The Nuclear Agreement with Iran: Successful Settling of an International Crisis

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On 14 July 2015, after intense and controversial negotiations, delegates of the permanent members of the United Nations Security Council (UNSC), the European Union, and Germany, on the one side, and Iran, on the other, signed the Joint Comprehensive Plan of Action (JCPOA) in Vienna – thereby settling a 12-year-long international crisis.

Analysis

The JCPOA signatures represent multiple victories: a triumph of international diplomacy in a region, which mostly attracts attention through violent conflicts; a triumph for the United Nations and the UNSC, who have rarely reached consensus; a victory for the European Union and Germany, who demonstrated their ability to participate in global conflict resolution; and a victory for the United States and its president, who was able to resolve a long-lasting crisis in the Middle East without using military force. It was also a victory for Iran, which can now hope to end its international isolation and prosper. With all due respect, however, these are no grounds for euphoria.

- The agreement will only enter into force after being ratified by the signatory states; in the US Congress, in particular, tough opposition is looming.
- While the JCPOA may have improved conditions for resolving other conflicts in the Middle East, it is no panacea. Given the complex nature of upheavals in the region, to suggest otherwise would be akin to Francis Fukuyama’s premature claim that the end of the Cold War represented the “end of history.”
- Israel and the Gulf States are highly sceptical of the treaty. For Israel, it signals international legitimisation of Iran’s nuclear programme; for the heads of state on the Arabian Peninsula, it implies a preference for Iran in the contest for regional dominance.
- More moderate and reform-minded forces may actually be strengthened in Iran. However, the state and regime are unlikely to undergo a radical change of character. The system that emerged from the revolution has repeatedly demonstrated its ability to adapt and assimilate.

Keywords: Iran, nuclear treaty, UN, EU, USA, Israel
Highlights of an International Conflict

Since joining the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 1968, Iran has insisted on the inherent right to use atomic energy for strictly peaceful purposes. However, in June 2003 the International Atomic Energy Agency (IAEA) for the first time expressed serious doubts regarding the peaceful nature of Iran’s nuclear programme. In order to dispel misgivings, the then Iranian reformist president, Mohammad Khatami, agreed to the demands of the so-called EU-3 (Germany, the United Kingdom, and France) to renounce uranium enrichment. At the same time, Iran signed the NPT’s binding Additional Protocol of 1970, which, among other things, facilitates international controls. As a goodwill gesture, Iran signalled the US government its willingness to limit the number of centrifuges used to enrich uranium to the 3,000 it already operated at that time (Mathews 2015: 3).

Nevertheless, Washington did not respond positively to the Iranian offer, since doing so would have implied US acceptance of the status quo. Instead, the United States demanded that Tehran immediately disclose its entire nuclear programme and permit inspections by the IAEA; refusal to do so would result in the United States intensifying the unilateral regime of sanctions it imposed on Iran after the Islamic Revolution of 1979 and which it had already expanded on many occasions. At that time, however, a comprehensive nuclear treaty between the United States and India was made public, which led Tehran to believe that the US government was seeking to prohibit Iran from using any nuclear energy. When Mahmoud Ahmadinejad replaced Mohammad Khatami as president of Iran in August 2005, Iran’s scepticism hardened, and the EU-3’s negotiating efforts failed. The five permanent members of the UNSC and Germany – the “P5+1” – then took over the task of pursuing a nuclear deal with Iran. Iran’s controversial nuclear programme had become a global conflict.

The P5+1’s concerted efforts resulted in three UNSC resolutions which demanded that Iran fully disclose its nuclear programme and threatened a coordinated system of sanctions should it refuse (Resolution 1737 in December 2006, Resolution 1747 in March 2007, and Resolution 1803 in March 2008). Despite the resolutions, Tehran continued to develop its nuclear programme and, in particular, to install more centrifuges – this resulted in the sanctions coming into effect.

In September 2009 Western intelligence services alleged that near the city of Qom “irrefutable evidence” had been found of a secret site (Fordow) that was capable of producing highly enriched uranium. The Iranian leadership played down the issue, describing Fordow as a “pilot plant.”

In view of this, the UNSC passed Resolution 1929 on 9 June 2010, which expressly demanded that Iran immediately comply with all earlier resolutions. Failure to do so would result in a fourth round of sanctions with drastic consequences for Iran’s economy (Snow 2010: 25). When Iran did not react accordingly, an intensified regime of sanctions was imposed, which is still in effect. Two years later the IAEA still did not give an all-clear signal: On the contrary, in November 2011 the agency reported that it could not certify that all Iran’s nuclear material was for peaceful use only. With regard to a possible military dimension, the report stated that “Iran has carried out activities relevant to the development of a nuclear explosive device […] under a structured programme and that some activities may still be ongoing” (IAEA 2011: 10).

No further progress was made in resolving the conflict until 2013, when the June election of the moderate politician and cleric Hassan Rouhani as president of Iran reopened the possibility of a resolution through dialogue. In November that year, Iran’s negotiators in Geneva agreed with the representatives of the P5+1 and signed a first Action Plan, which outlined the basis of a permanent solution – the first real signal of hope in a decade. Negotiations on the permanent solution began on 21 January 2014. On 2 May 2015, the framework for a deal was announced in Lausanne.

The Positions of the Adversaries

P5+1

The United States was the P5+1 group’s driving force from the start. Therefore, any binding solution to the conflict required support from the United States – the world’s strongest military and economic power – which had been in almost permanent strife with Iran since the 1979 Islamic Revolution. After soberly studying the conflict, the Obama administration concluded that even the strongest sanctions would not cause the capitulation of a regime that was bent on developing its
nuclear capacity. In 2003 Iran had 3,000 centrifuges; 10 years later, when the first Action Plan was agreed upon in Geneva, the number had risen to 19,000 despite the conservatively estimated USD 100 billion that sanctions had cost Iran (Mathews 2015: 3). Thus, the lack of a negotiated settlement would have only left two options: to accept the Iranian nuclear programme in its present form, which would have been politically unacceptable, or to militarily destroy Iran’s nuclear facilities. President Obama repeatedly explained that he neither believed that sanctions would cause Iran to abandon its nuclear programme nor considered even perfectly executed military strikes capable of setting back Iran’s programme by more than a year or two. The latter action would also have the undesired consequence of causing the Iranian people to unite behind their government and convincing them that Iran needed to develop its nuclear capability in order to deter foreign intervention. In May 2015 Obama made it clear that he considered the agreement with Iran on the nuclear issue to be one of his presidency’s greatest successes (Sa’ar and Shalom 2015: 1-3).

Because President Obama sees resolving the nuclear conflict with Iran as shaping his legacy, he is keen on reaching a durable solution, both in the eyes of the world and his political opponents at home. However, the numerous “security hooks” that he ordered his negotiators in Geneva and Lausanne to include into the prospective agreement annoyed the Iranian delegation. In particular, Washington insisted on including a mechanism to immediately reimpose sanctions should Iran violate the terms of the agreement — which Tehran vehemently rejected. On that point Iran sought support from the permanent UNSC members Russia and China. It was well known that there had been numerous differences of opinion between these two countries and the other P5+1 members in the past.

Above all, Russia and China pursue their own strategic interests when dealing with Iran. The Chinese president, Xi Jinping, declared that Iran was a strategic partner in December 2014 and emphasised how much he values the cooperation with “the world’s most important developing countries, Brazil, South Africa, Mexico and Iran” (Shahandeh 2015: 1). For the United States and its transatlantic allies in the P5+1, it was important to keep the group of negotiators united and to constantly involve Russia and China so as to avoid giving the impression that the nuclear talks were a confrontation between Iran and “the West” (Meier and Pieper 2015: 1). The P5+1’s decade-long cohesion testifies to how uneasy governments around the world feel with regard to Iran’s nuclear programme.

Iran

Since the beginning of the crisis, the Iranian leadership and especially the Supreme Leader Ayatollah Ali Khamenei have been convinced that the P5+1 and the United States in particular have been less concerned with containing Iran’s nuclear capabilities than they have been with controlling and undermining the Islamic Republic of Iran (IRI) as such. This view was a tenet for many years, and Iranian leaders accepted the heavy costs associated with their adamancy. After 2011, however, costs exploded under the fourth round of sanctions.

According to Iranian sources, the country’s gross domestic product (GDP) fell by 5.8 per cent in 2012 and by 2 per cent in 2013.¹ By the time Rouhani became president in August 2013, Iran’s daily oil exports had dropped to one million barrels because the European Union had stopped importing oil from Iran in July 2012, and because Asian buyers had also considerably reduced their imports. That resulted in a drop of 54 per cent in 2011, the year before the fourth round of sanctions took effect (Snow 2015: 15). Because the sanctions largely exclude Iran from international banking transactions, the country was even unable to effectively use its much lower foreign exchange revenue. The resulting shortages of raw materials and spare parts led to a very low level of industrial utilisation, which in turn reduced the demand for workforce, causing high unemployment.

Experts agree that the current economic crisis is as grave as the one between 1988 and 1990, when the massive damage and destruction of the eight-year war with Iraq forced Khamenei’s predecessor, the IRI’s founder, Ayatollah Ruhollah Khomeini, to alter his vision of “exporting” the Islamic Revolution and to charge President Ali Akbar Hashemi Rafsanjani with ensuring the survival of the acutely threatened IRI. Khamenei has done the same thing: immediately after Rouhani’s inauguration, the Supreme Leader spoke of a new period of “heroic flexibility” in foreign policy (Gerami 2014: vii). This meant granting the president considerable leeway in his efforts to respond to international sanctions through

accommodation and a willingness to compromise in order to ease and ultimately be relieved of them. He even allowed direct talks with the United States, the “Great Satan” in the revolutionary propaganda.

Clearly, Rouhani’s top priority was to preserve the IRI. His loyalty was tested. As secretary of the Supreme National Security Council between 1989 and 2005, he had acted as Iran’s chief negotiator in the then nuclear talks with the West. In this capacity he had shown no doubts about his conviction that Iran – like all NPT signatory states – has the right to peacefully use atomic energy. As long as this right is accepted, compromises with the P5+1 are just a necessary evil to keep the IRI economically viable (Monshipouri and Dorraj 2013: 137). A successful nuclear deal will also strengthen Rouhani in domestic-policy disputes with his conservative opponents. Since the Geneva Action Plan of 2013, the latter have used every opportunity to claim that the P5+1’s requests for changes and additional demands prove that the West and the United States have no real interest in reaching an amicable solution with Iran. They particularly lambasted the P5+1’s wish to inspect Iran’s missile programme and Revolutionary Guards institutions as well as the announcement that sanctions would only be eased gradually. They praised Supreme Leader Khamenei as the only guarantor of Iran’s refusal to succumb to Western enticements. Yet Khamenei obviously decided that Iran’s rigid stance was too costly.

The Compromise

The P5+1 was primarily concerned about guarantees that Iran would not develop a military nuclear programme, whereas Iran mainly sought guarantees of their right to peacefully use atomic energy and enrich low levels of uranium, as well as immediate relief from sanctions. Therefore, the JCPOA had to be a compromise.

The JCPOA’s most important points concern the number and production of centrifuges used to enrich uranium. Their total number will be reduced from 19,000 to 6,000 over the next 10 years, and only older, less powerful centrifuges will be allowed. Uranium will be enriched to just 3.67 per cent (an atomic bomb requires a 90 per cent enrichment level), and stocks of uranium that have already been enriched to more than 3.67 per cent will be drastically reduced from nearly 12,000 kg to just 300 kg over 15 years, with the surplus to be sold at the usual international terms.

The Arak heavy-water nuclear facility will be converted into a research reactor incapable of producing plutonium for nuclear weapons. The Fordow enrichment facility, long kept secret, will become a nuclear research centre, and uranium will only be enriched in Natanz. The UN ban on importing and exporting armaments will be extended to five years; importing technology that could be used for Iran’s ballistic missile programme will be banned for eight years. In addition, the IAEA will have broad access to all of Iran’s nuclear facilities, including the entire infrastructure needed to supply a power plant. Furthermore, Tehran must also open its military sites in the event of well-founded suspicion. Any disputes will be settled by a commission.

Current economic sanctions will only be gradually lifted once the IAEA has confirmed that Iran has complied with its obligations to cut back its nuclear programme. A “snapback” provision is in place to allow the international community to quickly reactivate sanctions should Iran violate the conditions of the JCPOA.2

Only Winners?

The five permanent members of the UNSC and Germany have shown their ability to resolve a controversy that had lasted more than 10 years. President Obama has crowned his second term in office with an extraordinary foreign policy success. In the medium term, Iran will finally be able to shed the economic straitjacket that has obstructed domestic stability and limited the effect of its foreign policy. Has the agreement thus only produced winners? Closer observation will show.

Iran

Iran’s economy is suffering from such a deep structural crisis that sanction relief (which will not begin much before 2016, and even then will only be gradual) will have no immediate, and certainly no fundamentally positive, effect. Despite this, there was already a perceptible sense of optimism in Iran in 2015 largely due to expectations of flourishing foreign trade. Just the prospect of having

USD 100 billion in frozen foreign assets released creates a dynamic effect (Clawson and Khalaji 2014: 2). The political forces associated with a positive outcome to the negotiations stand to benefit the most – namely, the moderate and reform-oriented politicians represented by President Rouhani. At the beginning of his presidential term, Rouhani named three main goals: (1) overcoming Iran’s international political isolation, which primarily required resolving the nuclear issue, (2) reducing the state’s domination of the economy and creating a favourable investment climate for domestic and foreign businesses, and (3) increasing society’s political participation (Bakhash 2014: 3). Just two years after taking office, it is clear that he will be only able to reach these goals one after the other – which is evidenced by the absence of any major political reforms to date. Resolving the nuclear conflict with the West and thereby ending Iran’s international isolation and ensuring sanctions relief took priority for Rouhani – a move that was backed by Supreme Leader Khamenei. The political capital gained both domestically and internationally by Rouhani will help him to pursue his reform programme despite the opposition. Nonetheless, the latter’s resistance is growing.

The earlier efforts of Rouhani’s reform-minded predecessors, such as Ali Akbar Hashemi Rafsanjani and Mohammad Khatami, were derailed by the Principalists – the other main politically conservative camp in post-revolutionary Iran, which is primarily composed of the 1979 revolutionaries and Iran–Iraq War veterans. Not only do the Principalists see their interpretation of the Islamic Revolution, US administrations continued to openly call for regime change in Tehran. Ayatollah Khamenei and his supporters are sure that, in this regard, nothing has changed.

Once again, it is Ali Khamenei who will tip the scale. The supreme leader deeply mistrusts the West, especially the United States. He even considered the nuclear talks to be aggressive attempts by the United States and its allies, including Israel, to deprive Iran of its legitimate rights and bring the revolutionary regime to its knees. In July 2014 Khamenei asserted that “Reconciliation between Iran and America is possible, but not possible between the Islamic Republic and America” (Sadjadi-pour and Taleblu 2015: 3). That does not mean, however, that Iran is incapable of pragmatic foreign and domestic policy. The survival of the Islamic Republic and its regime has top priority. Khamenei’s support for Rouhani came from his conviction that only a clean break could put an end to the West’s “strangulation.” In addition, following the severe crisis of legitimacy after the 2009 elections, he considered it an opportune time to give the winner, Rouhani, some leeway and to benefit from his popularity. Khamenei’s approval of a nuclear compromise was primarily about survival rather than any desire for a new orientation in domestic or foreign policy.

United States and the West

For the United States, signing the nuclear agreement with Iran represents a milestone and could be a turning point in the two countries’ mutually antagonistic relationship. The 1979 Islamic Revolution inflicted a defeat of strategic proportions on the United States. Moreover, the holding hostage of 52 US citizens for 444 days was deeply humiliating for Washington. Years after the Islamic Revolution, US administrations continued to openly call for regime change in Tehran. Ayatollah Khamenei and his supporters are sure that, in this regard, nothing has changed.

The recent agreement clearly raises the threshold for the United States to launch a military attack. Such a step can now only be taken in response to Iran’s clear non-compliance with the terms of the agreement; vague indications that the Iranian nuclear programme has a military application no longer suffice. Given his predecessor’s experience in Afghanistan and Iraq, as well as the unpredictable developments in the Middle East, President Obama had to retain the threat of force as a last resort – though it is something he definitely wants to avoid. The US administration hopes that moderate and reformist forces in Iran will benefit the most from the agreement, and that the overwhelming majority of Iranians hope for economic recovery and crave an end to their international isolation. A prosperous and stable Iran would most likely seek to play a more constructive – or at least a more predictable – role in the current and foreseeable upheavals in the Middle East. The nuclear deal could mark the end of the “revolution” and the beginning of the “state.”

However, this judgement might be premature. The IRI has a dual structure that consists of a “pil-
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On its northern border, Iran is striving to arrange benefit-oriented exchanges with the Central Asian republics; to the East and West, it is seeking to keep the trouble spots in Afghanistan, Iraq, and Syria under control. Only with regard to Palestine has Iran maintained the same position since 1979: it vehemently rejects a two-state solution. However, Rouhani has tried to relativise the anti-Semitic attacks of his predecessor, Ahmadinejad. In an interview with CNN’s Christiane Amanpour in September 2013, Rouhani condemned the “Nazi massacre of the Jews.”

**Israel**

The Israeli government sees such statements as little more than tactical manoeuvring that will not change the two countries’ strategic antagonism. Iranians never tire of alluding to this antagonism, while Prime Minister Benjamin Netanyahu uses every opportunity to point out the supposed danger and aggressive nature of Iran’s nuclear programme. His mistrust of a state that denies Israel’s right to exist is completely understandable. However, international experts have repeatedly warned the Israeli government not to exaggerate the danger of Iran’s nuclear programme. Even if a military intention were believed to exist, there is a huge gap between theoretically mastering the process and actually developing an arsenal of usable nuclear weapons (Cordesman 2015: 6). The military value of a single atomic bomb is “zilch” (Mathews 2015: 4), and any evidence of a bomb would legitimise a drastic response from the international community, including Israel. The US administration believes that the JCPOA has eliminated this development for the long run and deserves Israel’s support because of it. Netanyahu, however, disagrees. According to him, for all intents and purposes the deal has made Iran a nuclear power because it can now have a nuclear programme and conduct research unhindered. Its nuclear programme will get a huge boost because Iran will no longer suffer from sanctions and be able to invest more in it. For that reason, the Israeli prime minister considers the nuclear agreement to be a “mistake of historical dimensions” (See: <www.spiegel.de/politik/ausland/iran-benjamin-netanyahu-poltert-gegen-atom-deal-a-1042569.html> [accessed 14 July 2015]).

Only the future will show whether the nuclear agreement was a mistake, a success, or an opportunity.
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