, Op Pawan the IPKF operations in Sri Lanka and Op Vijay operations to vacate the Kargil intrusion.

The Admiral retired on 30 September 2009, after nearly 45 years in uniform. He is today settled with his wife in the Nilgiris and passes down his operational and strategic experience through articles and participation in seminars that deal with his primary areas of expertise. He has contributed to various professional journals and continues to support his Alma Mater in Kochi through his writings. He has lectured at the Staff College, Higher Command College, the United Services Institute and the National Maritime Foundation. He is a member of the adjunct faculty of the National Institute of Advanced Studies and he currently tenants the Admiral Katari Chair of Excellence at the United Services Institute. Internationally, his participation in the Track II Ottawa Dialogue, the Bellagio Carnegie Endowment discussions, the Indo-Sino-Pak trilateral dialogue, the Cheophraya dialogue and the papers he has presented there seek to provide a new paradigm for nuclear security on the sub-continent.