



### **The Iranian nuclear deal in the cross section of great power interests**

***On July 14, 2015 Federica Mogherini, the High Representative of the EU for Foreign and Security Policy representing the E3+3 (or the P5+1, i. e. the permanent members of the UN Security Council – the United States, Great Britain, France, Russia, China – and Germany), and Mohamed Javad Zarif, the Foreign Minister of Iran announced that the comprehensive deal on the Iranian nuclear program was signed.***

***The Iranian nuclear negotiations have been going on – on and off - since 2002. However, in 2012 a new phase was started (with high level meetings in Istanbul, Moscow, Almaty, Istanbul, Geneva and Vienna), the main reasons of which were the increasingly tightening sanctions on Iran on the one hand, and the so-called “Arab Spring” transformation of the region on the other, resulting in civil wars and the emergence of the Islamic State as a common enemy. As a result, on November 24, 2013 a temporary deal was concluded followed – in two stages: instead of March 31 on April 2, 2015 and instead of June 30 on July 14, 2015 – by the signature of the Joint Comprehensive Plan of Action.***

***While the US Congress had 60 days to approve or reject the deal, the UN Security Council has unanimously approved it. Though in the debate among the US decision-makers and the public in the media and the community websites the Obama administration’s position had come to be supported in the Senate by the deadline, which meant that the President would not be forced to use his veto, the debate itself and the worldwide publicity around it made the Iranian political elite send similar messages of disagreement, even if on a lesser scale. Simultaneously, an unprecedented rush has been started for the so-far relatively closed Iranian market, in which race the American companies cannot take part at the moment.***

***The regional powers in Iran’s neighbourhood were relating themselves to the deal according to their obvious political and security interests and were supporting/accepting (Turkey and the GCC states) or rejecting (Israel?) it.***

***The present study aims at answering the questions how the signatories of the deal (the US, Russia, China and the European Union on the one hand, and Iran and the regional powers, Israel, the GCC countries and Turkey) are evaluating the deal and what strategic interests arise in consequence to the deal. The analysis will also discuss what changes the deal will generate in the domestic dynamics of the individual actors, and in the international and regional balance of power.***

#### **The United States**

*(Anna Péczeli)*

#### ***The Role of Iran in US Foreign Policy Thinking***

The United States and Iran do not have a common history going back to centuries – Iran has only become important for US foreign policy after the Second World War, and with the fall of the colonial system and the British Empire. After a US-British covert operation removed Prime Minister Mohammad Mosaddegh from power, the Shah regained power in 1953. Under the rule of the Shah, the US and Iran had a very good relationship and the United States was among Tehran’s most important suppliers of military equipment. This included technical assistance to Iran’s nuclear program which was launched in the 1960s. The Nixon and Ford administrations’ Twin Pillar policy considered Iran as a “primary guardian” of US interests in the Gulf. The 1979 Islamic Revolution in Iran, however, led to the fall of the monarchy and an Islamic Revolutionary government was established. The revolution was led by Ayatollah

Ruhollah Khomeini. Despite the sudden change of events, the US attempted to build a working relationship with Iran but President Jimmy Carter's decision to let the Shah enter the US (for medical treatment) added to already strong anti-US sentiments. In the violent riots the US embassy was taken over by angry Iranian students on November 4, 1979. The 444-day hostage crisis alienated the US leadership, and it also rallied public support to the adoption of a new Iranian constitution, which provided clerical oversight of the government. In the course of a year Iran came to consider the United States as the "Great Satan," while the US saw Iran as a constant source of threat to its basic interests in the region.<sup>1</sup> The two countries, in general, handled each other with a significant level of mistrust and suspicion, and they only cooperated under exceptional circumstances.

After the 9/11 terrorist attacks, the national security strategies of the US have named the threat of terrorism and the spread of weapons of mass destruction as the primary challenges. Although the Bush administration found a way to engage Tehran on Afghanistan, this cooperation was short-lived. The 2002 revelation of the secret construction of a nuclear enrichment facility in Natanz and a heavy-water reactor in Arak, as well as Iran's growing support to radical Islamic organizations poisoned the relations again. Afterwards, US foreign policy primarily addressed Iran as a rogue state which constitutes a threat with regards to the proliferation of weapons and mass destruction, and the support of extremist organizations like for example Hamas or Hezbollah. In his 2002 State of the Union Address, President George W. Bush called Iran, Iraq and North Korea an "axis of evil" where the potential link between terrorism and the use of weapons of mass destruction (especially of nuclear weapons) was high.<sup>2</sup> In this regard, the expansion of the sanctions regime and the threat of a preemptive military strike have become the central elements of Washington's Iran policy.

The next milestone was marked by the efforts of the EU-3 (France, Germany and the United Kingdom), who convinced Iran to sign the so-called Paris Agreement on November 14, 2004. Under the terms of the deal, Tehran agreed to suspend all uranium enrichment activities and implement the International Atomic Energy Agency's (IAEA) Additional Protocol (AP). The US, in exchange, promised to allow Iran's accession to the World Trade Organization. This deal, however, quickly fell apart when President Mahmoud Ahmadinejad took office in 2005. He restarted Iran's nuclear program and announced the continuation of enrichment-related activities in 2006. In May, 2006 the US announced to join the EU-3 talks with Iran, and the P5+1 negotiating format (China, France, Germany, Russia, the United Kingdom and the United States) was established the next month. Despite the efforts of the P5+1 and the Iranian nuclear negotiator, Ali Larijani, no real progress was achieved. The final years of the Bush administration were marked by two major processes. The first one was the adoption of UN Security Council resolutions against Iran and the start of the multilateral sanctions regime, which targeted Iran's nuclear-related activities, its missile program, and the Iranian financial sector. The second one was launched after the 2007 National Intelligence Estimate concluded that Iran's covert efforts to weaponize its nuclear program were suspended in 2003. This, on the one hand, killed any chance to gather international support to a potential preemptive military strike against Iran; and on the other hand, it also made it unlikely to implement another round of UN sanctions against Iran. Therefore, the Bush administration had to rely more than ever on the so-called "freedom agenda," which tried to decouple the Iranian population from the leadership and ensure a constant flow of news and information through radio networks and newspapers. The ultimate goal of these efforts was to promote democracy and the rule of law in Iran.<sup>3</sup>

While the Obama administration continued the Bush administration's sanctions policy and left the option of a military strike on the table, it also changed the tone of US rhetoric and made it clear that the White House wants to reconnect with Tehran in a peaceful and diplomatic manner. The President, however, also insisted that the normalization of relations depends on the resolution of the nuclear dossier. But despite the Obama administration's out-

<sup>1</sup> Sick, Gary: [The Iran Primer – The Carter Administration](#). *United States Institute of Peace*, 2015. 09. 21.

<sup>2</sup> Bush, George W.: [President Delivers State of the Union Address](#). *The White House Archives*, 2015. 09. 21.

<sup>3</sup> Hadley, Stephen J.: [The George W. Bush Administration](#). *United States Institute of Peace*, 2015. 09. 21.

reach to the Islamic world, during the President's first term diplomats were unable to overcome the continued mutual mistrust and suspicion. Besides, negotiations were complicated by a political turmoil which swept through the entire region, and changed the strategic calculations of both sides. The election of President Hassan Rouhani in June, 2013 finally brought a positive turn in the bilateral US-Iran relations and it also gave a big push to the negotiations between the P5+1 and Tehran. Several rounds of talks for over 20 months finally led to a diplomatic breakthrough: a "Joint Plan of Action" (JPOA) was signed in Geneva in November 2013, then a "Framework Agreement" in Lausanne in April 2015, and finally a "Joint Comprehensive Plan of Action" (JCPA) in Vienna on July 14, 2015.<sup>4</sup>

### ***The Effects of the Joint Comprehensive Plan of Action on US Government and Politics***

The United States is one of the very few places where the JCPA has become such an integral part of the political debate. While for President Obama and Secretary of State John Kerry this can be the foreign policy legacy that marks their names in history books, defense hawks in Congress consider this agreement one of the greatest mistakes of the administration. According to the White House webpage of the agreement, it is a good deal as it blocks the four pathways to a bomb, creates the conditions to monitor Iran's nuclear program at every single stage, "increases the time it would take Iran to acquire enough material for one bomb from 2-3 months to at least 1 year, reduces Iran's stockpiles of enriched uranium, reduces the number of Iran's installed centrifuges by two-thirds, prevents Iran from producing weapons-grade plutonium, and tracks Iran's nuclear activities with robust transparency and inspections."<sup>5</sup> The White House, in addition, claims that the deal will strengthen the defense and security of Israel, it will intensify security cooperation with Gulf States, and it will maintain restrictions on Iranian missile and arms activities.<sup>6</sup>

In the meanwhile, opponents of the deal argue that the JCPA was concluded based on "dangerous concessions" and it basically legitimizes Iran "as a nuclear threshold state."<sup>7</sup> They claim that the infrastructure will not be dismantled, verification is not strict enough as it does not provide "anywhere anytime access," avoiding a detection by the IAEA is still possible, and research and development can continue on advanced centrifuges (with certain limitations) which Iran will be able to use after the restrictions of the agreement pass. Therefore, they fear that if Iran decides to move towards a military capability, the international community will not have enough time and appropriate means to stop it. Thus, the deal does not prevent Iran from building nuclear weapons, it only prolongs the timeframe to do that.<sup>8</sup> American lawmakers, in addition, worry that the deal will "further Iran's support for terror activities throughout the region," and as Speaker of the House, John Boehner said, the future lift of the UN's arms and missile embargoes will supply militants with "weapons to kill Americans."<sup>9</sup> In general, a common theme of this group is that a "better deal" is possible and the US should implement further sanctions to pressure Tehran to agree to stricter limitations.

Regarding the general public opinion, the most recent polls show that despite the strong opposition of the Israeli government, the Jewish community in the US and in Iran supports the deal.<sup>10</sup> The picture, however, is not so clear when it comes to the American public as a whole. The deal seemed to enjoy a very strong general support at the beginning but as the debate heated up in Congress, it started to lose momentum and the polls began to show var-

<sup>4</sup> Limbert, John: [The Obama Administration](#). *United States Institute of Peace*, 2015. 09. 21.

<sup>5</sup> White House: [The Historic Deal that Will Prevent Iran from Acquiring a Nuclear Weapon](#). 2015. 09. 21.

<sup>6</sup> White House: [Countering Iran: How the U.S. and Our Allies Will Confront Iran's Destabilizing Activities](#). 2015. 09. 21.

<sup>7</sup> Landau, Emily B.: [The experts assess the Iran agreement of 2015](#). *The Bulletin of the Atomic Scientists*, 2015. 09. 21.

<sup>8</sup> Landay, Johnatan S.: [Here are key issues Congress will air as it debates Iran nuclear deal](#). *McClatchy DC*, 2015. 09. 21.

<sup>9</sup> Hughes, Siobhan: [Boehner Calls Iran Nuclear Accord a 'Bad Deal'](#). *The Wall Street Journal*, 2015. 09. 21.

<sup>10</sup> Cohen, Steven M.: [New poll: U.S. Jews support Iran deal, despite misgivings](#). *Jewish Journal*, 2015. 09. 21.

Erlich, Reese: [Iran's Jewish community gets behind nuclear deal with U.S.](#) *USA Today*, 2015. 09. 21.

ious results, based on the way the questions were asked, and the agenda of the groups which conducted the polls.<sup>11</sup>

The situation is similar in Congress where the GOP basis is strongly against the deal, while the majority of the Democrats stood up to support the President. But despite the deep divisions between these two camps, there are a few swing votes. After the April “Framework Agreement,” Congress approved the so-called Corker-Cardin Iran Nuclear Agreement Review Act.<sup>12</sup> Under the terms of this agreement, Congress was given the right to review the Iran nuclear agreement and vote on the issue of sanctions relief. The bill requires the administration to send the final deal and all classified material to Congress as soon as possible (but no later than 5 calendar days) and the lifting of any sanctions will be pending while the 60-day Congressional review is over. After the review, Congress had the right to vote to allow or to forbid the lifting of the (congressionally imposed) sanctions, in exchange for the dismantlement of Iran’s nuclear program. While Republicans in Congress pledged to derail the agreement, President Obama promised to veto any bill that rejects the Iran agreement. In order to overcome this presidential veto, both chambers needed to rally a two-thirds support to enact the opposing bill – in the case of the House, this means 290 votes from the 435, and in the case of the Senate, this means 67 votes from the 100.

For the US Congress, this question was definitely the most important issue in August and September, and it was also interesting to see that party-loyalty was overwritten by other interests in many cases. In the Senate, Democrats are in a minority position therefore they did not have enough votes to vote down a resolution of disapproval but they had enough leverage to filibuster and avoid a vote, which saved the President from having to use his veto power. Based on an early-September overview by the New York Times, 42 Democrat and Independent senators voted with President Obama, and 4 voted on the side of all 54 Republicans. In the House, the Republican majority has the votes to disapprove the deal but they do not have the 290 votes to overcome a presidential veto, therefore, they decided to switch tactics by announcing a vote to approve the deal – which of course they expected to fail. So far 145 Democrat representatives expressed their support to the deal, 24 are unknown, and 19 representatives from the Democratic Party have openly declared that they are going to vote against the deal (just like all 246 Republicans).<sup>13</sup> This, however, is not likely to matter as in the eyes of the administration, September 17 was the final deadline for Congress to disapprove the deal (which did not happen), otherwise the agreement takes effect. Although House representatives argue that the 60-day review process has not even started (as the administration failed to provide them with two confidential side deals between Tehran and the IAEA), the administration has decided to move on with the implementation.<sup>14</sup> After Senate Democrats stopped the Republicans from killing the deal, President Obama named Stephen D. Mull to overview the implementation of the agreement, and he also announced to issue waivers to suspend all US nuclear-related sanction on October 18.<sup>15</sup>

Although the deal seems to survive Congress,<sup>16</sup> the debate is not over, and opponents are likely to regroup their efforts towards attacking the implementation. Over the coming few years, heated debates are expected with regards to compliance issues, and the nuclear deal is likely to be blamed for anything that might go wrong in the region.

<sup>11</sup> Toosi, Nahal: [Does the American public oppose the Iran deal?](#). *Politico*, 2015. 09. 21.

<sup>12</sup> [Iran Nuclear Agreement Review Act of 2015](#). US Senate Foreign Relations Committee, 2015. 09. 21.

<sup>13</sup> Parlapiano, Alicia: [Lawmakers Against the Iran Nuclear Deal](#). *The New York Times*, 2015. 09. 21.

<sup>14</sup> Demirjian Karoun – Snell, Kelsey: [House conservatives may end up in court to kill Iran deal](#). *The Washington Post*, 2015. 09. 21.

<sup>15</sup> DeYoung, Karen: [Administration prepares to implement Iran nuclear deal as Republicans again fail to stop it](#). *The Washington Post*, 2015. 09. 21.

<sup>16</sup> According to the deal, all signatories are expected to approve the deal within 90 days after the UN Security Council approved it. This means that by October 18, all others have to move on with the formal adoption, this however is not likely to cause any problems.

### ***The Potential Effects of Lifting the Sanctions***

From a US perspective, lifting the sanctions is one of the most difficult questions with regards to the Iran nuclear deal. Since the 1979 hostage crisis, the US has implemented a robust system of sanctions which is not only related to the nuclear issue but to the support of terrorism and to the violation of basic human rights as well. The sanctions regime was significantly expanded in 1995, and a new wave of sanctions started in 2005. A certain portion of the US sanctions was introduced by the President, and the other portion by Congress which means that lifting the majority of sanctions will also require Congressional approval.

Although the tool of sanctions has been a controversial element of US foreign policy, it has been an integral part of Washington's Iran strategy for decades. While in the case of Europe, there is a pragmatic approach to sanctions which have been imposed in response to the nuclear program, in the case of the US, there is a religious belief in the power of sanctions. Despite the controversies over the negative side-effects of sanctions, there seems to be a bipartisan consensus on their use as a coercive measure against rogue states. Although Iranian diplomats claim that sanctions had no role in bringing Tehran back to the negotiating table in 2013, policymakers in the US still see them essential in concluding a final deal with Iran. This is exactly why many lawmakers find it difficult to accept any immediate lift of sanctions, and this is why the issue has become such a widely debated matter with strong disagreements about the timing and the preconditions of the relief. Although the US decided to keep in place the unilateral sanctions related to humanitarian issues and the support of terrorism, the sanctions related to the nuclear program will only gradually be lifted as Iran implements the agreement. (However, in the case of certain sanctions this might take years to actually realize.) The majority of sanctions is expected to be lifted after the so-called "Implementation Day," which is anticipated to arrive sometime in mid-2016. After the IAEA certifies that Iran has fulfilled certain obligations, a simultaneous sanctions relief will be implemented by the US, the EU and the UN in the shipping industry, in civil aviation, in the oil and gas sector, among the banks, and in Iran's civil nuclear agency. The de-listing process of the blacklisted entities will happen in two stages, and the so-called "Transition Day" will be the next milestone. After the IAEA confirms that no undeclared nuclear material is left in Iran, most of the remaining designated entities will be removed.<sup>17</sup>

While the UN Security Council has already suspended its sanctions in a new resolution, it was an important victory for the US negotiating team that the arms and missile embargo remained in place for five and eight years respectively. Besides, if Iran does not meet its obligations under the deal, all sanctions can be re-imposed immediately (at least in theory).

With regards to the effects of the sanctions relief, when the deal was announced in mid-July, the price of oil instantly fell with 2% which is good for the US economy. According to a recent World Bank report, the lifting of economic sanctions can give a big push to the Iranian economy and significantly boost its oil production. Experts believe that Iran can gain up to \$15 billion in oil revenues per year and global oil prices can decrease by as much as 14%, depending on the response of OPEC countries. The sanctions relief in the oil industry is likely to result an increase in Iranian oil production by a million barrels a day in 6-12 months after the approval of the deal.<sup>18</sup> Besides, the opening of the Iranian energy sector can also provide opportunities for major infrastructural investments, especially in the oil and gas industries. The structure of Iranian trade is also expected to change with a major increase in export and import ties with the West, and the reintroduction of Iran in the international financial system can also create important business opportunities for the American companies. (This, however, is not likely to occur immediately. After the Implementation Day, Americans will still be prohibited from doing business with most of the blacklisted entities).<sup>19</sup>

<sup>17</sup> Gillard, Nick - Williams, Dominic: [What the Iran deal means for blacklisted entities](#). *The Bulletin of the Atomic Scientists*, 2015. 09. 21.

<sup>18</sup> Devarajan, Shantayanan: [The Economic Impact of Lifting Sanctions on Iran](#). *Carnegie Endowment for International Peace*, 2015. 09. 21.

<sup>19</sup> Ibid. Gillard, Nick - Williams, Dominic: [What the Iran deal means for blacklisted entities](#).

The most controversial effect of the sanctions relief is the termination of asset freezes which is expected to allow the flow back of about \$100-150 billion to the Iranian leadership.<sup>20</sup> Opponents of the deal fear that this amount will be used to strengthen Iran's regional power and support radical Islamic organizations.

Despite all the potential positive effects of the sanctions relief, another problem of lifting the sanctions is the timing. The European allies of the US are worried about the secondary sanctions which might expose them to punitive actions by the US if they trade with blacklisted entities.<sup>21</sup> Therefore, the EU cannot by itself rush to lift all of the sanctions and benefit from the opening of the Iranian markets. In order to exploit the economic opportunities in Iran, a strong transatlantic coordination will be needed between the EU and the US. Even after Implementation Day, a significant amount of Iranian entities will remain on the blacklists and any American company can be criminalized for getting involved with them. This is likely to remain a strong deterrent against rushing to do business with Iran. While the Obama administration can rely on waivers and other temporary measures to reverse the restrictions, major investors are likely to carefully consider engaging in multi-billion dollar businesses. Besides, there is the threat of "snap-back" sanctions as well, which (at least in theory) would reinstate sanctions in case of non-compliance. Although the US fought for an easy way to re-impose UN Security Council resolutions, there is no guarantee that the current status quo can be re-established immediately. Not to mention the unlikely scenario of convincing all 28 EU member states to agree on sanctions that might harm their newest investments. Therefore, the paradox of the situation is that Iran can be the absolute winner of the issue.<sup>22</sup> If it plays smart and complies with the initial implementation of the agreement, it can gain significant leverage in the long run. After major Western companies appear on the markets, the chances of reinstating the current rigorous sanctions architecture are close to zero (unless a major breach of the agreement occurs).<sup>23</sup> After reclaiming the frozen assets, that money becomes almost untouchable and even if a hardliner Republican president takes office in January, 2017 it is very unlikely that he would kill the agreement, and risk losing the goodwill of the European allies and the support of multi-billion dollar companies for the sake of an uncertain "better deal" with Iran.

### ***The Broader Strategic Consequences of the Deal***

Although the agreement is an important milestone in the history of US-Iran relations, it is not likely to result a major political shift in the near future. If enough trust is established in the viability and implementation of the agreement, there is an increased chance of pragmatic cooperation in areas such as the fight against ISIS, the peace process between Israel and Palestine, or the crisis in Yemen. But as Ayatollah Khamenei noted, the dialogue between Iran and the US was mostly restricted to the nuclear issue, and coordination on other issues was quite rare. Therefore, there are no guarantees that the two countries will suddenly embrace a comprehensive strategic collaboration on all of these matters.<sup>24</sup>

Iran is likely to continue the support of organizations like for example Hamas or Hezbollah, and the US will continue to uphold a certain portion of its sanctions. As a result, the future directions of this relationship will be primarily dependent on the implementation of the agreement by Iran, and the lifting of the sanctions by the US. Besides, the basic structure of

<sup>20</sup> Maloney, Suzanne: [Un-sanctioning Iran: What the nuclear deal means for the future of sanctions](#). *Brookings Institution*, 2015. 09. 21.

<sup>21</sup> Lake, Eli: [How the U.S. Will Ease Europe's Iran Sanctions Jitters](#). *Bloomberg View*, 2015. 09. 21.

<sup>22</sup> This, however, does not mean that the deal is a bad one. The opponents of the agreement claim that Iran will capitalize on the deal and use its regained revenues for weakening the US and undermining its allies in the region. First, this is just an assumption and there are no guarantees that Iran will act accordingly; and second, the US still has a number of means to protect itself and to reassure and defend its allies in the region. The mere fact of resolving a crisis by diplomatic means should never be underestimated in the light of potential negative outcomes in the future.

<sup>23</sup> Ibid. Maloney, Suzanne: [Un-sanctioning Iran: What the nuclear deal means for the future of sanctions](#).

<sup>24</sup> Staff and agencies: [Iranian nuclear deal won't change policy toward US, says Ayatollah Ali Khamenei](#). *The Guardian*, 2015. 09. 21.

allies has also not changed due to the agreement, which means that despite the disagreements about the content of the deal, Israel will remain the primary partner of the US in the region, and Washington will also continue to have strong ties with the Gulf States, most of which do not have a good relationship with Tehran. These strategic imperatives have already had an influence on US-Iran relations and they will continue to have in the future.

Although the deal marked a significant foreign policy success for the Obama administration, which Republican lawmakers and Israeli lobbyists failed to undermine, the issue is likely to remain in the forefront of US foreign policy for several years to come. Now that the fight over the approval seems to be over, the next battlefield is the implementation where the opponents of the deal can still do major damages and prevent the positive spill-over effect of the deal to other policy areas.<sup>25</sup>

## ***Déjà vu? The Iranian nuclear deal from the European Union's perspective***

*(Zoltán Gálik)*

### ***Active EU role – the experience of the past decade***

The activities related to the Iranian nuclear program have been in the focus of the EU's Common Foreign and Security Policy in the past decade. This was the first instance when besides realizing member state interests, a common EU stance was taken and role played in a key issue of global security, while Iran was looking at the European Union as a real counterweight to the United States. The common foreign policy goals were dictated by the "directoriate" made up of the United Kingdom, France and Germany (the E3/EU), with the EU being represented on the highest foreign policy level (Javier Solana, Catherine Ashton, then Federica Mogherini). With the exception of Ireland and the Baltic states, the other twenty-four EU member states maintained a continuous diplomatic and consular presence in Iran during the last ten years.<sup>26</sup>

The European Union had a determinant role in the preparation of the 2015 July deal. The EU concluded similar, albeit less detailed agreements with Iran as early as 2003 and 2004, the implementation of which, however, met basic difficulties. From the point of view of the EU one of the most important tasks was to avoid the repetition of former mistakes and to establish a coherent and implementable system of control.

Following the breaking of news on the reconstruction of unannounced nuclear installations by Iran (2002), in June 2003 it was the three European states which started negotiations with Iran, while the United States stayed away. The aim was to make Iran sign the Additional Protocol of the NPT and stop the activities related to the development of the uranium enrichment capacity and the nuclear fuel cycle.<sup>27</sup> In the Tehran Agreement signed in October 2003 Iran committed itself to cooperate with the IAEA to settle the international concerns, not to develop nuclear weapons, to prepare to sign the Additional Protocol and to suspend activities related to uranium enrichment. The E3 in return acknowledged Iran's right to the civilian use of nuclear energy and promised that the issue would not be brought to the UN Security Council.

However, in the course of the negotiations it was revealed that Iran was continuing the development of its nuclear program (a new generation of so-called P2 centrifuges were put into operation, the suspicion arose about preparations of a new uranium enrichment plant, Polonium-210 tests were further carried out and in Esfahan the development of uranium-tetrafluoride, then uranium-hexafluoride conversion capacities were pursued) And in February 2004 the IAEA announced that the agreement signed between the EU and Iran<sup>28</sup> can only be considered successful if both conditions related to the enrichment (the halt to the assembly of new centrifuges and to the foreign procurement) will be under control and verified. (There

<sup>25</sup> Walt, Stephen M.: [Why America Will Never Hit Reset With Iran](#). *Foreign Policy Magazine*, 2015. 09. 21.

<sup>26</sup> The British embassy in Tehran was closed following the November 29, 2011 attack when the angry mob broke into the building because of the increasing European sanctions. The embassy was reopened in August 2015.

<sup>27</sup> This term was later deleted from the agreement.

<sup>28</sup> Iran announced in April 2006 that it enriched uranium in a laboratory.

were also disagreements over the interpretation of the deal: in Iran's understanding the agreement would cover the Natanz site only, etc.) The Paris agreement signed by the EU and Iran in November 2004 aimed at correcting the mistakes of the previous agreement: it was not only about the limits of enrichment, but it regulated the certain steps of the nuclear fuel cycle, especially the transparency of and the halt to the tetra and hexafluoride conversion in a much more detailed way. Iran asked for exceptions for the conversion activities and research programs, and for the temporary suspensions of activities in several fields.<sup>29</sup> The negotiations of the E3 and Iran and the experiences gained through the consequent deals, therefore, had a determinant role in the preparation of a new, complex, long-term framework agreement.

The United States, which referring to the threats of nuclear armament wanted to achieve a regime change in Iran even by a military mission if necessary, after February 2005 changed tactics and came to support the EU diplomatic efforts and participated in the negotiations. That changed the Iranian perspective, which saw the EU's role in the conflict diminishing, and tried to divide the allies in the course of the negotiations. Following the June 2005 electoral victory of Mahmoud Ahmadinejad, the sites closed on the basis of the Paris Agreements were re-opened, therefore, the EU efforts had practically failed. Iran formally terminated the agreement in September. Tensions were strengthening in the following year, when Iran decided to not implement the commitments undertaken in the Additional Protocol of the NPT.<sup>30</sup>

From 2005 the European Union was managing its foreign policy relations to Iran in four baskets: the non-proliferation of weapons of mass destruction had an absolute priority besides the Middle East peace process, the situation of humanitarian rights and the support for terrorist organizations (first of all the military wing of the Hezbollah<sup>31</sup>). After the failure of "bilateral diplomacy", the EU continued its activities to curb and limit the threat innate in the Iranian program through the UN Security Council.<sup>32</sup> Iran, besides conducting negotiations with the E3, came to negotiate its nuclear program with the P5+1. The negotiations bore no fruit till 2013, since Iran's basic demands – the acknowledgement of its right to enrichment and the immediate elimination of sanctions – were not met.

### ***The sanctions policy of the European Union***

Sanctions – introduced since 2006<sup>33</sup> in accordance with UNSC resolutions, but especially the one agreed on in January 2012 - have proved to be an effective tool of the EU common foreign policy, and caused significant losses to the Iranian economy. The primary aim of the EU sanctions were to limit nuclear related procurements as well as arms exports, to freeze private and company accounts, to limit financial transactions and to limit the free movement of people related to the nuclear program. Under the influence of the sanctions limiting Iranian oil exports, Iran's relevant income has dropped down to approx. 30% (the EU used to buy approx. 20% of the Iranian output). Foreign investments also decreased significantly, while the GDP dropped approx. by 15% between 2012 and 2014 (from 576 billion to 493 billion USD). In 2015 it may further decrease by 10-15%. These developments have influenced the economy of EU member states as well, especially those (like Greece or Italy) which had been dependent to a large extent on Iranian oil import. EU foreign trade with Iran also dropped back significantly following the introduction of sanctions: while in 2005 it was an annual 32 billion euros, in 2015 it was less than 9 billion euros. For the European companies the sec-

<sup>29</sup> Iran's Strategic Weapons Programmes. The Institute for Strategic Studies., London, 2005

<sup>30</sup> Iran started negotiations with the IAEA on the Additional Protocol to the NPT as early as 2003. The majlis did not ratify the agreement, however, till 2006 abided by the commitments in it.

<sup>31</sup> The EU put the Hezbollah on its list of terrorist organizations in July 2013.

<sup>32</sup> UN SC Res 1696 (2006), UN SC Res 1737 (2006), UN SC Res 1747 (2007), UN SC Res 1803 (2008), UN SC Res 1835 (2008), UN SC Res 1929 (2010), UN SC Res 1984 (2011), UN SC Res 2049 (2012), UN SC Res 2105 (2013)

<sup>33</sup> Council Decision 2010/413/CFSP, Council Decision 2011/235/CFSP, Council Regulation (EU) No 359/2011, Council Regulation (EU) No 267/2012



ondary sanctions introduced by the US against European companies violating the usually much stricter the US sanctions, meant an extra burden.

***The lifting of sanctions, the opportunities of the normalization of trade relations***

It had become evident in the course of the negotiations that EU sanctions could not be raised immediately, but they would be released gradually and it would take months. The 2013 interim agreement ruled on the partial release of sanctions (since January 2014 for a six month-period – renewed three times), following the July 2015 comprehensive deal these were renewed with a further six months. Part of the remaining economic and financial sanctions will be eliminated by the European Union till January 2016,<sup>34</sup> if Iran meets its commitments and the IAEA reports prove this. Oil export related sanctions (e. g. technology transfers) are conditioned by the UN SC confirming decision, while sanctions related to the most sensitive fields (the export of nuclear technologies, the armament and missile systems) can be terminated on the basis of further agreements/agreements to be concluded later.

Following the termination of limitations, the European Union may again become Iran's most important trading partner.<sup>35</sup> In case the terms of the agreement are met, negotiations related to the Agreement on Trade and Cooperation suspended in 2005, may be renewed.<sup>36</sup> The conclusion of a comprehensive trade agreement will increase the EU's relations not only to Iran, but will enhance the EU's role in the wider region. Besides the great European companies in the energy industry, those involved in vehicle production (cars and aviation) as well as telecommunication are eagerly waiting for the opening of the Iranian market.

*The significance of the deal from the EU perspective*

From the European Union point of view it was extremely important that in return for the termination of the sanctions a long term and functioning agreement could be reached, under which Iranian activities in any field of the nuclear fuel cycle can be well controlled. This could be achieved with the cooperation of the United Nations (IAEA, Security Council) and the United States. It is also important for the EU that following the implementation of the deal negotiations over human rights, which were suspended, can be continued.

By participating in the negotiations and by the conclusion of the deal the European Union expressed its readiness to undertake a significant role on the highest level in global security policy issues, and made it also clear that in accordance with its 2003 security doctrine it is committed to the initiatives aiming at the non-proliferation of weapons of mass destruction. It is in the specific interest of London, Paris, Berlin and all EU members that the Middle Eastern nuclear weapon free zone be realized and no nuclear arms race take place among the rival regional powers. It would be a strategic mistake if – besides the deteriorating regional security conditions, the destabilizing Syria and Iraq – a new and deepening faultline evolved among the regional states. Nevertheless, the signature of the deal may have a profound impact on the relationship of the EU and Israel, mostly with regard to the Middle Eastern peace process, since by having the Iranian deal implemented, European diplomacy can concentrate its best efforts on this issue.

In the course of the negotiations the European Union has undergone several serious crises. The management of the global economic crisis, the Ukrainian and the Greek crises as well as the refugee crisis put the EU in front of serious challenges. The Iranian deal was a positive development of the European Common Foreign and Security Policy strengthened by/in the Lisbon Treaty.

<sup>34</sup> [Information note](#), The European Union and Iran. European External Action Service, 2015. 04. 17.

<sup>35</sup> It is the fourth most important partner at the moment after China, the UAE and Turkey.

<sup>36</sup> Since Iran is not a member of the WTO, trade relations to the EU are based on the general import regulations.

## Russia (László Póti)

### *Iran in the foreign policy thinking*

The relations between Russia and Iran go back for centuries, turbulent and peaceful periods followed each other. During the Cold War, in accordance with the logic of the bipolar world as a result of Iran's pro-Western policy, bilateral relations were dominated by confrontation. After the 1979 revolution Tehran turned towards Moscow and economic ties received a boost. After the dissolution of the Soviet Union the two states further deepened their relations, on Russia's behalf this was meant to counterbalance the perceived overweight of the US and to promote the vision of a multipolar world. Western sanctions resulted in the fact that Russia became the most important commercial partner of Iran, the Russian share in Iranian weapons import also grew and from the mid-nineties Russia has become the main partner in developing the Iranian nuclear sector. In harmony with Moscow's aspirations Iran gained an observer status in the Shanghai Cooperation Organisation and may soon join it.

The Russian foreign policy concept does not formulate specific Iran-related passages – as it does with regard to other important partners – but refers to Iran in the context of non-proliferation. The new Russian foreign policy concept adopted in February 2013 gives a high priority to the weapons of mass destruction, which is mentioned 8 times in the document. The passage dealing with Iran (point No. 89.) states that "Russia will continue its balanced policy in favor of a comprehensive political and diplomatic settlement of the situation related to the Iranian nuclear program through dialogue based on a step-by-step and mutual interest approach and in strict compliance with nuclear non-proliferation requirements."<sup>37</sup>

### *The Russian evaluation of the agreement*

Russia considers the nuclear agreement a success and, to some extent, a success of its own. The Russian president welcomed the agreement on July 14, underlining the role of two principles laid down in the foreign policy concept – „a step by step and mutual interest approach”<sup>38</sup> Putin also emphasized the contribution of the Russian delegation to the success. The presidential communique emphasized that the agreement opens the way before the „widespread peaceful nuclear cooperation” and that „external factors will no more bloc the development of bilateral ties”.

A more detailed evaluation was given by foreign minister Lavrov,<sup>39</sup> when he said that Moscow will play an important role in two practical issues when implementing the agreement: first, the transport of low enriched uranium from Iran to Russia and the transport of Russian natural uranium to Iran, second, the refurbishment of the enrichment plant in Fordo for the production of medical and industrial isotopes. (According to the head of the Russian delegation, the enriched uranium transported to Russia will be kept in the nuclear fuel bank in Angarsk.<sup>40</sup>) The Russian foreign minister named three further points that highlight the importance of the agreement. First, the document strengthens the non-proliferation regime, second, it creates a „healthier ambiance” in the Middle East, North Africa and the Persian Gulf, third, it opens the way before the solution of other problems (eg. ISIS).<sup>41</sup>

The most important message, though, was meant for Washington. He recalled President Obama's 2009 Prague speech, where he said that „If the Iranian threat is eliminated, we will have a stronger basis for security, and the driving force for missile defense construction in

<sup>37</sup> [Concept of the Foreign Policy of the Russian Federation](#), 2013.02. 12.

<sup>38</sup> [http://archive.mid.ru/brp\\_4.nsf/0/76389FEC168189ED44257B2E0039B16D](http://archive.mid.ru/brp_4.nsf/0/76389FEC168189ED44257B2E0039B16D)

<sup>39</sup> [Заявление и ответы на вопросы СМИ Министра иностранных дел России С.В.Лаврова по итогам переговоров «шестёрки» международных посредников и Ирана по иранской ядерной программе](#), Вена, 14 июля 2015 года,

<sup>40</sup> [СЕРГЕЙ РЯБКОВ ВЫСТУПИЛ НА ЗАСЕДАНИИ МЕЖДУНАРОДНОГО КЛУБА "ТРИАЛОГ" ПО СОГЛАШЕНИЮ С ИРАНОМ](#), 2015. 07. 17.

<sup>41</sup> Russia says Iran deal paves way for 'broad' coalition against Isis, The Guardian, 2015. 07. 14.

Europe will be removed".<sup>42</sup> Lavrov added that they have called the attention of their American colleagues to this fact, and they are waiting for the answer.

According to the Russian interpretation there has been a major progress on the issue of weapons embargo that is very much in line with Russian interests. The West originally wanted to postpone it by 8-10 years, but Moscow together with China managed to decrease it to 5 years. Furthermore, in Lavrov's opinion even during this 5 years period „there is a possibility for weapons deliveries by way of proper information and verification procedures through the SC of the UN”.

Bilateral economic relations can receive a new impetus, and the renewal of talks about the delivery of S-300 air defence system can also be expected, as well as the export of radar and radio-electronic devices or civilian airplanes (Sukhoi Superjet 100). The continuation of the peaceful nuclear program opens up new perspectives for the Russian nuclear sector. However, reduced oil prices are perceived by Moscow as only a temporary phenomenon.

*What are the Russian strategic interests related to the agreement?*

Mainstream Russian experts think that the agreement was drawn up predominantly according to a „Russian model”. That is, while Washington wanted regime change in Iran, according to Moscow it was exactly the western policy aimed at regime change that forced Iran to go ahead with its nuclear program, in connection with which the risk of military use was suspected. Russian experts also claim that the agreement managed to avoid two extremes: the Libyan scenario (Qaddafi unilaterally renounced weapons of mass destruction) and the case of North Korea whose leadership decided to develop and test nuclear weapons.<sup>43</sup>

It is also a typical opinion in Moscow that they can use the agreement<sup>44</sup> to initiate/force a breakthrough in Russian-Western relations and it can even give an impetus in the Ukrainian crisis. Moscow also considers it among its successes that it has won a diplomatic battle and regained part of its influence in the international arena in general, and in the Middle East in particular.

The activism of the Russian delegation during the talks and the perception of the result of these talks as (predominantly its own) success point to the fact that Moscow wanted to achieve a breakthrough in its by far most important security policy debate with Washington: missile defence. Since the announcement of the American missile defence program Russia regarded it as a measure that breaks down strategic parity between the two sides. As Iran played a central role as a potential threat in the American argumentation in favour of the missile defence program, the successful implementation of the agreement gives exceptionally strong arguments to Moscow against missile defence.

To a lesser extent, it was also an important security policy success for Russia that the agreement renders Iran's acquisition of nuclear weapons impossible and thus reinforces the non-proliferation status quo.

At the same time one can assume that the agreement does not contain any element of bargain regarding Ukraine, and if it has a spill-over effect on the Minsk process it will be only an indirect one.

Finally, because of the predominantly security policy importance of the agreement, the potential negative international economic consequences (reduced oil prices) are absolutely tolerable in view of the security benefits.

<sup>42</sup> <https://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-prague-delivered>

<sup>43</sup> Иран без санкций, 2015. 07. 14.

<sup>44</sup> Ядерная сделка с Ираном: в чем российский интерес?, 2015 . 07. 22.

## **The Iranian deal from the Chinese perspective** (*Tamás Matura*)

### ***Iran in the Chinese foreign policy thinking***

China has been maintaining relations to Iran (Persia) for thousands of years, even if diplomatic relations were formally established in 1971 only. As opposed to the Western states or Russia, Chinese-Iranian relations have not been affected by historic grievances. Peking has been an arms – and probably nuclear technology – supplier for Iran, so it is not surprising that China has tried to play a constructive role in the negotiations between Iran and the great powers, at least to the extent its own interests defined. Peking was a staunch supporter of a peaceful solution to the conflict and to Iran's right to the civilian use of nuclear energy, thus enhancing the investment positions of its energy companies in Iran. Nevertheless, Peking is bound to move cautiously, since its ties to Iran should not threaten its relations either to the United States or to Israel.

### ***The evaluation of the deal***

One of the big winners of the Iranian nuclear deal can be China if it proceeds cleverly in the next few years. The Iranian reconciliation influences its room for maneuver not only as the biggest oil importer globally, but as a trade and investment partner as well as a regional great power and a security policy partner. It is not accidental, therefore, that Chinese Foreign Minister Wang Yi was speaking of a historical deal on July 14, 2015.<sup>45</sup> Still, there are certain risks as well for China.

Peking wanted to avoid especially two possible outcomes to the conflict: an American-Iranian war and its exact opposite, an American-Iranian alliance. The former would have closed the way in front of oil shipments from the Persian Gulf to China, while the latter would have threatened the positions of the Chinese companies wanting to invest in Iran. Consequently, China has moved about cautiously, and though it voted for the UN sanctions, by strengthening its trade relations to Iran it helped decrease the economic pressure on Iran. From a political perspective, China had dual interests as well. It would not have supported the eventual nuclear weapon development ambitions of Tehran, but it saw an opportunity in the conflict to limit (or lessen) the American influence in the region.

Following the conclusion of the deal and the lifting of the sanctions in consequence, the strengthening of the Peking-Tehran relations are to be expected in four main fields. The increase of oil trade will be an obvious result, but China will be ready (and eager) to take part in the development of the Iranian infrastructure as well. The strengthening of the security cooperation is also a common interest between the two, as well as the possible political cooperation to limit Washington's regional influence.

### ***Oil trade***

The People's Republic of China besides being the biggest oil importer globally, is at the same time the country most exposed to problems related to oil trade. Although Peking controls – even in global terms – huge oil and gas resources of its own, due to the difficulties of exploitation, but especially to the rapid increase of consumption, two-thirds of the oil it consumes have to be imported. This dependence is expected to further increase in the next decades above 80%. Therefore, for China the development of the global oil market is of primary importance. But the Chinese leadership is facing not only a simple demand-supply problem, but that the continuous supply should be guaranteed within a complex geopolitical system. One glimpse at the map shows that the sources of basic materials needed for the economy – among them oil – are far away from the Chinese coasts. Therefore, China is

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<sup>45</sup> Wang Yi: [China Plays Unique and Constructive Role in Reaching Comprehensive Agreement on Iranian Nuclear Issue](#)

bound to import these via very long and strategically risky maritime routes. China is especially sensitive to conflicts in the neighbourhood of Iran, since almost 70% of its oil imports is originating from the Middle East and East-Africa. What's more the carriers frequently have to pass through waters threatened by pirates or controlled by the United States navy, through narrow straights, along unfriendly states, and with increasing domestic demands.

Consequently, for Peking the solution of the conflict with Iran and the increase of the Iranian oil export were of a strategic importance. At around the time of the introduction of the first UN sanctions, Iran was responsible for 11% of the Chinese import, which was, due to geopolitical risks, decreased gradually by Peking to 6%. Thus, from the 3<sup>rd</sup> place among the originating states Iran slid back to the 6<sup>th</sup>. Nevertheless, the volume of the Iranian oil export to China was increasing practically unhindered between 2007 and 2014, from 11 billion USD to 21 billion USD.

Although trade between the two countries increased from 7 billion USD in 2004 to 52 billion in 2014, its structure is rather one-sided. 77% of the Iranian export to China was oil in 2014, while 90% of the Iranian import from China was processed industrial goods, mainly equipment and vehicles. However, for the decade to follow the lifting of the sanctions, the two countries have set an ambitious goal: by 2024 they would like to have the volume of their bilateral trade surpass 200 billion USD.<sup>46</sup>

### ***Investments and infrastructure developments***

Today, China has significant, 17 billion USD worth FDI in Iran, according to the UNCTAD Stat data, which was almost exclusively invested in industry, mostly in energy industry.<sup>47</sup> The great Chinese energy companies are eagerly waiting for the lifting of the sanctions so that they could participate in the development of the Iranian energy sector, even if a rivalry is to be expected with the technologically more developed western companies. But Peking may provide its development plans in package deals since through Iran it can establish relatively safe land routes of supply in the form of pipelines between the Persian Gulf and Western China. Tehran may also play an important role in the several hundred billion USD worth Silk Road project launched by Peking (One Road, One Belt), the southern corridor of which is going through Iran. It is also important for Iran to diversify its oil export, and since it needs an estimated minimum 500 billion USD investment, China may count on significant orders.

### ***Security cooperation***

Neither Pakistan, nor Afghanistan can be stabilized without Iran, while the Iranian posture on the Islamic State (IS) is also in question. For China the security of Central Asia is a strategic issue - due to the separatist activities of the Muslim communities in the Xinchiang province, the security of the Chinese-Pakistani and Chinese-Afghan borders, and the question of Kashmir -, therefore, it will aim at cooperation with Iran over all these issues.

Due to the above mentioned sensitive supply routes Peking may get closer to Tehran in the traditional military cooperation. China already has significant interests in the Gwadar port in western Paksitan, so it would be no surprise if the Chinese navy units paid regular visits to Iran. The Chinese Minister of Defence was speaking about a closer military cooperation between the two countries already in October 2014,<sup>48</sup> and the common fight against terrorism is also on the agenda.<sup>49</sup> Such Chinese efforts complement the plans to secure the supply routes.

<sup>46</sup> [Iran, China set to up trade to \\$200bn: Official](#), *Press TV*, 2014. 03. 03.

<sup>47</sup> [Foreign Direct Investment Flows and Stocks](#), *UNCTAD*

<sup>48</sup> [China says wants closer military ties with Iran](#)

<sup>49</sup> [China's top domestic security chief visits Iran to push for anti-terror cooperation](#), *Reuters*, 2014. 11. 18.

### **Political cooperation**

The intensification of the above mentioned economic and security relations will necessarily lead to the strengthening of general political cooperation between Peking and Tehran. Both Iran and China are interested in eroding the US influence in the Middle East and the eventual western criticisms over human rights issues will bring the two further together. To deepen political cooperation China may help Iran to get a more enhanced role in regional multilateral organizations where China is taking the lead, such as the Shanghai Cooperation Organization or the recently established Asian Infrastructure Investment Bank.

China, however, has to calculate with several risks as well. On the one hand, the reliability of Tehran is an issue, since building a functioning working relation with Iran is not easy. On the other hand, Iran has regional power ambitions, which may clash with Chinese interests. From a business point of view the biggest danger may be if Iran does not fulfill the terms of the nuclear deal fully and sanctions are snapped back automatically at any time in the next ten years. Such an event may cause serious losses for the investors, including China. It is not evident either how much the push back of American presence in the region serves the interests of Peking. Though it seems that China is trying to decrease Washington's influence on every front, it is a big question if it is ready to undertake an international peace-keeping role in an eventual future Middle Eastern chaos without the involvement of the United States. Due to the shale gas revolution the control over the Middle Eastern resources is less and less important for the US, while it is concentrating increasingly on the Pacific region, especially because of China.

## **Iran**

(Erzsébet N. Rózsa)

### **Iran's self-perception in its foreign policy thinking**

The awareness of Iran's exceptionality is playing a dominant role in Iran's foreign policy thinking. On the hand, it is based on the ancient statehood and civilization, on the other, on the (Shiite) Islamic revolutionarism and the relevant *velayat-e faqih* state model.<sup>50</sup> The aim of the Iranian foreign policy is the maintenance and defence of this Shiite modernization experiment.

Iran has been a regional power through most of its history. Before the revolution, the Shah wanted to make Iran "the policeman of the region". The program of the export of the revolution forecasted the regional power desires of the Islamic Republic, which were kept in check by the eight-year war with Iraq and the policy of dual containment by the United States. However, the elimination of first the Taliban in Afghanistan, then of Saddam Hussein in Iraq opened the way for Iran to realize such aims. The new Iranian regional power status can be best described by the "eastern opening", the concept of four powers – Russia, China, India and Iran - controlling Asia and Mahmoud Ahmadinejad's third world (Africa, Latin America) policy, as well as the "front of resistance" and the Saudi-Iranian cold war.

Aware of its exceptionality Iran wishes to have itself accepted as an equal partner of the global powers, the independence of which (the rejection and forbiddance of any foreign interference) is established in the constitution.<sup>51</sup>

<sup>50</sup> The model of Islamic government based on the direction of the faqih was elaborated by Ayatollah Khomeini in the late 1960s. See e.g. N. Rózsa Erzsébet: Az Iráni Iszlám Köztársaság – a síita modernizációs kísérlet. [The Islamic Republic of Iran – the Shiite modernization experiment] In Csicsmann László (szerk.): *Iszlám és modernizáció a Közel-Keleten: Az államiság eltérő modelljei* [Islam and modernization in the Middle East: The different models of statehood]. Budapest, 2010, Aula, pp. 251-274.

<sup>51</sup> [Articles 2-3 of the Iranian constitution](#), 2015. 07. 15.

### ***The Iranian evaluation of the deal***

The nuclear deal is a success for Iran, since by limiting “only” – under enhanced international control – some parameters of its program (e.g. the scope of uranium enrichment, the number and type of uranium centrifuges, etc), its right to the full nuclear fuel cycle is acknowledged as long as it is used for civilian purposes.<sup>52</sup>

Ayatollah Khamenei approved the deal,<sup>53</sup> however, some statements coming from him and from other political circles have raised doubts as to the Iranian intentions. On the one hand, “red lines” repeated in the last phase of the negotiations have been clearly transgressed by the deal (e.g. that sanctions should be eliminated at once or that military sites cannot be inspected, etc). On the other hand, Khamenei made the Iranian acceptance of the deal ambiguous (“it is not sure that it will be accepted here, and it is not sure that it will be accepted there”) and at the same time 201 MPs (out of the 290) demanded in a letter that the government should bring the deal for approval to the Parliament. However, taking into consideration that all this took place simultaneously with the debate in the US Congress, it could not be excluded that this was a kind of response to the American statements. Khamenei’s remarks that the Iranian foreign policy will not change, regional allies will further be supported and that Iran will stick to its present policy towards the United States, could be put in the same category.

Though some Iranian hardliners still reject the deal, their reference to Ayatollah Khamenei proves that Khamenei is the ultimate decision-maker not only according to the constitution, but in reality as well. Therefore, on the Iranian side “Khamenei is the center of the hardliners”, i. e. no group wants or can prevent the implementation of the deal against his will. This is further proved by the fact that the leaders of the Islamic Revolutionary Guard have also approved the deal. Besides, Khamenei has been continuously supporting and praising the Iranian negotiating team, the members of which were always attributing the success of the negotiation phases to Khamenei and his guidance. Khamenei was also regularly informed on all steps and he also met the members of the delegation personally.<sup>54</sup>

Khamenei’s policy of supporting and criticizing the deal at the same time can be explained by his wish to represent each and every point of view, and while he is skeptical of the success of the deal and does not trust the United States – which conviction is further fuelled by the Congress statements -, he does not want to directly interfere in political debates, but rather wishes to keep a distance, especially before the parliamentary elections due next spring. Therefore, according to some opinions should the US Congress vote down the deal, Khamenei cannot be blamed, and the scapegoat will be Hassan Rouhani, the Iranian president.<sup>55</sup>

#### *What is the Iranian strategic interest related to the acceptance/rejection of the deal?*

For Iran – beside the by now almost forgotten economic reasons<sup>56</sup> – the nuclear deal means the acknowledgement of its statehood and state model, as well as its regional power status. The maintenance and defence of the experimental model of the Islamic government is the primary aim of the Iranian foreign policy, as opposed to the United States, which has several times expressed the necessity of regime change in Iran. With the nuclear deal – even if indirectly – the regime change has been put off the agenda, what’s more, the regime has

<sup>52</sup> Though Iran’s right to the civilian use of nuclear energy is granted under Article 4 of the Nuclear Non-Proliferation Treaty, the text does not define the details. Therefore, the explanation of this article has been debated from the very beginning, and this is how the first demand in the Iranian debate was the absolute giving up of uranium enrichment.

<sup>53</sup> Thomas Erdbrink: [Ayatollah Khamenei, Backing Iran Negotiators, Endorses Nuclear Deal](#). *The New York Times*, 2015. 07. 18.

<sup>54</sup> Haleh Esfandiari: [Are Ayatollah Khamenei’s Views of the Iran Nuclear Deal Emerging?](#) *The Wall Street Journal*, 2015. 08. 17.

<sup>55</sup> Meir Javedanfar: [The Most Famous Casualty of Obama’s Nuclear Deal Could Ultimately be Hassan Rouhani](#). 2015. 08. 03.

<sup>56</sup> E. g. that nuclear energy is cheaper than the energy generated through traditional means, or that since there is no heat emission it is more environment-friendly, etc.

been strengthened in its legitimacy, especially that it could refer to and rely on the will of the people.

The negotiations in themselves – Iran as an equal partner with the leading states of the world – and the deal itself are the acknowledgement of the regional power status of the Iranian regime born in the Islamic revolution. The Iranian financial resources to be released (defrosted) will directly or indirectly serve this purpose, be they used for the development of the economy and the infrastructure, or for armament and the support of Iran's allies, as those rejecting the deal fear.

The lifting of the sanctions was an obvious aim for Iran in the negotiations, in spite of the fact that the Iranian market has - to a certain extent - adjusted to the situation. Today it seems that potential investors are queuing up in Tehran in spite of the fact that the sanctions will be lifted gradually only, following the Iranian accomplishment of the agreed terms.<sup>57</sup>

The Iranian nuclear program will – even among limits and under international supervision – contribute to Iran's regional power status, which is further enhanced by the possession of the full nuclear fuel cycle. Referring to Ayatollah Khamenei's nuclear fatwa Iran is presenting itself as the responsible regional power, when Foreign Minister Mohamed Javad Zarif calls on the nuclear weapon states and Israel to disarm their nuclear arsenals.<sup>58</sup> It is only a matter of time when the issue of the Middle Eastern nuclear weapon-free/WMD-free zone will come back on the international agenda, which, from this enhanced position Iran will surely support.

### **The Gulf States** (Máté Szalai)

#### ***The role of Iran in the foreign policy thinking of the Arabian Peninsula***

The perception and the activities of Iran has always played a crucial role in the foreign relations of the states of the Arabian Peninsula. Apart from competing with Tehran for regional influence, the Sunni Arab monarchies have also been separated from the Shiite Persian Islamic Republic by ethnic, sectarian and political cleavages. The centuries-old perception<sup>59</sup> between the two sides of the Gulf,<sup>60</sup> which was built on mutual mistrust and fear, was only enhanced after the Iranian revolution of 1979, when the new regime announced a revolutionist foreign policy towards the Middle East, which inherently questioned the legitimacy of the traditional monarchies. The rhetoric of the Iranian foreign policy focused on supporting the Middle Eastern Shia communities, a huge part of which were living under the "oppression" of the Sunni Arab regimes of the Gulf. With an approx. 5-35% Shiite minority each,<sup>61</sup> these countries justifiably feared the Iranian political expansion, therefore, in response to the threat posed by Tehran (and Baghdad), the six countries established the Gulf Cooperation Council (GCC) in 1981.<sup>62</sup> Apart from the fact that pragmatic considerations gained more and more priority over ideological aspects in the Iranian foreign policy,<sup>63</sup> the relations have not been softened in the last 36 years – moreover, since the beginning of the Arab Spring and the out-

<sup>57</sup> [Iran eyes \\$185 billion oil and gas projects after sanctions](#), *Reuters* . 2015. 07. 23.

<sup>58</sup> Iran's foreign minister calls for world's nuclear weapons states to disarm. *The Guardian*, July 31, 2015, , <http://www.theguardian.com/world/2015/jul/31/iran-nuclear-weapons-states-disarm-israel>; Iran has signed a historic nuclear deal – now it's Israel's turn. *The Guardian*, July 31, 2015,

<http://www.theguardian.com/commentisfree/2015/jul/31/iran-nuclear-deal-israel-vienna-treaty-middle-east-wmd>

<sup>59</sup> Marschall, Christin: *Iran's Persian Gulf Policy. From Khomeini to Khatami*. London & New York, 2003, Routledge, p. 3-4.

<sup>60</sup> Which can be seen in numerous symbolic disputes, such as the very designation of the Persian/Arab Gulf. For the sake of impartiality, we will call the region as "Gulf" or "Gulf region", without the ethnic designation.

<sup>61</sup> And Bahrain with a 65-75% Shia majority. See Pew Research Center: [Mapping the Global Muslim Population](#). *Pew Research Forum*, 07.10.2009.

<sup>62</sup> Wright, Steven: Foreign Policy in the GCC States. In: Kamrava, Mehran(ed.): *International Politics of the Persian Gulf*. New York, 2011, Syracuse University Press, p. 89-90.

<sup>63</sup> Marschall: *Iran's Persian Gulf Policy*... *ibid* p. 18.



break of regional civil wars, the power rivalry between Saudi Arabia and Iran has further intensified.

Despite the fact that the creation of the GCC can be interpreted practically as a reaction to the Iranian threat, the members of the integration became divided in their assessment of Tehran. While Qatar, Oman and Dubai – lacking a substantial anti-establishment Shia minority and having longstanding commercial and social ties with Iran – are open to building relations with the Islamic Republic in a constructive manner, Abu Dhabi, Bahrain, Kuwait and Saudi Arabia still consider Tehran as an enemy. Though during the Arab Spring the main internal cleavage of the integration was the perception of moderate Islamism (namely the Muslim Brotherhood – MB), this conflict partially converged with the Iranian dissent. Qatar, for example, as the main Gulf subsidizer of the MB, openly supported Egyptian president Mohammad Mursi, who maintained a way too good personal relation with the Iranian head of state Mahmud Ahmadinejad from the Saudi perspective. As a consequence of the Qatari (2013) and Saudi (2015) succession and the fallback of the Muslim Brotherhood in 2013, Iran has regained its primary role in the security policy discourse of the peninsula.

### ***The perception of the nuclear agreement in the Gulf***

Despite the fact that the GCC countries – primarily Saudi Arabia – are usually considered alongside Israel as the biggest losers of the Iranian deal, the first public reactions of the Gulf leaders were unanimously supportive. Nonetheless, it is likely that the six monarchies consider the nuclear agreement differently on the basis of the existing cleavages.

The Saudi security policy has traditionally been shaped by the three most dangerously perceived threats to the stability of the kingdom – radical Islamism, moderate political Islamism and Iran. The relative importance of the three menaces has been shaped by internal and regional processes. Since 2003, the fear of Tehran has constantly strengthened, which was only fueled by the events of the Arab Spring and the regional expansion of the Iranian influence. From the Saudi perspective, the main tools of containing Iran were the active participation of the United States in regional affairs and the system of sanctions built up around the Islamic Republic. According to the diplomatic documents leaked and published by Wikileaks on the 19<sup>th</sup> on June 2015, the Saudi leadership tried to draw the attention of Washington several times to the regional expansion of Iran, the relationship between Middle Eastern Shia groups and Tehran, especially after the start of the Bahraini and Yemeni crises. Looking over these files, it can be assumed that Riyadh does not specifically fear the Iranian nuclear program or a potential Persian nuclear bomb, but the consequences of the lifting of sanctions. Moreover, with the abolition of economic and arms trade restrictions, the United States would only contribute to the armament of Tehran and its regional allies (i.e. Hezbollah) and to the growing influence in the political and economic issues of the region, such as the Iraqi-Syrian crisis and setting the oil price. Nonetheless, Riyadh also perceives that the regional interests of Saudi Arabia and the United States started to diverge, while Iran and the US seem to get closer to each other rhetorically, like in the case of Syria. The Saudi inflexibility also caused by the domestic affairs of the country – since King Salman's accession to power, the internal political dynamics of Riyadh are more and more shaped by the “two Mohammads” and their rivalry: bin Nayef (minister of interiors and crown prince) and bin Salman (minister of defense and deputy crown prince). The king naturally tries to assist his son, who gained his reputation and domestic support from standing up aggressively against Iran, primarily in the Yemeni crisis. The apparent rise of the Iranian influence would question the accomplishments and the virtue of the deputy crown prince and would also strengthen the positions of bin Nayef, who has been famous for his work against terrorism.

The small Gulf states, which traditionally follow the Saudi foreign policy – namely Bahrain, Kuwait and the United Arab Emirates – share the concerns of Riyadh regarding the nuclear agreement. Nonetheless, due to their relative weakness and geopolitical vulnerability to Iran, they have different considerations as well. The Kuwaiti regime, which disposes of a 20-30% Shia minority, is not interested in the Saudi-fuelled escalation of sectarian conflicts, especial-

ly as the Islamic State (IS) is aiming at the same goal.<sup>64</sup> The emirate is consequently more open to constructive dialogue, which can be seen in the fact that the first regional capital to be visited by the Iranian foreign minister after the announcement of the nuclear deal was Kuwait City itself.<sup>65</sup> The United Arab Emirates will most probably economically benefit from the dissolution of trade sanctions.<sup>66</sup> Nonetheless, the leadership of the country has always been suspicious about Iran, the main reason of which is the country's large Shia minority and decades-long bilateral territorial disputes regarding some islands.<sup>67</sup> Moreover, the federation is internally divided over the question: the oil-producer Abu Dhabi is more hostile to Tehran, while the commercial hub Dubai sees the events from a more positive perspective.<sup>68</sup> Bahrain may be in the most problematic situation – the Sunni-led country, where the Shia population constitutes the majority of the society, has been extremely suspicious with Iran's activities particularly since the events of the "Bahraini Spring" in 2011, despite the fact that the official committee of inquiry found no evidence of the active participation of Tehran,<sup>69</sup> and the joint forces of the GCC – primarily that of Saudi Arabia – pulled down the uprising. Still, Manama has remained highly sensitive regarding the regional actions of Iran. It is not a coincidence that Bahrain is the only country whose relations with Tehran have worsened since the nuclear deal:<sup>70</sup> Manama withdrew its ambassador from Iran due to the "hostile" comments by the Iranian government and the case of two smugglers, who allegedly tried to bring Iranian arms into the country through illegal channels.<sup>71</sup>

The most particular situation is that of Oman and Qatar, which are interested in maintaining constructive relations with Iran. Since the Omani Sultan Qaboos bin Said al-Said's accession to power in 1970, the basic tenets of the country's foreign policy have been balancing among regional powers, cooperation on mutual interests and promoting peaceful ways to settle international disputes.<sup>72</sup> Sectarian violence and rivalry enhanced in the past years have typically avoided Oman, where the majority of the population belongs to the Ibadi branch of Islam.<sup>73</sup> As a consequence of this – and of the need for cooperation over the Hormuz Strait – Masqat did not consider the isolation of Iran in its interest.<sup>74</sup> In fact, as a small state balancing among great power interests, it would favor a more balanced distribution of power in the region instead of a Saudi hegemony. Hence Oman has tried to play an active mediating role in the past decades in regional conflicts such as the Irani-Iraqi war in the 1980s,<sup>75</sup> and it also facilitated the current talks between Washington and Tehran. Masqat won the trust of both parties in September 2011, where it helped to settle the case of three American citizens who were charged with and imprisoned upon the suspicion of espionage in Iran. Since July 2012, the Omani leadership has directly mediated in the nuclear talks.<sup>76</sup>

Qatar had urged all parties for reconciliation even before the current negotiations.<sup>77</sup> For Doha, reintegrating Iran in the international system is clearly a positive development, despite of the fact that Tehran could be a potential rival in the international natural gas market. Since

<sup>64</sup> Althunayyan, Hamad: [Not the Iran Deal, it is Iran's Policies](#). *Agsiw.org*, 06.08.2015.

<sup>65</sup> Al-Qatari, Hussain, Schreck, Adam: [Iran's Top Diplomat Woos Skeptical Neighbors in First Regional Tour Following Nuclear Deal](#). *Startribune.com*, 26.07.2015.

<sup>66</sup> Morris, Loveday – Naylor Hugh: [Arab States Fear Nuclear Deal Will Give Iran a Bigger Regional Role](#). *Washingtonpost.com*, 04.07.2015.

<sup>67</sup> Peterson, J. E.: Sovereignty and Boundaries in the Gulf States. Setting the Pheripheries. In: Kamrava, Mehran(ed.): *International Politics of the Persian Gulf*. New York, 2011, Syracuse University Press, p. 34-36

<sup>68</sup> Ulrichsen, Kristian Coates: *Insecure Gulf. The End of Certainty and the Transition to the Post-Oil Era*. New York, 2011, Columbia University Press, p.48.

<sup>69</sup> [Report of the Bahrain Independent Commission of Inquiry](#). 10.12.2011. p. 383-385.

<sup>70</sup> [Bahrain Minister: 'Iran wants to control the region'](#). *Bbc.com*, 30.06.2015.

<sup>71</sup> [Bahrain-Iran Ties in Crisis after 'Hostile Remarks'](#). *Aljazeera.com*, 26.07.2015.

<sup>72</sup> [Oman: A Unique Foreign Policy](#). *Rand.org*, 1995.

<sup>73</sup> The Ibadi branch of Islam is a separate tradition outside of the Sunni and Shia world. The religion is particularly popular in Oman and Zanzibar, while most of the researchers consider it as a moderate and tolerant branch of Islam. The global Ibadi community consists of approx. 1.5 million worshippers, who trace back their roots to the first decades after the death of the Prophet Mohammad, even before the Sunni-Shia divide.

<sup>74</sup> Nereim, Vivian: [The Only Sultan I've Ever Known](#). *Foreignpolicy.com*, 13.11.2014.

<sup>75</sup> Oman: A Unique... *ibid*.

<sup>76</sup> Gupta, Shohini: [Oman: The Unsung Hero of the Iranian Nuclear Deal](#). *Internationalpolicydigest.org*, 08.07.2015.

<sup>77</sup> [Qatar: Iran Nuke Deal is Step for Stability in Region](#). *Timesofisrael.com*, 25.11.2013.

2011, the Qatari foreign policy has been characterized<sup>78</sup> dominantly by the rivalry with Saudi Arabia, since the small Gulf state was the main Arab supporter of the Muslim Brotherhood, seen by Riyadh as a state enemy. However, after the fall of Mohammed Mursi (Egypt) in 2013, it seemed that Qatar has to give up its ambitions and to accept the Saudi dominance in the Arabian Peninsula. The Iranian deal could potentially mean a way-out from the current foreign policy crisis and can create a leverage for Qatar vis-à-vis Riyadh.<sup>79</sup>

### ***The potential effects of the deal on the strategies of the GCC countries***

The Iranian agreement could have potentially different effects on the different GCC member states' foreign policy strategy, nonetheless, common characteristics can be identified as well. All six states signaled to Washington – even before the announcement of the agreement – that they want to see a more definite stand from the US regarding regional stability. The Obama administration tried to meet these expectations, as shown by the Camp David summit in May<sup>80</sup> as well as by the Doha visit of American Secretary of State John Kerry in August.<sup>81</sup> Moreover, each member of the GCC has developed its military power and air defense capabilities simultaneously with the others, which process has become more intensive as a result of the Iranian deal. Two weeks after the announcement of the deal, Riyadh claimed to buy 600 Patriot missiles (PAC-3) from the US, while presumably along with Qatar and the United Arab Emirates, Saudi Arabia will also purchase a THAAD missile defense system from Washington.<sup>82</sup> Deepening the ties in military cooperation with the United States could enhance the security of the regimes in the short term, nonetheless, as a consequence of the population's massive anti-Western feelings, it could easily harm internal stability in the mid-term.<sup>83</sup>

In the political sphere, the primary consequence of the Iranian deal is that the gap between the interests of Saudi Arabia and those of the small Gulf states are widening. The internal and external communication of Riyadh has been “stuck” in the (partly artificial) framework of sectarian conflicts, which makes it unlikely that the rivalry between Iran and Saudi Arabia would stop. Moreover, Riyadh probably feels that in exchange for publicly accepting the deal, its room for maneuver has grown significantly as Washington practically let the Kingdom do whatever it wants in regional crises such as Yemen. Another potential consequence could be the pressure on Riyadh and Tel Aviv to openly normalize their relationship, which, according to rumors, has already begun behind closed doors. Nonetheless, it is important to see that the obstacles in the way of a meaningful Saudi-Israeli cooperation have not vanished with the Iranian-American reconciliation (i.e. the Palestinian question). It is telling that the two countries reacted to the deal differently – while Riyadh officially endorsed and accepted it, Tel Aviv loudly protested.

Apart from Saudi Arabia (and Bahrain), none of the small Gulf states ruled out completely the possible reintegration of Iran in regional affairs. Kuwait, which traditionally follows the Saudi leadership in security affairs, probably cares more about radical Islamism than Iran, especially since the Islamic State's attack in June. The foreign policy of the internally divided United Arab Emirates is dominated by the oil-producer Abu Dhabi with anti-Iranian sentiments. Nonetheless, the lifting of the sanctions strengthens the political and economic weight

<sup>78</sup> Yigit, Dilek: [The Rivalry between Saudi Arabia and Qatar and its Reflections on the Middle East](#). Sde.org.tr, 23.05.2014.

<sup>79</sup> Not to mention the changing Saudi perception of the Muslim Brotherhood as a consequence of the succession process taking place in early 2015. King Salman puts more emphasis on Jihadi terrorism and Iran than on political Islamism which brought the Kingdom closer to Qatar.

<sup>80</sup> Liptak, Kevin – Labott, Elise: Obama: [U.S. Would Use Military Force to Defend Gulf Allies](#). edition.cnn.com, 15.05.2015.

<sup>81</sup> [Kerry Holds Talks on Iran Deal with Top Gulf Leaders](#). Aljazeera.com, 03.08.2015.

<sup>82</sup> Weisgerber, Marcus: [Saudi Arabia Responds to Iran Deal: Give Us 600 Patriot Missiles](#). defenseone.org, 29.07.2015.

<sup>83</sup> See Lawson, Fred H.: Security Dilemmas in the Contemporary Persian Gulf. In: Kamrava, Mehran (ed.): *International Politics of the Persian Gulf*. New York, 2011, Syracuse University Press, p. 61-62.

of Dubai, which can eventually alter the federation's international behavior. The clearest beneficiaries of the agreement are Oman and Qatar, whose international leverage as small, balancing states free of internal sectarian tensions is about to rise. With its anti-intervention stance regarding Yemen, Masqat has already showed that it does not support the Saudi intention to aggravate sectarian tensions in the region, because it can easily destabilize the Arabian Peninsula. Since Oman has never been a primary target in the Iranian foreign policy, the real threat for the country's security would be a Saudi hegemon in the region, which is becoming less feasible after the Iranian deal.

Qatar's regional leverage can also easily grow in the coming years. As a primary supporter of moderate Islamism, Doha has undermined its own influence in the region, but the reintegration of Iran can be an opportunity for the country to weaken the Saudi dominance in the Sunni world. Generally, the current regional dynamics can foster Qatar to find its way back to the most successful period of its history and to reinvent its pre-Arab Spring foreign policy, which was based on building a trustworthy image, mediation and the effective use of public diplomacy tools.

All in all, after the Iranian deal, the Saudi intention to create a wide anti-Iran coalition with a Sunni Arab leadership has become less feasible. In order to set up such a coalition, Riyadh would have to find the common ground with the supporters of moderate Islamism (Qatar and Turkey), a terrorism-torn and more and more hard-liner Egypt and an uncompromising Israel. Although the United States has practically accepted Riyadh's dominance in the Arabian Peninsula, the conflicting interests of the small Gulf states, and the increasingly unsolvable Yemeni crisis makes the regional hegemony of Saudi Arabia highly unlikely.

## Israel

(Erzsébet N. Rózsa)

### ***Iran in the Israeli foreign policy thinking***

Under the Netanyahu governments, Iran perceived to be threatening the very existence of Israel, has become the central element of Israeli foreign policy, pushing into the background not only the potential threats emanating from the transformation of the region, but the Palestinian issue as well. This policy is based on and legitimized by the anti-Israeli statements of former Iranian President Mahmoud Ahmadinejad, and by the fact that the Islamic Republic of Iran does not acknowledge the "Zionist state" to this day. Nevertheless, (most of) both societies are aware that relations between the two peoples have been good back to ancient times,<sup>84</sup> and the Jewish community living in Iran and the Iranian Jews in Israel serve as an important connection.<sup>85</sup>

The basic tenet of the official Israeli policy that "Iran is an existential threat to Israel", and the threat of war regularly propagated by the Israeli government were contested by many in the political and security elites: while a potential threat/attack from Iran was not excluded ("strategic threat"), its "existential" nature was rejected by many.<sup>86</sup> In the media an open debate was conducted on the realistic chances of an eventual Israeli pre-emptive attack: alone or together with the United States, one attack or a series of attacks against Iranian nuclear installations, etc. Especially security forces expressed serious doubts as to the potential consequences of a pre-emptive attack: e. g. such a step would certainly push Iran to develop nuclear weapons and would set the whole region on fire, etc.

Netanyahu's Iran policy, however, was pushed into the background by the November 2013 interim, the April 2015 Geneva and the July 2015 comprehensive deals.

<sup>84</sup> It is widely known that it was Cyrus the Great who released the Jews from the captivity of Babylon, or the story of Esther and Mordechai in the Bible, etc.

<sup>85</sup> According to the [Iranian constitution](#) the Jewish community in Iran can freely practice their religion (Art. 13) and are entitled to send one representative to the Parliament (Art. 64).

<sup>86</sup> Feldman, Shai – Brom, Shlomo – Stein, Shimon: [What to Do about Nuclearizing Iran? The Israeli Debate](#), *Middle East Brief* No. 59, Brandeis University, Crown Center for Middle East Studies, 2012. február

### ***The Israeli evaluation of the deal***

Official Israeli sources announced the deal straight at once as a failure and a mistake. Within the Israeli society, however, a huge debate evolved, in which the faultlines among the opinions of the government, the political and security establishment and the public became increasingly deep, and in the meanwhile Israel has got farther away from its allies as well.

The government and personally the Prime Minister made it clear already during the negotiations that “a bad deal is worse than no deal”,<sup>87</sup> which clearly indicated that the Israeli government had already rejected the deal regardless of its contents. This seemed all the more possible because due to the March 2015 visit of Netanyahu to Washington and his speech in front of the Congress and the Senate, the Obama administration did not share information anymore with their Israeli allies. In spite of this, Netanyahu is still campaigning for the rejection of the deal, the success of which is increasingly dubious.

The Congress of the United States had to decide on the acceptance of the Iranian nuclear deal in September (till September 17) and the Obama government was campaigning for the deal. The counter-campaign of the Israeli Prime Minister evoked negative emotions in many, while it was increasingly clear that the big associations traditionally representing Israeli interests, such as the AIPAC, were getting increasingly detached from not only the mainstream opinion of the American public, but from that of the American Jewry as well, which was supporting the Iranian nuclear deal in growing numbers.<sup>88</sup> One reason paradoxically was attributed to the Israeli behavior/policy in the Palestinian issue (“Netanyahu did not want to make a deal with the Palestinians”),<sup>89</sup> and this is the same policy that increasingly pushes Israel away from its West European allies, too.<sup>90</sup> But the Israeli behavior of rejection – in both the Iranian and the Palestinian cases – is rejected by Russia and China as well.

The Israeli professional elites refer to exactly these parameters when they propose that Israel should accept the Iranian nuclear deal (“The deal is surprisingly good for Israel’s security.”),<sup>91</sup> since it not only cannot prevent it, but following the deal the gains achieved so far, mostly in the form of the sanctions regime, cannot be upheld any more either.<sup>92</sup> The international business community, including the American companies,<sup>93</sup> have already started to reach out to Iran, which means the end of the sanctions (if Iran does not violate the terms of the agreement).

### ***What is the Israeli strategic interest with regard to the acceptance/rejection of the deal?***

Although the majority of the Israeli public supports the Netanyahu government in its fight against the Iranian deal,<sup>94</sup> prominent personalities of the Israeli political and security elite call for the termination of the present official policy and for the acceptance of the deal. Due to the policy conducted by the government so far – they warn – Israel will most certainly lose or come into confrontation with its allies.<sup>95</sup> The bipartisan support in the United States has practically disappeared by now, while France, which held the strictest position in the nuclear negotiations vis-à-vis Iran (according to many because of its Israeli connection) is on the point

<sup>87</sup> Benari, Elad: [‘A Bad Deal Is Worse Than No Deal’, Says Netanyahu](#), 2013. 11. 10.

<sup>88</sup> Bloomfield, Douglas: [Washington watch: Netanyahu’s Iranian excuse](#), The Jerusalem Post, 2015. 07. 29.,; Ravid, Barak: [Exclusive Diplomat Warns: U.S. Jews Aren’t Behind Israel on Iran Deal](#), 2015. 07. 30.

<sup>89</sup> Bloomfield, Douglas: [Washington watch: Netanyahu’s Iranian excuse](#), i. m.

<sup>90</sup> It is a fact that the European Union takes a much stricter position in the question of the occupied territories and by now it is a legal norm within the EU to differentiate between goods coming from Israel and from those coming from the Israeli settlers on the occupied territories.

<sup>91</sup> Mitzna, Amram: [For Israel’s sake don’t reject the Iran Agreement](#), 2015. 07. 30. , ; [Former Shin Beth chief: Iran deal is best option for Israel](#), *Haaretz*, 2015. 07. 21.

<sup>92</sup> Menashri, David: [The Nuclear Accord with Iran: The Day After](#), *ACIS Iran Pulse* No. 75, 2015. 07. 30.; Daniel Kurtzer: [Why Iran deal is good for Israel](#), *CNN*, 2015. 08. 04.

<sup>93</sup> [U.S. Business People Eyeing Investment in Iran](#), *Haaretz*, 2015. 05. 30.

<sup>94</sup> [Israel Hayom poll 76% continue to battle against Iran agreement](#),

<sup>95</sup> Ben White: [Trouble ahead: growing rift between Israel and its allies](#), *Inside Israel*, 2015. 08. 02.

of proposing in the United Nations the realization of the two-state solution, i. e. the acknowledgement of the Palestinian state. It is also an annoying trend that the European public is increasingly critical towards Israel, especially with regard to the Palestinian issue. Israel cannot depend on the support of the Gulf states either, who so far were against the Iranian deal, but which – even if cautiously – announced the deal as a sufficient guarantee for the civilian nature of the Iranian nuclear program.<sup>96</sup> The recent Saudi reconciliation with the Muslim Brotherhood may result in a new wave of anti-Israeli sentiment, since the Hamas is a member of the Muslim Brotherhood family.

Therefore, Israel is facing challenges like the increasing isolation within the international system,<sup>97</sup> and the transformation of the Middle East, in the course of which Iran's regional power status is acknowledged, while the establishment of the Palestinian state cannot be put off much longer.<sup>98</sup>

## **Turkey** (Erzsébet N. Rózsa)

### ***Iran in the Turkish foreign policy thinking***

Iran's perception in the Turkish foreign policy thinking is based on mostly historical and *Realpolitik* considerations. The Treaty of Qasr-e Shirin/Zohab (1639) terminating the wars between the Ottoman-Turkish Empire and the Safavid Persia established the - to this day only - relatively stable border and balance of power in the Middle East (even if there were clashes around the border later and even if this border was delineated in the 19<sup>th</sup> century only).

The two countries have a very complex, dynamically fluctuating set of relations, which are based on common interests and challenges on the one hand, and on clashes of interests on the other. Located on the border of the Arab world, in contrast to previous challenges emanating from Arab nationalism, common concerns now include the civil war situations evolving from the Arab Spring, the rise of the Islamic State and its consequences, including the waves of refugees. The autonomy demands and/or separatist endeavours of the Kurdish communities (several million people in both countries) have been a common threat for decades, which time and again they have come to "manage" jointly. The re-surfacing threat of Iraq's dissolution is partly related to this: the two states have announced several times – since the 1990-1991 Gulf crisis and war – that they support the territorial integrity of Iraq.<sup>99</sup> The relations have been especially good in the economical field in the past years, when Turkey helped to "manage" the dire situation in Iran caused by the sanctions in the grey fields (e. g. the transactions between Turkish and non-sanctioned Iranian banks, the production of the Turkish-owned Peugeot factory for the Iranian market, etc.).

At the same time, the increasing Sunni-Shiite clashes, the support for the contrasting parties in the Syrian civil war, Turkey's western (NATO) alliance, and most recently the attacks in the Iranian press against Turkish President Recep Tayyip Erdoğan constitute a continuous source of tension between the two states. These tensions were manifest in the summer of 2015 in several forms, from the harsh rhetoric by the President over Yemen, the postponement of the visit by Erdoğan to Iran and the cancellation of the visit of the Iranian Foreign Minister to Turkey in August 2015.

<sup>96</sup> [Saudi FM: Iran Deal may stop Tehran from getting nuke weapon](#), 2015. 07. 23.; [Kerry assures Gulf countries on Iran agreement. Gulf Cooperation Council members were cautious but supportive of the deal](#), *UPI*, 2015.08.04.

<sup>97</sup> Marashi, Reza: [Israel Must Accept a U.S. Iran Entente in the Middle East or Risk Total Isolation](#), *Haaretz*, 2015. 08. 02. <http://www.haaretz.com/beta/premium-1.669240>

<sup>98</sup> Bloomfield, Douglas: Washington watch: Netanyahu's Iranian excuse, i. m.

<sup>99</sup> [Turkey reiterates support for Iraq's Territorial Integrity](#). *People's Daily*, 2001. 05. 21.. Even if for other reasons, the commitment is still valid. See [Iran supporting Iraq's unity, territorial integrity](#). *Islamic Invitation Turkey*, 2015. 04. 20.; [Iran Renews Support for Iraq's Territorial Integrity](#). *Ghatreh*, 2015. 07. 28.

So far, however, every tension in the Turkish-Iranian relations have been kept within limits by the all-important caution to avoid open confrontations, which meets the “zero problem with the neighbours” doctrine by Ahmet Davutoğlu on the one hand, and the mediation role played by Turkey in the past decade, but mainly before the Arab Spring, on the other.<sup>100</sup>

### ***The Turkish evaluation of the deal***

The nuclear deal is good news for Turkey, which has been always reluctant to challenge Iran openly.<sup>101</sup> An eventual Iranian nuclear program with proven military dimensions could not have been left unnoticed by the Turkish leadership, and this would have necessarily turned up the delicate balance of power maintained for centuries. The nuclear deal relieved Turkey from this necessity and has indirectly proved the Turkish policy right: the Turkish official rhetoric cautiously, and the Turkish public decidedly – but not void of sentiments – have supported Iran’s right to a civilian nuclear program. In the background the increasing disillusionment with, or even dislike of the NATO,<sup>102</sup> the European Union<sup>103</sup> and the United States<sup>104</sup> can be detected, which was enhanced by their rejection (and the mode of the rejection) of the Turkish-Brazilian-Iranian deal in 2010.<sup>105</sup>

Thus, the Turkish public – instead of a so-far not proved Iranian “nuclear bomb effort” perceives a successful technical modernization by an emerging state, which may serve as a model, but which is hindered by the developed nations. This is especially important for Turkey, which openly cherishes regional power ambitions, and where the first nuclear power plant is in the planning phase.<sup>106</sup>

It is not clear, however, if the deal and the lifting of the sanctions will threaten Turkey’s position in the field of energy. The Ukrainian crisis, and the failure of the Nabucco and the Southern Stream projects made it possible for Ankara to strengthen its central role due to its geopolitical position in the energy supply of Central and Eastern Europe, the first phase of which – the construction of the Turkish Stream supplying Russian gas – has been already started.<sup>107</sup> Although the negotiations between Moscow and Ankara are halted till November due to the domestic political crisis, the project is of utmost importance for Turkey, and may offer it a way out from the foreign policy deadlock following the setback of the moderate Islamism of the government. These plans are not threatened by the Iranian deal, and it is in Ankara’s best interest that Iran’s re-integration into the regional energy market happen together with the realization of the Turkish ambitions.

<sup>100</sup> Balogh István: Törökország közvetítő szerepe az iráni atomvitában. [Turkey’s mediating role in the Iranian nuclear debate] *Külügyi Szemle*, 2009/4. szám, 18-37. o.

<sup>101</sup> Kibaroglu, Mustafa - Çağlar, Barış: [Implications of a Nuclear Iran for Turkey](http://www.mepc.org/journal/middle-east-policy-archives/implications-nuclear-iran-turkey). *Middle East Policy Council Journal*, Winter 2008, vol. XV., No. 4., <http://www.mepc.org/journal/middle-east-policy-archives/implications-nuclear-iran-turkey>; Kibaroglu, Mustafa - Can Sazak, Selim: [Good news from Vienna is a relief to Ankara](http://www.bulletinoftheatomicscientists.com). *Bulletin of the Atomic Scientists*, 2015. 07. 18.,

<sup>102</sup> Although NATO membership is usually not questioned, Turkey has been disappointed in NATO solidarity: neither in 1990-1991 in the Kuwaiti Gulf crisis and War, nor in the 2003 Iraq War did it receive the defence and support it asked for. The non-intervention on land in Syria has added to this disappointment, though it is not directly related to the NATO.

<sup>103</sup> It is well known that the Turkish public as well as the political elites have been increasingly sceptical of the EU membership of Turkey, while the resistance among EU citizens to Turkey’s joining the EU has also been on the rise. This will most probably only be enhanced by the refugee crisis. At the moment no move forward can be seen in the frozen accession negotiations.

<sup>104</sup> The American-Turkish relationship has cooled down significantly, mostly following the 2003 Iraq War. One of the main reasons is the perceived American indifference regarding Turkey’s fight against the terrorism of the PKK, but the increasing American criticism regarding Turkish domestic policy, democracy and human rights also play a role.

<sup>105</sup> [The Role of Brazil and Turkey in Nuclear Negotiations with Iran](http://www.niranian.org). The website of the National Iranian American Council, 2011. 02. 15.

<sup>106</sup> The construction of the nuclear power plant in Akkuyu will be started still in 2015, and further two plants are in the planning phase. The website of the World Nuclear Association, <http://www.world-nuclear.org/info/Country-Profiles/Countries-T-Z/Turkey/>

<sup>107</sup> [Talks on Turkish Stream on hold till November](http://www.reuters.com),. *RT*, 2015. 08. 03.,

***What is the Turkish strategic interest regarding the acceptance/rejection of the deal?***

For Turkey, Iran's liberation of the sanctions does not mean a significant move in the bilateral balance of power, since the balance struck between the two in the 17<sup>th</sup> century will most probably be maintained. There is no direct clash of interests in the main fields of the Iranian foreign policy in the direct neighbourhood – with the exception of Iraq. It is practically Central Asia and the Caucasus, where the two could confront each other for historical and cultural reasons, but as the period following the disintegration of the Soviet Union clearly showed, neither is able to gain the exclusive control above the region. (In the Gulf, in Afghanistan and Pakistan, Turkey does not challenge Iran's foreign policy interests.) It is Iraq, a common neighbourhood for both, and Syria where Iranian and Turkish interests are clashing, but no serious confrontation between the two states is to be expected in either.

The historical impasse is manifest in Syria as well. The Turkish government put its bet on the fall of the Assad regime too early. The facts that Assad still controls a part of Syria, two million Syrians took refuge in Turkish territory, the development of Kurdish autonomy in Syria cannot be halted, while the Turkish-Kurdish peace process has come to a halt within Turkey, have transformed the Turkish position. In the meanwhile, it is increasingly evident for Iran as well that even with outside help the Assad regime is not able to restore its power over the whole territory of the country.

In Iraq, however, while both states promote – at least rhetorically – the maintenance of Iraqi territorial integrity, due to the *quasi* dissolution of the country their interests and set of relations are running in parallel and do not confront each other: Turkey has close economic relations to the Iraqi Kurdish Regional Government, while Iran is more closely related to the Shiite majority government in Baghdad and the Shiite holy places.

Both Iran and Turkey, however, can be identified with a specific ideological element, the specific representation of Islam. Iran – rhetorically at least – steps up in the defence of the Shiite communities, while the “Muslim democracy” of the AKP government reflects a specific Sunni character. Thus, although in the evolving Sunni-Shiite divide they stand on the opposite sides, neither is threatened by its own religious minority: in the Sunni majority Turkey the members of the Shiite-rooted Alevi community are basically secular. This and their Sufi traditions are the main reasons why they are not attracted by the Iranian model. In Iran, less than 10 % of the population is Sunni, who, however, would sooner respond to the call by Saudi Arabia than Turkey.

Therefore, we can say that the nuclear deal has not changed the relationship between Iran and Turkey. What's more we can cautiously propose that in spite of the eventual tensions, further fields of cooperation have emerged like the fight against the Islamic State, the settlement efforts in the Syrian civil war, the supply and transport of energy resources, the civilian uses of nuclear energy or the establishment of the Middle Eastern WMD-free zone.

**Conclusion**

It seems that with the Iranian nuclear deal the leading powers of the world (the permanent members of the UN Security Council – with the exception of the United States - and the EU) have been relieved from the burden of the security policy challenge, and their policies will in the following be defined much more by their economic interests. The already visible economic rivalry may generate tensions even in the Euro-Atlantic relationship. For the regional powers of the Middle East – mainly Israel and Saud-Arabia, but on the basis of its specific relationship to Israel also the United States – security policy considerations will remain decisive, and will influence their domestic politics as well. Turkey's position is unique since the Turkish foreign policy leadership was reluctant to see a security threat in the Iranian nuclear program, while the economic relations between the two were decisive.

The maintenance and the operation of the rather complicated sanctions regime built around the Iranian nuclear program has consumed a huge political capital and has raised several questions. The first positive signals coming from the negotiations revealed the fragility of the sanctions regime. The comprehensive deal has made the process of the pulling



down of the sanctions practically irreversible. (The question is if, in case of an eventual Iranian non-compliance, the political will could overrule the economic interests and the sanctions would really snap back into place.)

But the nuclear deal could not eliminate security concerns even in regional terms, despite of the best efforts by the negotiators. The main reason is that the Iranian nuclear program has played an indirect role only in the regional competition for power with Iran (with the exception of Israel), since it appeared as the symbol of Iran's regional power status and tool of influence. This is reflected in the different responses to the announcement of the deal: while the countries of the Gulf Cooperation Council publicly accepted the deal, the Israeli Prime Minister has started a campaign against it, the main field of which has become the Congress of the United States. With this the anti-Iran non-official "behind closed doors" coalition of Saudi Arabia and Israel seems to have come to an end. While "in return" for the support Saudi Arabia has practically received a free hand in the settlement of the Yemeni crisis, and tries to get as much "compensation" as possible from the United States, the American-Israeli relations have reached a record low.

The Iranian nuclear deal may push Israel into yet another corner: the plan of the Middle Eastern nuclear weapon-free zone has been on and off the international agenda since 1974, however, in 2010 States Parties of the Nuclear Non-Proliferation Treaty (Israel is not among them) at the review conference decided to hold an international conference in 2012 to start negotiations on the establishment of the zone. Finland offered a conference venue and Finnish diplomat Jaakko Lajaava started the preparatory coordination. The main obstacles to the conference – whether acknowledged or not – were the Iranian nuclear program on the one hand, and the Israeli nuclear arsenal on the other. Thus, should the issue of the WMD-free zone come on the agenda again, Israel could be named as the main culprit.

The Iranian deal is a historic moment for the nuclear non-proliferation regime as well: there have been only a few states since the end of the Second World War which were blamed by the international community with the development (the intention to develop) nuclear weapons, and – following Iraq – Iran is the only one, which, the international community tried to prevent in such efforts not only by sanctions but by threats of war, too. The fact that this debate was settled through diplomatic means proves, that the non-proliferation regime set up among Cold War circumstances and the complex system related to the prevention of the spread of nuclear weapons (intelligence, NPT, IAEA, UN SC, export control) operate well. What's more, the Iranian deal may have created a precedent for the future, when by sanctions and the means of diplomacy Iran was brought back to the state of compliance, while an unprecedented inspection regime was established – with creative solutions and compromises as well as consensus.

It cannot be seen as yet what real impact the Iranian nuclear deal and the processes evoked by it will have on the global and regional balance of power. In general we can say that the deal has produced a competition, which is taking place mostly in the economic sector, and the winners and losers of which cannot as yet be named. Iran, however, should be counted among the clear winners since, beside having spectacularly defended its sovereignty, it can realize economic gains, while its regional power status has been acknowledged as well.

It cannot be seen either how the deal is going to reshape Iran's regional and global perception. For decades the Islamic Republic has been perceived by several states, among them the United States, a security threat. While this can be overruled by *Realpolitik* considerations, long term perceptions within societies are difficult to change. This is especially true of states – first of all of Israel and some Gulf Arab states – where the Iranian threat has become an identity forming element. In these cases the deal will not be able to change already existing norms. For Russia, China and Turkey, Iran has never become such a factor, therefore, in their case the Iranian deal could not become over-politicized. Even if there is no direct correlation, it can be safely stated that the deal creates an opportunity for Tehran to improve its perception, which can increase the room of maneuver for Iran both in regional and global issues.