



SECURITY POLICY BRIEF

The Iran nuclear deal: the Iranian and US domestic factors that put its implementation at risk

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The Iran nuclear deal with E3+3 and P5+1 is not without its detractors. The Iranian Conservative Party, the US Republican Party and Israel disapprove. This policy brief aims to understand the Iranian and US domestic factors that could challenge the implementation of the deal. The 15-year implementation process is likely to be affected by the state-centric Constitution of Iran, which leaves no room for foreign and, in particular, Western considerations, and by US Republican fears relating to the security of the state of Israel. Other objections come from Arab Sunni States as well as US Democrats also concerned about Israeli security.

The Joint Comprehensive Plan of Action (JCPOA) agreed in Vienna on 14 July 2015 between the E3+3 and P5+1¹ and the Islamic Republic of Iran, should be considered the crowning achievement of a 12-year process of diplomatic negotiation. This agreement aims to resolve the international security crisis posed by the clandestine and unidentified nature of the Iranian nuclear activities first noticed in 2003. United Nations Security Council (UNSC) decision 1696 has called for such an agreement since 2006 in order to encourage

‘the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran’s nuclear programme.’

The E3+3 and P5+1 deal ensures that the Iranian nuclear programme is developed for civilian and non-military purposes by asking Iran to cease its uranium and plutonium enrichment, and to authorize inspections and checks carried out by nuclear experts from the International Atomic Energy Agency (IAEA) on nuclear sites. The E3+3 and P5+1 deal maintains an arms embargo in order to prevent the spread of offensive weapons and the transfer of ballistic missiles to Iran. These duties are accompanied by incentives. Iran obtained the lifting of US and EU economic sanctions on the Implementation Day, 16 January 2016.

However, the Iranian Conservative Party, the US Republican Party and Israel disapprove of the deal. The deal’s detractors reproached the negotiating team for conceding too much in order to safeguard the Non-Proliferation Treaty (NPT) at all costs before the end of their political mandates. But the process of negotiations with Iran must be carried out in the long term and cannot be accelerated by a

desire to gain plaudits in the short term. In the light of this, five main Iranian and US domestic factors would put the implementation of the deal at risk.

The E3+3 must remain vigilant as well as active and at the forefront of the international community regarding the effective implementation of the Iran nuclear deal's provisions.

FACTOR 1: IRANIAN NATIONAL POLITICAL CULTURE.

The first factor is related to the national political culture in Iran. Article 152 of the Constitution includes three of the five Iranian Foreign Policy principles that may be applied to the nuclear negotiations, namely (1) the 'rejection of all forms of domination, both the exertion of it and submission to it,' (2) the 'preservation of the independence of the country in all respects and its territorial integrity,' (3) and the 'non-alignment with respect to the hegemonic superpowers.' Article 152 expressly ordains that Iran must only pursue its aspirations when it is not restrained by a foreign power.

Strict compliance with the Iranian Constitution was once a major obstacle to the achievement of nuclear negotiations, but was circumvented under the influence of Ayatollah Ali Khamenei, Iran's supreme leader. If such a move is in the strategic interest of the country – meaning that isolation from the West is beneficial – Article 152 might be brought back to prominence. The three words 'rejection', 'preservation' and 'non-alignment' reflect the foundations of the Islamic Republic of Iran's ideology and define Iran's intransigence towards all third states, and particularly Western states. They reflect the Iranian will to protect its state, suffering no impediment posed by Western considerations that seek to thwart Iran's nuclear and regional aspirations.

The Iranian Constitution is strictly applied by the Iranian Conservative political faction, which refuses to interact with Western views, believing that they intend to dictate its domestic policy. During the 14-year presidential term of President Mahmoud Ahmadinejad, diplomatic negotiations stagnated as the Iranian president accordingly and strictly conformed his policy to Iran's 1979 Constitution. One of the main points of his presidential campaign programme was to refuse any considerations from Western viewpoints that were incompatible with the republic's Constitution. The presidential election of Mahmoud Ahmadinejad happened in August 2005 after the 2003 Tehran Declaration, the 2004 Paris Agreement and the 2005 Brussels negotiations agreed with the EU3+1² under the 'reformist era'³ of President Mohammad Khatami. Iran accepted the implementation of the Additional Protocol of the IAEA. The Iranian Conservative Party contested the concessions offered to the West by the Iranian delegation led by Hassan Rouhani, Secretary of the Supreme National Security Council, because the EU3+1 offered little to its Iranian counterparts.

This fact strongly contributed to the election in August 2005 of the conservative President Mahmoud Ahmadinejad, who was also elected for his programme of social and economic reforms, which promised a better distribution of wealth. The Conservative Party intended to openly carry out its uranium enrichment and plutonium production during President Ahmadinejad's terms in office – against the wishes of the international community. Its views are opposed to those of the moderate or pragmatic Iranian political parties which favoured an open policy towards the West in the hope of a cessation of the economic sanctions.

FACTOR 2: THE SHADOW OF THE IRANIAN CONSERVATIVE POLITICAL PARTY.

The second factor lies in the dichotomy between the goals of the Iranian Conservative Party, recently embodied by President Ahmadinejad's terms in office, and those of the moderate Iranian political party, currently illustrated by President Rouhani's term in office. On the one hand, President Khatami (1997–2005) and President Rouhani's terms in office (2013–) were characterized by an opening up of Iran to Western political considerations with the Tehran Declaration in 2003 and the 14 July 2015 Agreement. On the other hand, President Ahmadinejad's terms in office were characterized by conformity with Article 152 of the Constitution in the country's dealings with the E3+3. The conservative political faction seeks to undermine the Iranian moderate political party's legitimacy and is therefore determined in its opposition and efforts to prove that the other parties to the 2015 Agreement won't respect Rouhani's engagement.

This Iranian dissatisfaction already reared its head on 17 January 2016, a day after the sanctions were officially lifted on the Implementation Day. The US Department of the Treasury announced that 'The US Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated 11 entities and individuals involved in procurement on behalf of Iran's ballistic missile program.'⁷⁴ The United States unilaterally imposed new economic sanctions targeting 11 individuals and entities based in the United Arab Emirates and China who were suspected of having provided assistance to Iran's ballistic missile programme via a network of shell companies. Iran maintained that 'Iran's missile program was never designed to be able of carrying nuclear weapons. As previously announced, the Islamic Republic of

Iran continues to supervise the implementation of the US action plan and responds with determination to such propaganda by accelerating its ballistic missile program and increasing its defence capabilities.'⁷⁵

His Excellency Javad Zarif, Minister of Foreign Affairs of the Islamic Republic of Iran, explained on 15 February 2016 at Egmont that 'Iran is not a monolith, there are a variety of views that are represented in Iran. [...] In the past thirty-seven years, since the Revolution, Iran has elected its Presidents and its Parliaments and each President has presided over the election of his opposition to office. You don't see that elsewhere in the region. President Rafsanjani elected President Khatami who at the time of his election was considered Rafsanjani's opposition as we saw in the next parliamentary elections when Rafsanjani was side right. President Khatami elected President Ahmadinejad who nobody doubts was his opposition and President Ahmadinejad elected President Rouhani. Again, nobody doubts that President Rouhani was the farthest away candidate from President Ahmadinejad you could find among the six candidates running for office.'⁷⁶ This transition from a conservative to a moderate party opened a breach in Iranian intransigence through which the E3+3 rushed to get Iran to comply with the international responsibilities in the NPT.

The executive power and the legislative power are chaired alternately by the two parties. The likelihood of the Conservative Party's return to power during the 15-year implementation phases of the nuclear deal is real. One sign leads observers to understand that the Conservative Party might be returned to power in the next parliamentary elections: hardliner Ali Larijani has been appointed chairman of the Parliament of Iran. Larijani was the secretary of the Supreme National Security Council from 15 August 2005 to 20 October 2007, having been appointed to the position by

President Mahmoud Ahmadinejad. But one should bear in mind that the supreme leader of Iran has a strong influence over the executive power and the legislative power of the country and has the final say about any shift in foreign policy and national security. Ali Khamenei has held the position since Khomeini's death in June 1989 and has been in power during both the negotiation process and the apparent internal political changes in Iran.

If there is dissatisfaction with the economic results of the implementation of the agreement, he may help bring about the return of the Conservative Party.

Ali Khamenei's succession is, however, publicly linked to elections for the Assembly of Experts, the constitutional body that appoints the supreme leader. The Assembly is examining potential candidates for the post. Hardliner Hassan Khomeini, a grandson of Ayatollah Ruhollah Khomeini, has considerable legitimacy and is likely to succeed Ali Khamenei. Another candidate, Mahmoud Hashemi Shahroudi, is now a member of the Expediency Discernment Council. He is also a member of the Guardian Council and the Assembly of Exerts. Somewhat distanced from the hardliners, he may have a more moderate approach to both domestic issues and foreign policy than Khamenei. Moderate former president Akbar Hashemi Rafsanjani is trying to modify the composition of the Assembly of Experts but is not likely to win the succession.

FACTOR 3: ECONOMIC SANCTIONS IMPOSED BY THE UN, EU AND USA (2006–2015) LED TO SHARP CONTRACTIONS IN IRANIAN ECONOMIC ACTIVITY AND A RETURN TO THE NEGOTIATING TABLE.

Economic sanctions were universally adopted by the UNSC from 2006 to 2015, autonomously adopted at a state level by the United States

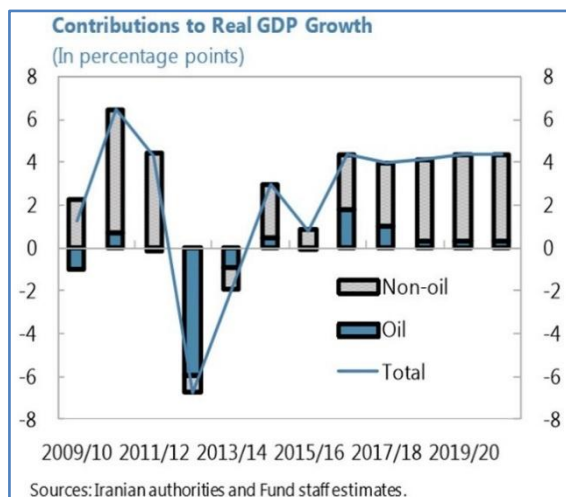
from 2011 to 2015, and at a regional level by the EU from 2011 to 2015. These sanctions encompassed a wide spectrum of restrictive measures in order to hinder Iranian nuclear aspirations by slowing down its supply of strategic materials, cutting the financial resources for its nuclear activities, particularly in trade and banking sectors, and banning entry to all persons related to the development of nuclear activities.

It is acknowledged that 'sanctions tend to succeed most in the initial years of implementation' and IMF data⁷ reveal that US and EU autonomous sanctions were decisive in the very first years of their implementation. However, the economic sanctions imposed in 2012 also 'led to a sharp contraction in economic activity, as well as higher inflation and unemployment' according to the International Monetary Fund's Staff Report for the 2015 Article IV Consultation with Iran, issued on 18 November 2015. It adds that 'Much of the contraction in the economy was due to sharp drops in oil production and non-oil productivity'. This economic contraction, mainly due to economic sanctions, was one of the main causes of the Iranian return to the negotiating table when inflation and unemployment were likely to create severe social tensions that could threaten the Iranian political regime in the long term.

US and EU economic sanctions may be considered to have exacerbated the flaws of a negative socioeconomic conditions⁸ in Iran that intensified under President Ahmadinejad's terms in office from 2006 to 2013. There are various criteria for assessing the sanctions' role and efficacy in the 12-year negotiating process. However, they may also be generally assessed by their capacity⁹ to favour the creation of common ground between E3+3 and Iran's interests, which resulted in Iran making concessions.

By the end of nine years of UN, US and EU sanctions, Iran had lowered its demands and intransigence in order to obtain a lifting of sanctions from the E3+3. Indeed, UN, US and EU economic sanctions may be considered effective given the severe economic damage inflicted on key sectors of the Iranian domestic economy, thus slowing down its funding of nuclear activities. However, these sanctions may be considered as less effective in slowing the supply of nuclear material to Iran, as between 2003 and 2015 the country's centrifuges increased¹⁰ from 160 to 20,000. Iran was supplied with nuclear material through parallel circuits that did not require finances provided by the key economic sectors targeted by the sanctions.

The conjunction of international economic sanctions and domestic economic mismanagement as well as the budgetary constraints within Iran caused by a sharp decrease in oil prices combined with 'sharp drops in oil production and non-oil productivity,' led to a changing Iranian approach to E3+3. This was translated into the election of President Mohammad Rouhani in 2013 and led Iran to accept an agreement.



FACTOR 4: THE SHARP ECONOMIC RECOVERY OF IRAN AFTER THE LIFTING OF EU AND US SANCTIONS COULD REINFORCE ITS REGIONAL IMPERIAL AMBITION.

The fourth factor lies in the stakes and challenges resulting from the lifting of UN, US and EU economic sanctions. Iran demanded the lifting of the United States' and EU's restrictive measures on the first implementation date of the deal as these had particularly hard hit the Iranian domestic economy. The lifting of sanctions is conditional on the effective implementation of the deal by Iranian authorities. The lifting of sanctions will allow Iran to record new financial revenue in hydrocarbon sectors. Despite the 'snap-back' penalties imposed by the JCPOA and the restrictions required by the AIEA, there is a risk that this money could be used to fund the acquisition of new nuclear materials and to develop a nuclear programme for weapons purposes. The E3+3 must remain vigilant regarding this key point.

The European Parliamentary Research Service¹¹ is stressing that 'Israel and Saudi Arabia have also expressed concerns about Iran's increasing appetite for hegemony in the region, even though analysts see the agreement is an opportunity for more constructive engagement with Iran on some of the most burning security challenges, including in Syria, Iraq and Yemen.'

'The rise in power of Iran that, by creating a nuclear sanctuary, seeks to achieve a more important role in the Middle East, is motivated by considerations of religion and the choice of civilisation, but also by a powerful desire to play a greater role on the geostrategic stage of fossil fuel resources to offset an exponential increase in its population.'¹²

FACTOR 5: US DEMOCRATS AND REPUBLICANS STRUGGLE OVER THE NUCLEAR DEAL.

‘According to a September 2015 *Pew Research* survey, 49 percent of Americans disapproved of the nuclear deal, while 21 percent approved. Additionally, the survey found that 42 percent of Americans had “no confidence at all” that Iranian leaders will adhere to their obligations outlined in the deal, while only two percent had “a great deal of confidence” that leaders will.’¹³

If former Secretary of State Hillary Clinton is elected as president in November 2016, a relatively stable foreign-policy scenario will result. However, the election of Republican presidential frontrunner Donald Trump would lead to the end of the nuclear deal with Iran. Trump has said he would ‘dismantle’ the ‘disastrous’ nuclear deal with Iran.

‘Speaking at the Brookings Institution on September 9, 2015, about the Iran nuclear deal, Hillary Clinton said, “As president I will take whatever actions are necessary to protect the US and its allies. I will not hesitate to take military action.” She also noted she understood Israel’s concerns about the agreement, but added, “I would not support this agreement for one second if I thought it put Israel in greater danger.” Clinton emphasized that her approach to enforcement would be “distrust and verify.”

Clinton defended the Iran nuclear deal on August 10, 2015, noting it was the joint effort of several nations and the United States’ reputation would be harmed if the deal were rejected. “The Europeans, the Russians, the Chinese, they’re going to say, ‘We stuck with the Americans. We agreed with the Americans. We hammered out this agreement. I guess their president can’t make foreign policy.’ That’s a very bad signal to send in a quickly moving and oftentimes dangerous world,” Clinton said.¹⁴

After the Iran nuclear deal was finalized on 14 July 2015, Clinton said, ‘Based on what I know

now, and I will be being briefed as soon as I finish addressing you, this is an important step for putting a lid on Iran’s nuclear program.’ Clinton cautioned that the deal must ‘be enforced vigorously, relentlessly.’

Republican frontrunner Trump stated in April 2016, however, that ‘My number one priority is to dismantle the disastrous deal with Iran. I have been in business a long time. I know deal-making and let me tell you, this deal is catastrophic – for America, for Israel, and for the Middle East.’ He went on to say in an address to the annual conference of the American Israeli Political Action Committee (AIPAC): “The problem here is fundamental. We have rewarded the world’s leading state sponsor of terror with \$150 billion and we received absolutely nothing in return.’. Alleging that the recent nuclear deal with Iran doesn’t even require Iran to dismantle its military nuclear capability, Trump said it placed limits on Iran’s military nuclear programme for only a certain number of years. ‘But when those restrictions expire, Iran will have an industrial-size military nuclear capability ready to go, and with zero provision for delay no matter how bad Iran’s behaviour is, he said. [...] The deal is silent on missile tests but those tests do violate UN Security Council Resolutions and no one has done anything about it, he said as he slammed the UN.’¹⁵

Trump went on to say, ‘First, we will stand up to Iran’s aggressive push to destabilise and dominate the region. Iran is a very big problem and will continue to be, but if I’m elected president, I know how to deal with trouble. Secondly, we will totally dismantle Iran’s global terror network. Iran has seeded terror groups all over the world. Third, at the very least, we must hold Iran accountable by restructuring the terms of the previous deal.’ Laying out his vision of US–Israeli relationship, he said that as American president, he would work to destroy Iran’s alleged global terrorist network and prevent it from acquiring nuclear weapons.

CONCLUSION

The E3+3 must remain vigilant concerning Iran's strict compliance with its obligations under the nuclear deal agreed with the E3+3 and P5+1. It will have the help of the inspection force of the IAEA in this. In addition to this vigilance, the E3+3, composed of the five nuclear powers and Germany, should be ready to keep Iran in strict compliance through diplomatic dialogue and coercion with a view to preventing the escalation of any crisis that might lead to a nuclear incident.

Any discrepancy or breach of compliance would open a vacuum that the Iranian conservative wing will fill. The United States, where Secretary of State Clinton is currently likely to be elected as president, would retaliate by cancelling the deal on their part in case of any breach in compliance by Iran with its obligations under the concluded deal.

Astrid Viaud is working on a doctorate in political sciences on 'the policy of sanctions of the European Union vis-à-vis that of the United Nations: the case of Iran, Syria and Ukraine' under the direction of Professor Tanguy de Wilde, professor of geopolitics and international relations at the Catholic University of Louvain.

Endnotes

¹ E3+3 and P5+1 are two different acronyms that concern the same *ad hoc* and intergovernmental negotiating groups that encompass the five nuclear powers and permanent members of the UNSC, Germany and the EU High Representative. The EU High Representative has been appointed as the representative of the whole negotiating group. The E3+3 is used by EU institutions as it allows more visibility for the EU, while P5+1 is used by the UN institutions.

² EU3+1 is the acronym for the United Kingdom, France and Germany plus the EU High Representative before being enlarged to the E3+3 in 2006. It was first an informal initiative between the Big Three before the EU High Representative combined the Council of the EU's efforts with those of the Big Three in 2004.

³ POSCH, Walter, *The EU and Iran* in BISCOP, S. and WHITMAN, R. The Routledge Handbook of European security, Oxon: Routledge, 2013, p. 181-182.

⁴ 'Treasury Sanctions Those Involved in Ballistic Missile Procurement for Iran,' <https://www.treasury.gov/press-center/press-releases/Pages/jl0322.aspx>.

⁵ 'L'Iran dénonce les sanctions américaines sur ses missiles,' http://videos.lexpress.fr/actualite/monde/video-l-iran-denonce-les-sanctions-americaines-sur-ses-missiles_1754720.html.

⁶ Egmont – The Royal Institute for International Relations, (Monday, 15 February 2016), Conference entitled: 'The Iran–EU future relations,' His Excellency Javad Zarif Minister of Foreign Affairs of the Islamic republic of Iran addressed the audience on future relations between Iran and the EU, <http://www.egmontinstitute.be/events/the-iran-eu-future-relations/>.

⁷ 'The Joint Comprehensive Plan of Action (JCPOA) between Iran and the P5+1 comes after several difficult years for the Iranian economy. Following the intensification of international trade and financial sanctions in late 2011, Iran's economy contracted by about 9 percent during 2012/13 and 2013/14 [...] At the same time, a large real depreciation of the domestic currency, along with supply-side disruptions, pushed 12-month inflation to a peak of 45 percent in June 2013.' – World Economic and Financial Surveys, Regional Economic Outlook, Middle East and Central Asia, International Monetary Fund, October 2015, p. 81.

⁸ 'For nearly four decades, the Iranian economy has suffered from high unemployment, widespread inefficiency and corruption, rampant inflation, budget deficits, and excessive reliance on oil revenues to finance government expenditure (50-60%). The government has been the biggest economic player in Iran since the 1979 Revolution. Since then, various public sector companies and financial institutions have been targeted by a panoply of unilateral international sanctions, specifically by the US. As a result, Iran has become increasingly isolated, with relatively limited exposure to the global economy.' BAZOUBANDI, Sara, 'Sanctions against Iran: winners and losers,' p. 59, in DREYER, Iana; LUENGO-CABRERA, José, 'On target? EU sanctions as security policy tools,' EU Institute for Security Studies, Report n°25, September 2015.

⁹ 'The efficacy of sanctions is not limited to the eventual behavioural change but, rather, to the way in which sanctions have induced targets to comply with the demands of the senders over time through their coercive, constraining and signalling effects.' DREYER, Iana, p. 76.

¹⁰ Somewhat earlier, Iran had begun to purchase nuclear material and sensitive fuel-cycle technology through the black-market network organized by Pakistani nuclear scientist Abdul Qadeer Khan. It secretly bought from the Khan Network know-how and used centrifuge equipment for enriching uranium. The secret nature of the project, Iran's ability to secure faster and better equipment, and fear of the US and Israeli military reaction, added to factors such as the US military presence to the east and the west of Iran, compelled the system to move at full speed.' KILE, Shannon (ed.), 'Europe and Iran, Perspectives on non-proliferation,' SIPRI Research Report, No. 21, Stockholm International Peace Research Institute, New York, Oxford University press, 2005, p. 62.

¹¹ PAWLAK, Patryk, 'At a glance – Nuclear deal with Iran', Plenary – 3 September 2015 – EPRS.

¹² VIAUD, Pierre, 'Iran: what nuclear sanctuary?' Revue Defense Nationale, May 2010, Vol. 66, Issue 5, p. 1.

¹³ 'Iran nuclear agreement: Public opinion', https://ballotpedia.org/Iran_nuclear_agreement:_Public_opinion#cite_note-pewsept-3.

¹⁴ '2016 presidential candidates on the Iran nuclear deal,' https://ballotpedia.org/2016_presidential_candidates_on_the_Iran_nuclear_deal

¹⁵ 'Donald Trump vows to veto any UN-imposed Israel-Palestine deal', <http://indianexpress.com/article/world/world-news/donald-trump-israel-palestine-deal-united-states/>.

