

TAKING EU-IRAN RELATIONS BEYOND THE NUCLEAR FILE

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The current transatlantic diplomatic approach to Iran has been successful so far, notably by putting mutually agreed limits on Tehran's nuclear program with the interim accord of November 2013. However, the transatlantic partners' limited focus on the nuclear file is no longer sustainable. Regardless of whether the latest round of talks will end with a comprehensive agreement, a breakdown, or some sort of extension of the status quo, the EU needs to broaden its policy on Iran.

The EU is uniquely placed to formulate such a broader approach. Unlike the United States, the EU and its member states did not fully sever ties with the Islamic Republic after the 1979 revolution. In the 1990s, an official EU-Iran dialogue allowed the Europeans to keep concerns about human rights, press freedom, and support for violent nonstate groups high on the bilateral agenda. In view of the escalation over the nuclear question since 2003, these aspects of the dialogue with Iran were frozen over time.

However, by refusing to look at anything beyond the nuclear issue, the EU now runs the risk of seeing a comprehensive agreement as an end in itself, rather than as a necessary precondition for a more effective policy in an unraveling region. In developing its broader policy, the EU must work with the United States as the transatlantic partners need to counter the danger of appearing disunited after the talks come to a conclusion.

The EU foreign policy high representative, Federica Mogherini, indicated recently that she intends to engage in a broader dialogue with Iran. During her visit to Washington in January

2015, she declared that “while nuclear negotiations are entirely separate from other regional issues, . . . joint trans-Atlantic strategic thinking and action [are] crucial on Iran's regional role.”

It is in this spirit that the EU should engage Iran to encourage its regime to cooperate on a range of issues in its interest, such as nonproliferation, human rights, and regional stability. Any proposals need to take into account Iran's willingness and capability to cooperate—neither of which can be taken for granted—as well as the repercussions that any transatlantic cooperation with Tehran might have on other regional actors.

All concerns about Iran's nuclear program have to be resolved by a clear, verifiable agreement. At the same time, the country's pivotal regional role and genuine strategic concerns have to be factored in to current efforts to stabilize the Levant and the Gulf. Iran is much more than its controversial nuclear program, which is why the EU should look for broader terms of engagement. Ultimately, a comprehensive deal would merely enlarge the extent, rather than determine the possibility, of wider engagement with Iran in which the West has a genuine interest.

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WHY A BROADER APPROACH IS NEEDED

Over the last twelve years, EU policy toward Iran has focused almost exclusively on the negotiations between the five permanent UN Security Council members plus Germany (P5+1) and Iran over Tehran's nuclear program. In conducting the talks, the EU high representative, France, Germany, and the UK have progressively subordinated all issues concerning Iran to the nuclear file.

The logic of this exclusive nuclear focus was twofold. First, the nuclear negotiations are highly technical. Diluting the talks with broader domestic and regional considerations would be to the detriment of the content of the negotiations and of the P5+1's leverage on Iran. Second, the idea was that the outcome of the nuclear talks would influence the broader Western stance toward Iran. To the extent that the nuclear negotiations are a proxy for a much deeper conversation between the West and Iran regarding their relationship, the result of the talks would critically condition broader European policies.

And yet, Iran is much more than the number of its centrifuges. The country today is characterized by four factors that highlight the need for a wider EU approach.

First, geography has made Iran a key player at the crossroads between Europe, Russia, Central Asia, and South Asia. The country's location is also the source of legitimate strategic concerns and of a feeling of insecurity.

Second, Iran is a solid state with functioning institutions, an industrial base, and a society imbued by a strong national sentiment. Iranians, even those who do not partake in the revolutionary zeal of the regime, are proud of their country's achievements—including the building of Iran's nuclear potential.

Third, in spite of repression by the regime, civil society remains strong. That is certainly an asset in an otherwise volatile region.

Finally, Iranian people are rather pro-Western and not anti-American, contrary to many Arab societies. Even the leadership is fairly pluralistic, with some elements open to closer ties with the West.

In the context of an unraveling Middle East, traditional labels such as moderates and radicals, in which Iran invariably falls into the second category, appear as sterile dichotomies detached from reality. This is not to say that Iran is on course toward becoming

a liberal, let alone pro-Western, democracy. Iran remains a hybrid theocratic-republican system, marked by ever-changing power balances among technocrats, reformists, radicals, and theocrats.

Still, there is reason to suggest that once the prospect of regime change is no longer the underlying Western prism, there is scope for a constructive—albeit frank, even harsh—conversation about Iran's domestic development. Tehran's recent participation in an expert workshop in Italy on human rights in criminal justice, shows how even on the most sensitive political questions, an open exchange is possible.

Even more starkly, Iran's role in the region is complex and multifaceted. The various Arab revolutions have set in motion a quest for regional hegemony. Iran, other regional powers such as Turkey, Israel, Saudi Arabia, and Egypt, and some of the members of the P5+1 are all integral parts of that quest. However, Iran's regional policies are not captured by black-and-white juxtapositions of Sunni versus Shia or of Iran versus the Arab countries of the Gulf. It is true that the antagonism between Iran and Saudi Arabia is deep, has entrenched since the 1979 Iranian Revolution, and has spurred a growing number of destructive proxy conflicts in Lebanon, Syria, Iran, Yemen, and Bahrain; but Iran's relations with its other neighbors are far more nuanced.

The United Arab Emirates mirrors most closely Riyadh's line, but this has not prevented Dubai from developing a lucrative economic relationship with Tehran. Qatar's ties with Iran are even deeper, owing to the two countries' shared ownership of the world's largest gas field. In Oman, Iran sees its strongest Gulf partner, with which it shares sovereignty over the Strait of Hormuz. Relations between Turkey and Iran have lived through cyclical ups and downs, with deepening security, economic, and societal relations between 2002 and 2011 giving way to greater tension in 2011–2013 due to Turkey's fierce opposition to Syria's President Bashar al-Assad, whom Iran supports.

This is not to paint a rosy picture of Iran's regional role. Tehran's relations with its neighbors are tense and at times openly conflictual. Yet the picture is more nuanced than first meets the eye. Iran's relations with its neighbors are neither wholly positive nor negative. This suggests that EU engagement with Iran would need to factor in these nuances both when the union devises broader regional policies and when it accounts for the differentiated impact that an eventual nuclear agreement would have on regional powers.

Moreover, Iran's foreign policy is not always opposed to Western interests. In some cases, it is—see Israel and Hezbollah. In others, the policy is more subtle: in Iraq and Afghanistan, Iran certainly seeks to increase its influence at the expense of the West's, but it shares with the West the more pressing priority of fighting and containing the self-proclaimed Islamic State and the Taliban. In all cases, Iran is a relevant regional player. If the West is to contribute to a solution in Syria and Iraq, to the stabilization of Lebanon, and to transition in Yemen, it can only do so in open dialogue with Tehran.

Taking Iran's domestic situation and regional role into account, it seems rational for the EU to look for broad engagement with the country without reducing the importance of the nuclear file. A broader approach would not only do justice to Iran's potential—both positive and negative—throughout the region. It would also allow the EU to consider Tehran's role in areas where a (declared) European policy exists, such as the Israeli-Palestinian conflict, the Arab transitions, or the South Caucasus. Nevertheless, the nuclear negotiations should remain separate from all other interactions with Iran because of their advanced status as well as their international format.

But saying that the nuclear talks should remain separate does not mean that all other dimensions of relations with Iran must be frozen while waiting for the nuclear outcome. The EU cannot wait for the talks to reach a conclusion before it devises a more comprehensive approach toward Tehran, as the spectrum of possibilities that hinge on the outcome of the negotiations may be narrower than what is commonly expected. The talks will condition the atmosphere, scope, and degree of the EU's engagement with Iran, but they do not determine the transatlantic interest in a broader approach toward the country.

THREE SCENARIOS FOR THE TALKS

The EU needs to strategize now, in dialogue with the United States, while maintaining the strict separation of the nuclear file for the remainder of the international negotiations. To have a plan of action in place by summer 2015, the union needs to address three potential scenarios for the outcome of the talks: a comprehensive agreement by the end of June or shortly thereafter; a failure of the talks by around the same time; or some sort of continuation of the status quo. A close look at those three scenarios reveals that for each of them, the EU can build on a broader approach toward Iran, which would be subsequently fine-tuned depending on the outcome of the nuclear negotiations.

Scenario 1: Success

This most desired outcome has kept the negotiators going over the past one and a half years. A good agreement would not only end the threat emanating from Iran's conspicuous nuclear activities but also open up all sorts of cooperation: from regional affairs to economic opportunities to cooperation on energy, environment, transportation, research, education, and the fight against the drugs trade and organized crime. Still, even after a deal, relations with Iran will initially remain transactional rather than transformational.

A nuclear agreement would not turn Tehran into a Western ally, as Iran remains at odds with the West on several fronts both at home and abroad. The country's domestic debate on the nuclear talks pits hard-liners opposed to a deal against the negotiators around President Hassan Rouhani. In the region, the Islamic Republic has adopted an assertive posture, by providing continued support to its Syrian ally Assad, by engaging in a dangerous tit-for-tat with Israel over the Golan Heights, and by stoking unrest in Yemen.

Scenario 2: Failure

The EU needs to seriously consider an outright failure of the talks, too. Assuming that this is the worst-case scenario, it would have to imply more than "let's agree to disagree," but rather some sort of revelation of either party's bad faith. This could be Iran continuing to conduct secret nuclear activities, the United States being manifestly unable to live up to any commitment to lift sanctions, or a third party revealing that elements of the International Atomic Energy Agency's (IAEA's) case against Iran had been fabricated by Western intelligence services.

In this case, the Europeans would be caught in near-inevitable escalation, which they are not really prepared to deal with either politically or militarily. The United States would likely increase sanctions and cyberwarfare, while Iran could try to break out or intensify its asymmetrical attacks in the region, either through its proxies in Lebanon and Syria or by destabilizing Afghanistan or the Gulf. In addition, Israel—and possibly Saudi Arabia—might enter the fray militarily. Essentially, the region would be openly at war.

Short of this level of escalation, the EU should still pursue elements of a broader approach, not least because this could help mitigate some of the most acute consequences of such a disastrous outcome.

Scenario 3: Muddling Through

Describing the result of the negotiations in a binary way—success or failure—misses a third outcome that is not at all unlikely: a continuation of the status quo. This could involve the interim agreement officially becoming (semi)permanent or being implicitly extended when both sides refrain from any worst-case actions. This would still leave a lot of uncertainty hanging over Iran and may not be a steady-state equilibrium in the long term; but it would also be an opportunity to look for other areas of cooperation for a number of years.

If Iran and the international community recognize that they cannot go beyond the current level of agreement, but neither wishes to go back to confrontation mode, all parties involved would have an interest in extending their cooperation. This would serve not only to cushion what they want to preserve but also to slowly build trust for a resumption of the talks in the future. It would therefore be in the EU's interest to come up with an agenda for possible cooperation. That would mean testing the waters with a regime that has negotiated faithfully on one crucial issue, but where there is too wide a gap between the respective redlines to achieve a comprehensive agreement.

As in the positive scenario 1, such engagement would not be framed as a reward, which Iran does not seek beyond the commensurate lifting of sanctions and the recognition of its status as a civilian nuclear and regional power. Rather, engagement would be driven by the EU's own interest.

WHAT THE EU SHOULD DO REGARDLESS

Whatever the outcome of the nuclear talks, the EU must develop a more comprehensive policy that accounts for both Iran's role in the region and broader global issues of EU concern. Beyond preventing Iran from acquiring a nuclear bomb, these interests include a stronger global nonproliferation regime; a stable, multiethnic, and pluralistic Iran; and inclusive and effective mechanisms of regional conflict resolution. A comprehensive and strategic EU policy toward Iran should focus on these three issues, regardless of the outcome of the negotiations. To achieve these aims, the EU should improve its organizational capacity and step up its presence in the country as well as continue its close cooperation with the United States.

Reinforce Nonproliferation Measures

Strengthening the existing nonproliferation system, along with the principle of multilateral conflict resolution, is of utmost

importance to the EU. That is not only because preventing the spread of weapons of mass destruction (WMD) has been at the core of the European approach to Iran so far, but also because of the real proliferation risks throughout the Middle East.

If there were a comprehensive agreement, the EU should ensure that its inspection standards serve as an example for broader nonproliferation efforts, while being careful to stress that indigenous enrichment should not be the new norm. On the inspection standards, the EU will have to make a concerted effort to get all signatories to the Non-Proliferation Treaty—in particular, hold-outs like Brazil, Argentina, Egypt, and Saudi Arabia—to sign the Additional Protocol, which provides for tougher monitoring. True, the Iran case is special, as the country has been found in violation of its IAEA safeguards obligations. However, with the aim of strengthening the nonproliferation regime globally, the EU should strive to increase those safeguards by raising the regular standards to the level of the Iranian inspections.

In the case of muddling through or failure, the EU should show good faith by being unequivocal about its support for a WMD-free Middle East, including mutual recognition of and security guarantees for all states in the region. Concretely, because including nuclear weapons in such an arrangement would be difficult at this point, this initiative should start with a regional ban on biological and chemical weapons. The nuclear dimension of a WMD-free zone could be preliminarily tackled through the inclusion of delivery systems. Such a missiles regime would make it clear to other regional powers that there is no need to have a nuclear bomb. In parallel, given the regional proliferation risk of a deal that allows Iran to maintain its domestic enrichment program, a subregional WMD-free zone around the Persian Gulf could help alleviate the fears of Tehran's neighbors. Again, signing and implementing the Additional Protocol would be a first step.

In either case, if Iran wants to be taken seriously as a civilian nuclear power, it will have to adhere to international standards of nuclear safety regulation. This includes bringing its fuel production into sync with the capacities of its own nuclear power plants—the so-called practical needs. Moreover, Iran is the only country with an operational nuclear power program that has not signed or implemented the 1994 Convention on Nuclear Safety, which governs standards at nuclear power plants. The EU should strongly encourage Iran both to fulfill this purely technical (that is, apolitical) requirement and to join the convention. And the union should support the IAEA in both financial and organizational

terms to streamline its very specific engagement with Iran into its normal procedures.

Increase Outreach to Civil Society

The promotion of democracy and human rights is central to the EU's foreign policy identity, yet it often comes second or third on its list of policy priorities. The EU should seek to reach out to civil society actors in Iran, both to promote a broader people-to-people dialogue and to collaborate on issues of particular concern. In a positive scenario, the union should revive the EU-Iran human rights dialogue but should do so measured by the standards applied to all countries in the region.

Beyond this, the EU should step up its outreach to the wider population, focusing on press freedom, labor rights, and Iran's violations of its own domestic laws and the UN treaties it has signed. The EU should provide relevant information and up-to-date official statements through a Persian-language website, while European foundations or the newly established European Endowment for Democracy could work on the ground with local Iranian officials and politicians.

In addition, dialogue and engagement on a wide variety of domestic political, economic, and social questions should prove fruitful. This includes technical cooperation on environmental questions, earthquake assistance, and refugees, as well as increased exchanges in sports, culture, religion, science, and higher education.

Step Up Cooperation With Iran on Conflict Resolution

Iran has a role to play in a number of regional challenges, including fighting the joint threat from Islamic State terrorism, stabilizing Afghanistan and Iraq, tackling cross-border drug trafficking, and ending the conflict in Syria. The EU—itself open to “engage with all regional and international actors with influence over the Syrian parties”—should work with the United States and partner countries in the region, including Israel, the Gulf states, and Afghanistan, to end the counterproductive exclusion of Iran from international conflict resolution. Only the worst outcome of the worst-case scenario—an Iran at war with the West—would effectively preclude any such type of cooperation.

In light of the very different views on the civil war in Syria, this most pressing conflict is unlikely to see immediate cooperation, if only because Iran has become a quasicombatant on the ground. Instead, the EU should start with the easier cases, such as working with Iran to maintain stability in Afghanistan or increase maritime security in the Persian Gulf. Then, the union should move

gradually to more difficult issues, such as tactically cooperating on the fight against the Islamic State and, eventually, working to end to the war in Syria.

In a broader sense, the EU could use its potential to deliver templates for regional cooperation. Reviving the concept of the Madrid multilateral negotiations that aimed at solving the Arab-Israeli conflict in the early 1990s, the EU should develop a model to address the wider regional conflagration. This includes looking into the EU's reconstruction efforts in Eastern Europe and the Western Balkans.

In the current state of chaos in the Middle East, one cannot hope to end conflicts without offering a long-term perspective for a new regional order. The EU's role is to facilitate regionally owned arrangements, not to impose an order from outside, while providing political, technical, and economic support if requested.

Improve the EU's Operational Capability

Extending the EU's policy approach in this way will require time. The ultimate success of that approach will depend not only on the EU's own actions but also on those of its partners. Meanwhile, there are a number of steps the EU should take to enhance its internal organizational capacity.

The European External Action Service (EEAS) should immediately set up a task force that brings together the different desks currently dealing with Iran. Its aim should be to explore, and later implement, areas of immediate cooperation as well as prepare for longer-term engagement. The task force should encompass all relevant desks, including those outside the EEAS such as the European Commission Directorate General for Trade. An EU special representative should head this Iran task force and should liaise closely with the EU negotiators and the Iranians. The team should include sufficient staff to implement the broader policy approach.

In Iran itself, the EU must establish a presence, possibly starting with an EU special representative field office that could be transformed into a full-fledged EU delegation, with the special representative at least temporarily double-hatted as the head of delegation. In case of an agreement on the nuclear talks, opening such a diplomatic representation could be heralded as a sign of normalization of EU relations with Iran. However, given that it is in the EU's own interest to have eyes and ears on the ground, this presence should be created regardless of the outcome of the negotiations. In fact, it is long overdue.

Moreover, there is a need to stress what is a simple fact of life for Europeans but often difficult to understand for both Americans and Iranians—or for any outsider, for that matter: that there is a difference between the EU and its member states. This can be either helpful or confusing, depending on whether one wants to actively use this distinction. The EU as a union does not have the same historical (that is, postcolonial) or political (narrowly interest-focused) baggage as do member states. Gradually shifting the policy responsibility from the three member states that are part of the negotiations—Britain, France, and Germany—to the EU as a bloc must be part of this effort.

Cooperate Closely With the United States

The EU should also work more closely with the United States, beyond the well-established cooperation between their negotiating teams. The two entities share a strong, interest- and value-based bond that they should reinforce because of the challenges and opportunities that Iran represents to both.

Broader outreach to U.S. policymakers and the American think tank community is necessary given that the EU's role on the Iran file is generally poorly appreciated by the American public and that Congress plays a crucial part in many decisions regarding U.S. sanctions. In a concerted effort, the EU and its member states should work with the administration and Congress to secure the necessary U.S. support for sanctions relief if a comprehensive agreement is achieved—or to devise a new common approach to Iran if the talks break down.

In view of the possible rejection of a proposed nuclear deal both in Washington and Tehran, the EU should maximize its influence on both sides. *Vis-à-vis* Washington, that would mean legitimizing the rapprochement with Iran by gathering the widest possible international support and making sure that the U.S.

political system hears the message. The same should be done in Iran, where there is a more pro-Western public opinion than in most Arab countries.

These efforts are all the more necessary given that there are real concerns about the political climate in Washington. Policymakers there may find that EU-U.S. interests for engagement with Iran overlap as described above, but that such cooperation is politically difficult—if not impossible—to establish. The U.S. administration, the EU institutions, and European governments should closely coordinate on reasserting those shared interests, while allowing for flexibility in their implementation. For example, Washington could tacitly approve of political dialogue and EU technical assistance if, for domestic reasons, the U.S. government cannot do so openly. The aim should be to engage in complementary action based on a joint strategy, not on the EU and the United States necessarily doing the same thing. At the very minimum, this will allow the inclusive and near-daily interaction that exists today on the nuclear file to continue.

CONCLUSION

Engaging in dialogue with Iran on issues beyond the nuclear program is unlikely to lead to an EU-Iranian partnership in the short term. But it is hard to see how the West would not benefit from a transactional relationship where cooperation is pursued when interests coincide, and dialogue persists when interests collide.

With interest-based, not aspirational, policies, the EU should test the Iranian regime in a period of uncertainty. Brussels should provide Tehran with an incentive to prove its willingness to play by the rules. This could pave the way for a new bargain that Europe has every interest to explore.

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