The Iran nuclear agreement: the triumph and failure of diplomacy

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The signing of the Iran nuclear agreement or what is officially known as the Joint Comprehensive Plan of Action (JCPOA) on 14 July 2015 marked a triumphant moment for diplomacy. It led many analysts to be optimistic about the power of diplomacy in settling some of the long running disputes in world affairs. However, three years later, President Donald Trump dealt a serious blow to the JCPOA and, by extension, to the world of diplomacy. He withdrew the United States from the agreement and imposed the harshest sanctions ever on Iran, and also recently declared Iran’s elite Islamic Revolutionary Guard Corps as a foreign terrorist organisation, prompting Tehran to name American forces in the region and US government in similar terms. The two sides are now on a potentially dangerous collision course.

Undoubtedly, the JCPOA was not the best deal of the century, but it was not the worst agreement of the millennium either, as President Trump and Israeli Prime Minister Benjamin Netanyahu have lambasted it. In general, the agreement was the fruit of two excruciating years of direct and indirect negotiations between the Islamic Republic of Iran and the five permanent members of the United Nations Security Council, plus Germany (5+1). It provisioned for a substantial downgrading of the Iranian nuclear program for civilian use under a vigorous regime of verification by the UN nuclear watchdog, the International Atomic Energy Agency (IAEA). In return, it provided for the lifting of all nuclear-related UN and US-led sanctions as well as the release of Iranian frozen assets. The Security Council unanimously endorsed the agreement in its Resolution 2231 on 20 July 2015. However, there was nothing in the agreement to stipulate restrictions on Iran’s development of its conventional forces, most importantly missile industry or, for that matter, on its regional influence.
Yet, the agreement included certain sunset clauses that could enable Tehran to upgrade its nuclear facilities and expand its uranium enrichment within 15 years of the signing of the agreement, depending on the prevailing circumstances at the time. From Tehran’s perspective, such clauses were necessary in order to enable the government of moderate President Hassan Rouhani, and more specifically its main negotiator Foreign Minister Javad Zarif, to sell the agreement to the hardline or jihadi Islamists within the ruling clerical stratum that dominate the power structure within the Islamic Republic. This proved to be controversial, playing into the hands of the critics of the agreement in both Iran and the United States.

Swirling around the Iranian Supreme religious and political leader, Ayatollah Ali Khamenei, the Iranian hardliners objected to the agreement on the grounds that the Rouhani government had made too many concession to the US, which they regarded as untrustworthy and hegemonic. Khamenei personally backed the agreement as a one-off deal with the US within what he called ‘heroic flexibility’. But, at the same time, he warned against trusting the United States, and instructed the Rouhani government not to engage the US in any way that could compromise the Islamic sanctity and sovereignty of Iran.

Meanwhile, the forces of the right in the United States and their overseas supporters, especially in Israel, criticised the deal and admonished the Barack Obama administration for giving in too much to the Iranian regime. They contended that the agreement was too weak, leaving Iran in a position to resume its nuclear program for military purposes in the future. Further, they argued that the deal would enable Tehran to use the financial gains from the agreement to strengthen its military prowess for more repression and human rights violations at home, and to follow a more aggressive foreign policy in support of international terrorism and wider regional influence at the cost of America and its regional allies. Netanyahu vehemently condemned the deal and urged Israel’s supporters, especially in the United States, to ensure its destruction. Iran’s other arch regional rival, the Kingdom of Saudi Arabia, and some of its allies within the Gulf Cooperation Council (GCC) made a common cause with the Israeli leader in this respect.
The question is what motivated Tehran and Washington in the first place to give priority to diplomacy over confrontation, after more than three decades of hostilities, in order to strike the landmark nuclear deal?

From the Iranian side, there were a number of compelling factors. Firstly, Rouhani was elected in 2013 on a platform of moderation and anti-extremism, with a promise to address Iran’s dire economic situation, to raise the standards of living, to bring about a degree of political and social relaxation, including securing the release of political prisoners, and to improve relations with non-Shia minorities in Shia-dominated Iran. He envisaged that if he could score well in these areas, he would not only widen the popular base of his reformist and pragmatist supporters, and thus shift the balance of power away from the hardliners in Iranian politics, but also elevate Iran’s regional and international standing.

Secondly, Rouhani was well aware that he could not achieve any of these objectives unless he succeeded in resolving the nuclear dispute and reaching an accommodation with the United States. Thirdly, he felt confident in having the backing of Ali Khamenei and the hardline factions, for three important reasons. One was that he had been closely associated with the Islamic regime from its beginning and had risen through its ranks to the presidency. In the process, he had developed good relations with all factions within the ruling clerical cluster. Another was that Khamenei had repeatedly asserted that Islam was opposed to nuclear bombs, and at the same time he and his hardline supporters could see the urgent need for improving Iran’s declining economic situation and making the Islamic Republic more palatable in the international order. Yet another reason was that by the time Rouhani assumed the presidency, Iran had acquired the necessary know-how, infrastructure and technology for its nuclear program, without the need to cross the threshold. He seemingly assumed this would be sufficient to persuade the hardliners to be receptive to a nuclear deal. The fourth and final reason was that Rouhani had an amiable Democrat counterpart in the White House in President Obama.
From the American side, President Obama had come to the conclusion that a policy of containment and confrontation with Tehran had not worked. He believed that the time had come for a meaningful diplomatic engagement in order to reach an accommodation with Iran—something that he had voiced during the campaign for his first presidential term. In addition, he had promised to the American people that he would not want to involve the US in another war as costly as those of Afghanistan and Iraq. He was keen to see the end of America’s entanglement in these two wars. Meanwhile, he appeared increasingly disillusioned with the hardline Netanyahu for doing everything possible to undermine the chances of a negotiated settlement with the Palestinians—something that Obama eagerly desired to achieve during his tenure. He had also lost faith in oil-rich Arab monarchies, led by Saudi Arabia, to move in the direction of democratic reforms in the wake of the popular uprisings, dubbed as the ‘Arab Spring’. From late 2010 to late 2011, the uprisings had resulted in the overthrow of dictatorial leaders in Tunisia, Egypt, Libya and Yemen, and triggered massive opposition to the authoritarian rule of Bashar al-Assad in Syria. They had also posed a serious challenge to Gulf Arab monarchies.

Obama could naturally see the role that Iran could play in assisting America to resolve some of the major regional problems, such as the Iraq and Afghan conflicts, where Iranian influence continues to stand high. He could also assume that a rapprochement with Iran could help him to exert more pressure on Israel for a viable and lasting resolution of the Israeli-Palestinian conflict, despite the failed attempts by some of his predecessors.

Thus, the factor of mutual need and assistance played a greater role in generating the bases for the two sides to reach out to one another. Tehran and Washington found it opportune to pierce through many barriers and make the necessary compromises within a diplomatic framework to conclude the JCPOA. Tehran climbed down from its resolute refusal to downgrade its uranium enrichment from some 20 percent to less than 5 percent for civilian use only. Washington forewent its insistence on Tehran abandoning its uranium enrichment altogether and opening up all its facilities for inspection and verification by the IAEA. In other words, the two sides, with
support from other powers involved, reached a point of compromise that facilitated the signing of the JCPOA and therefore underscored the importance of diplomacy in conflict resolution.

However, what emerged afterwards were different interpretations of the various clauses of the agreement from the American and Iranian perspectives, with the two sides accusing one another of misrepresentation. Washington contended that the deal closed off all avenues to Iran to become a nuclear power. Tehran insisted that it would fulfil its end of the bargain for as long as Washington honoured its commitments under the agreement by lifting all sanctions, including enabling Iran to join the global provider of secure financial messaging services, that is the Society for Worldwide Interbank Financial Telecommunication or SWIFT. As such, Tehran expected no American restrictions on the outside world’s financial transactions with Iran and its Central Bank, and doing business with Iran. Tehran has been in urgent need of foreign investment and high technology to overhaul its main source of income - the oil industry - and to repair its economy.

Although the JCPOA came into effect on 16 January 2016, it increasingly became clear that under pressure from Congress and domestic and Israeli opposition to the agreement, the Obama administration, which was in its final electoral cycle, could not lift all the nuclear-related sanctions. Nor could he prompt the American financial institutions and companies or, for that matter, their Western counterparts to deal with Iran. As the restrictions, plus non-nuclear related sanctions, persisted, and Congress assumed the right to review the agreement every three months, the American and regional opponents of the deal were emboldened. At the same time, the Iranian hardliners found the opportunity to sharpen their criticism of the agreement and Rouhani’s government for not delivering on its promise of better economic times as a result of the JCPOA. As most Iranians could not see the benefits of the JCPOA, many of them, including some of those who had voted for Rouhani’s re-election for the second term in 2017, became disillusioned with the JCPOA and the government.
In the United States, the election of the populist, and neonationalist Donald Trump to the presidency dramatically changed the overall picture. He had expressed vehement opposition to the JCPOA from the beginning, and during his election campaign had promised to scrap it and to contain what he called the ‘corrupt’ and ‘destructive’ Iranian Islamic regime as a regional and world menace. Despite being urged by all the other JCPOA signatories, and the European Union and the IAEA, as well as his Secretaries of Defence and State, to keep the US in the deal, President Trump carried out his election promise. The European signatories’ argument was that Iran had complied with the agreement and that the continuation of the JCPOA was important for international security, the Non-Proliferation Treaty and diplomacy as a viable means to solve world problems.

President Trump pulled the US out of the deal in May 2018 and subsequently imposed, as he put it, debilitating sanctions on Iran, barring all governmental and non-governmental bodies from any business dealings with Iran. In addition to having targetted many Iranian figures and businesses previously, on April 8, 2019, he took the unprecedented step of declaring Iran’s elite Islamic Revolutionary Guard Corps (IRGC) as a terrorist organisation. He accused the IRGC, which was set up as the guardian of the Islamic Republic four decades ago and which has grown to be the most potent force in all key spheres of Iranian life, of spreading terror and instability in the region and beyond. Tehran retaliated by declaring the US Central Command (Centcom or the Pentagon wing in charge of America’s security interests in the wider Middle East, most notably, Afghanistan, Iraq, Iran, Syria and Pakistan) as a terrorist body and the US government as a sponsor of terror.

Whilst the IRGC is unlikely to be concerned by Washington’s action, the same cannot be said about Iranian society. The effect of American sanctions on the Iranian currency and economy has been enormous, causing serious hardship for a majority of Iranians. The Iranian people have been subjected to American sanctions since shortly after the advent of the Islamic Republic and the hostage crisis in 1979. The hostage episode was generated by a group of Khomeini’s militant supporters invading the American embassy on November 4, 1979 and taking 52 of its
personnel hostage for 444 days. However, the US sanctions have reached new heights under President Trump. The resultant economic pressures have prompted a good number of Iranians to engage in sizeable protests since late 2017. Some of the protestors have extended their criticism beyond the Rouhani government to the Supreme Leader. The Trump administration has backed these protests as part of a policy of regime change or change in regime behaviour. However, the theocratic authorities have been able to contain the protests, and to blame the ‘enemies of the Iranian people’, led by the US.

Meanwhile, the other JCPOA signatories have remained firm in their support of the agreement and Tehran has reaffirmed its commitment to it, provided that these signatories maintain normal trade and economic relations with Iran and bypass Trump’s extra-territorial sanctions. Britain, France and Germany have set up a special trade mechanism, called INSTEX or Instrument in Support of Trade Exchanges, which is endorsed by the EU, for meeting Tehran’s demands. Russia and China have also increased their volume of trade and investment in Iran to compensate for the loss of those European companies that had come to do business in Iran but, because of their dealings with the US, have withdrawn from the country. Under the circumstances, the Iranian regime has remained defiant and is set to survive the US pressures. The sanctions may well prove useless in the same way that they did not cause the demise of Saddam Hussein, whose dictatorship had to finally be demolished through the 2003 US invasion of Iraq, which proved to be very costly for the Iraqi people and the invading forces.

A key casualty of the developments has been diplomacy. The JCPOA’s journey has moved from a diplomatic success to at least a partial diplomatic failure. Its initial triumph raised hopes that some intractable crises in world affairs, like the Iranian nuclear dispute, could be settled through negotiations, mutual concessions and agreement. But ideological and geopolitical variables have once again taken precedence. Yet, not all is lost. As long as the other partners in the JCPOA maintain their commitment and Iran continues to abide by its provisions, there is room for a degree of optimism that even without US participation, the original diplomatic triumph may endure to some extent, provided there is not a war between the two sides.
The irony is that today the United States, not Iran, has become internationally isolated over the JCPOA. It has lost much of its historical gloss as a trusted negotiator and partner in international agreements. It is opposed not only by adversarial powers, namely Russia and China, but also some of its traditional and loyal European allies. The US action has also struck a serious blow to the Non-Proliferation Treaty, to which Iran has continued to remain a signatory. No wonder a state like North Korea is very nervous to come to the party with the US over a de-nuclearisation deal, although it is doubtful if Pyongyang ever intended to give up its nuclear deterrence.

Diplomacy is an art and a tool for compromises and negotiated settlements of disputes. Let us hope this remains the case in a world which is increasingly riddled with uncertainties, divisions and conflicts that require creative diplomatic tactics instead of bombastic confrontational approaches. The Middle East cannot afford another war, but if it happens, it could prove to be far more devastating than the combined effects of the Afghan, Iraqi and Syrian conflicts. The military capability of the Islamic Republic of Iran is indeed no match for that of even some regional actors, such as Israel, let alone the United States, but it has built the necessary amount of hard and soft power as well as a network of proxy forces from Afghanistan to Lebanon to Yemen to cause a regional inferno.

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