Newsletter January 2013



War against Iran: the geopolitical background

Prof. Dr. Albert A. Stahel

The USA and its allies are using the Iranian government's nuclear weapon development project to justify the economic embargo and the political activities against Iran. They seek to compel Tehran, through concentrated action, to abandon the project and thereby to give up the enrichment of uranium. This demand for a veiled capitulation, however, conceals the geopolitical background and facts that determine the USA's conflict with Iran. The fact goes unmentioned that the Persians, who take the leadership role in Iran, are an ancient, highly-cultured people whose empire was once the equal of China and Rome, the leading power which, for centuries, largely determined the fate of the antique world and the Middle East.

Dates and facts

The Islamic Republic of Iran extends over an area of 1,648,000 square miles, and appropriately bears the name "Islamic", since 99.6% percent of its more than 70 million citizens are Muslim, among which 90% belong to the Twelver Shia sect. With the exception of Iraq and Iran, this sect represents a minority in the Islamic world. The majority of the world's Muslims follow the Sunnite orthodoxy. Other small religious minorities coexist with the Shiites in Iran, including Christians, Jews, Yarsanis, Mandeans and the Baha'i religion[1].

Iran's **de jure** head of state is the disappeared twelfth Imam Muhammad al-Mahdi (descendent of the Prophet). De facto, since 1989 the Supreme Leader Ayatollah Sayed Ali Khamenei has acted as head of state while President Mahmud Ahmadinejad has headed the government since 2005. The Parliament of Iran comprises 290 members. Only candidates that have been vetted by the Guardian Council (12 clerics and jurists) for their adherence to the principles of Islam are permitted to run for political office.

The death penalty applies for drug dealing, rape, murder, heresy and blasphemy. Noteworthy in this regard is that one-third of heroin exports from Afghanistan are transported through the Islamic Republic of Iran on their way to Europe.[2] The trade is controlled by the Revolutionary Guard, which in turn controls a total of nearly 40% of the national economy (a gross domestic product of USD 360 billion). Up to 81% of Iran's annual exports of around USD 90 billion are comprised of oil and natural gas deliveries. The leading importers of Iranian oil are China, Japan, India, South Korea, Turkey and the Union of South Africa.[3] The embargo policy of the USA and its allies contributes to the country's high unemployment (12%) and high rate of inflation.

[1] http://www.lib.utexas.edu/maps/middle_east_and_asia/iran_ethnoreligious_distribution_2004.jpg

[2] World Drug Report 2010

[3] http://de.iran.ru/infographiken/20120222/262734388.html

Power politics and the armed forces

Iran's central position along the Silk Road once enabled its rulers to conquer an empire.[4] In the eyes of the USA, Iran is still seen as the hub of the **Greater Middle East.** The memory of this once mighty empire is an aspect of the historical consciousness of Iranians.[5]

Following the withdrawal of the USA from Iraq, the leadership in Tehran has managed to integrate Bagdad into its own power system. The same will happen in Afghanistan once the USA withdraws from there in 2014. Tehran will seek to extend its sphere of influence to Western Afghanistan. Through its proxy, Hezbollah, Iran also dictates politics in Lebanon. Assad's Alawite regime in Syria forms a territorial link to Lebanon. While the Alawites are among the Shia Seveners and therefore do not have a direct relation to the Iranian Twelver Shia. Nevertheless, the Alawites are opposed by the Sunnite majority in the Arab world, which make Assad and his Alawites natural allies to the Iranians. The geopolitical missteps of the USA under George W. Bush mean that Tehran has almost managed to resurrect the Sassanid Empire.[6]

In addition to this power political expansion, the regime in Tehran holds other trumps in its hand. This includes its dominant position at the Strait of Hormuz. Tehran could theoretically disrupt ship traffic through this bottleneck at any time. Further trumps in its hand are the Iranian oil and natural gas reserves and its link to Central Asia and Russia through a pipeline system. As mentioned above, the People's Republic of China is among the primary customers of Iranian commodities.

Iranian armee

With 523,000 men in uniform, the Iranian armed forces form the basis of its claims to power. Its armed forces consist of its 350,000 man army, the navy with 18,000 men, the air force with 30,000 men and the Revolutionary Guard with 125,000 men.[7] The armed forces generally do not report to the head of state, but the Supreme Leader Khamenei.

Iran's armed forces are impressive in terms of numbers and material. The major share of the material (336 combat aircraft, 1,600 tanks), however, was made in Russian or China, and is not considered to be particularly modern. To be noted at the same time is that Iran has plenty of airbases and harbours. Particularly the latter may be used for the more than 100 Iranian speedboats equipped with machineguns, which are extremely important in the Gulf. Iran plans to use these manoeuvrable warships to conduct a sea based guerrilla war in case of an attack by American warships in the Strait of Hormuz.[8]

Revolutionary Guard

The Revolutionary Guard was formed 1980-88 during the war against Iraq. Recruitment was on a voluntary basis. The Army of the Guardians of the Islamic Revolution of Iran, as it is formally called, has remained loyal to the Iranian regime. It controls a large portion of the Iranian economy and one-third of the drug trade out of Afghanistan, which runs through Iran. They are responsible for the training of Hezbollah and for propping up the Assad regime in Syria. There, they are also active with units on the ground. The arsenal of ballistic ground to ground guided missiles is controlled by the Revolutionary Guard. The state of development of these guided missiles varies widely. They include advanced Russian SCUDs (range 280 km) as well as Chinese and North Korean technology. Both the target accuracy and the range of these guided missiles vary significantly. For example, while the Shahab 3 has a range of up to 2,500 km,[9] due to the lack of accuracy, these guided missiles would have to be armed with nuclear or chemical warheads to be effective.

Therefore, the counterpart to this arsenal could be the Iran nuclear program. The leading facilities are known. Among them is the Uranium enrichment facility in Natanz.[10] Speculations regarding how long it will take Iran to produce nuclear warheads range from a half-year to several years. Should Iran one day have nuclear warheads, then it would be in a position to completely change the situation in the Persian Gulf and across the Mideast.

Opposition to Iran

Tehran's drive for power is confronted by the resistance of numerous neighbouring countries, including Saudi Arabia, Turkey and Israel. As ruler of the holy cities of Mecca and Medina, Saudi Arabia views itself as the leading force for the world's Sunnites. That is reason enough for Saudi Arabia to stand in opposition to Shiite Iran. Added to this are power claims in the Persian Gulf and antagonism between Arabs and Persians. While the Saudis have a very modern arsenal of weapons, with a standing army of 233,500 men, they cannot stand up to the Iranians.[11] That is why the Saudi royal house depends on the protection of the USA. Saudi society is not only characterized by social and economic injustices and the

[4] http://upload.wikimedia.org/wikipedia/commons/0/00/Seidenstrasse_GMT.jpg

[5] http://www.lib.utexas.edu/maps/middle_east_and_asia/middle_east_ref_july_2011.pdf

[6] http://www.crp_infotec.de/03welt/nahost/grafs/nahost_schiit_halbmond.gif

[7] The International Institute for Strategic Studies (IISS) (2011). The Military Balance 2011, The annual assessment of global military capabilities and defence economics. Arundel House, London, pg. 309 – 312.

[8] http://www.lib.utexas.edu/maps/middle_east_and_asia/iran_strait_of_hormuz_2004.jpg

[9] http://missilethreat.com

[10] http://israelinsight.com/wp-content/uploads/2011/11/iran-nuclear.facilities.jpg

[11] IISS (2011), pg. 328 – 330.

suppression of women, but also has problems with its Shiite minority, which are not recognized as Muslims and are suppressed, but also happen to populate the eastern provinces of Saudi Arabia, which are rich in oil.

Position of Turkey
Lead by its Prime Minister Erdogan, Turkey is obviously harkening back to the fallen Ottoman Empire to strive for expansion of its own sphere of influence. These efforts include cultural relations with the Central Asian republics as well as interference in the affairs of Arab nations following the fall of the secular dictators. With 510,600 men, the Turkish armed forces are not only impressive in terms of numbers, but also have modern weapon systems, some of which are even licensed for manufacture in Turkey.[12]

Position of Israel
The third opponent to Iran is Israel. With its nuclear arsenal of 200 warheads, ballistic guided missiles and a highly effective defence system against air-to-air guided missiles, Israel is considered to be the leading military power in the Middle East. This arsenal is augmented with 440 advanced American-made combat aircraft and three ultramodern German-made submarines equipped with cruise missiles.[13]

In summary, the politics of these three nations towards Iran are as follows:

- Saudi Arabia does not want to see Iran become a regional power. That is why the Saudis are fanning the flames of war in Syria to weaken Iran's power and are seeking to set up a Sunnite regime in Syria, led by Salafis. The Saudi's Achilles' heel is its Shiite population in the East. In a countermove to Iran, the Saudi's have occupied Bahrain, which has a majority Shiite population.

- Under Erdogan, Turkey is striving to become the leading regional power itself. They, too, are promoting the war in Syria with the aim of weakening Iran. Turkey's Achilles' heel is the Kurd issue, which Tehran is exploiting in an opposing strategy.

- Israel wants to remain the leading military and nuclear power in the region and will tolerate no rivals. The conflict with Iran is being promoted with rhetoric while they apply pressure on the US government for an attack by air and sea. The Iranian nuclear program serves as an excuse.

On their own, none of the three main players are in a position to conquer Iran militarily or politically. All three are therefore dependent on the support of their protective power, the USA. Iran itself is doing everything it can to bolster and retain the sphere of influence it has gained. This means that the regime in Damascus will be supported by all means and despite the crimes committed by Assad and his government. Furthermore, Iran is promoting unrest among the Kurds in Turkey and is working closely with the Republic of Armenia, Turkey's old enemy.

It is conceivable that Iran is actively pursuing the development of nuclear weapons as a deterrent to both Israel and the USA. Their contacts with North Korea serve them in this regard. Iran is also supported geopolitically by Russia and China. Both countries seek to weaken the geopolitical position of the USA in the region. Russia, however, is taking a very cautious approach and does not supply Iran with the latest air defence systems. China is primarily interested in its oil supplies from Iran.

The USA's geopolitics
The interest of the world power, the USA, in the Middle East is focused on the unhindered transport of oil and thus the undisputed control of the region's **chokepoints.** These include the Persian Gulf, the Strait of Hormuz, the Bab-el-Mandab and the Suez Canal.[14] The most important means to ensure this are the American naval forces with their aircraft carrier groups.[15] To maintain its predominance, the USA has bases on the Arabian Peninsula as well as in Afghanistan and Central Asia.

Its geopolitical claims to power do not permit the USA to tolerate Iran as a regional power. Iran's political power should be contained within its original borders. Through the involvement of its NATO allies and those in the region, the USA conducts consistent embargoes and power politics against Iran. It uses Iran's nuclear program as a justification. At the same time, the rebels in Syria are supported with the aim of weakening Tehran, with the assistance of Turkey, Saudi Arabia and Qatar.

Washington has permanently stationed two aircraft carrier groups in the Persian Gulf and Arabian Sea to demonstrate its power to Iran. Manoeuvres are also being held regularly with regional allies.

The programmed war: the operative air-sea battle concept
Studies and analyses about a potential war against Iran have recently come to light among American specialists.[16] The operative air-sea battle concept forms the basis of these studies, a concept developed several years ago for a potential war against China. This concept primarily foresees the use of the USA's navel and air forces, meaning aircraft carriers and

12 IISS (2011), pg. 151 – 154.
13 IISS (2011), pg. 313 – 315.
14 http://www.lib.utexas.edu/maps/middle_east_and_asia/middle_east_ref_2011.pdf
15 http://www.stratfor.com/analysis/us-naval-update-map-aug-29-2012
16 Gunzinger, M. with Chr. Dougherty (2011). Outside-In, Operating from Range to Defeat Iran's Anti-Access and Area-Denial Threats. Center for Strategic and Budgetary Assessment (CSBA), Washington, DC.

bombers. The use of land forces, except for Special Operations Forces (elite units for targeted deployment against opposition leaders is not planned.

In these studies the threat to the USA's own naval forces and the bases on the Arabian Peninsula posed by Iranian ground-to-ground missiles are analyzed in depth. The authentic background underlying this threat analysis was demonstrated by the launch of Iranian **Fajr-5 rockets,** which were used by Hamas against Israeli cities from the Gaza Strip. For this reason, the USA will want to take the initiative right from the beginning of the conflict and render harmless the missile systems, command infrastructure and nuclear facilities through a massive first attack by its air and naval forces using bombs and cruise missiles. The elimination of Iran's bunkered positions and facilities should be possible by dropping high explosive bunker buster bombs, which were developed in 2003 for the war against Iraq. Furthermore, the Iran's most important leadership and command posts on the Strait of Hormuz, including their commanders, will be shut down by Special Operation Forces and the Marine Corps. Units have already infiltrated Iran, coming in through Western Afghanistan.

Another problem to which the USA is also paying great attention are naval mines, which could be deployed by Iranian speedboats. Minesweepers have been stationed in the Gulf for this reason. Manoeuvres are being conducted for practice.

It is conceivable that the air and sea attack could be accompanied by an air attack by Israel. However, for political reasons, the USA will want to prevent such support by all means, since Israel's participation could ignite resistance by its regional allies, Saudi Arabia and Turkey.

Summary

Based on the geopolitical and strategic objectives of the USA – whose world hegemony, however, is weakening – the demands of its regional allies and Iran's consolidated power position, an attack on Iran by the USA with air and naval forces is still likely. However, such an attack may only temporarily weaken the regime in Tehran. The alternative to such an attack is the collapse of the Iranian economy being pursued by means of an increasingly tighter embargo of the nation. An economic collapse could bring about the downfall of the Ayatollah regime in Tehran. For the time being, all options remain on the table for the USA.



Prof. Dr. Albert A. Stahel, former full-time lecturer in Strategic Studies at the Military Academy, ETH, Zurich, strengthens the team of Portas Capital.

Portas Capital Ltd., asset manager and advisor in matters of investment strategy, portfolio construction and product selection, is expanding its consulting team. Prof. Dr. Albert A. Stahel will advise Portas Capital Ltd. and its clients.

Albert A. Stahel is married and father of two adult children. From 1980 to 2006, he was full-time lecturer in Strategic Studies at the Military Academy, ETH, Zurich. From the 1986 winter semester to the present, Albert has been honorary professor at the University of Zurich for the same educational and research area. His research results have found expression in over 400 articles in international and national specialized periodicals. There have also been books and contributions to books. He has headed the Institute for Strategic Studies in Wädenswil since October 2006. He has also issued publications on current issues including geopolitics and geostrategic topics, as well as undertaken study travels to the USA, Central Asia, Afghanistan, the Arab world and Russia. In the Swiss Army: he is Lt Colonel aD Swiss Air Force.

Disclaimer

Die Informationen und Meinungen in diesem Bericht wurden von Portas Capital am angegebenen Datum erstellt und können sich ohne vorherige Mitteilung ändern. Der Bericht wurde einzig zu Informationszwecken publiziert sowie an eine ausgewählte Anzahl natürlichen und juristischen Personen unter Vertraulichkeit versandt. Der Bericht wurde ohne Berücksichtigung der Zielsetzungen, der finanziellen Situation oder der Bedürfnisse eines bestimmten Kunden erstellt. Die Informationen stammen aus oder basieren auf Quellen, die der Portas Capital als zuverlässig erachtet. Dennoch kann keine Gewähr für die Richtigkeit oder Vollständigkeit der Informationen geleistet werden. Die Portas Capital lehnt jede Haftung für Verluste aus der Verwendung dieses Berichts ab. Der Bericht enthält keinerlei Empfehlungen rechtlicher Natur oder hinsichtlich Investitionen, Rechnungslegung oder Steuern. Verweise auf frühere Entwicklungen sind nicht unbedingt massgebend für künftige Ergebnisse. Die Weiterverwendung des Berichts sowie damit verbundene Erkenntnisse dürfen nur mit ausdrücklicher Zustimmung von Portas Capital geschehen. Die Publikation des Newsletters oder Teile davon dürfen nicht in öffentlich zugänglichen Medien erscheinen.