

# All Is Not Quiet on the Western Front

## Trump's Iran Policy and Europe's Choice on the Nuclear Deal

by Riccardo Alcaro

### ABSTRACT

The US and Europe have failed to build upon their greatest cooperation success in over a decade, the 2015 nuclear deal with Iran. While Europe has advocated conditional engagement, President Trump, alarmed by Iran's growing influence in the Middle East, has re-oriented US foreign policy towards confrontation. He aims at containing and isolating Iran through delegitimation, sanctions and support for an anti-Iran coalition made up of Israel, Saudi Arabia and the United Arab Emirates. Most importantly, Trump is determined to condition America's continued participation in the nuclear deal on Europe's agreeing to exert further pressure on Iran by unilaterally changing the terms of the deal. But going along with the US president's demands would be a mistake for Europe. For all its imperfections, the nuclear deal serves Europe's interest in the upholding of the non-proliferation regime and preventing the Middle East from descending into further instability.

*US foreign policy | European Union | Transatlantic relations | Iran | Arms control | WMD | Nuclear*

**keywords**

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by Riccardo Alcaro\*

### Introduction

The 2015 nuclear agreement with Iran was perhaps the most significant success of transatlantic cooperation in the 21st century. And yet, America and Europe have failed to build on that success. While Europe and Iran have seen bilateral trade rebound and have engaged in political dialogue, relations between the United States and Iran have experienced increasing tensions. President Donald Trump has re-oriented US foreign policy along a traditional pattern of intransigent antagonism towards Iran, which he sees as a threat to America's interests and allies in the Middle East.

Trump's Iran policy has contributed to simplifying interstate relations in the region, with two blocs opposing one another. On the one side are Iran and its allies: President Bashar al-Assad in Syria, Shia forces in Iraq, Hezbollah in Lebanon and, to a lesser extent, the Houthis in Yemen. On the other are Iran's die-hard enemies: Israel, Saudi Arabia, the United Arab Emirates and to some degree Jordan, all supported by the United States. In-between the blocs are countries active on both fronts out of either practical necessity, such as Turkey, Qatar and Oman, or strategic calculus, like Russia. Europe, which belongs to the group of "in-betweens", is now faced with the difficult choice of whether to fall back on its traditional support for the United States or risk a transatlantic rift by carving out a middle course. While politically more complicated, this second option is largely preferable strategically. Europe cannot truly defend its own interests unless it plays a more autonomous role in Middle Eastern geopolitics and re-orientes transatlantic cooperation accordingly. The litmus test is how Europe handles the nuclear issue.

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## 1. The roots of Trump's hostility towards Iran

Europe's hope that the nuclear deal could pave the way for a transatlantic approach to Iran based on selective engagement have grown ever dimmer since Barack Obama left office.<sup>1</sup> Obama pursued the nuclear deal also with the goal of turning the purely antagonistic US–Iranian relationship into a more pragmatic one.<sup>2</sup> With Trump, high-level contacts between US and Iranian officials, which had become more frequent during the nuclear talks, have all but ceased. The current US president, an outspoken critic of the nuclear deal, is convinced that engagement is a failing proposition.

Underlying Trump's bitter hostility towards Iran are reasons of different order and nature. The first is the *burden of history*. Antagonism has been the dominant theme – often, the only theme – characterizing the relationship between America and revolutionary Iran. The ouster of Persia's pro-US despotic shah, Mohammed Reza Pahlavi, in 1979 not only deprived the United States of a key ally in the region, but eventually resulted in the establishment of a clerical regime whose ideological fabric – and consequently legitimacy – was imbued with anti-Americanism. The 1979–81 hostage crisis – when a group of Islamist students held hostage 52 diplomats and officials in the US embassy in Tehran with tacit blessing from the government – was just the prelude to a history of mutual accusations and hostile actions.

In the following decades, the Iranian regime fuelled Washington's mistrust with assassinations of political dissidents abroad, support for anti-Israel armed groups, training and coordination of Shia insurgents during the occupation of Iraq – to mention just a few. Iran's *cahier de doléances vis-à-vis* the United States is equally packed. Recriminations range from America's support to Saddam Hussein during the central years of the 1980–88 Iran–Iraq war, to the shooting down (by mistake) of an Iranian civilian airliner by US naval forces in 1988,<sup>3</sup> to the never fully abated ambition to bring about regime change in Tehran.<sup>4</sup> Largely episodic attempts at pragmatic cooperation<sup>5</sup> – most notably over Afghanistan in late 2001, when the

<sup>1</sup> Federica Mogherini, "The Iran Agreement Is a Disaster for Isis", in *The Guardian*, 28 July 2015, <https://gu.com/p/4b2y6>.

<sup>2</sup> For Obama's view of Iran, see White House, *National Security Strategy*, Washington, May 2010, p. 4 and 26, <http://nssarchive.us/national-security-strategy-2010>.

<sup>3</sup> The incident, which caused the death of all three hundred passengers, occurred when USS cruiser Vincennes mistakenly identified an Iran Air plane flying along its standard route over the Persian Gulf for a military aircraft. While the US government neither admitted legal liability nor issued a formal apology, in 1996 it agreed to pay over 60 million dollars to the families of the victims as compensation.

<sup>4</sup> There is a vast literature exploring the origins and nature of US–Iran hostility. Kenneth Pollack (*The Persian Puzzle. The Conflict between Iran and America*, New York, Random House, 2004) provides a useful overview from a US standpoint. For a more critical appraisal of America's role in Persia/Iran, see Peter Frankopan, *The Silk Roads. A New History of the World*, London, Bloomsbury, 2015, p. 399–418.

<sup>5</sup> As well as controversial affairs, such as when senior members of the Ronald Reagan administration

Iranian government contributed to the post-Taliban transition – have done little to nothing to alleviate deep-rooted mutual mistrust.<sup>6</sup>

Along with the burden of history comes the *weight of politics*. In the United States hostility towards Iran spans across political divides and is widespread in the media, public opinion and Washington-based think tanks (whose experts regularly go in and out of government depending on their political affinity to the administration in office).<sup>7</sup> Since the start of the new millennium the Republican Party has been characterized by an uncompromising, almost visceral antagonism towards Iran. Former US President George W. Bush notoriously included Iran in the “axis of evil” club whose unwitting members also counted pre-invasion Iraq and North Korea, and in 2006 depicted the Islamic Republic as the greatest threat to US interests in the Middle East.<sup>8</sup> In the following years, the Republicans showed great scepticism towards the Obama administration's attempts at nuclear negotiations, and eventually decided to oppose the nuclear deal of 2015 *en masse*.<sup>9</sup> Now, with both the White House and Congress in their control, the Republicans provide fertile ground for a policy of confrontation.

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(1981–1989) facilitated the sale of weapons to Iran (which was under an arms embargo) to fund the anti-communist Contra forces in Nicaragua.

<sup>6</sup> James Dobbins has provided an account based on personal experience of US–Iranian cooperation in Afghanistan: James Dobbins, “Negotiating with Iran: Reflections from Personal Experience”, in *The Washington Quarterly*, Vol. 33, No. 1 (January 2010), p. 149-154, <https://doi.org/10.1080/01636600903424833>.

<sup>7</sup> Opposition to Iran is often linked to support for Israel. Pro-Israel interest groups such as the American Israel Public Affairs Committee (AIPAC) or the Anti-Defamation League regularly espouse violently anti-Iran stances. AIPAC counts congressmen and senators from both parties among its supporters, and it is influential enough that all candidates find it mandatory to deliver a speech before its members during presidential campaigns. Voices in favour of a rapprochement with Iran are rarely, if ever, heard from Washington think tanks, several of which actually stand out for advocating confrontation (most notably the Foundation for the Defence of Democracies, the American Enterprise Institute or the Washington Center for Near East Policy). An isolated, tiny and largely unimportant exception is the National Iranian American Council.

<sup>8</sup> The axis of evil metaphor was used in Bush's first State of the Union address in January 2002. See White House, *The President's State of the Union Address*, Washington, 29 January 2002, <http://georgewbush-whitehouse.archives.gov/news/releases/2002/01/20020129-11.html>. The 2006 National Security Strategy singled out Iran as the greatest threat to US interests in the Middle East. See White House, *The National Security Strategy of the United States*, Washington, March 2006, p. 20, <http://nssarchive.us/national-security-strategy-2006>.

<sup>9</sup> Of the several instances in which the Republicans acted upon their opposition to the nuclear talks with Iran, three are worth mentioning. The first was the attempt to adopt new sanctions against Iran after the conclusion of an interim nuclear deal in late 2013, a preliminary step to the final deal. Obama felt the threat was great enough that he warned he would veto the sanctions bill in his 2014 State of the Union address. See White House, *State of the Union Address*, Washington, 28 January 2014, <http://go.wh.gov/2MZ8Ld>. The second instance occurred when John Boehner, at the time the Republican Speaker of the House of Representatives, invited Israel's Prime Minister Benjamin Netanyahu to deliver a speech fiercely critical of the nuclear talks before Congress in March 2015 against the wishes of the White House. See Israel's Prime Minister, *PM Netanyahu's speech to a joint session of the US Congress*, 3 March 2015, <https://www.congress.gov/congressional-record/2015/03/03/house-section/article/H1528-1>. The third instance was Congress adopting the Iran Nuclear Agreement Review Act of 2015, a law designed to increase Congress's oversight of the deal but that has turned out to be a complicating factor in the implementation of the deal itself.

The final reason behind Trump's antagonism towards Iran is the most immaterial and contingent, and yet it could well be the decisive one, as it is related to the *president's psychology*. If there is a constant in Trump's young and stormy presidency, it is the systematic attempt to destroy the legacy of his predecessor. From healthcare reform to the Paris Accord on climate change, from immigration to financial regulations, from trade with Asia-Pacific countries to the diplomatic overture to Cuba, there is no policy initiative by Obama that Trump has not tried to reverse or dismantle altogether. It comes as no surprise then that Trump agonizes at the prospect of abiding by the nuclear deal with Iran, which after all is Obama's flagship foreign policy achievement and which Trump, with his usual penchant for hyperbole, has repeatedly called the "worst deal ever".<sup>10</sup>

This psychological trait of Trump's presidential conduct helps explain why in October 2017 the president refused to certify to Congress that the nuclear deal was in America's interest in spite of several key members of his cabinet – including Secretary of Defence Jim Mattis, former Secretary of State Rex Tillerson and Chairman of the Joint Chiefs of Staff Joe Dunford – publicly contending the contrary.<sup>11</sup> While the "decertification" did not amount to a formal US withdrawal from the nuclear agreement (as explained below), it did provide the occasion for Trump to present his Iran strategy in detail. It is necessary to take a closer look at this strategy to figure out what policy options it leaves the Europeans.

## 2. The three pillars of Trump's Iran policy

The Trump administration has refrained from articulating a strategy to bring about the end of the Islamic Republic and its clerical regime, at least one involving the use of force. America's difficulties in Iraq, Afghanistan and Syria have made further military involvement in Middle Eastern conflicts an unappealing task for military planners and, most importantly, an unpopular proposition among American voters.<sup>12</sup> This said, the administration's discourse conveys an unequivocal

<sup>10</sup> Of the many occasions on which Trump has eviscerated the Iran nuclear deal, the most prominent was probably his speech before the United Nations General Assembly in September 2017, when he called the deal "an embarrassment to the United States". See White House, *Remarks by President Trump to the 72nd Session of the United Nations General Assembly*, New York, 19 September, 2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-72nd-session-United-nations-general-assembly>.

<sup>11</sup> See US Department of State, *Remarks at a Press Availability*, 20 September 2017, <https://www.state.gov/secretary/20172018tillerson/remarks/2017/09/274327.htm>; "U.S. Military Chief Warns Against Pulling Out of Iran Nuclear Deal", in *Radio Free Europe/Radio Liberty*, 26 September 2017, <https://www.rferl.org/a/dunford-warns-iran-nuclear-deal/28758792.html>; Barbara Starr, Zachary Cohen and Ryan Browne, "Mattis: In US National Security Interest to Stay in Iran Deal", in *CNN*, 3 October 2017, <http://cnn.it/2xQ28nb>; W.J. Hennigan, Brian Bennett and Tracy Wilkinson, "Trump's National Security Aides Voice Support for the Iran Nuclear Deal", in *Los Angeles Times*, 4 October 2017, <http://www.latimes.com/nation/la-fg-trump-iran-20171003-story.html>.

<sup>12</sup> James Carden, "A New Poll Shows the Public Is Overwhelmingly Opposed to Endless US Military Interventions", in *The Nation*, 9 January 2018, <https://www.thenation.com/?p=268912>; see also Jennifer De Pinto et al., "What Americans Think about U.S. Strike on Syria", in *CBS News*, 10 April

preference for regime change in Tehran.<sup>13</sup> The corollary is that the US government will seek to weaken the Iranian regime by frustrating its plans to re-integrate into the international economy and pushing back against its advances across the region. More specifically, Trump's Iran policy rests on three pillars: delegitimation, sanctions and containment. The nuclear deal does not fit this policy framework neatly and is consequently addressed separately.<sup>14</sup>

## 2.1 Delegitimation

The US president is determined to infuse a degree of inappropriateness into relations with Iran so that doing business with it would imply high reputational costs and carry the risk of incurring US disapproval. Key to this strategy of delegitimation is the narrative that Iran's development of a ballistic missile programme, its sponsorship of groups included in the US Department of State's list of terrorist organizations, and its support for the blood-soaked Assad regime in Syria make it the ultimate and sole source of insecurity and conflict in the region.<sup>15</sup> The 2017 National Security Strategy depicts Iran as a "dictatorship" and a "rogue state" that is "determined to destabilize regions, threaten Americans and our allies, and brutalize [its] own people".<sup>16</sup> The underlying idea is that Iran opposes US policies not because of legitimate interests or at least understandable concerns, but because it is an evil regime.

## 2.2 Sanctions

The second component of Trump's Iran policy is to reduce the room for what the United States can accept as legitimate economic interaction with Iranian individuals and entities. Even if the most draconian sanctions against Iran remain suspended under the 2015 nuclear deal – something which may well change in the near future – the US government retains the ability to exert economic pressure on Iran.<sup>17</sup> Foreign individuals and companies whose businesses directly or indirectly

2017, <https://www.cbsnews.com/news/cbs-news-poll-shows-divergence-in-americans-opinion-of-us-strike-vs-syria>.

<sup>13</sup> Attesting to this, when Iranian protesters took to the streets to demand better living standards in early 2018, President Trump tweeted his support and added: "Time for change!" (<https://twitter.com/realDonaldTrump/status/947810806430826496>).

<sup>14</sup> Trump outlined his Iran strategy in the same speech in which he "decertified" the nuclear deal: White House, *Remarks by President Trump on Iran Strategy*, Washington, 13 October, 2017, <https://www.whitehouse.gov/the-press-office/2017/10/13/remarks-president-trump-iran-strategy>.

<sup>15</sup> Ibid.

<sup>16</sup> White House, *National Security Strategy of the United States of America*, Washington, December 2017, p. 2, 25, <http://nssarchive.us/national-security-strategy-2017>.

<sup>17</sup> The US government applies Iran-related sanctions under two legal frameworks: presidential executive orders (specifically E.O. 13224 on counterterrorism measures) and Congress-enacted laws. Nuclear-related sanctions – suspended in keeping with the 2015 nuclear deal – are mostly included in the Comprehensive Iran Sanctions, Accountability and Divestment Act (CISADA) of 2010 and the National Defence Authorization Act (NDAA) of 2012. The more recent Countering America's Adversaries through Sanctions Act (CAATSA), passed on 2 August 2017, targets the ballistic

facilitate the development of Iran's ballistic programme may have their US-held assets frozen and visa applications denied.

Another target of US sanctions is the Islamic Revolutionary Guards Corps (IRGC), the paramilitary force created in the early years of the Islamic Republic with the goal of protecting revolutionary institutions. Over time, the IRGC has evolved into a protean organization involved in any sort of business activity through a number of affiliates. The IRGC's tentacular grip over the national economy increases the risk for foreign companies of unknowingly interacting with individuals or companies targeted by US sanctions. European firms, for instance, struggle to get credit lines for their investment plans in Iran, as banks fear the huge fines that US regulators can inflict on them if their client's Iranian partner turns out to have some form of affiliation with the IRGC.<sup>18</sup>

A further source of concern for foreign banks is the aforementioned mechanism that only suspends, and not lifts, US sanctions related to Iran's nuclear programme, which covered large sectors of the economy such as energy, shipping, and finance and banking. According to the 2015 nuclear deal, the US president is expected to extend the sanctions waiver approximately every four months. In January President Trump grudgingly agreed to allow that to happen, but he also warned that this would be the last time unless what he deems as the deal's flaws are addressed.<sup>19</sup>

The politics surrounding the nuclear deal are explained in greater detail below; here it suffices to mention that the uncertainty about whether the "nuclear sanctions" will bite again works as a powerful deterrent on companies in theory willing to make long-term investment in Iran's market, particularly the lucrative but also capital-intensive energy sector. The risk is that of putting money and resources into activities that may become the target of US sanctions. Banks are again the most exposed due to the high integration of financial markets and the long reach of US financial regulators.<sup>20</sup> The result has been that Iran has failed to get the benefits it aimed for in terms of foreign direct investment and trade increases when it agreed to the nuclear deal.<sup>21</sup>

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programme and the Islamic Revolutionary Guards Corps. A full list of US sanctions against Iran is available on the website of the US Department of the Treasury: *Iran Sanctions*, <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>.

<sup>18</sup> International Crisis Group (ICG), "The Iran Nuclear Deal at Two: A Status Report", in *ICG Middle East Reports*, No. 181 (16 January 2018), p. 7-11, <https://www.crisisgroup.org/node/5918>.

<sup>19</sup> D.S.O.R., "Donald Trump Gives the Iran Nuclear Deal a 'Last Chance'", in *The Economist Blog Democracy in America*, 12 January 2018, <https://www.economist.com/blogs/democracyinamerica/2018/01/waive-goodbye>.

<sup>20</sup> Andrew Ertl, "The US Sanctions against Iran: Uncertainty for Banks", in *SwissBanking Insight*, No. 2.17 (21 June 2017), <http://www.swissbanking.org/en/services/insight/insight-2.17/the-us-sanctions-against-iran-uncertainty-for-banks>; David Ramin Jalilvand, "Despite Nuclear Deal, EU Firms Still Cautious on Iran", in *AI-Monitor*, 3 April 2017.

<sup>21</sup> ICG, "The Iran Nuclear Deal at Two", cit.; Bourse & Bazaar, *Great Expectations, Delayed Implementation. A Special report on the "Economic Implementation of the Joint Comprehensive Plan of Action"*, London, Bourse & Bazaar, January 2018, p. 7-11, [https://static1.squarespace.com/static/54db7b69e4b00a5e4b11038c/t/5a580a2071c10baff710d91e/1515719208299/B%26B\\_Special\\_](https://static1.squarespace.com/static/54db7b69e4b00a5e4b11038c/t/5a580a2071c10baff710d91e/1515719208299/B%26B_Special_)

### 2.3 Containment

The third component of Trump's Iran policy – indeed its overarching framework – is containment. Iran's influence in the Gulf has in fact been rising since Anglo-American forces removed Iraq's longstanding autocratic ruler, Saddam Hussein, from power in 2003. Before that, even an Iraq weakened by military defeat in Kuwait in 1991 and the ensuing comprehensive UN embargo still provided a first layer of Sunni Arab containment of Shia and Persian Iran. With Saddam and his Sunni power base gone, Iraqi politics has been largely dominated by the Shias, who make up 60 per cent of the population. In the highly sectarianized environment exacerbated by the US occupation, confessional affinity has made Iran a natural interlocutor of Iraqi Shias, which have received political, financial and military support from Tehran. Iranian sway has increased since US forces left Iraq in 2011, and even more since Iranian-backed militias pushed back against the Islamic State in Iraq and al-Sham (ISIS) in 2014.

America's decision to go back to Iraq to support the fight against ISIS has somewhat counterbalanced Iran's influence on Baghdad. In Syria, however, the United States has found itself short of options. Since the Syrian civil war broke out in 2011, the Iranian leadership has invested massive financial and military resources to shore up President Assad. Iran's commitment to the Syrian regime stems in part from sectarian proximity, as Assad's regime relies on the Alawite community, a branch of Islam with deep historical and doctrinal links to the Shias. More importantly, the alliance with the Assad family has provided the Iranians with an entryway to the Levant. The Assad regime has allowed Iran to use Syria to transfer military assets to Hezbollah, which from its stronghold in southern Lebanon performs a fundamental deterrence function against Israel. Prior to the civil war, the Syrian government was able to leverage its role as "middleman" between Iran and Hezbollah. Now that it owes its very survival to Iranian (and Russian) support, things have changed dramatically. Assad is the junior partner in a strongly imbalanced relationship that Iran is determined to use to its own advantage by establishing a permanent power base in Syria.

Factors beyond Saddam's fall and Assad's need for help have also contributed to Iran's recent ascendancy. One is the end of the Taliban rule in Afghanistan – again, courtesy of the United States – as the Taliban profess a radical version of Sunni Islam that considers Shias heretics. Another is Saudi Arabia's failure to tip the scales in Yemen's civil war against the Iranian-backed Houthis. If anything, Iran's influence over the latter, a minority professing a form of Islam akin to Shiism, has increased (although it is probably exaggerated by Saudi propaganda).<sup>22</sup> Furthermore, Qatar's

Report\_Iran\_Economic\_Implementation\_MD.pdf; Rupal N. Mehta and Rachel Whitlark, "The Iran Nuclear Deal Isn't So Great – for Iran", in *Monkey Cage*, 13 October 2017, <http://wapo.st/2gBaNzU>.

<sup>22</sup> For a short overview of Iran's geopolitical rise (and a criticism of President Trump's envisaged response to that), see "America's Strategy for Countering Iran Makes No Sense", in *The Economist*, 16



fallout with Saudi Arabia and the Emirates (as well as a number of other Arab countries) has created a serious rift within the Gulf Cooperation Council (GCC), an organization originally formed to better manage containment of Iranian influence.

These geopolitical shifts have generated a widespread perception that Iran is pursuing a hegemonic design that may undermine the legitimacy of (Sunni) dynastic rule in the Arab Gulf states, most notably Saudi Arabia and the Emirates, and threaten Israel's security. Unsurprisingly, these three states have been the most vocal in calling for aggressively containing Iran, including by doing away with the nuclear deal.<sup>23</sup> Their calls have been addressed mostly to the United States as the one country with the power to scare or force the Iranians to backtrack.

In Trump, they have found a sympathetic listener. The US president has endorsed the Saudi–Emirati-led blockade of Qatar on the grounds (amongst others) that the tiny emirate was not aligning itself with a GCC-wide policy of isolating Iran.<sup>24</sup> Trump has also given his blessing to a wave of arrests of Saudi royal family members ordered by Crown Prince Mohammed bin Salman (commonly known as MbS), ostensibly in the framework of an anti-corruption campaign.<sup>25</sup> The arrests have had the result of concentrating more power in MbS, who now controls all three security forces of the country (armed forces, police and national guard) and has access to the financial assets of the victims of the purge.

Trump's support for MbS has a broad rationale that certainly includes the crown prince's stated desire to reduce the influence of Wahhabism – the version of Sunni radicalism from which jihadist groups take inspiration – in Saudi Arabia and beyond. Equally important for the US president though is MbS's long-term plan to restore Saudi primacy in the Gulf at Iran's expense. Inspired by Mohammed bin Zayed, the UAE's main foreign policy strategist, MbS has pushed for a number of recent initiatives whose common trait is hostility towards Tehran: Saudi Arabia's military intervention in Yemen, the blockade against Qatar, as well as the attempt to weaken Hezbollah by forcing Lebanon's Prime Minister Saad Hariri, a Saudi-backed Sunni politician whose government nonetheless relies on Hezbollah's support, to resign.<sup>26</sup>

September 2017, <https://www.economist.com/news/leaders/21728896-it-right-worry-about-irans-growing-influence-trump-administration-may-be-about>.

<sup>23</sup> Jonathan Marcus, "Israel and Saudi Arabia: What's Shaping the 'Covert Alliance'", in *BBC News*, 24 November 2017, <http://www.bbc.com/news/world-middle-east-42094105>.

<sup>24</sup> Mark Landler, "Trump Takes Credit for Saudi Move against Qatar, a U.S. Military Partner", in *The New York Times*, 6 June 2017, <https://nyti.ms/2sOxeFh>. The main reason for the blockade was Qatar's support for the Muslim Brotherhood, a transnational movement whose support for republicanism and political Islam, the Saudi and UAE leaderships consider a threat to the legitimacy of their rule.

<sup>25</sup> Yara Bayoumy and Jonathan Landay, "Trump Praises Saudi Purge, Voices confidence in King, Crown Prince", in *Reuters*, 7 November 2017, <https://reut.rs/2zot77H>.

<sup>26</sup> Aaron David Miller and Richard Sokolski, "Donald Trump Has Unleashed the Saudi Arabia We Always Wanted – And Feared", in *Foreign Policy*, 10 November 2017, <http://foreignpolicy.com/2017/11/10/donald-trump-has-unleashed-the-saudi-arabia-we-always-wanted-and-feared>.

While support for Saudi Arabia (and Israel) is part of America's strategy to contain Iran, the US government is not relying on partnerships only. With ISIS-controlled territory shrinking to a few desert spots, the US administration has determined to use its military presence in Syria to push back against the Iranians and make sure that Assad eventually leaves office (although in the framework of a larger UN-sanctioned peace accord).<sup>27</sup> Whether the United States can indeed reverse Iran's gains in the region, however, is anything but certain. A number of incidents point to Iran's having entrenched itself too deeply to be forced out.

In *Iraq*, the US government was unable to prevent Baghdad-controlled forces, supported by Iranian proxies, from taking the important city of Kirkuk and its oil fields from Kurdish control in October 2017.<sup>28</sup> The Kurds, America's most loyal allies in Iraq, had been weakened already after failing to get international recognition of an independence referendum that the US government (like all others in the region except Israel) had quietly opposed. While Washington failed to persuade the Kurds to drop the referendum, the Iranians supported the Kurdish factions that had taken position against the referendum, thus enlarging their networks also in the traditionally pro-US Iraqi Kurdistan.<sup>29</sup>

In *Syria*, Russia's military intervention in September 2015 turned the scales against the rebels, which are now even more fragmented than before and on the defensive across the country. Thanks to Russia's air support, weapons transfers and training, Assad's forces as well as militias of Iraqi and Afghan Shias funded, trained and directed by the military wing of the IRGC, have reconquered most of the territory lost to the rebels. Assad now controls Damascus and most of Syria's south, the coast up to Aleppo and almost all land west of the Euphrates.

While Russia's interests in Syria do not entirely dovetail with Iran's, the latter has benefitted hugely from Moscow's military involvement. Russia has not only ensured that Assad will stay in power, it has also provided Iran with a way to reengage with Turkey. The latter has dropped its old goal of getting rid of Assad because of the more pressing need to avoid the establishment of a Kurdish quasi-state just across its southern border. With the Russians active in Syria, the Americans have been compelled to agree on deconfliction mechanisms and rely on Moscow to exert pressure on Damascus and Tehran.<sup>30</sup> For the time being, the United States is concentrating on consolidating Kurdish control of Syria's northeast, preventing

<sup>27</sup> Julian Borger, Patrick Wintour and Kareem Shaheen, "US Military to Maintain Open-ended Presence in Syria, Tillerson Says", in *The Guardian*, 17 January 2018, <https://gu.com/p/8ve2h>.

<sup>28</sup> Angela Dewan, Hamdi Alkashali and Sarah Sirgany, "Iraqi Forces Take Key City Kirkuk from Kurdish Control", in *CNN*, 16 October 2017, <http://cnn.it/2wXDexT>.

<sup>29</sup> Raya Jalabi, "Iran Seen as Winner after Iraq's Kurds Lose Referendum Gamble", in *Reuters*, 31 October 2017, <https://reut.rs/2zmsONr>.

<sup>30</sup> For an excellent analysis of objectives, strategy and results of Russia's intervention in Syria, see Michael Kofman and Matthew Rojansky, "What Kind of Victory for Russia in Syria?", in *Military Review*, Vol. 98, No. 2 (March-April 2018), p. 6-23, <http://www.armyupress.army.mil/Journals/Military-Review/English-Edition-Archives/March-April-2018/Rojansky-Victory-for-Russia>.

Iran from establishing a land corridor between Iraq and regime-controlled Syria, as well as securing Israel's and Jordan's northern borders by trying to negotiate with Russia ways to keep Syrian forces, Hezbollah or Shia militias at "safety distance" from the frontier.<sup>31</sup> The US government's options to reduce Iran's influence in Syria, in other words, seem limited to playing a spoiling role by denying the Assad regime control of the territory east of the Euphrates (and thus subscribing to a de facto partition of Syria). If Trump indeed follows through with his recent pledge to pull out US forces from Syria in two years' time, US room for manoeuvre in Syria will shrink to very little.<sup>32</sup>

In *Lebanon*, the United States has fallen back on a policy of support for the fragile status quo between the country's various factions following the failure of MbS's attempt to prompt Sunni groups to confront Hezbollah. Once back in Lebanon from Riyadh – where MbS had orchestrated his forced resignation – Hariri reneged, and has since stayed on as prime minister of a Hezbollah-supported government.<sup>33</sup> The other fronts of the Sunni–Iran divide, such as *Qatar* and *Yemen*, are of minor importance to the United States. Yet it is telling that Washington has failed to bring Qatar into the anti-Iran camp despite stationing a huge air force base there, and has been a diplomatic bystander in Yemen.

In conclusion, the situation in Iraq, Syria and the other flashpoints of the Middle East points towards an initial, albeit precarious, consolidation of the region's geopolitical divides. The balance of power between the Russia-enabled pro-Iran bloc and the US-led anti-Iran coalition is far from stable, particularly in Syria where tensions between Israel and Assad/Iran have risen sharply. The war-torn country is all but certain to endure further conflict concerning issues such as Iran's military footprint there, the construction of missile production facilities supplying Hezbollah, and the deployment of Syrian army assets near the Israel-occupied Golan Heights.<sup>34</sup> While the risk of a major conflagration involving Israel and Iran cannot be ruled out, both are reluctant to take that path and are likelier to try to keep confrontation inside Syria. It is here that the pro- and anti-Iran blocs will strive to reach what they perceive as a favourable point of equilibrium. By announcing that US forces will stay on in Syria even after ISIS is completely routed, former US Secretary of State Tillerson made it clear that the Department of State, as much as the Pentagon, is determined to make sure that the balance of power in Syria does not favour Iran excessively.<sup>35</sup> After Trump's shocking announcement about the soon-to-be pullout of US forces from Syria, it is doubtful whether the

<sup>31</sup> ICG, "Israel, Hizbollah and Iran: Preventing another War in Syria", in *ICG Middle East Reports*, No. 182 (8 February 2018), especially p. 12 and ff., <https://www.crisisgroup.org/node/5970>.

<sup>32</sup> Ryan Browne and Barbara Starr, "Trump Says US Will Withdraw from Syria 'Very Soon'", in *CNN*, 29 March 2018, <https://cnn.it/2pN385g>.

<sup>33</sup> "Lebanon Hariri Crisis: Tillerson Warns against Saudi-Iran Proxy War", in *BBC News*, 11 November 2017, <http://www.bbc.com/news/world-middle-east-41952533>.

<sup>34</sup> ICG, "Israel, Hizbollah and Iran: Preventing another War in Syria", cit.

<sup>35</sup> Julian Borger, Patrick Wintour and Kareem Shaheen, "US Military to Maintain Open-ended Presence in Syria, Tillerson Says", cit.

White House shares this policy. Apparently, President Trump is persuaded that the potential for curbing Iranian influence lies somewhere else than Syria, namely in America's gambling with the nuclear deal.

#### 2.4 Gambling with the nuclear deal

President Trump has publicly disavowed the Joint Comprehensive Plan of Action (JCPOA), the nuclear deal signed in July 2015 by Iran and a group of six nations – China, France, Germany, Russia, the United Kingdom and the United States – plus the European Union (the group, whose official name is “the E3/EU+3”, is commonly known as the P5+1).

As recalled above, in October 2017 the US president refused to certify to Congress that the benefits accruing to the United States from the JCPOA were commensurate with the sanctions waiver provided to Iran. This “decertification” did not amount to a formal US withdrawal from the deal – instead, it was a formal step the US president was mandated to take in keeping with an American law, the Iran Nuclear Agreement Review Act of May 2015. The decertification nonetheless provided Trump with the occasion to highlight his dissatisfaction with the JCPOA's supposed flaws and the kind of corrections he expected Congress and America's European allies to make. Trump further refined his list of demands in January 2018, when he agreed to keep the United States within the JCPOA “one last time”.<sup>36</sup>

Concretely, the US president wants Congress to pass a law – and the Europeans to commit to that law – that would make the JCPOA-set temporary limits to Iran's nuclear programme permanent and establish the inseparability of ballistic missiles from nuclear weapons development.<sup>37</sup> In short, Trump is ready to re-impose the now suspended “nuclear sanctions” should Iran expand its civilian nuclear programme after the so-called “sunset clauses” gradually expire between 2025 and 2030, as the JCPOA allows it to do, and continues developing a ballistic capacity, which the JCPOA does not prohibit.

Trump's complaints also stem from his conviction that the Iranians are not abiding by the deal.<sup>38</sup> Yet, the claim that the JCPOA is not working finds no supporters among the other P5+1. The International Atomic Energy Agency (IAEA), the UN agency tasked with verifying that Iran's nuclear programme is not diverted to military purposes, has detected no violations apart from minor infractions that

<sup>36</sup> D.S.O.R., “Donald Trump Gives the Iran Nuclear Deal a ‘Last Chance’”, cit.

<sup>37</sup> Meredith Rathbone et al., “President Trump Reissues Iran Sanctions Waivers, But Warns That Concerns over JCPOA Must Be Addressed”, in *Steptoe. International Compliance Blog*, 16 January 2018, <https://www.steptoointernationalcomplianceblog.com/?p=1886>.

<sup>38</sup> In his “decertification speech”, the US president mentioned a number of alleged violations of the JCPOA by the Iranians, including Iran's supposed intimidation of UN inspectors and accumulation of excess heavy water on two occasions (see White House, *Remarks by President Trump on Iran Strategy*, cit.).

were promptly corrected.<sup>39</sup> Nor has the IAEA backed Trump's claim that Iran is intimidating its officials into not inspecting military sites. On the contrary, IAEA Director General Yukiya Amano has declared that the JCPOA-set verification regime is the "world's most robust", that the agency has accessed all the sites it has needed to access, and that the importance of monitoring military sites has been "overly exaggerated".<sup>40</sup> Europe, China and Russia (as well as top US cabinet members, as recalled above) have concurred that Iran is in compliance.<sup>41</sup>

Undeterred, the US president has put the burden of keeping the deal alive on the Europeans (and Congress). He probably expects that the Europeans, in spite of repeated declarations of support for the JCPOA, will eventually fall in line – or at least is betting on that to happen. The Europeans face a difficult choice between two options, neither of which is particularly appealing to them: either accommodate their most powerful ally or risk a transatlantic rift for the sake of an agreement in which they have invested massive political capital.

### 3. Europe at a crossroads

Often overlooked, Europe's role in the process that led to the conclusion of the JCPOA was significant – indeed essential. Back in 2003, when the Iranian nuclear crises loomed large over the horizon, France, Germany and the United Kingdom (the E3) were the first to engage the Iranians in nuclear talks. In so doing, they filled the dangerous diplomatic vacuum left by a Bush administration unwilling to talk to Iran and a Security Council still reeling from the bitter divisions over Iraq. The European initiative (to which the European Union lent its full support in 2004) laid the groundwork for America, China and Russia to join the negotiating framework in early 2006 on the basis of a "dual track" approach combining diplomacy and sanctions. The High Representative (HR) for EU foreign policy – first Javier Solana and then his successors Catherine Ashton and Federica Mogherini – acted as chief interlocutor of the Iranians on behalf of the P5+1 from 2006 onwards. In addition, if the EU had not agreed to restrict Iran's access to financial markets, ban the provision of insurance and reinsurance services to Iranian entities, and forbid

<sup>39</sup> The IAEA has set up a special page of its website containing all Iran- and JCPOA-related reports: *IAEA and Iran - IAEA Reports*, <https://www.iaea.org/node/10290>. The minor infractions concerned accumulation of heavy water (a material that may be used in the production of plutonium) in excess of JCPOA-set limits. For details, see ICG, "Implementing the Iran Nuclear Deal: A Status Report", in *ICG Middle East Reports*, No. 173 (16 January 2017), p. 3-4, <https://www.crisisgroup.org/node/5297>.

<sup>40</sup> International Atomic Energy Agency (IAEA), *Statement by IAEA Director General Yukiya Amano*, 13 October 2017, <https://www.iaea.org/node/41258>; Katrina Manson, "UN Nuclear Agency Counters Trump Objections to Iran Deal", in *Financial Times*, 7 November 2017.

<sup>41</sup> European External Action Service (EEAS), *Remarks by High Representative/Vice President Federica Mogherini following the Ministerial Meeting of the E3/EU+3 and Iran*, 21 September 2017, <http://europa.eu/!Kv66Hf>. See also HR Mogherini's statement of 11 January 2018, in which she repeated: "The deal is working". EEAS, *Remarks by High Representative/Vice-President Federica Mogherini at the press statements following a meeting of EU/E3 and Iran on the implementation of the JCPOA*, 11 January 2018, <http://europa.eu/!Bd64gq>.

hydrocarbon imports from Iran, the sanctions regime would have hardly been as effective as it proved to be.<sup>42</sup>

### 3.1 Europe's interest in the JCPOA

For the Europeans, the JCPOA is a success story. In exchange for sanctions relief, Iran has dismantled or massively downgraded the most sensitive parts of its nuclear programme (albeit in certain cases only temporarily), agreed to a highly intrusive (and, for the most part, permanent) inspection regime, and is and will remain for many years to come much farther away from crossing the nuclear threshold than it was before the deal.<sup>43</sup> The JCPOA has strengthened the case for Iran to remain a party to the Nuclear Non-Proliferation Treaty (NPT), whereby Tehran has linked its international reputation to the upholding of its non-proliferation commitments. Contrary to what Iran hawks in America, Israel and the Arab countries assert, much of the clerical leadership is very much concerned with their country's reputation, partly out of national pride for Iran's millennia-old civilization, partly out of the practical need to increase trade and investment relations with foreign countries.<sup>44</sup> In other words, the nuclear deal has significantly increased the costs of going nuclear for Iran, even after the JCPOA's "sunset clauses" expire and the Islamic Republic is eventually allowed to develop an industrial-scale civilian nuclear programme.

Although most European governments share the opinion that Iran's policies contribute to regional instability, they maintain that conditional engagement, not isolation and confrontation, is the wisest course of action in the wake of the JCPOA.<sup>45</sup> The Europeans are also unwilling to relinquish the new opportunities for trade (which has rebounded already) and investment (which has lagged behind) brought about by the lifting of EU and UN sanctions.<sup>46</sup> In sum, Europe has much and more at stake: a normative interest in the upholding of the nuclear non-proliferation regime, a strategic interest in dialogue with Iran over regional issues, and an economic interest in relaunching trade and investment relations with

<sup>42</sup> For an overview of Europe's contribution to the resolution of the Iranian nuclear crisis, see Riccardo Alcaro and Aniseh Bassiri Tabrizi, "Europe and Iran's Nuclear Issue. The Labours and Sorrows of a Supporting Actor", in *The International Spectator*, Vol. 49, No. 3 (September 2014), p. 14-20; see also Riccardo Alcaro, *Europe and Iran's Nuclear Crisis. Lead Groups and EU Foreign Policy-Making*, Cham, Springer-Palgrave Macmillan, 2018, chapter 9.

<sup>43</sup> For an overview of the JCPOA, see Gary Samore (ed.), *The Iran Nuclear Deal. A Definitive Guide*, Cambridge, Belfer Center for Science and International Affairs, August 2015, <https://www.belfercenter.org/node/78295>.

<sup>44</sup> Bourse & Bazaar, *Great Expectations, Delayed Implementation*, cit., p. 8 and ff.

<sup>45</sup> HR Mogherini stressed the point right after the nuclear deal was signed. See Federica Mogherini, "The Iran Agreement Is a Disaster for Isis", cit.

<sup>46</sup> Bourse & Bazaar, *Great Expectations, Delayed Implementation*, cit. See also Ellie Geranmayeh, "The Coming Clash: Why Iran Will Divide Europe from the United States", in *ECFR Policy Briefs*, October 2017, [http://www.ecfr.eu/page/-/ECFR-236\\_-\\_Why\\_Iran\\_Will\\_Divide\\_Europe\\_From\\_The\\_US\\_GERANMAYEH.pdf](http://www.ecfr.eu/page/-/ECFR-236_-_Why_Iran_Will_Divide_Europe_From_The_US_GERANMAYEH.pdf).

Iran.<sup>47</sup>

Thus far, the Europeans have acted upon such interests. In response to Trump's "decertification", the E3 released a joint statement reaffirming full support for the JCPOA (as did the EU Council), while HR Mogherini publicly questioned the authority of the US president to terminate a multilateral deal formally endorsed by the United Nations Security Council.<sup>48</sup> E3 and EU officials lobbied the US Congress hard to prevent it taking steps that would contrast with the JCPOA.<sup>49</sup> In a symbolic move of public diplomacy, the E3 foreign ministers and HR Mogherini met with their Iranian counterpart, Javad Zarif, in Brussels on the eve of Trump's decision on the extension of the sanctions waiver this past January.<sup>50</sup>

The fact that the US president did indeed reauthorize the suspension of sanctions should be ascribed largely to the Europeans. In the previous months, they made their pro-JCPOA pitch mostly to US lawmakers, mindful of the fact that even among Republicans the proposition of derailing the JCPOA was controversial, not least because the top brass at the Pentagon (including Secretary Mattis, Chairman of the Joint Chiefs of Staff Dunford and Joseph Votel, the top US general in the Middle East)<sup>51</sup> were opposed and public opinion not particularly enthusiastic.<sup>52</sup> As Republicans would need at least some Democratic votes in the Senate to prevent filibustering (parliamentary obstructionism in congressional jargon), the Europeans targeted Democratic senators, counting on their antipathy towards the firebrand Republican president. The strategy paid off as the ranking member of the Senate Foreign Relations Committee, Democrat Ben Cardin, explicitly conditioned any measure against Iran on the nuclear front on European support for it.<sup>53</sup> This is

<sup>47</sup> For an analysis of Europe's interest in the upholding of the JCPOA, see Riccardo Alcaro, *Europe and Iran's Nuclear Crisis*, cit., chapters 4 and 9; and Cornelius Adebahr, *Europe and Iran. The Nuclear Deal and Beyond*, London and New York, Routledge, 2017, p. 133 and ff.

<sup>48</sup> Declaration by the Heads of State and Government of France, Germany and the United Kingdom, 13 October 2017, <https://www.gov.uk/government/news/declaration-by-the-heads-of-state-and-government-of-france-germany-and-the-united-kingdom>; Council of the European Union, *Iran Nuclear Deal: EU Statement on the Joint Comprehensive Plan of Action*, 16 October 2017, <https://www.consilium.europa.eu/en/press/press-releases/2017/10/16/iran-nuclear-deal-eu-jcpoa>; EEAS, *Remarks by HR/VP Mogherini on the latest developments regarding the implementation of the Joint Comprehensive Plan of Action (Iran nuclear deal)*, 13 October 2017, <http://europa.eu/!FW76Yq>.

<sup>49</sup> Laura Rozen, "How Europe Helped Preserve the Iran Deal", in *U.S. News*, 14 December 2017, <https://www.usnews.com/news/world/articles/2017-12-14/european-diplomacy-helps-sway-congress-to-keep-the-iran-nuclear-deal>.

<sup>50</sup> Robin Emmott, "European Powers Urge Trump to Preserve Iran Nuclear Deal", in *Reuters*, 11 January 2018, <https://reut.rs/2mrzy4l>.

<sup>51</sup> Votel is the head of the US Armed Forces Central Command (CENTCOM), which is responsible for the Middle East and North Africa: see "Iran, Syria and Saudi Arabia: Top Three Stunning Admissions from the Top U.S. General in the Middle East", in *Haaretz*, 18 March 2018, <https://www.haaretz.com/us-news/top-three-stunning-admissions-from-the-top-u-s-general-in-the-region-1.5910066>.

<sup>52</sup> Craig Kafura and James Dingwall, *Americans Support Continued US Participation in Iran Deal*, Chicago, Chicago Council on Global Affairs, 3 October 2017, <https://www.thechicagocouncil.org/node/4859>.

<sup>53</sup> Robert Einhorn, "'Fix' the Iran Deal, But Don't Move the Goalposts", in *The Hill*, 16 January 2018, <http://thehill.com/node/369100>.

why in January President Trump did not limit himself to urging Congress to act but called on the Europeans to address his concerns.

On that occasion, however, the US president also told the Europeans to stop interfering in US domestic politics and engage with the administration, not Congress.<sup>54</sup> Reluctantly, the E3 agreed to open talks with the US Department of State to explore ways to accommodate the US president's demands.<sup>55</sup> This concession signals that the Europeans feel they have a weaker hand than they had before Trump's January ultimatum. Their initial strategy was to persuade enough lawmakers that taking any measure contrasting with the JCPOA would amount to a violation of the deal, give Iran the perfect pretext not only to restart the nuclear programme but even to seek a nuclear deterrent, and damage America's international standing and relations with Europe. With their access to Congress somewhat curtailed, the Europeans have calculated that engaging in talks over Trump's demands offers a better chance that the US president will keep the United States in the agreement.

Whether Trump can be accommodated without prejudice of the JCPOA terms is doubtful. The appointment of Mike Pompeo as secretary of state and John Bolton as national security advisor signals that the administration is unlikely to content itself with cosmetic changes. Pompeo is an outspoken Iran hawk and Bolton, an unapologetic architect of the Iraq war, has publicly advocated military action against Iran.<sup>56</sup> In the meantime, the replacement of Senator Corbin as the Democratic ranking member of the Senate Foreign Relations Committee with another Iran hawk, Bob Menendez, increases the chance of the Senate finding enough votes for the law Trump wants.<sup>57</sup> In short, the prospect that the United States will, one way or another, derail the JCPOA is very real.

### 3.2 A strategy to defend the JCPOA

Defending the nuclear deal, with deeds and not only words, is the wisest course of action for Europe even if it entails the risk of a rift with Washington. Should they bow to US pressure and thus agree to a de facto violation of the JCPOA, the

<sup>54</sup> Karen DeYoung, "Europeans Look for a Way to Preserve Nuclear Deal While Punishing Iran and Satisfying Trump", in *The Washington Post*, 23 February 2018, <http://wapo.st/2ELw1sU>.

<sup>55</sup> Max Greenwood, "Tillerson: US, European Allies Working on Iran Nuclear Deal", in *The Hill*, 27 January 2018, <http://thehill.com/node/371045>.

<sup>56</sup> Dan De Luce and Keith Johnson, "Tillerson's Exit Could Doom the Iran Nuclear Deal", in *Foreign Policy*, 13 March 2018, <http://foreignpolicy.com/2018/03/13/tillersons-exit-could-doom-the-iran-nuclear-deal>; Ariane Tabatabai, "The Bolton Threat to the Iran Nuclear Deal", in *Bulletin of the Atomic Scientists*, 29 March 2018, <https://thebulletin.org/node/11645>. Bolton advocated the bombing of Iran in a 2015 op-ed: "To Stop Iran's Bomb, Bomb Iran", in *The New York Times*, 26 March 2015, <https://nyti.ms/1HKdLR7>.

<sup>57</sup> Dan De Luce and Robbie Gramer, "Top Democrat's Return Sows Uncertainty for Iran Deal", in *Foreign Policy*, 10 February 2018, <http://foreignpolicy.com/2018/02/10/robert-menendez-is-back-on-key-senate-panel-sowing-uncertainty-for-iran-deal-senate-foreign-relations-committee-middle-east-trump-administration-diplomacy-ben-cardin>.



Europeans would subordinate their Middle Eastern policies to the United States entirely. By contrast, defending the JCPOA would give them more leeway in the region, as it would boost Europe's international credibility and give it some sway over Iran itself. At the same time, the Europeans should continue to seek an understanding with the United States on issues they can agree on. A sound strategy should include the following elements.

First, the Europeans should avoid entangling themselves in a discursive framework that depicts Iran as the sole source of chaos and instability in the Middle East. Israel and the Arab countries from which this narrative originates bear considerable responsibility for the ethno-sectarian divisions and interstate rivalries that beset the area, not to speak of external interventions. Singling out Iran would not only do poor service to historical truth but serve no European interest. Instead, the Europeans should draw a clear line of demarcation between Iran's policies that actually contribute to regional instability and the necessity to treat the clerical regime as a legitimate interlocutor, as the Middle East will never stabilize if Iran is permanently excluded.

Second, the Europeans should not commit to any sanctions mechanism that may jeopardize the relaunch of EU–Iran political-economic relations. Turning Iran's ballistic programme into a bone of contention similar to the nuclear programme is a mistake. Oversight of Iran's nuclear advances is possible because the NPT and the JCPOA provide for a binding normative framework and inspection regime. There is no comparable mechanism for ballistic missiles either in terms of norms or verification system. In addition, Iran has repeatedly said that it considers its ballistic programme a deterrent against its enemies, and it is unrealistic to expect it to relinquish it.<sup>58</sup> What can be done is to convey a message to Tehran that the continuing testing of medium-range ballistic missiles capable of delivering a nuclear warhead and the development of long-range or intercontinental ballistic capabilities would be considered a destabilizing move that would trigger a response by the United States and Europe. Reportedly the E3, Congress and the administration have broadly agreed on language reflecting the above in a joint statement.<sup>59</sup> The Europeans should however make clear to the Americans that the envisaged response would involve targeted measures and not the catch-all nuclear sanctions they agreed to lift pursuant to the JCPOA.

It is likely that Iran would protest vehemently against such a move and argue that it breaches the nuclear deal. The fact that wording about ballistic missiles in UNSCR 2231, the Security Council resolution that endorsed the deal, is susceptible

<sup>58</sup> For an analysis of rationale and state of progress of Iran's ballistic programme, see Michael Elleman and Mark Fitzpatrick, "Are Iran's Ballistic Missiles Designed to Be Nuclear Capable?", in *IISS Voices*, 28 February 2018, <https://www.iiss.org/en/iiss%20voices/blogsections/iiss-voices-2018-2623/february-704f/assessing-iran-ballistic-missiles-6cca>.

<sup>59</sup> Ilan Goldenberg and Elizabeth Rosenberg, "How to Save the Iran Nuclear Deal", in *Foreign Affairs Snapshots*, 13 March 2018, <https://www.foreignaffairs.com/articles/iran/2018-03-13/how-save-iran-nuclear-deal>.

to different interpretations can be used by the Europeans to credibly contend that they are not violating any commitments. The Europeans would be much more persuasive though if they were also able to get something the Iranians would like. Specifically, the Europeans should condition action on the ballistic front on the US Congress and administration agreeing on mechanisms diluting the grotesquely frequent timetable for US certifications and sanctions waivers. If Europe achieved that and thus reduced the uncertainty surrounding foreign investment in Iran, the leadership in Tehran may conclude that the JCPOA is not worth scrapping because of the ballistic issue.

While the Trump administration has apparently tried to insulate its talks with Congress from European "meddling", the E3 and the European Union can still make it clear, behind closed doors and possibly publicly too, that they would not subscribe to any action by Congress that would automatically re-impose sanctions if Iran ramps up its nuclear programme after the sunset clauses expire. Europe should only be ready to agree to make explicit what is implicit already in the JCPOA, namely that any attempt by Iran to develop nuclear weapons capabilities – before and after the sunset clauses fade – would trigger a forceful response.

In the meantime, the Europeans should explore options to set the stage for a new round of negotiations over a "follow-on" agreement that would integrate and upgrade the JCPOA. The plan of the Trump administration that the United States and Europe negotiate such a deal on their own is a nonstarter. While the Europeans could agree to issue a joint statement confirming their commitment to seeking such a follow-on agreement, they should insist that any new deal would have to be agreed by all parties to the P5+1 – thus including China and Russia – and that Iran would be given the chance to trade further concessions for additional incentives.

### *3.3 The JCPOA as Europe's entryway to Middle Eastern geopolitics*

It is unlikely that the Trump administration, particularly following the aforementioned cabinet reshuffle, will content itself with the admittedly limited concessions outlined above. The Europeans should therefore brace themselves for the US president pulling out of the deal. The main priority for Europe would be to persuade the Iranians that sticking to the agreement would still be in their best interest. One advantage the Europeans can make use of is Iran's willingness to continue having, and actually expanding, its trade and investment relationship with the European Union. For that to happen, the Europeans will have to shelter their firms and banks from the long arm of the US Treasury with a political and legal protection.

Political protection would amount to lobbying Congress and the administration to refrain from targeting European firms for doing business legal under EU law (and under an agreement the United States had subscribed to and later reneged on without justification). Legal protection implies resuming and probably amending a 1996 "blocking regulation" that forbids EU companies to comply with

the extraterritorial application of foreign legislation.<sup>60</sup> The Europeans could also envisage retaliatory measures, both at the EU level and (more likely) within the World Trade Organisation. At the same time, EU member states should reassure banks that credit provided to companies willing to invest in Iran would be backed by sovereign guarantees, possibly by striking special agreements with Iran's finance ministry as Austria, Denmark and Italy have done already (France and Spain are negotiating similar arrangements).

Undoubtedly, sticking to the JCPOA against US wishes would create a number of additional problems for the Europeans. Most likely, they would come under intense pressure from Washington and its anti-Iran allies, such as Israel and Saudi Arabia, for at least joining the efforts at containing the supposed hegemonic designs of the Islamic Republic. Ignoring such demands altogether would be unwise, but uncritically going along with them would be even worse. The point about defending the JCPOA is that doing so provides Europe with some leverage on Iran. It would make little sense for the Europeans to squander the political capital they would get by defending the nuclear deal by joining the anti-Iran coalition. Instead, they should strive to carve out a middle course strategy whose general aim would be the stabilization of regional flashpoints rather than containing Iran.

Europe should therefore be ready to confront Iran but also engage it. The recently started dialogue between the E4/EU (France, Germany, the United Kingdom plus Italy and the HR) over Yemen is a step in that direction, but the Europeans should work towards extending the scope of the interaction to Iraq, Syria and Lebanon. Ideally, this new format should work as shaper of EU-wide policies towards the Middle East the way the E3/EU did on the nuclear issue. Greater coherence (for instance, on the issue of weapons sales to Arab Gulf countries)<sup>61</sup> would provide Europe with added political weight to press the Iranians to agree to solutions its rivals and foes (the United States included) could find acceptable.

## Conclusions

The United States and Europe have undoubtedly compatible, even converging, objectives in the Middle East. However, they frame their long-term goals differently. Nowhere can this be better appreciated than in their views of Iran's role in the region. Whereas the Americans contend that the stability of the Middle East and

<sup>60</sup> Tellingly, the US law that triggered the EU response targeted foreign companies investing in Iran's energy sector (amongst others).

<sup>61</sup> European sales of sophisticated weapon systems to Arab Gulf states have come in for criticisms as they are ostensibly in breach of the European Union's own code of conduct. The problem with the weapons sales is not only ethical and legal (European weapons have been reportedly used in the Yemeni conflict), but also geopolitical and strategic, as indiscriminate sales ultimately undermine the European Union's stated policy of decreasing inter-Gulf tensions. See Emanuele Scimia, "EU Calls for Stability but Its Arms Inflammate the Middle East", in *Asia Times*, 11 November 2017, <http://ati.ms/EEzjaj>.

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the Gulf can only be achieved through containment and exclusion of the Islamic Republic, the Europeans assume it to be dependent on Iran's inclusion.

For Europe, the best way to keep Iran engaged is to defend the nuclear deal, even at the cost of provoking a transatlantic rift. The Europeans should take the long view and be mindful of their own experience in recent history. In 2003, when the E3 first reached out to Iran over the nuclear issue, the Bush administration was adamantly opposed. In the end, the incontrovertible logic of reality forced Bush himself to consider the diplomatic option.

The Europeans should take heart from the precedent. They have a fundamental strategic interest in the stabilization of the Middle East, and Iran is invariably going to be a factor of the stabilization equation. A transatlantic rift would have costs, yet not so grave as to jeopardize the relationship with the United States (or its allies in the region). More importantly, it could well be temporary. US administrations come and go, and US policy often changes under the same administration. Europe's interest in a Middle East eventually stabilized, on the contrary, will not go away.

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