
A Plan B, C and D for an EU policy towards Iran

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BACKGROUND

EU policy on Iran has received good grades on many fronts: it has maintained internal unity even as sanctions increase, despite their considerable consequences for some member states. The EU High Representative for Foreign Affairs and Security Policy (HR), Catherine Ashton, leads the international community's negotiations with Iran on the country's nuclear programme. In addition, the EU has achieved one important goal linked to the Iran file since the foreign ministers of France, Germany and the United Kingdom (the E3) began diplomatic negotiations with Iran nearly ten years ago: it has avoided an open military attack by the US (as feared during the Bush years following the invasion of Iraq) or by Israel (as seemed increasingly likely in 2012 and still cannot be ruled out).

The EU has also been able to maintain a united front of the six powers – the E3 plus China, Russia and the US – tasked by the UN Security Council (UNSC) with negotiating with Iran. This was a particularly delicate task in 2010, when it became clear that neither Russia nor China would support further sanctions. To keep up pressure on Iran and to deter Israel from a unilateral military strike against Iranian nuclear facilities, the EU has increased bilateral sanctions with the US.

No less importantly, by assuming the lead negotiating role, the EU has won credibility with its US partner and fulfilled its ambition to make multilateralism 'effective' (to the extent that it can be effective *vis-à-vis* a country that seems reluctant to be transparent about its nuclear ambitions). Even here, the combination of EU and US sanctions do affect the Iranian position given that, after years of

neglect, Iran's leadership has finally admitted that the sanctions have damaged the country's economy. As a result, Iran's negotiating priority is to get the toughest sanctions lifted (those on oil sales and financial transfers), albeit not at any cost.

Ultimately, however, the success of a policy is determined by its outcome. The EU and the international community's primary aim – that Iran comes clean about its nuclear programme so that an eventual military dimension to it can be ruled out – is yet to be achieved. Until this is so, the EU's Iran policy can hardly be called wholly successful.

All this is no small feat. Nonetheless, the EU must still beef up its Iran policy if it wants to be prepared for future developments. Any change of events, not totally unlikely today given the fragile domestic situation in Iran in the run-up to and after the presidential elections on 14 June, could easily turn a policy that has looked successful so far into an inept tool for dealing with a new challenge.

A closer look at the EU's Iran policy reveals that the bloc has been good at what it has been doing so far but is not prepared for any alternatives. There is no plan B (as in a Breakdown of the negotiations followed by a unilateral military attack against Iran) or plan C (as in Change within Iran, which could just as well result in a military autocracy instead of Islamic semi-democracy), not to mention a plan D (as in Deterrence, which would be necessary should Iran, contrary to its claims and despite international efforts, eventually acquire a bomb).

STATE OF PLAY

The EU's policy on Iran is marked by a double-track approach dating back to when the E3 began talks with Tehran in 2003, after the country's nuclear activities had become public. The two tracks consist of international negotiations with Iran, accompanied by regular inspection visits by the International Atomic Energy Agency (IAEA) as agreed under the Non-Proliferation Treaty (NPT), and an increasingly intrusive sanctions regime (some imposed by the UNSC but the more biting ones only by the EU and the US).

Other policies, such as the EU's human rights strategy towards Iran or its strategy on weapons of mass destruction (WMD), are secondary to the nuclear file. By not linking negotiations to any other policy issue, the EU devalues its attempts to influence human rights in Iran, making its regular demarches with the Iranian authorities ineffective.

While it is a questionable negotiating tactic to rule out linkages or package deals, it certainly means missing out on other issues of EU interest. By not looking at the full picture, the EU may not find a solution that accommodates Iran's more legitimate concerns.

The merit of this wider view lies in better understanding the motivation for Iran's actions. Assuming that the Iranian regime is being honest in saying that it is not aiming to build a bomb – and Western intelligence says that such a decision has not yet been taken – another reason for the country's effort to appear to be pursuing a nuclear programme with a military dimension emerges: to gain international status.

Which other state gets to talk to the world's five great powers every so often, claiming to resist 'global arrogance' (code word for the United States) in its efforts to dominate the world? Or does Iran aim to tie down the West's resources on one issue, in particular by threatening Israel, while acting as a troublemaker on other fronts in the knowledge that the EU and the US will not engage it? By the same token, the transatlantic partners must be aware that any concession offered by Iran may just be intended to prolong this power-play.

Without diminishing its 'no bomb' priority, the EU should at the same time be able to engage Iran on other policy issues. There is the regional dimension: Iran is a key player regarding the conflicts in its neighbourhood, from Israel-Palestine to the civil war in Syria and reconstruction in Afghanistan. The deteriorating situation in the Levant shows that there is some common ground, if only because neither Tehran nor Western capitals want to see Sunni-extremist militias take over in Syria.

By not allowing Iran to sit at international conflict resolution tables, the EU and the US make it easier for the regime to act as a spoiler. Iran craves the international recognition that would come from being accepted in such talks; yet the price to extract from the regime would be that it is also held responsible for their outcome.

Then there is the economic dimension: As a large country with 78 million inhabitants, situated between the Near East and Central and South Asia, with enormous oil and gas reserves and a vibrant and outward-oriented middle class, Iran has undeniable economic potential. While this cannot be tapped into under the present circumstances, it would be wise to devise policies in a manner that leaves them open to improvements on the ground.

One way would be to compensate for the EU's harsh economic policies by investing in cultural and societal exchanges. This means using all sorts of communication channels with the Iranian population. EuroNews TV broadcasting some of its programmes in Farsi is a start, but it will have to make a more targeted effort to reach a wider audience in the country (BBC Farsi is still the first choice for those who can receive it). This includes providing general information in Farsi through EU websites, disseminating specific information to news agencies on the ground, or having the HR directly address Iranian citizens via a *Nowruz* greeting on the occasion of the Iranian New Year, as US President Barack Obama did in 2009.

There is also a 'propaganda' dimension, as the dispute over the nuclear programme is as much a fight over facts as over public interpretation of those facts. This became clear with the allegations that drug shortages in Iran were the direct result of the West's sanctions. The EU-US financial restrictions have made it hard and costly for Iranians to pay for all imported goods, even though medical products are explicitly exempted from the sanctions. According to independent reports, including from the UN Special Rapporteur on the Situation of Human Rights in Iran, cancer and kidney patients suffer from a lack of available medicine.

The Iranian regime uses this to label the sanctions inhumane. But home-grown reasons for those shortages – from misallocation of the available hard currency through the central bank to profiteering by those who are hoarding the required drugs – receive only scant attention. An Iranian health minister who dared to point to this internal incompetence had to leave office in December 2012.

Looking beyond its policy focus, the EU's institutional setup is no more promising. In Brussels, the nuclear talks are led by a team around EEAS Deputy Secretary-General Helga Schmid. While proving to be a very efficient force in the negotiations themselves, it cannot possibly implement the broader policy approach that is needed.

The other elements of the EU's Iran policy are dispersed across the Service: sanctions are dealt with by the sanctions desk, human rights pertain to the human rights unit, economic issues are not dealt with at all (bar the sanctions part), and the geographical desk is just one man strong. The EEAS Intelligence Analysis Centre even provides summaries drawn from open Internet sources. Given the prime political importance of the talks, the negotiations team is loath to involve others, making it impossible for a broader approach to emerge merely from constant intra-agency cooperation.

In the field, the situation is outright bleak. The absence of a delegation deprives the EU of its own information-gathering activities as much as of a direct link to the Iranian leadership. Thus, coordination of member states' activities is in the hands of the rotating presidency from pre-Lisbon times. This job is currently in the hands of the Greek Embassy, due to the lack of an embassy of either Ireland or Lithuania, the two 2013 presidencies, in town. For 18 consecutive months, the EU's wide-ranging interests towards Iran are to be represented by only two diplomats, who at the same time have to care for Greece's political bilateral relations as well as the consular affairs of Greek citizens in Iran.

Small wonder that the EU does not count much to the Iranian authorities, who in any case prefer to deal with what they consider important member states – i.e. mainly France, Germany and Italy, given that the UK has not been represented there since the storming of its embassy in November 2011.

PROSPECTS

The Iranian presidential elections in mid-June will provide an opportunity to reassess the EU's approach and to formulate a comprehensive policy towards Iran. For the past half year, the regime has been repeating that the E3+3 adopted a more constructive line in the negotiations. At the same time, it has become clear that any preliminary breakthrough in negotiations would depend on the EU and US's willingness to significantly ease the sanctions.

While formally speaking, a new president could not change the country's nuclear policy, his assumption of office might provide a pretext for the Supreme Leader, Ali Khamenei, to steer a less confrontational course. The latter's mixed signals towards direct negotiations with the US – he ruled them out 'under the present circumstances' – point in this direction.

The current list of eight candidates, including Iran's nuclear negotiator Saeid Jalili, signals two things: the next president will be a close confidant of the Supreme Leader, i.e. there will be a unified position on the nuclear programme. And there will be a new lead negotiator: because Jalili will either win the elections, or step down following defeat.

From this point of departure, the EU can prepare a number of changes over the next twelve months – notwithstanding sudden developments on the ground, of course. In terms of political strategy, the EU must see Iran as an element of its broader regional and

global interests and not just as an opportunity, granted by the US and accepted by China and Russia, to fulfil its role as an important global actor.

A more comprehensive EU policy towards Iran should contain these basic elements.

Safeguarding and even strengthening the existing non-proliferation system is of utmost importance, as is – as a matter of principle – multilateral conflict resolution. The EU rightfully insists on the implementation of the relevant IAEA and UNSC resolutions. It should, however, be open to framing the dispute with Iran as a non-proliferation problem – i.e. taking the regime by its word that it condemns all sorts of WMD – rather than singling it out for its often despicable rhetoric. In other words: it is for the sake of regional stability as well as the credibility of the NPT that Iran must not get a bomb, not because its leadership regularly threatens Israel.

This means maintaining current levels of IAEA inspections in Iran while making a concerted effort to get all NPT signatories – and not just Iran – to sign the additional protocol. It also includes being unequivocal about the EU's support for UN efforts to establish a 'nuclear weapons-free Middle East' – which, designed as a system of collective security, would have to include security guarantees for all states in the region.

The promotion of democracy and human rights is central to the EU's foreign policy identity, yet it too often comes second or third in its actual policies. By voting for a reformist president in 1997 and 2001, and by protesting the rigged election results of 2009, the Iranian people have shown that these are values that they generally share.

The EU should step up its outreach to the wider population, by focusing on the rule of law, press freedom or labour rights, where Iran is violating its own domestic laws and/or UN treaties it has signed. While the EU should provide the relevant basic information and up-to-date official statements through a Farsi-language website, European foundations or the soon-to-be-established European Endowment for Democracy could do the groundwork with local officials or politicians.

Iran's geographical location also necessitates a broader approach. From engaging Iran in the stabilisation of Afghanistan and tackling cross-border drug traffic to acknowledging Tehran's role in neighbouring Iraq and, yes, involving it solving the conflict in Syria, the EU should work with the US to end the counterproductive exclusion of Iran from international conflict resolution.

Such an extension of the EU's policy approach requires time, and its ultimate success does not only depend on the Union itself but also on its partners.

Meanwhile, there are a number of things the EU should do to enhance its institutional organisation.

The EEAS should set up an Iran task force, bringing together the different desks currently dealing (or not) with the country, including those outside the EEAS, such as in the Directorate-General for Trade. The natural head of this task force, for the time being, is the deputy secretary-general currently in charge of the negotiations. She could also make sure that she has sufficient people on her team to implement the broader policy approach outlined above.

In Iran, the EU needs to establish a presence on the ground. Most urgently, it should try to support

the rotating presidency's work by sending an EEAS official to one of the member states' embassies in Tehran. Whereas the Iranian authorities have objected to this in the past (demanding that the EU open an official delegation instead), if this person came through one of the national services as a seconded EU expert, Iran's agreement would not be needed as such.

While official demarches and similar activities would still have to be conducted via the accredited ambassador of the country holding the presidency, this EEAS official would provide the expertise and continuity necessary to effectively coordinate member states on the ground as well as send reports to Brussels-based decision-makers.

With a view to Iran's Internet-savvy population, the EU should also invest more in its web presence. Setting up a 'virtual embassy' as the US has done would be one step. It should explain EU policies on Iran and the region (including Farsi-language webcasts by the High Representative) and provide general information regarding living and working in Europe, with links to the respective visa pages on national embassy websites.

Given its prominence and hitherto relative success, the EU should strive to make its Iran policy a showcase of how a well-organised EEAS can benefit member states and Europe's partners alike. Tasked at the moment primarily with keeping a shaky international negotiation process going, the EU would be ill-advised to open the Pandora's box of developing a completely new Iran strategy. Yet putting in place these measures would put the EEAS in a position to tackle the Iran file in a more comprehensive way, while at the same time being prepared to revise its strategy should events on the ground – for better or worse – so require.

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