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Implications for US Policy
in the Middle East*

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EU3-IRANIAN NUCLEON DIPLOMACY: IMPLICATIONS FOR US POLICY IN THE MIDDLE

Colette Mazzucelli ♦

Introduction

Given present concerns about proliferation in the Middle East, it is useful to analyze the impact of EU3-Iranian nuclear diplomacy starting in 2002-2003 and assess its implications for US regional policy. A logical place to start is Waltz's third image,¹ the international system, which influenced the Europeans to engage Iran. In order to understand the nature of negotiations about nuclear politics, it is essential to consider that our understanding of the internal context within Iran is defined by bounded rationality. The dynamics of the 2003 agreement with Tehran provide a point of reference before considering the ways in which Iranian domestic changes impacted on the Europeans diplomatic efforts over time, including the leadership demonstrated by an influential negotiator, High Representative Javier Solana. The focus is on the Iranian decision to enrich uranium. Action taken by the Europeans as well as the United States, Russia, and China to refer Iran to the United Nations Security Council (UNSC) and to impose sanctions on the regime in December 2006 illustrates the limits of EU3 diplomacy. The discussion closes with a perspective on the latest step at the United Nations in terms of US regional policy as the conflict with Iraq continues.

The EU3 on the World Stage: Why an *Ad Hoc* Iranian Initiative?

The International Environment as Impetus

The initial question that comes to mind is why the Europeans engaged Iran. The international environment provides the answer. The global war on terror dominated American thinking in the aftermath of 9/11. Psychologically, the Bush 43 Administration experienced a sea change in its policy orientation. US relations with Iran in previous decades were defined by key events that influence decisively the collective consciousness in each country: the overthrow of Iranian Premier Mossadeq in 1953, which Iran remembers as a CIA/US Embassy-led operation; the US Embassy hostage crisis in Iran, which the United States recalls as an attack on American nationals and the beginnings of a revolutionary Iranian regime hostile to US interests; and Iran Contra, which led to the illegal sale of arms to Iran covertly in exchange for funds channeled to support the Contras in Nicaragua under the Reagan Administration. In the 2002 State of the Union, President George W. Bush included Iran in the 'axis of evil' with Iraq and North Korea. Each episode contributes to mutual mistrust, which defines Iranian-US relations.

During 2002-03, the larger European countries were divided in their support of the United States' military invasion of Iraq. France and Germany, identified as 'Old Europe' by former

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¹ Kenneth Waltz. *Man, the State and War* (New York: Columbia University Press, 1959.)

Secretary of Defense Donald Rumsfeld, opposed the military action. Britain under the leadership of Prime Minister Tony Blair, supported the Bush Administration's military policy. In the absence of US engagement with Iran, these countries, Britain, France and Germany, saw an opportunity. For the British, the Iran initiative was a way to heal the transatlantic rift that had emerged with a degree of mutual recrimination not previously witnessed in public. The French, consistent with their European objectives in security policy, wanted to give Europe a voice. The Germans wanted to prevent a conflict about nuclear politics.

EU3 Diplomacy: Strictly Ad Hoc

The EU3 diplomacy was from the beginning a strictly *ad hoc* initiative. This means that the 'big Three' were in charge of the diplomatic talks, which are usually coordinated at the level of national political directors. One director represents each country. The Council Secretariat of the European Union, which has its seat in Brussels, is responsible to assist the EU3, as necessary. The Council's Secretary General, H.E. Javier Solana, a Spaniard, former Secretary General of the North Atlantic Treaty Organization (NATO), and current High Representative of the Union's Common Foreign and Security Policy (CFSP), played a unique role in talks with the Iranian negotiator responsible for questions of nuclear technology. In terms of leadership, we must question the extent to which Mr. Solana speaks for Europe and if his role as an intermediary contributes to mistrust between Iran and the Western countries during negotiations.

Understanding the Iranian Context: The Relevance of Bounded Rationality

One of the most important considerations for those negotiating with Iran on matters of nuclear technology is that its internal context is not possible to read well from the outside. Only those who possess a deep familiarity with Iran's culture and history, knowledge of the Persian language, and a longstanding experience in the country's domestic affairs are likely to understand more fully where influence resides among its competing centers of institutional power. Iran is not a monolith. There are different actors jockeying for power in a relatively decentralized system. This is significant for EU3 diplomacy because it indicates that European diplomatic efforts with Iran can at best be described in terms of bounded rationality.ⁱⁱ This means there are natural limits to the cognitive abilities of actors, and they do not possess the necessary substantive and analytical skills to see through uncertainty to find a mutually acceptable and efficient outcome. In this context, we must inquire as to the type of leadership necessary to identify diplomatic solutions mutually acceptable to all the actors at the table. A related question must be did the leaders of the respective countries at the table possess the political will to negotiate a solution? In the absence of political will, no solution is possible at any level of negotiation.

Nuclear Negotiations: Identifying a Key Issue in Phase I

In late 2002, as Western countries voiced their concern about intended Iranian plans to enrich uranium at facilities in Natanz and Arak, officials in Iran, a signatory to the Nuclear Non-Proliferation Treaty (NPT) regime, argued that the country was obligated to inform the International Atomic Energy Agency (IAEA) only after uranium enrichment was about to begin.ⁱⁱⁱ From the Iranian perspective, its actions had never violated the NPT. Iran's right to nuclear technology for peaceful purposes as a member of the NPT regime also obliges the country never

ⁱⁱ For a discussion of bounded rationality in the context of European constitutional reform, consult Derek Beach and Colette Mazzucelli, eds. **Leadership in the big bangs of European integration** (Basingstoke: Palgrave Macmillan, 2007.)

ⁱⁱⁱ Ali Ansari, **Confronting Iran** (New York: Basic Books, 2006.)

to develop nuclear weapons. In the cold war era, as Israel, India, and Pakistan edged closer to the acquisition of nuclear weapons outside the NPT regime, the Middle East and South East Asia, became less secure. The Western countries concern for Iran's suspension of uranium enrichment and willingness to demonstrate transparency in its actions was countered by Iran's insistence that suspension cannot equate with suspending either knowledge or technology access. In the Iranian experience, transparency closed the door to the country's acquisition of nuclear technology because the Iranian regime was not an ally of the United States.^{iv}

Iranian President Khatami's confirmation of developments at the power plants in Natanz and Arak in February 2003 set the stage for the EU3-Iranian diplomacy. The EU3 line essentially offered Iran a negotiated settlement. The Iranians would promise to reveal the extent of their nuclear activities as well as sign and ratify an Additional Protocol, thereby allowing intrusive and snap inspections of its nuclear facilities by IAEA experts.^v

The EU3 line purposefully aimed to deflect criticism from a skeptical Bush Administration dominated by neo-conservative thinkers. Iran could develop a civil nuclear program as long as the state provided the required guarantees that it would not seek a military option. It was the unwillingness to agree upon the precise nature of the guarantees that foreshadowed the difficulties to come in future negotiations. In an atmosphere of general mistrust, nuclear talks predicated on Iran's suspension of uranium enrichment resulted in a stalemate.

In the Iranian perspective, nuclear weapons states refuse to give up their arms in violation of the NPT regime. The question is one of how to strengthen the NPT regime, which is consistently undermined over time by states outside the treaty regime that seek to acquire nuclear weapons technology for the purpose of building a bomb. Iranian negotiators refused, in this context, to submit to preconditions for negotiations in which a double standard was imposed: one for existing nuclear weapons states as well as those states outside the NPT that were allowed to acquire nuclear technology to construct a bomb; and another for those states inside the NPT regime that sought to acquire nuclear technology and were denied their right to do so.

Factions within Iran differed as to the degree of trust and compromise that could be afforded to the Europeans. Traditional conservatives and Reformists argued for an agreement to be reached with the Europeans to divide the West and maintain European support as a counterweight to US ambitions in Iran. Hard liners in Iran were more skeptical of the EU3's capacity to deliver in the absence of US engagement in negotiations and the dominance of American neo-conservative thinking in the run-up to the Iraq invasion. The hard liners were convinced that the objective of the West since 1979 was the overthrow of the Islamic Republic: regime change.

In the agreement signed by the foreign ministers of Britain, France, and Germany, who flew to Tehran in October 2003, Iran accepted to sign and ratify the Additional Protocol and to suspend its plan to enrich uranium pending further final-status negotiations. The EU3 agreed to recognize Iran's right to develop peaceful nuclear energy and to assist in its development, along with the promise to enter a more general dialogue about regional security and stability.^{vi}

The attention to the matters of detail in the EU3-Iran agreement did not address the root of the problem: the lack of trust between Iran and the United States. In the absence of trust, no settlement of the nuclear dispute could endure. The Iranian negotiators were concerned that the broader framework was missing, and worried that concessions on the nuclear issue would allow the United States to move on to another matter of contention, terrorism, or increasingly, Iraq. Aspirations as a Regional Player: Competing Centers of Institutional Power Inside Iran

^{iv} The author's presentation of the Iranian interest and position derives from numerous interviews with diplomats from different member states at the United Nations.

^vNTI, **Iran Profile**, Nuclear Overview, http://www.nti.org/e_research/profiles/Iran/index.html; Ansari, **Confronting Iran**, 2006.

^{vi} The author's presentation of the EU3 negotiating line derives from interviews with diplomats in Brussels and New York.

The Tehran agreement of November 2003 meant different things to its signatories. For the EU3, a confrontation between Iran and the United States had been avoided. Diplomatic engagement had succeeded where military action could not. A process of confidence building had begun. For Iran, concessions had been secured from the West and an immediate crisis had been overcome. Iran awaited a more favorable political climate to reopen negotiations. The EU3 wanted the Additional transatlantic relations would be influenced by this outcome.

In Iran, the municipal elections of 2003 brought a conservative council to Tehran, full of hard liners. The new mayor of Tehran was Mahmoud Ahmadinejad. The political ascent of Iran's neo-conservatives pointed to a lack of bold Reformist leadership and a loss of the Reformist popular base in Iranian society. There were players within Iran who considered their state to be the chief beneficiary of the US war on terror. Iraq and Afghanistan were becoming increasingly difficult situations to cope with militarily. Iran's political leverage was growing with time.

The situation after 2004 became more complicated. The new Iranian Parliament stacked with hard line deputies had no intention of ratifying the Additional Protocol. In their view, the Iranian negotiating team was too soft with the EU3 and should insist on the retention of all Iranian national rights. The emphasis on nationalism was important. Nuclear development, particularly the need to enrich uranium, became an iconic issue that would brook no questions, not even those relating to the cost of the venture.^{vii}

Protocol to be signed and ratified as a matter of security – After the Iraq invasion, the future of Nuclear Negotiations: Bringing the Americans on Board in Phase II

As time passed, it became increasingly clear that the Additional Protocol was not going to be ratified by the Iranian Parliament elected in 2004. The Iranians sought to push the limits to show their own people and critics that they were not going to submit to pressure from the EU3 or the United States and to pressure the Europeans to broker a more comprehensive agreement. The United States, while eager to delegate responsibility to the EU3, periodically intervened. Americans made no secret of their lack of faith in the success of the negotiations. The United States would not be happy unless Iran dismantled its nuclear program. The Bush Administration also indulged in the language of regime change, which is at the heart of Iran's security concerns.

As negotiations continued, the EU3 made clear that the only objective guarantee that could work was a permanent cessation of uranium enrichment. The already small prospects of an agreement vanished. When the Americans finally came on board with the EU3, in May 2006, opinions were polarized and domestic pressures were mounting. There was a change in the structural parameters of negotiations: in 2003 Iranian reformers were in power and the US military was not yet bogged down in the midst of protracted civil strife in Iraq. By 2005, Iranian hard liners were ascendant and Iraq had shown the limits, in Iranian eyes, of the use of force in international politics by any initiator, including the United States, to achieve its intended goals.

The EU3 assured the US that if Iran backtracked on the agreement signed in November 2004, which contained clearer language than the 2003 text and particular emphasis on proving that uranium suspension had actually taken place, the EU3 would join with the US in insisting that Iran be referred to the Security Council. The Iranian interest is to strengthen the NPT regime. Its position is that referral of its nuclear program to the Security Council will not accomplish this aim as long as other structural impediments persist in unraveling the regime. The focus of the international community should be to encourage those states outside the regime to join the NPT.

^{vii} This section relies on the analysis in Ansari, **Confronting Iran**, 2006.

The Election of Ahmadinejad: From the EU3 to the United Nations Security Council

February 2005 marked a critical phase in Iran's proposals. In order to address European concerns, Iran suggested that the EU3 ask the IAEA 'to develop technical, legal and monitoring modalities as objectives guarantees to ensure that Iran's nuclear program would remain exclusively for peaceful purposes.'^{viii} The Iranian negotiating team offered a comprehensive deal in March 2005 amidst political pressures at home and the end of the Khatami presidency in the second term. The EU3 rejected the Iranian offer, which led Iran to await a European counteroffer in August. By this time negotiations reached a deadlock. The EU3 insisted that Iran cease uranium enrichment as a precondition for progress. The Iranians insisted that enrichment was their lawful right as a signatory to the NPT regime and that the EU3 was bowing to extraneous pressure from Washington. This prevented the Europeans from considering any 'objective guarantee' to address their concerns about Iranian proliferation. The core disagreement between Tehran and the EU3 is about what constitutes an 'objective guarantee' that Iran's nuclear program is peaceful.^{ix}

The Iranian right to enrich uranium on its own soil persists as a focal point of divergence in negotiations. The Europeans insisted that they should simply supply the required uranium. Iran has considered how the enrichment facilities on its territory could benefit the region. Its oil is a finite resource, and Iran, with its larger population and greater oil consumption relative to other neighbors, has an interest to look for alternative sources of fuel like nuclear energy. Over time there has been an 800% increase in the price of nuclear fuel. For economic, political, and strategic reasons, Iran does not consider its interest served to be fuel dependent on any other power.

The EU3 presented new terms in August 2005, reflecting their dependency on the political turn of events as Ahmadinejad assumed the Presidency. It was an offer that avoided the language of 'permanent cessation,' opting instead for a lengthy 'temporary suspension.' In Iran's view, the EU3 package failed to address its rights for the peaceful development of nuclear technology. Iranian politics impacted on the negotiations: no one in the West had a good idea how one was to deal with the new President, a veteran of Iran's Revolutionary Guards. This 2005 change in the domestic context influences the stalemate in negotiations to this day. The 2007 UN sanctions being implemented against Iran are targeted at the Revolutionary Guards, who, in the analysis of Karim Sadjadpour at the Carnegie Endowment for International Peace, are emerging as "...the most prominent actor in Iran." In his words, "They're playing an increasingly active role on the domestic political scene, have enormous economic assets and interests, are a key player in the nuclear program, and are essentially running Iranian activities in Iraq and Lebanon."^x

Implications for US Policy in the Middle East

On December 23, 2006 the UNSC adopted Resolution 1737, which cited Iran's pursuit of nuclear weapons capability as a 'grave threat,' and 'placing Iran in the small category of states under Security Council sanctions.' In the US explanation of the vote, the resolution's aim is to send Iran an unambiguous message that there are 'serious repercussions to its continued disregard of its

^{viii} Permanent Mission of Iran to the United Nations – New York, **Facts and Materials on the Peaceful Nuclear Program of the Islamic Republic of Iran, Part 2: Other Materials**, <http://www.un.int/iran/>

^{ix} Mark Leonard. **Can EU diplomacy stop Iran's nuclear programme?** Working Paper. (Brussels: Centre for European Reform, November 2005.)

^x Robin Wright, "Elite Revolutionary Guard Broadens Its Influence in Iran," **The Washington Post**, April 1, 2007, p. A21.

obligations’.^{xi} The Iranian Permanent Representative to the United Nations, Ambassador Dr. M. Javad Zarif, addressing the Security Council articulated that bringing Iran’s peaceful nuclear program before the Council only achieved the stated objective of a few powers to use the Security Council ‘as an instrument of pressure and intimidation to compel Iran to abandon its rights.’^{xii}

In late January 2007, Mohamed ElBaradei, director general of the United Nations International Atomic Energy Agency (IAEA) explained that Iranian officials had told him they planned to begin installing equipment in an industrial scale plant to enrich uranium. ElBaradei made this announcement coupled with a plea to both Tehran and Western nations for all sides to take a ‘timeout’ to head off a larger confrontation.^{xiii} This statement came a week after the Supreme Leader Ayatollah Ali Khamenei publicly called on President Ahmadinejad to stay out of all matters nuclear. Mr. Larijani, the Secretary of Iran’s Supreme National Security Council and Iran’s chief negotiator in nuclear diplomacy, explained that Iran is not going to quit the Nonproliferation Treaty regime or bar international inspectors.^{xiv}

Multiple signals coming from Iran point to a need in Washington to examine carefully intelligence reports about the situation there as US policymakers grapple with decisions that demonstrate bounded rationality. Senator John D. Rockefeller IV, Democratic chairman of the Senate Intelligence Committee, argued in mid-January that the Bush Administration was building a case against Tehran even as American intelligence agencies still know little about either Iran’s internal dynamics or its intentions in the Middle East.^{xv} In June 2006, Senator Democratic Leader Harry Reid introduced the Iran Intelligence Oversight Act arguing the Bush Administration’s increased private and public diplomacy made congressional oversight more important.^{xvi}

Given recommendations made by the Iraq Study Group, notably its finding that the US engage diplomatically with Iran and Syria, American policy in the region needs to weigh options carefully to involve Iraq’s neighbors in assessing how to enhance its stability. In the testimony of Zbigniew Brzezinski before the Senate Foreign Relations Committee on February 1, 2007, the former National Security Adviser articulated that Iran and Syria have no reason to help the US consolidate a permanent regional hegemony.^{xvii} Lee Hamilton’s analysis before the United States House of Representatives Committee on Foreign Affairs speaks to the issue directly that America must use its diplomacy to make Iran and Syria part of the solution in the Middle East.^{xviii} It is time for the United States to negotiate with Iran on behalf of stability and American interests in Iraq and the broader region.^{xix}

Iran is a unique country, not like those in central and eastern Europe. The ways in which the United States can learn from its successful engagement after World War II of ‘soberly deterring aggression without initiating hostilities, all the while also exploring the possibility of negotiated arrangements’ are not replicable in this situation. The mindset that has evolved in Iranian-US relations as a result of the 1979 hostage crisis and the Iran-Contra affair is destabilizing. A paradigm change requires a bold diplomatic initiative to lay the foundation for

^{xi} Permanent Mission of the United States to the United Nations – New York, **Explanation of Vote by Ambassador Alejandro Wolff, Acting U.S. Permanent Representative, on Iran and the adoption of UNSC Resolution 1737**, December 23, 2006, USUN Press Release # 357.

^{xii} Permanent Mission of Iran to the United Nations – New York, **Some Facts and Materials on the Peaceful Nuclear Program of the Islamic Republic of Iran, Part 1: Statement by H.E. Dr. M Javad Zarif, Permanent Representative of the Islamic Republic of Iran before the Security Council**, 23 December 2006, <http://www.un.int/iran/>

^{xiii} Mark Landler and David E. Sanger, ‘U.N Atomic Chief Cites Iran Enrichment Plan,’ **New York Times.com**, January 27, 2007.

^{xiv} Nazila Fathi and Michael Slackman, ‘Rebuke in Iran to Its President on Nuclear Role,’ **New York Times.com**, January 19, 2007.

^{xv} Mark Mazzetti, ‘Leading Senator Assails President Over Iran Stance,’ **New York Times.com**, January 20, 2007.

^{xvi} ‘Reid: America Expects Accountability on Iran,’ June 19, 2006, democrats.senate.gov

^{xvii} Senate Foreign Relations Committee, **SFRC Testimony – Zbigniew Brzezinski**, February 1, 2007.

^{xviii} United States House of Representatives, **Statement by Lee H. Hamilton Co-Chair of the Iraq Study Group before the Committee on Foreign Affairs**, United States House of Representatives, January 19, 2007.

^{xix} Council on Foreign Relations, **Iran: Time for a New Approach**, New York: Council on Foreign Relations, 2004.

Iran's relations with the United States in the future:^{xx} the willingness to send a US envoy who conveys the political will to negotiate directly with Tehran about the use of its nuclear technology exclusively for peaceful purposes. History teaches us that courage and leadership are essential to make a visionary initiative, like former President Nixon's opening to China, possible.^{xxi}

America's relations with Iran are too important strategically to burden with ill-conceived notions of regime change or outdated policies of containment. Integration is key in the 21st century global environment.^{xxii} It is up to the US to place diplomacy at the service of concrete objectives with Iran in the Middle East. The unraveling of the NPT regime leads the world away from integration through institutions and respect for the rule of law. These are the twin pillars of the global system to which US diplomacy contributed at the close of World War II. In the wake of the NPT regime's demise is a likely return to a multi-polar world in which a larger number of competing great powers use nuclear weapons to exert dominance in a zero-sum game. This is essentially a conflict-oriented scenario more likely to breed fundamentalist extremism than prevent its spread.

The fate of EU3-Iranian diplomacy illustrates that a paradigm change diplomatically by the US can support a broader multilateral effort and begins to demonstrate the resolve of nuclear weapons states in nonproliferation. This is arguably the most important challenge of our time to which those countries with the greatest responsibilities in the global system must respond in an ethical, pragmatic, and visionary manner.^{xxiii} Relations with Iran demonstrate the dangers of a double standard in the real world in which we live,^{xxiv} a double standard that disadvantages the NPT signatories, and offers no disincentive to those countries, including Israel, India, and Pakistan, which simply disregard the international norms of the NPT regime. The ways in which the nations of the world address or ignore this persistent double standard in negotiations^{xxv} is the critical factor defining a contest of wills in the new millennium that refuses to leave the cold war behind.

^{xx} Ray Takeyh. **Hidden Iran** (New York: Times Books, 2006.)

^{xxi} Margaret Macmillan. **Nixon and Mao. The Week That Changed the World** (New York: Random House, 2007.)

^{xxii} Richard N. Haass, **Defining U.S. Foreign Policy in a Post-Post-Cold War World**, Remarks to the Foreign Policy Association, New York, April 22, 2002, Washington, DC: U.S. Department of State, 2002.

^{xxiii} Cathal J. Nolan. ed. **Power and Responsibility in World Affairs** (Westport, CT and London: Praeger, 2004.)

^{xxiv} Jeane J. Kirkpatrick. **Dictatorships and Double Standards** (New York: American Enterprise Institute, 1982.)

^{xxv} Strobe Talbott. **Engaging India. Diplomacy, Democracy, and the Bomb** (Washington, DC: Brookings Institution Press, 2006.)

