



## Dealing with Iran: How Can the EU Achieve its Strategic Objectives?

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**The European Union has a unique opportunity to prove its relevance as a global foreign policy actor through resolving the international community's standoff with the Islamic Republic of Iran. Using its High Representative for Foreign Affairs and Security Policy and its member states, the EU should utilize its powerful trade and energy ties with Tehran to embark on a dialogue with the regime that goes beyond the nuclear programme and addresses a broader set of issues of mutual concern.**

### INTRODUCTION

Europe and Iran have an important political, cultural and commercial relationship that dates back several centuries. These strong ties endured the anti-Western undertones of the 1979 Islamic Revolution but have been steadily strained since 2002 when the uncertainty with regard to Iran's nuclear programme became an issue of international concern. The EU, in a demonstration of its role as an important foreign policy actor able to take the lead in resolving global crises, has spearheaded efforts to obtain a solution to the deadlock between Tehran and the international community on Iran's nuclear programme, under the directorship of France, Germany and the United Kingdom (the EU3). As a result, the Iranian nuclear issue has dominated European discourse and has become a test case for the EU's common foreign and security policy. A constructive relationship between the EU and Iran is essential for the EU, not least to help it achieve its common security and defence objectives while safeguarding its commercial and energy interests. However, the EU has yet to develop a unified, independent and long-term strategy vis-à-vis Iran that would enable it to achieve its strategic objectives without compromising its core values.

### POLICY OPTIONS AVAILABLE TO THE EU

The challenge for EU policymakers is to devise strategies and policies that will build trust and confidence with

### POLICY RECOMMENDATIONS

1. Arrange a formal discussion at EU ministerial level about the EU's approach to Iran. This meeting would be initiated by the EU High Representative and based on input/a strategy from her office, which is developed with input from the various member states. At the same time, the EU should develop a forward-leaning public diplomacy strategy in order to inform Iranian public opinion about its willingness to engage, the offer that is on the table and about how the regime is reacting to the various elements.
2. Any subsequent negotiations cannot start with or be predicated on the nuclear issue. Lessons from the past show that using progress on one issue to justify discussion on another, or conditionality, are not effective negotiation tactics when dealing with Iran. To defuse tensions, initial discussions should instead take place on non-controversial areas of mutual interest such as, among others, Afghanistan, Iraq, counterterrorism, narcotics, trafficking, energy policy, border control, and improved response to humanitarian or





environmental catastrophes. Confidence must be built and mutual respect restored before the Iranians will be willing to seriously discuss the nuclear issue.

3. As part of these broader discussions, the EU should make clear that it places special emphasis on the issue of human rights, but in a way in which balances critiques with recognition of progress in certain areas and takes account of Iran's standing vis-à-vis its neighbours.
4. To practically enhance the engagement component of its 'dual-track' policy and ensure that the EU speaks with a coherent voice vis-à-vis the Iranian regime, the EU should open a delegation in Tehran. To stave off EU member states' domestic constituency pressure and criticism about engaging with Iran, the EU should make clear that it is not trying to prop up a repressive regime but rather increasing Iran's links with the outside world so as to promote wealth, openness and pluralism, all of which can be a catalyst for political and democratic reform.
5. In addition, to address the core issues related to Iran's nuclear aspirations, the international community must assist the region in developing a meaningful, multilateral regional security architecture, which includes Iran. While such an approach would need to have the full buy-in of the neighbourhood itself, the West and in particular the EU, could play a vital role by initiating such a discussion and utilizing its experience to provide advice and support.
6. The EU should do more to acknowledge the broader shift in the geopolitical environment, and support efforts made by third parties – such as those recently made by Brazil and Turkey. Other countries from the Non-Aligned Movement and which have significant commercial ties to Tehran should be encouraged to adopt a similar constructive approach. The involvement of countries like Brazil and Turkey provides a face-saving mechanism for the West and Iran, as well as an opportunity to encourage emerging powers to play a responsible and constructive role in international peace and security.

Tehran and avoid a further downward spiral of relations while increasing European leverage that could be used to alter the cost-benefit analysis, decision-making and behavior of the Iranian regime. Maintaining leverage over Iran becomes even more important when considering the possibility of Iran eventually obtaining a nuclear capability and the EU policy posture and role in such a scenario. EU strategy is developed within the framework of its Common Foreign and Security Policy (CFSP). Recognizing the strength of their negotiating position when they are united in message and action, under the auspices of the EU High Representative, EU member states have been working hard to harmonize their positions on the long-term strategy and approach required for dealing with Iran, on the nuclear issue and beyond.

Under the CFSP, several policy options and instruments are available to the EU in its effort to fulfil its strategic objectives vis-à-vis Iran. First, EU member states could agree to use of force/embark on a military intervention through the European Security and Defence Policy or on provision of support for the use of force by a third party. Second, the EU could adopt a containment and deterrence policy using political and economic instruments such as sanctions and the strategic deployment of military assets in the region. Third, the EU could employ the CFSP for diplomatic engagement through carefully crafted negotiations that utilise the EU's soft power on trade, aid, energy, immigration and cultural and educational cooperation. Lastly, the EU could remove itself as a central foreign policy actor on the Iran issue and opt for a policy of non-entanglement, choosing instead to focus on its own internal issues.

## THE VIEW FROM TEHRAN

In today's Iran, observers of Iranian attitudes towards the outside world concur that the majority of Iranians are looking for recognition and respect as a sovereign and legitimate member of the international community. They do not want to see their country become a pariah, singled out and isolated like a rogue nation and favour mending relations with the West. While relations have been strained over the past several years, Iranian officials from both the Khatami and Ahmadinejad governments recognize the mutual importance of a constructive relationship between Europe and Iran. However, while this relationship has been recognized as important, and despite the fact that Iran's economy is in serious need of the outside investment and reform which Europe can provide, most officials do not believe that the relationship with Europe is necessary 'at all costs'. Iranian government officials believe that policymakers in the West, and in Europe in particular, lack an understanding of and empathy for Iran's current national security concerns. Iran feels encircled and is on the defence.

The Islamic Republic has consistently claimed its nuclear activities are entirely civilian and peaceful in nature. Overall, while there is a sophisticated debate about the costs and benefits of the nuclear programme, the Iranian elite is not divided in principle as much as in terms of attitude and tactics. Former members of Khatami's government, as well as former President Rafsanjani and former chief negotiator Ali Larijani, have criticized Ahmadinejad's provocative statements and diplomatic ineptitude in handling the nuclear issue, but no prominent insiders are known to have questioned the programme itself or its ultimate aims. Despite the political turmoil following the 2009 presidential election, it is increasingly clear that a significant number of both conservative and reformist policy-makers want to continue in the pursuit of nuclear technology, with the option of weaponizing their programme at short notice (the "Japan Model"). That means that changing the regime would not necessarily end Iran's nuclear ambitions.

## CONCLUSION

There are no good policy options that guarantee success in achieving all of the EU's strategic objectives. The current EU 'dual track' policy of pressure on the one hand (containment through sanctions) and engagement on the other does not constitute a long-term strategy. Continuing this approach risks what little remains of European influence and leverage while strengthening hardliners in Tehran and paving the way for long-term alienation of an important strategic country. The Iranian regime claims to have gradually lost faith in the EU's pursuit of a diplomatic solution over the course of the past seven years of negotiations. If the EU does not act quickly to resuscitate its damaged relationship with Tehran, it risks slipping further into irrelevance as an important foreign policy actor. Maintaining strong ties with Tehran will remain a critical factor, especially if Iran crosses the nuclear threshold.

The best policy option for the EU is to engage in *realpolitik*: to ease tensions and develop a creative method which will allow discussion with Tehran on areas of mutual concern in an effort to build confidence and help alter the regime's decision-making calculus, while safeguarding European security, energy and commercial interests. While the EU may feel spurned after years of stalled political engagement and frustrated by Iran's divisive strategies, it must give limited diplomacy another chance. Through the High Representative for Common Security and Foreign Policy, Catherine Ashton, the EU should play a more active role and take the lead in establishing a less charged atmosphere with Iran – a period of *détente* – during which a new framework for political dialogue can be established. Engagement in the form of *détente* does not call for a full-blown strategy of integration and does not preclude pressure. It would entail a limited range of cooperative agreements alongside current EU sanctions as a form of discriminate containment. At



*Iranian President Mahmoud Ahmadinejad speaks in Tehran.*  
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the very least, *détente* will provide a chance of undermining Iran's policy of confrontation for if Tehran rejects a fair-minded Western offer, it will weaken its position in the region and increase domestic unease over the stance of the hardliners.

*Shirin Pakfar, e-mail: shp@redassociates.com*



## **About the Author**

*Shirin Pakfar is a Senior Research Associate at the Danish Institute of International Studies. Prior to this, she worked for the United Nations in peacekeeping, mediation and humanitarian roles for three years in Afghanistan (2002–2005), two years in the West Bank/Gaza Strip (2006–2007) and eighteen months in Sudan/Darfur (2007–2008). Most recently she served at the United Nations headquarters in New York focusing on African peace and security issues in general and Sudan in particular. Prior to these assignments Ms. Pakfar worked for the World Bank and the Inter-American Development Bank in Washington D.C. She holds undergraduate degrees in Political Science and Economics from the University of California at Berkeley and an MSc in Development Economics from the London School of Economics. She was born in Tehran but her family left for California when she was six months old.*

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