

IF UN SECURITY COUNCIL SANCTIONS FAIL TO DETER IRAN FROM PURSUING ITS NUCLEAR PROGRAMME, WHAT STRATEGY SHOULD THE EU ADOPT?

Araceli Jimenez-Segura

March, 2007

Iran's nuclear ambitions are a serious threat not only to the future of the Non-Proliferation Treaty and the international regime build around it, but above all to the stability of the Middle East, especially if the EU is seriously considering expanding its borders to the region (if and when Turkey is admitted into the EU).

Due to the divisions within the international community, partial measures, whether positive (carrots) or negative (sticks) have not brought about any measurable progress in curtailing Iran's nuclear aspirations. US economic and political sanctions against Iran have been rather inefficient and its aggressive diplomacy has proved to be counterproductive. European (EU3) efforts to engage Iran diplomatically through packages of economic incentives, although they did manage to delay Iran's nuclear activities several times, have not concluded with an agreement and Iran has constantly reassumed its nuclear enrichment activities. The UN Security Council Resolution 1737, unanimously adopted, imposing a limited set of sanctions aimed at stopping the transfer of technology to its nuclear and missile industries, has also been defied by Iran, as the IAEA reported on February 22, 2007. Thus, given the failure of the current UN Security Council sanctions scheme in deterring Iran from pursuing its nuclear program, and given the overwhelming negative consequences of a military strike, what strategy should the EU adopt?

Considering the EU internal dynamics and the main principles that drive its policies, a strategy of engagement with containment elements attached to it, is possibly the best and most realistic policy option for the EU. However, there are two premises for a successful strategy to bring about a solution to Iran's nuclear crisis. First, any long-term strategy has to aim, not at buying the West time (although this is an option preferable to the status quo), but rather at **changing Iran's cost-benefit calculus** of its nuclear ambitions, for which a realistic understanding of what Iran wants to achieve with its nuclear program is essential: minimizing its main security concerns, and regime survival. Secondly, given the past failures of partial and uncoordinated strategies within the international community, only common agreed policies can bring satisfactory results. The first indispensable step is transatlantic unity. However and above all, a **consensus must be built** not only including **EU-US but also Russia and China**, which too have major interests in Iran and can serve as further instruments of pressure towards Tehran (especially Russia). UNSCR 1737 has demonstrated that consensus among the main players can be achieved. Maintaining this consensus is a challenge for European and international diplomacy; disagreements and/or inconsistency in the strategy will be a source of potential leverage to be used by Tehran to its advantage.

To change Iran's cost-benefit calculus of its nuclear aspirations, Iran's economic, security and political vulnerabilities have to be addressed. Iran should be approached with a package of incentives such as a "credible security guarantee and solid economic rewards"¹ (such as foreign investment in Iran's oil infrastructure, as well as trade agreements) coupled with a set of non-military (economic, technological, and political) sanctions that go further than UNSCR 1737, if Iran continues to defy the

¹ Sara Kutchesfahani, "Iran's nuclear challenge and European diplomacy", EPC Issue Paper num.46, Narc 2006.

IAEA and the UN Security Council. As stated above, realistically, the EU cannot work alone, especially as it has very few incentives to offer Iran: firstly, the EU-Iran TCA² is likely to go nowhere in the short term due to Iran's lack of progress in the EU's human rights and democracy requirements; secondly, the EU stance on any economical incentive is undermined by its dependency on Iranian oil (as well as being counterproductive to its member States' trade and investment interests); and finally, since the EU does not pose a threat to Iran's security, it cannot offer any positive or negative assurance to Tehran in this respect. Thus, and without underestimating the weight of Russia in the equation and the importance of the economic incentives that the EU could bring to the final package, only the US has sufficient leverage to offer an economic, political and security package attractive enough for Iran to reconsider its current nuclear policies. The EU must therefore use its diplomacy to persuade the US to take the necessary steps to normalize its relations with Iran both, politically (bringing Washington and Tehran to sit together) and economically (pressuring the US to lift part of the economic sanctions against Iran and promote US support to facilitate Iran's entry into the WTO). With regard to Iran's security concerns, only the US can bring to the table a credible proposal that would minimize Iran's pursuance of a nuclear capability.

Iran on its part, should agree to a permanent suspension of its enrichment and reprocessing nuclear programs. However, this option does not seem realistic in the short to medium term. Thus, Iran could be allowed some limited enrichment work, under very strict IAEA controls, for which Iran must change its policy towards the Agency. This last option will give time for three key variables to potentially make the strategy work. One: in 2009 a political change (not regime) in Iran is plausible with a more pragmatic approach to its nuclear and foreign policy and the potential gains and losses of engaging with the international community. Two: time is needed to create and secure an international, guaranteed supply of nuclear fuel, leaving Iran with no excuse to continue with its enrichment program, assuming it is only pursued for peaceful purposes as Iran has constantly affirmed (time that the IAEA and the intelligence services should use to verify Iran's nuclear capabilities – declared and not declared). Third and last (but not least): in 2009 (after the 2008 elections) the US Administration will change. The package of incentives and sanctions outlined requires not only major and creative diplomatic efforts on the part of the EU, but also a sincere political engagement on the part of the US, which means changing policies that have been in place since 1979 by all US Administrations. Although the current Bush Administration has finally signaled its willingness to talk to Tehran, it is unlikely that it would make any drastic changes, especially with regard to the necessary "package of incentives" to offer Iran. Having said this, it is not clear that a different US Administration might make such compromises.

European diplomatic efforts, despite all odds, must be guided to sustain **international unity** towards the Iranian nuclear crisis. EU diplomacy must work to engage the US and Russia in committing themselves to an engagement strategy in order to achieve a mutual agreement over the "carrots and sticks" package. Once a minimal consensus is agreed over the "Iran package", the next step for EU diplomacy is to bring all the stakeholders face to face to the negotiating table. Once Iran acknowledges that there is no "division" to be used to its advantage and is offered a set of attractive incentives that address its security, economic and political concerns (both foreign and national considerations), coupled with the possible negative consequences of further tougher sanctions (including Russian), this all ought to persuade Iran to reconsider its current defiant stance, unless it has already decided to acquire nuclear capabilities against all odds.

² Trace and Cooperation Agreement.

BIBLIOGRAPHY

Michael Mc Faul, Abbas Milani, and Larry Diamond, “*A Win-Win US Strategy for Dealing with Iran*”, *The Washington Quarterly*, Winter 2006-07.

Daniel Byman Testimony to the House Committee on Foreign Affairs of the US Senate, Washington DC, March 15, 2007.

Mark Fitzpatrick, “*Can Iran’s Nuclear capability be Kept Latent?*”, *Survival, IISS Quarterly*, Spring 2007.

Joseph Cirincione and Andrew Grotto, “*Contain and Engage: A New Strategy for Resolving the Nuclear Crisis with Iran*”, *Center for American Progress*, March 2007.

Marco Overhaus, “*European Diplomacy and the Conflict over Iran’s Nuclear program*”, *Deutsche-Aussenpolitik.de*, June 2006.

Sara Kutchesfahani, “*Iran’s nuclear challenge and European diplomacy*”, *EPC Issue Paper num.46*, Narc 2006.

Therese Delpech, “*What Transatlantic Strategy on Iran?*”, *Getting Ready for a Nuclear-Ready Iran*, Edited by Henry Sokolski and Patric Clawson, *Strategic Studies Institute*, October 2005.