

# Trust, not sanctions, was the key to the nuclear deal with Iran.

On 24 November, the five members of the United Nations Security Council, plus Germany, reached a deal with Iran that would see limits placed on the country's nuclear program, in exchange for a reduction in U.S. sanctions towards the country. [Christian Emery](#) takes a close look at the background to the historic deal, arguing that the deal was only made possible because of unprecedented back-channel diplomacy between US and Iranian diplomats and the West's acceptance that Iran's nuclear program was so sophisticated that it would never be fully dismantled. He also writes that the deal illustrates Washington's lack of appetite for another Middle Eastern war, and a growing rift with its traditional allies, Israel and Saudi Arabia.



The interim nuclear deal the P5+1 and Iran signed in Geneva last week looks to have finally broken a deadlock that just months ago appeared as firmly entrenched as ever. Notwithstanding [France's widely reported attempt to harden the P5+1's](#) position, and the tireless diplomatic efforts of EU High Representative for Foreign Affairs, Baroness Ashton, it is the advance in US-Iranian relations that made the deal possible. The fact that US and Iranian diplomats managed to sit down in Geneva and reach agreement is a huge achievement, but it is the scale and intensity of the [back-channel negotiations](#) that led up to last week that is truly remarkable. Whether talking secretly [in Muscat](#), on the side-lines of the UN General Assembly meeting, or in hotel rooms in Geneva, these two long term foes might just have established the vital missing ingredient: trust.

The problem of the trust-deficit is underscored by the fact that for many years it has been widely understood that a successful agreement would look like the one reached in Geneva. Iran would be allowed to enrich uranium to relatively low levels (3-5 percent) but submit to an even more stringent inspection regime. Iran would freeze work on a heavy water facility and ship out, dilute, or convert its stock of 20 percent enriched uranium (weapons grade uranium requires enrichment beyond 90 percent but the process is non-linear, meaning Iran's increasing capacity to quickly enrich to 20% was a major concern for the P5+1). These conditions would legitimise Iran's right to nuclear



British Foreign Secretary William Hague, German Foreign Minister Guido Westerwelle, EU foreign policy chief Catherine Ashton, Iranian Foreign Minister Mohammad Javad Zarif, Chinese Foreign Minister Wang Yi, US Secretary of State John Kerry, on early November 24, 2013 in Geneva. Credit: European External Action Service – EEAS (Creative Commons BY NC ND)

energy but render it unable to produce the fissile material required for weaponisation. The vast array of sanctions levied against Iran would then be sequentially ramped down.

Iran could throw out the inspectors, but this suicidal act of provocation would still leave Iran many months and probably years short of a deliverable bomb, during which time it would face almost inevitable military attack. Whilst the characterisation of an irrational and suicidal Iran has certainly featured heavily in domestic discourse, particularly in Washington and [Tel Aviv](#), it has thankfully never made it into the decision-making calculus of the Obama administration or the P5+1. Yet, equally, Iran never made any progress in persuading the world that its intentions were entirely peaceful either. It was clear, therefore, that any agreement would resemble the formula

described above. And so it came to pass last week in Geneva. The deal protected both sides' core interests and avoided the zero-sum situation of one side having to accept defeat at the expense of the other. If anything, Iran has settled for rather more modest sanctions-relief than was expected- [just \\$7 billion](#) of which \$4 billion involves the repatriation of payments for oil sales that were caught in financial no-mans-land when the banking sanctions came in.

So why did these negotiations succeed after 10 years of failure?

Much has been made of the impact of sanctions on Iranian decision-making. After years of pondering how to sanction a country with the third largest oil reserves in the world, the killer blow came when Washington succeeded in preventing Iran from being easily paid for its oil. Executive Orders rendered Iran's central bank practically useless and the country was largely frozen out of the various global mechanisms states use to transfer funds to one another. The result shocked Iran; its [oil exports halved and the rial lost 60 percent of its value](#).

Iran has faced perhaps the most comprehensive and devastating application of sanctions in modern history; it would be foolish to believe that Iran is not very motivated to reverse them. It was Rouhani's pledge to roll back sanctions that won him the Presidency over the summer and it is the faith Supreme Leader Ayatollah Khamenei has in him to do so that protects him from hard-line opponents.

But there's a reason why the [literature on economic sanctions](#) is profoundly sceptical of their efficacy. Ten years ago, when sanctions began, Iran had less than 160 centrifuges spinning, it now has over 18,000. Iran has

increased its centrifuges, built a new reactor, and put another into the national grid- all in the face of sanctions. Even now, Iran will never submit to zero enrichment on Iranian soil, the core demand of the unilateral and UNSC sanctions. The reality is that a deal was only made possible because the West shifted its position and accepted that Iran's nuclear program was so sophisticated that it will never be fully dismantled.

Yet the Iranian nuclear crisis was always about a lot more than finding the acceptable number of centrifuges that could spin in Iranian reactors. Both the origins and consequences of this deal are thus complex. The easiest way to understand the dynamics of this deal is to break them down into the three categories: international, domestic, and personal.

### International

Iran has benefited from the fact that America's relations with its two principle allies, Saudi Arabia and Israel are in crisis. Both countries are staunch opponents of a US-Iranian rapprochement. President Obama and Israeli Prime Minister Bibi Netanyahu actively dislike each other with the latter focussing his campaign to wreck the Geneva deal on the American public and his many allies in Congress. Beyond the personal animosity this has engendered in relations with the Netanyahu government, the Obama administration is fed up with Israeli's failure to moderate its settlements policy and thus negotiate in good faith with the Palestinians. Washington sees this failure as one of the primary limitations on its own strategy in the Middle East.

The Arab Spring forms the backdrop of Washington's deteriorating relations with both Tel Aviv and Riyadh, but it is



Dr. Hassan Rouhani, President of Iran Credit: Asia Society  
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the Saudis who are particularly disgusted by Washington's failure to maintain the status quo in the region; a role it sees as the *raison d'être* for their strategic relationship. King Abdullah is unhappy with Obama's failure to support his intervention in Bahrain, his abandonment of President Mubarak of Egypt, and his unwillingness to topple Assad in Syria. In response, the Saudi autocrat threw a hissy fit and rejected [Saudi Arabia's rotation into the UNSC](#). The Obama administration, however, increasingly sees Riyadh's dismal human rights record, global propagation of fundamentalist Islam, and resolute refusal to accept, as Washington has, that democratisation cannot be permanently resisted, as a serious foreign policy problem. Washington's thriving oil industry, and spiralling Saudi domestic oil consumption, are also shifting the geo-strategic foundations of their long-term alliance. Put simply, Washington is starting to confront the reality that its decades long reliance on these two key allies has failed to provide stability or enhance US interests in a rapidly changing region.

In contrast, Washington has found that it can cooperate effectively with other powers, as it did with Russia in dismantling Syria's chemical weapons arsenal. The narrative that Iran has been emboldened by America's retreat from military action in Syria is demonstrably false. The response in Iran was immediately positive. Foreign Minister Mohammad [Javad Zarif quickly came out in support of the Russian plan](#). Iran and Washington find themselves on opposite sides in Syria but they share similar core interests. Neither want to see US military involvement, further chemical attacks, or advances by Sunni jihadi groups with links to Al Qaeda. In the aftermath of the chemical attacks that almost led to US strikes, Washington and Tehran exchanged at least two letters discussing ways in which they can prevent the Syrian conflict from threatening their core interests. This dialogue was an important ingredient in the nuclear negotiations.

### **Domestic Politics**

What the deal with Iran shows is that the two most formidable domestic opponents of a US-Iranian rapprochement, the pro-Israel lobby and Congress, are [both weakened](#) and outmanoeuvred. The Obama administration broadly succeeded in persuading the American public that the alternative to reaching an accommodation with Iran is another war in the Middle East. This positioned Congress (not necessarily unreasonably) as the war-mongers at a time when the American public has never been more reluctant to embark on foreign wars. This comes on the back of the Republican Party's failure to blackmail Obama into abandoning his domestic legacy of extending affordable health care. The Israel lobby, the long term of nemesis for a realist US policy in the Middle East, are equally on the defensive. Having failed to prod Congress into supporting an intervention in Syria, by standing up to them on Iran, Obama has further undermined the psychological hold that the American Israel Public Affairs Committee's lobbying machine commanded over US policy in Iran.

### **Personal**

Obama had an electoral mandate to engage Iran, yet as Trita Parsi convincingly writes in his book [A Single Roll of the Dice](#), he soon realised that he had underestimated the enormous degree of political capital he would have to invest in pursuit of this aim. Unwilling to divert his energies away from his more pressing domestic priorities, pressured by the anti-Iranian camp at home and broad, and horrified by Iran's brutal crack-down on dissent after the 2009 election crisis, he soon gave up. The uncertain implications of the Arab Spring and the start of Obama's re-election campaign put pay to any further diplomatic engagement.

We now have an Obama liberated from the pressures of re-election and in need of a foreign policy legacy amidst sustained attacks on his handling of US policy in the Middle East. A major break-through in relations with Iran, an achievement that has eluded all his predecessors, has the potential to single-handedly secure Obama's foreign policy legacy. Through back-channel diplomacy, and of course his [historic telephone call to President Rouhani in New York](#), Obama is clearly convinced that the new government in Iran is worth investing the huge political capital his administration put into brokering this deal. The Rouhani administration represents the best partner Washington can realistically hope for and Obama's own political will was another major ingredient in the break-through in Geneva.

### **Future problems**

We should not lose sight of the fact that this interim deal is the first step in a long and difficult process. Long term success will depend in equal measure on Iran's willingness to permanently limit parts of its nuclear programme,



which it has invested a huge amount of political and financial capital in, and Obama's political determination to unpick the complex web of financial sanctions currently levied against Iran.

Obama can face down the [shrill neo-conservative voices](#) who immediately filed the deal under their go-to category of appeasement. Such critics see the deal as symptomatic of Obama's feckless refusal to arrest the steady decline of American power and credibility in the world. The larger problem facing the White House comes in trying to persuade Congress to hold fire on further sanctions. Here Obama faces a daunting task; [Congress is already preparing further financial sanctions](#)



Office, Sept. 27, 2013. (Official White House Photo by Pete Souza)

targeted on Iran's oil sector that, if passed, could see Iran walking away from the interim deal. Secretary of State Kerry was sent to plead with Congressional leaders to hold fire, but instead faced criticism over the extent to which Congress was unaware of years of secret diplomacy with Iran. Obama cannot even rely on his own party- Democratic senators Schumer and Menendez, long term champions of sanctions, have both indicated their determination to keep fighting the good fight. Meanwhile, Democratic majority leader Harry Reid, who has the political and procedural ability to disrupt sanctions, has signalled his unwillingness to do so.

This will be a major concern for President Obama's team, but one must assume that Congress' potential intransigence has been discussed during secret talks with Iran. Obama will do his utmost to hold back Congress, and his hand will be strengthened if Iran quickly demonstrates its determination to hold up its side of the bargain. Yet, if he fails, he also has the ability to provide sanctions relief by Executive Order. He also has the capacity to limit the extent to which sanctions are applied or interpreted. Furthermore, even Congress cannot prevent the EU from dropping their sanctions. Most importantly, however, even recalcitrant Congressmen will be aware that they will be held accountable if they torpedo this deal and Washington finds itself dealing with a new war in the Middle East.

The real significance of what was achieved in Geneva lies not just the concessions offered by Iran, considerable as they are, but in how both sides seem to have finally persuaded each other of their good intentions. This will surely be tested over the next six months but should it hold, both sides will be rewarded with a transformational foreign policy victory.

*Christian Emery will be speaking at the LSE event [US foreign policy and the Iranian Revolution: the dynamics of engagement and strategic alliance](#), on 2 December, and will be promoting his [new book](#). The hashtag for the event is [#LSEIran](#).*

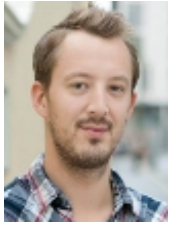
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