European Diplomacy in Iran
A comparative analysis of two diplomatic strategies and their effects

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10 June 2019
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Word count: 15686
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Introduction

On the 9th of May 2019, the High representative of the European Union read a joint statement stating: ‘We remain fully committed to the preservation and full implementation of the JCPOA, a key achievement of the global nuclear non-proliferation architecture, which is in the security interest of all.’\(^1\) The statement expressed clear support for an earlier deal forged by Germany, the United Kingdom and France (EU-3), the US and Iran. The Joint Comprehensive Plan of Action (JCPOA) had been seen as a crowning achievement of European diplomacy and while currently the Trump administration might undermine it, the deal remains relevant to the relations between the EU and Iran. The deal formed the conclusion of years of negotiations, that were meant to ensure that the Islamic Republic of Iran would not gain possession of technology needed to develop nuclear weapons.\(^2\) Through this deal, Iran agreed to reduce their stockpile of enriched uranium and reduce their enrichment proceedings to a level that reassured the international community that the country would not develop nuclear weapons. Far reaching inspections would be done inside the country to ensure that the regime would keep their promises made under the agreement. In return, Iran could expect to see relief from the sanction regime that had been posed on it.\(^3\) Moreover, the deal formed a part of a wider EU strategy which had been pursued since the 1990s, which focused on ensuring that Iran would become a reliable partner to the west, rather than being a destabilizing force. The EU had also hoped that the use of trade policy would further encourage Iran to increase its cooperation at the international stage.\(^4\)

To ensure that this goal of a stable Iran would be achieved, the EU employed various strategies over the years. The two strategies that lead up to the JCPOA agreement can be categorized as the Comprehensive Dialogue policy, also referred to as linkage diplomacy, and

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\(^4\) Kaussler, Bernd. ‘From Engagement to Containment’, p. 53-76.
the Coercive Diplomacy policy.\textsuperscript{5} These policies differed greatly from each other, with the Comprehensive Dialogue policy mostly relying on soft power and the promise of future trade agreements, while the Coercive Diplomacy policy was mostly concerned with demands, threats and time limits.\textsuperscript{6} As a tool of coercion, the EU mostly made use of its Trade policy, as the Union threatens to sanction the Iranian regime if it would refuse to meet European demands.\textsuperscript{7} While these strategies differed greatly from each other, the goals that the EU pursued were still similar, yet distinct. Overall, the EU wanted to ensure that Iran would become a reliable partner to the West. Furthermore, the EU also wanted Iran to commit itself to better protection of human rights, increased cooperation in regards to security and finally, the EU also hoped Iran would distance itself from Weapons of Mass destruction.\textsuperscript{8} However, while the Comprehensive Dialogue strategy was focused on improving relations with Iran, the Coercive diplomacy policy laid greater focus on the prevention of Iran becoming a destabilizing factor in the region in the short term.\textsuperscript{9} In the long term, we can thus consider these strategies to be similar, however in the short term the two approaches vary greatly. As the long term goals are similar, and both policies deter Iran from developing nuclear weapons, these strategies are comparable to one another. This thesis will therefore seek to compare these policies to one another, with the goal of contrasting their efficiencies.

Structure

The lead question which this thesis seeks to answer, is to what extent EU negotiation strategies were effective for the EU in regards to achieving its formulated goals. The question is relevant as debates regarding the future of the JCPoA deal are still ongoing and the outcome of these debates will influence the EU - Iran relations for years to come. This thesis will take a closer look at the negotiations leading up to the agreement in order to assess the effectiveness of both strategies. The question will be answered in three chapters. In the first part, further explanation will be given of the EU negotiation strategies. This first chapter will

\textsuperscript{6} Kaussler, Bernd. “From Engagement to Containment’, p. 53-58.
\textsuperscript{7} Idem, p. 66 –67.
\textsuperscript{8} Kaussler, Bernd. “European Union Constructive Engagement With Iran” p. 270 - 275.
provide further background to these policies, by laying out the historic context of these strategies, the goals formulated during the periods these were employed and the main actors behind these strategies. This chapter will serve as a basis for the following chapters, in which these strategies will be further assessed. The second chapter will analyse the impact the Comprehensive Dialogue policy had on relations with Iran. This chapter will compare the goals set out by the EU, with the results it achieved, while also accounting for external factors that might have contributed to the success or failure of this policy. The third chapter will take a similar approach, but it will focus on the Coercive Diplomacy policy and its successes and failures. Through the analysis in chapters two and three, this thesis hopes to answer the question which of the policies was more successful in achieving the goals the EU had set itself.

Due to the importance of the JCPoA agreement, and the impact it had on world politics, much has already been written about the agreement in recent literature. However, this thesis hopes to set itself apart from existing research as it extends the scope of the research question, by not merely focusing on security related issues, but also focusing on the European successes and failures in regards to human rights. The human rights issue is insufficiently discussed in relation to the JCPoA in current academic debate, while the improvement of human rights was an essential demand of the EU towards Iran throughout the negotiations. By merely focusing on the security perspective, current academic debate thus limits itself and might omit to what extend the human rights factor was relevant to the negotiation. Furthermore, this thesis also tries to pay greater attention to developments that took place inside Iran throughout the course of the negotiations. Much of the current academic debate discusses the negotiation policies used by the EU through a western perspective, which limits the insight into the consequences of the EU actions. By reviewing the Iranian side of the negotiations, this thesis seeks to answer why certain aspects of the strategy used by the EU were a success or a failure. Furthermore, by thoroughly researching the motivations of the Iranian regime, the limitations of the EU will become clearer. In the end this thesis will find that the Coercive Diplomacy strategy employed by the EU caused a disruption in EU - Iran relations and increased the perceived need of Iran to possess nuclear weapons for security reasons. Furthermore, the policy increased the discussion on human rights issues inside the country. In

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contrast, the Comprehensive Dialogue succeeded in halting the Iranian enrichment procedures, while also making significant progress in regards to human rights.

Methodology

Current literature regarding the EU - Iran negotiation process often focuses on security in relations to these negotiations. However, as will become clear throughout this thesis, the human rights aspect of the negotiations also needs to be considered. Human rights formed a key negotiation point for the EU at the start of the talks with Iran. By supporting the development of human rights in Iran, the EU was also able to increase the support of the political groups that were opposed to the development of nuclear weapons. Yet, by solely focusing on security, researchers neglected the influence human rights might have played. Furthermore, there were other factors than security at play that might have driven the Iranian regime to push for the increased enrichment of its Uranium. These factors include prestige, technology, domestic politics and economics. However, these contributing factors are rarely discussed in current academics in regards to the Iranian nuclear program. Lastly, current research often solely focuses on the Coercive Diplomacy policy which the EU employed when talking about the policies that lead to the JCPoA. However, as will become clear throughout this thesis, the Comprehensive Dialogue policy which the EU used, had significant influence on the nuclear enrichment program of Iran.

Through comparative analysis, this thesis hopes to answer its main question, of which negotiation policy was more effective at achieving its stated goals. To answer this question, two policy approaches will be compared. The first policy that will be analysed, will be the policy of Comprehensive Dialogue, as it was formulated by the European Union. In chapter one, this policy will be explained, while the second chapter analysis its impact. The policy to which we will compare the Comprehensive Dialogue will be the Coercive Diplomacy policy. As such, this thesis will look at the basic elements of a successful coercive policy in the first chapter, while further analysing the deployment of these elements in the third

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13 Kaussler, Bernd, ‘From Engagement to Containment’, p. 50-54.
chapter. The goals of these policies were twofold, as they sought to ensure that Iran would end its nuclear enrichment programs in the short term, while they also hoped to lead to an Iranian state that was more embedded in the western diplomatic system. To assess the effectiveness of the two policies, this thesis will thus assess to what extent these policies succeeded in achieving these goals.

In regards to nuclear proliferation, this thesis will seek to answer to what extent the EU was able to discourage Iran from seeking the development of nuclear weapons. In order to answer this question, five factors will be considered. These are key factors in explaining why a country would want to develop nuclear weapons. They can serve as drivers or as barriers to a state, in regards to their desire to develop nuclear weapons.\(^{14}\) The first factor is security. A country might seek to develop nuclear weapons to increase its security and protect its sovereignty, as nuclear weapons serve as a deterrent for other nations to attack the country. However, security can also serve as a deterrent, as the development of nuclear weapons might lead to increased tensions with third countries and could lead to a nuclear arms race in the region.\(^{15}\) Another factor to consider is that of prestige. If, nuclear weapons are perceived to be a tool to ensure national recognition, then the idea of prestige encourages a country to pursue nuclear weapons. If however, the international norm is not to have nuclear weapons, then it might be more prestigious for a country to not possess nuclear weapons.\(^{16}\) Domestic politics can also serve as a deterrent and a driver for nuclear proliferation, as public opinion might encourage or discourage local factions to develop nuclear weapons. The fourth factor is that of technology.\(^{17}\) A country with the necessary technological knowledge has incentive to produce them, while a country that does not have this knowledge, will first have to make serious investments before production can begin. Lastly, economics play a role, as the development of nuclear weapons can be costly, due to the technical costs, but also due to the possible costs of sanctions. Throughout the analytical chapters, the impact of the two EU policies will be considered against these five factors. Policies that serve as a deterrent in all these five factors can be considered efficient in the prevention of nuclear proliferation, while

\(^{15}\) Ibidem.
\(^{16}\) Ibidem.
\(^{17}\) Ibidem.
policies that drive these factors can be considered ineffective. Therefore, these factors will serve as a tool to assess the effectiveness of the Comprehensive Dialogue policy and the Coercive Diplomacy policy.

To assess the success of these policies in the case of human rights issues, another approach will be taken. For this, this thesis will take a closer look at the developments of human rights in Iran and how these are affected by the EU’s policies. To measure this, policy changes in Iran will be considered, but also the overall situation of the population inside the country will be assessed. To measure the effect of the policies, the thesis will contrast various human rights issues, which the EU deemed important at the start of negotiations with Iran. These include women's rights issues, the use of torture and the stability of the rule of law. The thesis will compare the changes that were made in these in the first phase of the negotiations as opposed to the second phase of the negotiations. Furthermore, International indexes will used as an indicator to what extent the human rights situation inside the country improved. Further primary sources include: council communications, high government official statements and articles from the relevant time period. Lastly, secondary source material will serve as a further tool to study the human rights situation in Iran and compare how these changed over the course of the negotiations.

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18 Ibidem.
Chapter I

The EU3/EU negotiations with Iran knows various phases, in which the EU changed its ways of approaching the Iranian government. These changes in strategy towards Iran were seemingly always connected with changing perspectives towards the country. After the Iranian revolution in 1972, the EU approached the country with caution, but sustained relations, unlike the US. This policy was eventually formalized through a policy of critical dialogue, the goal of which was to improve the human rights situation in Iran and to ensure that Iran would commit itself to international agreements. By doing so, the EU sought to create a stable actor in the region, as it saw the actor as a possible beacon of stability in an otherwise volatile region. When more moderate forces were elected in Iran in the early beginning of the century, the EU shifted this policy slightly to a policy commonly referred to as comprehensive dialogue. Comprehensive dialogue further intended to ensure reforms in Iran, with focus on human rights issues, but rather than critiquing the existing regime as the previous policy had done, the EU now sought to encourage the countries rulers to commit to these changes. However, when Iran elected a more conservative president in 2005, tensions between Iran and the EU increased once again and the EU shifted its policy. Rather than trying to convince Iran of taking a more moderate approach, the EU now tried to coerce the country into compliance. This new policy of coercive diplomacy brought a new area in EU - Iran relations. These changes took place gradually and were intended to create greater understanding, the policies of comprehensive dialogue and coercive diplomacy will be further explained below. The explanation of these policies will serve as a basis for the analysis of their effectiveness in further chapters.

19 Brend Kaussler, From Engagement to Containment: p. 50-54.
20 Ibidem.
21 Ibidem.
22 Ibidem.
23 Ibidem.
Comprehensive Dialogue

The policy of comprehensive dialogue, contains aspects of diplomacy that are typical of EU behaviour on the international stage. The policy focuses on using non coercive measures to provoke policy changes in different countries. It was a continuation of the EU’s earlier critical dialogue which it had used towards Iran. The critical dialogue had sought to achieve changes in the Iranian regime's attitude towards human rights and security issues through dialogue. The policy sought to selectively highlight the abuses made by the Iranian regime in order to change them. Through the policy of critical dialogue, the EU sought to condemn various actions by Iran, while still expressing hope for future betterment. Once Iran seemed responsive to the ideas put forth by the EU, the policy shifted from condemnation of the Iranian regime, towards a policy of positive encouragement, thus earning the name of Comprehensive Dialogue. The new policy focused on using ‘soft power’, meaning that the EU tried to reach agreements with partner countries using contracts that usually contain various incentives for a country to fulfill the obligations as laid out under this contract. The incentives that the EU set out towards Iran were trade related, which was a strategy the EU had used many times in the region. The EU usually used the promise of a future trade agreement to influence politics in the country.

In recent times, these types of trade agreements had mostly become so called ‘mixed’ agreements. This term refers to agreements in which trade is linked to various other issues. Before the turn of the century, these other issues were usually human rights and democracy related. However, in the early 2000’s the EU switched its stance and more migration and security issues were tied to trade agreements. By doing so, the EU shifted its stance slightly from normative actor, to a more traditional actor on the world stage, but institutions like the European Parliament ensured that human rights issues were still given adequate attention, as they remained a precondition for any trade agreement. Furthermore, trade agreements also

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26 Idem, p. 269 - 270.
29 Delreux, Tom, Informal division of labour, p. 1471-1490.
stipulated that severe disregard of human rights by the signing parties could lead to a suspension of any agreements.\textsuperscript{30} While these clauses very rarely lead to suspensions of trade agreements once they were in place, they did serve as a means to encourage third countries to adjust its policies in order to comply to theses clauses prior to their conclusion. The European Commission itself stated that: “the most effective way of achieving change is [...] a positive and constructive partnership with governments based on dialogue, support and encouragement. This should aim to improve mutual understanding and respect, and promote sustainable reform.”\textsuperscript{31}

To achieve this, the European Commission formulated a list of goals that stipulated in which ways the EU hoped for Iran to change. The commission listed human rights as a main priority, although it did acknowledge the changes Iran had already made in this regard. To further improve on this, the Commission hoped to see more regular dialogue between the EU and Iran.\textsuperscript{32} The EU also sought to reduce aggressive rhetoric of Iran towards Israel and the US and mentioned that these countries had accused Iran of harboring extremist groups. The Commission fell short of accusing Iran of the same and only mentioned that it hoped that the country would continue the more conciliatory stance of president Khatami.\textsuperscript{33} Regarding Weapons of Mass Destruction (WMD) the EU mentioned that it was concerned of Iranian ambitions in this regard and that it hoped that Iran would agree to increased inspections of the International Atomic Energy Agency (IAEA). Lastly, the EU asked for further economic liberalisation of Iran to ensure that the EU and Iran could increase their trade relations. These goals led the EU to formulate the following guidelines:

- Encouragement of political and economic reform through
  - more frequent official and unofficial bilateral contracts.
  - development of exchange/cooperation in areas of mutual interest and concern (such as drugs, rule of law, refugees etc.).
  - readiness to engage in dialogue on human rights.

\textsuperscript{30} Kaussler, Bernd. “European Union Constructive Engagement With Iran, p. 288 - 289
\textsuperscript{32} Brend Kaussler, From Engagement to Containment: p. 56.
\textsuperscript{33} Commission of the European Communities, “Report from the commission on the implementation of measures intended to promote observance of human rights and democratic principles in external relations for 1996 –1999.
strengthening the CFSP dialogue by deepening the dialogue in areas such as regional security, weapons of mass destruction, nuclear proliferation).

- seeking appropriate ways of developing people-to-people contacts.

- Promotion of bilateral economic relations through
  - negotiation of a Trade and Cooperation Agreement.
  - continuation of Commission–Iran working groups on energy, trade and investment.\(^{34}\)

The policy of comprehensive dialogue was both celebrated and criticized by academics at the time. Realist researchers pointed out that the policy was a departure from the US strategy from Iran, which brought the EU at odds with the US. This in turn they argued, was not desirable, as the US - EU alliance was a key component to EU security.\(^{35}\) Furthermore, they pointed out that while Iran might cooperate in regards to human rights, the country could only be forced into compliance in regards to the nuclear issue, as the Comprehensive Dialogue policy gave too little incentive for the country to end its nuclear enrichment program.\(^{36}\) These fears were reflected by some member states, which stated that the Comprehensive dialogue was too much of a continuation of the earlier critical dialogue, a policy that was initiated in 1992. This policy of critical dialogue also used the EU’s soft power to change Iranian policies, but the EU had failed to formulate clear demands of Iran and only condemned them, with little consequences for the country.\(^{37}\) While most realist think tanks excluded the option of military strikes, for fear that these would be ineffective, they advocated a sanctions regime through the UN Security Council (UNSC).\(^{38}\)

However, proponents of the policy noted that the human rights situation in Iran had in fact improved and that more moderate forces had been elected in the country. Furthermore, with the communication of 2001 mentioned above, the EU had succeeded in formulating stricter


goals.\textsuperscript{39} Think tanks in favor of the policy at the time argued that the EU supported reformist parties through its policies. This was desirable, as the reformist parties aligned closer with EU interests.\textsuperscript{40} Yet the advantages for the EU of supporting the reformist factions is now often lost in current literature.\textsuperscript{41} Through the Comprehensive Dialogue, the EU had achieved some results, through the conclusion of the Paris agreement, which had halted the enrichment process.\textsuperscript{42} Furthermore, they argued that military intervention as pressed by the US, was not an option, as comparable interventions in the past, such as the one in Iraq had showed their ineffectiveness.\textsuperscript{43} As will become clear in the next chapter, the EU found itself often between the two sides of this argument, seeking to find an agreeable solution to all, through its policy of Comprehensive Dialogue. The consequences of this behaviour of the EU will be further discussed in the upcoming chapter.

Coercive Diplomacy

The other strategy that the EU used towards Iran during the negotiations, was that of coercive diplomacy.\textsuperscript{44} Coercive diplomacy is a strategy that has a long history, with the strategy receiving increased attention by academics in the period after the second world war, in which coercive diplomatic strategies were used more frequently.\textsuperscript{45} The strategy often served as a means by the US and the USSR to avoid direct conflict with a country, while still imposing its will. The strategy is especially successful in cases in which a significantly stronger country makes a demand of a weaker nation. In these cases, the weaker nation is often left with no other option than to comply, as the risks that would be associated with non compliance would be too high.\textsuperscript{46} As the cold war saw an increased divergence of power between states, the period was an ideal phase for coercion policy. At the time, academics established what was thought to be essential for a successful coercive strategy. Researchers

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\bibitem{40} Kaussler, Bernd. “European Union Constructive Engagement With Iran,” p. 269.-291. \\
\bibitem{41} ALCARO, RICCARDO. \textit{EUROPE AND IRANS NUCLEAR CRISIS} p. 215- 221. \\
\bibitem{43} ALCARO, RICCARDO. \textit{EUROPE AND IRANS NUCLEAR CRISIS} p. 218. \\
\bibitem{44} Mohseni Cheraghlou, “WHEN COERCION BACKFIRES: THE LIMITS OF COERCIVE DIPLOMACY IN IRAN.” Thesis / Dissertation ETD, 2015, p. 18-36. \\
\bibitem{46} Ibidem.
\end{thebibliography}
such as Shelling state that a coercive strategy can only be effective when one state manages
to convince another state that it should comply with demands, because otherwise they would
face consequences that would be worse than compliance.\textsuperscript{47} In other words, coercive
diplomacy is the ability of one state to change the actions of another, even when the latter has
no intentions of changing.\textsuperscript{48} To conduct effective coercive diplomacy, Shelling identifies
tree essential components. First, a demand must be formulated.\textsuperscript{49} This demand is preferably
clear and concise to ensure that another state can comply. Second, a threat must be
formulated. The threat must not only be severe enough that the other state would fear its
consequences, but it must also be believed. If one state fails to convince the other that it
would follow up on the threat it has formulated, then the policy becomes ineffective. For this,
the power dynamics between the two states are essential. The more damage that can
potentially be done to the other, the more viable the threat becomes. However, the threatening
state must also be willing to potentially harm itself in executing the threat, as these potential
damages affect both involved states.\textsuperscript{50} Lastly, a clear timeframe needs to be established.
Establishing a clear timeframe will give greater impact to any threat that has been established,
but will also ensure that the other state has to take action.\textsuperscript{51}

To ensure that the EU could effectively pursue a strategy of coercive policy, it was essential
to overcome various hurdles. Firstly, the EU itself does not have a standing army. Military
power is often used as a threat in coercive diplomacy, as the cost of a war are often so high
that it dissuades any state of continuing with its actions.\textsuperscript{52} However, a military strategy is
often only viable if the threatening state itself can limit the costs a conflict would have, while
maximizing the consequences of the threatened state. In the case of Iran we thus often see
that a military threat is made by the US, which had a superior military power and could
impose great damage on Iran through bombardment, while Iran had little opportunities for
retaliation.\textsuperscript{53} The EU did not have the same military capabilities and opposition in the EU

\textsuperscript{47} (1967) p. 1-5
\textsuperscript{48} Schultz, Kenneth A. Democracy and Coercive Diplomacy. Cambridge University Press, 2009, p.21
\textsuperscript{49} Koops, Joachim Alexander, and Gjovalin Macaj. The EU as a Diplomatic Actor. Palgrave Macmillan, 2015,
p. 103 - 119.
\textsuperscript{50} Ibidem.
\textsuperscript{51} Ibidem.
\textsuperscript{52} Mohseni Cheraghlou, When coercion backfires, p. 18 - 22.
\textsuperscript{53} Alcaro, Riccardo. Europe and Irans nuclear crisis, p. 218.
against military intervention was high.\textsuperscript{54} The only tools the EU itself had at its disposal at the
time were trade related. As a result, the EU could only use a sanction regime to coerce Iran in
this part of the negotiations.\textsuperscript{55} While sanctions are not always considered to be effective, it
was believed at the time that the EU could have a significant impact on Iran using its sanction
regime. EU held close trade relations with Iran before the implementation of the sanction
regime. Germany was Iran's biggest trading partner and sanctions by Germany could
therefore severely impact the Iranian economy. Furthermore, as the SWIFT payment systems
was headquartered in Brussels, the EU could disconnect Iran from the International payment
flows, thereby severely impacting the Iranian financial industry.\textsuperscript{56} Yet to take such actions,
the EU would have to formulate a harmonized policy towards Iran, which throughout the
negotiations turned out to be difficult. To overcome these issues regarding policy
harmonization, various actions were taken by the EU, which will be further explored in
upcoming sections.

Researchers had mixed reactions towards the coercive policy taken on by the EU. The EU
itself seemed to have been very unwilling to take on such a forceful policy.\textsuperscript{57} Both the EU and
Iran argued the legitimacy of their actions, with no room for either state to maneuver into a
position that would allow them to save face. In regards to the nuclear enrichment activities of
Iran, the two powers were in a zero-sum game, in which only one party could win.
Meanwhile, the sanction regime created costs for both the EU and Iran, further increasing the
pressure on the two regimes. Furthermore, the effectiveness of the sanction regime was
questioned by researchers. In the past, sanctions regimes have shown limited effect.\textsuperscript{58}
Sanctioned parties are often able to find alternative trading routes. This in turn reduces the
influence of the sanctioning party over the sanctioned state, which in the end reduces the
chances of compliance. In the case of Iran, there were fears that Iran would seek to bypass the
sanctions through increased trade with Russia, China, India, South Africa and Brazil.\textsuperscript{59} A
sanction regime also often times leads to path dependency, in which the sanctioning state has

\textsuperscript{54} Iran, Campaign. “About CASMII.” About CASMII | Campaign Against Sanctions and Military Intervention in
\textsuperscript{55} Mohseni Cheraghlo, When coercion backfires, p. 18 - 22.
\textsuperscript{56} Ibidem.
\textsuperscript{57} Kaussler, Bernd. “European Union Constructive Engagement With Iran, p. 279.
\textsuperscript{58} Alcaro, Riccardo. Europe and Iran's nuclear crisis, p. 66 - 69.
\textsuperscript{59} Ibidem.
to continually increase sanctions if the other state does not comply with its demands. Eventually this leads to a hardened debate which makes compromise close to impossible.\footnote{Ibidem.} On the other hand, realists would argue that coercion was necessary, as Iran was a rogue state that refused to comply to the rules of the international system, thereby undermining EU and US authority.\footnote{Ibidem.} If Iran were to gain access to nuclear weapons technology, the country would form a serious threat to the EU and its allies and therefore, all possible measures needed to be taken to prevent such an outcome.\footnote{Ibidem.} Yet such black and white thinking had arguably also lead to the invasion of Iraq and Afghanistan which had destabilized the region. The EU acknowledged that its earlier policies in this regard had had a destabilizing effect on the region and the resulting increase of refugees in Iran could possible hurt its relations with the country.\footnote{European Commission (2001), \textit{Communication from the European Commission}, p. 7} Moreover, the earlier interventionist policies of the EU and the US had led to increased security concerns of Iran, which might have in turn led to an increased drive of Iran to develop WMD. Lastly, critics observed that the increased shift of the EU towards security rather than human rights might have benefited the conservative forces in the country, as they argued that the shift in EU policy should be perceived as a threat to the existence of the regime.\footnote{Kaussler, Bernd. “European Union Constructive Engagement With Iran. p288-289.} This in turn they argued, increased the need for Iran to produce its own enriched Uranium, as foreign forces could not be trusted. They argued that importing Uranium was not an option, as the sanctions showed that foreign countries were keen on reducing Iranian access to the international markets.\footnote{Alcaro, Riccardo. \textit{Europe and Iran’s nuclear crisis}, p. 66 - 69.}

\section*{Literature review}

Throughout the research for this thesis, it became clear that currently, much of the academic debate regarding the negotiations leading up the JCPoA agreement, increased attention is given to the Coercive Diplomacy policy that was used by the EU. Frequently, a direct connection between the Coercive Diplomacy policy and the singing of the JCPoA is made with various outlets calling the conclusion of the JCPoA a success for the coercive diplomacy
strategy that the EU had pursued. This thesis seeks to challenge that connection by putting greater emphasis on the Comprehensive Dialogue. While the Coercive Diplomacy was the most prominent strategy that was being used before the conclusion of the agreement, it failed to ensure Iranian compliance to international agreements. Prevalent research frequently focuses on the economic impact of the sanction regime, which were severe for Iran, but they fail to consider the other factors, such as security, prestige, technology and domestic policies in regards to the sanction regime. Meanwhile, if the focus is shifted towards security, then the focus is often on the European security perspective. However, security remains one of the key issues for any state that seeks to develop nuclear weapons, and ensuring that the security factor serves as a deterrent rather than a driver of nuclear proliferation should thus form a central point in any policy towards Iran. Furthermore, research regarding the JCPoA often neglects to mention the Comprehensive Dialogue policy, or only mentions it as a preamble to the Coercive Diplomacy policy. Yet failing to mention this policy creates the impression for the reader that the Coercive Diplomacy policy was the only strategy that the EU had pursued in its attempt to improve relations with Iran and end the Iranian nuclear enrichment proceedings.

Furthermore, current research frequently fails to mention the human rights dimension of the JCPoA negotiation progress. This despite the fact that the EU has set human rights at the core of its policy making in its treaties. The negotiations with Iran were built on the precondition that the human rights situation in the country would improve. This focus served the EU’s goal to ensure that relations with Iran could improve and stood at the centre of the Comprehensive Dialogue policy. The EU believed that an increased focus of Iran on human rights would be an assurance of closer relations in the future, thus making human rights one of the key elements of early EU diplomacy towards Iran. Yet, the topic is often neglected in regards to the JCPoA, as the JCPoA is often discussed in economic or in security

68 Alcaro, Riccardo. Europe and Iran’s nuclear crisis.
70 Alcaro p. 59.
72 Alcaro, Riccardo. Europe and Iran’s nuclear crisis, p. 59.
73 Brend Kaussler, From Engagement to Containment: p. 50-54.
This focus on security and economics leaves insufficient room for analysis for the EU’s long term diplomatic goals, which were an essential part of the JCPoA negotiations. Thus, only when discussing the JCPoA in conjunction with the EU’s human rights policy, can one understand the full scope of the negotiations. As a result, this thesis hopes to answer more generally how effective EU policies towards ensuring closer relations with Iran.

This thesis will also fit into a general debate regarding the effectiveness of sanctions, which has frequently been called into question. In regards to sanctions, various researchers seem to focus on the question if sanctions are economically impactful. However, measuring the economic impact of sanctions rarely indicates if these sanctions are indeed effective in achieving their goals. This can be illustrated by the sanctions implemented by the EU towards Russia. Research towards this sanction regime indicates that these sanctions do indeed have a considerable economic effect, which would lead to the presumption that they are successful. Yet while the sanctions can have an economic impact, this does not enact change. The sanction regime of Iran can be seen in a similar context. Measuring the economic impact of the sanctions will indicate that the sanctions hurt Iran, yet the sanctions failed to ensure that there would be an end to Iranian nuclear enrichment proceedings. By increasing the focus of the sanction regime on security, domestic policy, technology and prestige, this thesis can more broadly assess the success and effectiveness of these sanctions.

Lastly, this thesis will present original research as it can compare the full extent of the Coercive Diplomacy policy versus the Comprehensive Dialogue policy. Much of the research that has thus far been conducted on the topic, was finalized before the conclusion of the JCPoA. This meant that this research was unable to consider the full scope of the two policies, as the Coercive Diplomacy policy had not yet reached a conclusion. However, now that JCPoA has been concluded, further insight can be gained into the effectiveness of the two policies. Given this advantage, this thesis might reach a different conclusion than a researcher that conducted their research at an earlier date.

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74 Ibidem.
Actor overview:

To gain closer insight into the way negotiations between in the EU and Iran were conducted, it is also necessary to have a closer understanding of the respective actors and the way these behaved throughout the negotiations. For Iran, this is important, as an understanding of the political system of Iran will create insight into the opportunities and limitations that come with any strategy that addresses these structures. In regards to the EU, it is also important to get an understanding of the structures through which the EU decided to operate, as this can influence the effectiveness of the pursued policies.

EU

At the outset of the Iran negotiations, the EU engaged with Iran through two separate tracks. On the one hand, the member states conducted their own diplomacy towards Iran, with each state formulating its own strategies towards the country and holding its own negotiations. On the other hand, the EU itself also approached Iran through the European Commission and the High Representative Javier Solana.\(^{77}\) Both these policy tracks had their problems. Member states were unable to conduct trade talks with Iran, as only the European Commission had the authority to do so, however the Commission lacked the diplomatic resources to properly conduct talks with Iran.\(^{78}\) Both the Commission and the member states depended on each other, but the lack of coordination ensured slow progress and few results. These difficulties led to frustrations on the side of the member states, as noted that decisive action was needed to ensure that the EU could fully pursue its strategies.\(^{79}\) Therefore, once the revelations were made regarding the Iranian nuclear program and the Iran negotiations became more important on the political agenda, the EU restructured its approach towards Iran, through the formation of a lead group.

Lead groups within the EU are not an everyday phenomenon, but they do have their purpose. Lead groups such as the EU-3 are in essence a contact group.\(^{80}\) Membership is restricted and

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77 Brend Kaussler, From Engagement to Containment: p. 62.
78 Alcaro, Riccardo. Europe and Iran's nuclear crisis, p. 23 - 59.
79 Ibidem.
80 Idem, p. 6 - 22.
the group limits its focus to one or a few key issues. The advantage of a lead group is, that
they can act more swiftly, as there are usually no formal procedures, but also because it is
easier to form consensus among a smaller group of states.\textsuperscript{81} Usually lead groups serve to
remedy one specific crisis, but at times, they can also have the function to set new policies
and strategies. Lead groups within the EU are special, because they not only have influence
among themselves, but can also influence decisions of the EU and by doing so, the other
member states. While lead groups in the EU are usually separate entities from the EU, it is
often hard to differentiate between lead groups and the EU. In the case of the Iran
negotiations this becomes visible, as various journalist and experts used the term EU-3 and
EU interchangeably.\textsuperscript{82}

Iran

In Iran, the EU dealt with various institutions with varying amount of power. On the one
hand, the Ayatollah Khamenei had significant impact on the negotiations due to his powerful
position within the country. The Ayatollah is responsible for the setting of foreign and
domestic policy. Furthermore, the Ayatollah has a significant influence on the judiciary, the
Guardian Council and the Iranian military. Due to this influential role, he formed the EU’s
primary focus throughout the negotiations. However, while the Ayatollah remains influential,
the role of the president should not be underestimated. Current literature mainly focuses on
the role of the president throughout the negotiations, as the switch of presidents had
considerable influence on the success of EU negotiations. The president forms the second
highest authority inside the country and governs everyday affairs. Thus, while the broad
outlines for policies are set by the Ayatollah, the president is responsible for the execution of
these policies.

This division of labour in Iran led to certain limitations of the EU. Throughout the next
chapters it will become clear that the EU sought to influence the presidential elections in Iran
through its comprehensive dialogue policy. However, such policy had limited effect on the
position of the Ayatollah, as the Ayatollah is not elected by the people but by a council of

\textsuperscript{81} Idem, p. 6.
\textsuperscript{82} Ibidem.
The Ayatollahs have thus far served for life, with the expectation being, that the current Ayatollah will also govern till his death. This in turn means, that the EU had limited capabilities to influence the role of the Ayatollah, thus limiting its policies through which it seeks to achieve change in the country. However, the role of the president has proven important in the negotiation process with Iran. While the Ayatollah sets limits to these negotiations, the president has been able to significantly hinder or support the negotiation process. As a result, much of the current literature focuses on the role of the president, as his cooperation forms a necessity for success. Therefore, this thesis too will focus on the role of the president, while only considering the role of the Ayatollah when relevant.

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84 Idem,
Chapter II

The phase in which the EU made use of the Comprehensive dialogue can be divided into two phases. The first phase encompasses a period that starts in 1997, when a reformist president was voted into office in Iran and ends around the time the Tehran declaration is made in 2003. This phase of negotiations is characterized by a greater emphasis of the EU on human rights issues. The second phase starts with the revelations that Iran has nuclear enrichment facilities which it had not previously disclosed, which sparked fears of Iran striving to develop nuclear weapons. The terrorist attacks of 2001 form a key turning point as they changed the dynamics in the region due to the increasing American aggression in the Middle East. This american aggression led to an increased focus on security in the region. As a result, the EU begins to prioritize security over human rights, which defines the second phase of the negotiations. Further events in the region also caused a revising of the EU strategy. To explore these various strategies, this chapter will be subdivided into two parts, with the first section focusing on human rights, while the second phase is primarily focused on security.

First phase: Human rights

The first phase of the comprehensive dialogue takes shape after the presidential election of 1997. The 1997 elections were won by Muhammad Khatami, which was a surprise to most foreign analysts. The new president had a reformist background and his election brought cautious optimism of both the EU and the US. Given the new reformist forces in Iran, the EU was willing to move into the next phase of its Iran strategy and moved on from a strategy of critical dialogue, to a policy of comprehensive dialogue. This strategy was different from before, as the EU now tried to coax Iran into compliance. Especially the UK was keen on pursuing trade relations with Iran and the british government urged the EU to proceed with trade talks as soon as possible. Eventually this pressure lead to a communique by the EC to

86 Kaussler, Bernd, ‘From Engagement to Containment’, p. 54 - 56.
87 Ibidem.
the Council and the Commission in 2001, titled: ‘THE EUROPEAN UNION’S ROLE IN PROMOTING HUMAN RIGHTS AND DEMOCRATISATION IN THIRD COUNTRIES’. In this communique, the EC highlighted the need to further promote human rights also beyond the borders of the EU, rather than just within them. By using positive incentives such as trade agreements, the EU hoped to encourage countries to take greater care of human rights issues. Furthermore, by doing so, the EU hoped to support the Iranian reformist forces of president Khatami.88 By supporting the reformist forces, the EU thus hoped to shift ongoing Iranian debates in favor of groups that were mostly opposed to the development of WMD. Yet to ensure that Iran would also live up to the human rights expectations of the EU, the EU included various conditions that Iran would need to fulfill to ensure that the FTA negotiations would be a success.

The EU formulated various specific demands. Firstly, the EU sought to improve relations with Iran through the creation of regular round table negotiations. Through these meetings the EU wanted to see an improvement in both human rights and the justice system in Iran. Reforming the Iranian legal system was seen as a necessity for the EU, as this would enhance the trustworthiness of Iran as a trade partner. The EU demanded reassurances, such as fair trials with due process, end of solitary confinements and proportional judgements.89 Further demands included greater freedom of expression.90 Khatami had already been able to pass legislation that gave students the right to gather. These rights in turn lead to protest in 1998 and 1999 against the conservative forces in the country.91 As a result, the conservatives in the countries had become more hesitant to change and they launched a counterattack against Khatami, referring to him as the Gorbachev of Iran, as they thought that his reforms too would bring the end of the Iranian regime.92 In this early period of the Khatami presidency, the EU had been hesitant to change its policy towards Iran, meaning that Khatami had been unable to garner EU support. While the UK urged the EU for action and asked to start FTA negotiations, few policy changes were made in Brussels as controversies at the time

90 Idem, p. 284.
92 Idem, p. 258
surrounding Iran made the EU hesitant to engage in relations. Only in 2003, the EU started to talk with Iran on the issue on the rule of law. However, by the time the round table on issues such as fair trials started, the reformist had already lost their majority in parliament and thus the EU had lost a valuable ally in the Iranian legislative. The conservatives had been helped by the EU’s slow pace of action, but also by its increasing focus on the issue of WMD. This focus on security had created the impression in Iran that human rights issues were merely of secondary importance to the EU. Eventually, the EU would speed up its process with the formation of the EU-3 lead group, however even then the EU mostly held its discussions on the issue of WMD with the Ayatollah, which further undermined the authority of the reformist government.

On human rights, the EU also wanted to see an improvement in the way prisoners were treated in the country. This included bringing an end to torture practices in Iran. Under Khatami, the Iranian parliament passed legislation that forbade torture practices, however the legislation was not approved by the Guardian Council, which was conservative. Yet, when the Tehran declaration, which will be further discussed in the next section of the text, was made in 2003, the EU put renewed efforts into ensuring that Iran would commit to change in regards to human rights. Through this, EU negotiators hoped to not only support the reformist forces inside the country, but the EU-3 also hoped to reassure the other member states of Iran's trustworthiness. Therefore, the EU-3 put renewed pressure on Iran in 2004 by highlighting that some of the practices that were still present inside the country, had already been made illegal by the legislators. Negotiators tried to use the Iranian legal system and the Koran to point at atrocities occurring inside the country and trying to change them. Eventually these strategies brought success, as further legislation was passed to ensure that women would enjoy greater rights in the country. The EU even pressed the country to join

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95 Ibidem.
97 Ibidem.
98 Idem, p. 274- 278.
100 Ibidem.
the UN Convention on the Elimination of all Discrimination Against Women (CEDAW). The reformist government did manage to pass legislation in this regard through the Iranian parliament, but the legislation was later denounced by various religious leaders in the country, who claimed that such legislation would undermine the very fabric of Iranian society and lead to greater divorce rate. Thus, the legislation failed, which was a setback for European negotiators. However, their efforts to ensure greater rights for women had popularized the female rights movements in the country, which did support the reformist parties.

Despite the partial success on the human rights issue, the member states were still frustrated at the slow pace of EU diplomacy, thus raising the question of how the EU could better organize its approach towards Iran. This question became increasingly relevant as the importance of the Iran negotiations rose on the EU agenda, eventually leading to a change in which the EU would approach the negotiations. While the EU was still organizing its approach towards the country, Iran had undergone significant changes, with the conservative forces gaining influence in the parliament, which limited the reformist president Khatami abilities to enact change. As a result, most proposals for constitutional reform were vetoed by the Guardian Council. However, some reforms were still passed. Especially reforms regarding the judiciary were significant. To support these reforms and thus the reformist in the country, the EU had tried to argue to need for a stable rule of law from a perspective of Islamic doctrine during the round table negotiations. The EU thus argued that Islam demanded fair trials and a balanced rule of law to ensure that basic human rights were observed by the state. The strategy by the EU bore fruits, as legislation was passed that ensured that NGO’s could help in the education of Iranian judges, thus limiting the influence of political parties in the Iranian judiciary.

As an incentive for Iranian compliance on human rights issues, the EU gave the Iranian regime the outlook of a future Free Trade Agreement (FTA). Precondition to this however

102 Idem, p. 272 - 278.
103 Ibidem.
104 Ibidem.
106 Ibidem.
was not only human rights and political reform, but also economic reform. In regards to the economy, the EU was concerned about the large amount of nationalized companies, and wanted the privatization of the economic sphere of Iran. This was especially an important issue for the EU due to the close ties of the Revolutionary Guard with these nationalized companies. Yet, the reformist of Iran were not as focused on these issues. Khatami himself believed that if the rule of law in Iran were reformed, then so too would the economy. His believe was, that liberalization in the political realm would spill over to the economy. But while on human rights issues, the conservatives were Khatamis biggest opponent, in regards to economy he was mainly held back by the falling oil prices in the end of the 20th century. The fall of these prices ensured that the Iranian economy shrunk. Here too, EU support could have helped turned the tide, as FTA could have strengthened the Iranian economy, but by the time negotiations started on FTA, the trust of the people that Kathami could improve the economy had already been eroded. Despite the lack of popular support, the reformist managed to pass legislation that ensured the increased privatization of the Iranian economy. In 2004, legislation was passed which mandated that within 5 years various sectors would have to be privatized. These sectors included the sectors of banking, gas and oil, international trade, banking, power generation and various other essential industries. In other words, the privatization targeted the industries that the EU had specifically demanded to be privatized in order to facilitate a trade agreement. This meant that in regards to trade, Iran was on the track to liberalization, in the exact way the EU had demanded, but the reformist had failed to convince the people of its policies.

Thus we see in this first phase of the comprehensive dialogue, that gradual changes take place in Iran according to the guidelines that the EU had set out. In regards to human rights, the country makes progress, as reflected by the 2003 report of the Freedom house index. While it becomes clear when looking at the national situation in Iran, that various factors other then the EU policy were at work in Iran, it can be said that the policy the EU pursued did succeed in promoting human rights. The EU was able to support the reformist regime through the

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109 Maloney, Suzanne. *Iran's Political Economy since the Revolution*, p. 265 -266.
110 Maloney, Suzanne. *Iran's Political Economy since the Revolution*, p. 290.
113 Kaussler, Bernd. “From engagement to containment”, p. 56 - 57.
round table negotiations, thus advancing the EU’s own interest. However, before the EU did so, there was a significant delay, which hampered the progress in Iran. If the EU had been quicker to act, than there would have been a greater chance at various reforms passing. However, by the time the EU decided to increase its support to the reformist, the conservatives had already regrouped and were now able to efficiently counter new legislative proposals. Throughout this phase, the EU was unaware of the Iranian nuclear enrichment program, therefore talks on security were still limited. They become mostly relevant in the next phase of the negotiations.

Second phase: Security

While the first phase could thus be deemed a partial success, there was still an issue which was largely being ignored by negotiators. This concerned the issue of weapons of mass destruction. The EC had established in its goals regarding Iran, that it would do the following: 'strengthening the CFSP dialogue by deepening the dialogue in areas such as regional security, weapons of mass destruction, nuclear proliferation'. These ambitions had been vaguely formulated, however soon came the time that the EU needed to take a stance regarding the issue. In 2001 the terrorist attack against the United States lead to a more interventionist policy by the US in the middle east. This in turn shifted the worlds focus from human rights issues in the region, towards security issues. In this atmosphere of increased tensions, a group of exiles from Iran came forward with information regarding the Iranian nuclear program in early 2003. They published information that revealed previously unknown nuclear enrichment facilities in Iran. These reports further increased international distrust in the Iranian regime. Even before this, there had been distrust towards Iran's nuclear program. Various international actors doubted the motivations of Iran to research nuclear technology. The Iranian regime claimed that it wished to use this technology as a means to diversify the Iranian energy market. Increased use of nuclear energy, would facilitate the country to increase its oil exports they argued. However, researches questioned this explanation, as the country was considered rich enough in oil resources to both export oil and

117 Ibidem.
use oil for their domestic energy production.\textsuperscript{118} Iran argued that they only enriched Uranium for civil use, not for the production of weapons. However, in the EU and the US, this explanation was not believed.\textsuperscript{119} The EU argued that Iran should only enrich its Uranium to 4\% to serve civilian purposes, but that the existing facilities could enrich Uranium far beyond that. They feared that Iran would learn how to enrich Uranium to more than 20\%. If Iran would manage this, the EU and the US feared, it would not be long before the country would be able to produce nuclear weapons. Thus, the EU-3 strategy focused on ensuring that Iran would not enrich its Uranium to more than 20\%. The revelations had thus lead to a shift in focus towards security.\textsuperscript{120} This shift, leads to a completely new dynamic in the negotiations. Where once the Commission took the lead towards Iran, now the EU-3 takes over and gave the negotiations increased priority. This take over of the negotiations comes with a policy shift, which is why this phase is separate from the first phase.\textsuperscript{121}

The EU-3 further focuses the negotiations on non-nuclear proliferation and by 2004 it becomes clear that this is now the EU’s primary focus point.\textsuperscript{122} This shift in priorities is reflected in the Council conclusions documentation at the time. From 2004 onwards, the Council encourages Iran to fully collaborate with the IAEA to ensure that the extent of the Iranian nuclear program is completely revealed. Most notably, in the conclusions of November, the Council states, that: ‘A full and sustained suspension of all enrichment and reprocessing activities, on a voluntary basis, would open the door for talks on long-term cooperation offering mutual benefits’.\textsuperscript{123} This statement is significant as is entails a step back on the side of the EU. As stated earlier, even in 1997 the UK had pushed the EC to open up the possibility of an FTA. At the time, the EU had included a list of various points named above that were the precondition to any such talks, the promise of a FTA is removed and replaced by the requirement of cooperation on the nuclear issue. Meanwhile, the Council in its conclusions no longer acknowledges the progress Iran had made in regards to human rights and trade.\textsuperscript{124} This in turn shifts the nature of the negotiations. What was earlier

\begin{itemize}
  \item \textsuperscript{118} Ibidem.
  \item \textsuperscript{119} Ibidem.
  \item \textsuperscript{120} Kaussler, Bernd. “From Engagement to Containment” p. 56 - 57.
  \item \textsuperscript{121} Ibidem.
  \item \textsuperscript{122} Kaussler, Bernd. “European Union Constructive Engagement with Iran” p. 289 - 293
  \item \textsuperscript{123} European Council, “Presidency Conclusions” Brussels, 4/5 November 2004.
  \item \textsuperscript{124} Ibidem.
\end{itemize}
perceived as a collaboration between two countries, now turns into a zero sum game, in which the EU formulates a demand that Iran would have to fulfill before any further talks can even be considered.\textsuperscript{125}

In Iran, the shift of the EU towards more security related issues is mirrored. Under the reformist president Khatami, we still see expression of condolences towards the United States after the attacks of 11 September 2001. For a period, the Iranian government halts anti-american speeches and condolence services are held. Even during the invasion of Afghanistan and Iraq, the Iranian government seems supportive of the American policy. The Iranians even aid american efforts in Afghanistan.\textsuperscript{126} Before this time, the instability in Afghanistan and the Iraq regime were perceived by Iran as a threat and the fall of these regimes are a welcome change for Iran, as they now increase their trade with these countries. However, when in 2002 the american president George W. Bush refers to Iran as a country on the ‘Axis of Evil’, the debate in Iran shifts more towards security.\textsuperscript{127} Once again, the US is seen as a threat to the Iranian national security. Once the information regarding the Iranian nuclear program became public news, the Iranian debate also shifted more towards security.\textsuperscript{128} Given this new focus on security, the EU-3 now pushed the Iranian government under Khatami in 2003 towards the ‘Tehran declaration’ which stated that Iran would suspend its nuclear activities, allow IAEA controllers into Iran at any given time and report to the IAEA about its nuclear enrichment process activities in the last year.\textsuperscript{129} The Iranian government gave into the demands of the EU, which was perceived by the Iranian population and by various political groups in the country as a sign of weakness of the reformist.

The Tehran declaration was formalized in 2004 with the conclusion of the Paris agreement. In this agreement, Iran agreed to halt the enrichment of its nuclear production during negotiations about its future nuclear program. The agreement stated that: ‘Sustaining the suspension, while negotiations on a long-term agreement are underway, will be essential for the continuation of the overall process. In the context of this suspension, the E3/EU and Iran

\begin{footnotesize}
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\textsuperscript{125} Alacro, Riccardo. \textit{EUROPE AND IRANS NUCLEAR CRISIS}, p. 65 - 67. \\
\textsuperscript{126} Maloney, Suzanne. \textit{Iran's Political Economy since the Revolution}, p. 307 - 310 \\
\textsuperscript{127} Ibidem. \\
\textsuperscript{128} Ibidem. \\
\end{tabular}
\end{footnotesize}
have agreed to begin negotiations, with a view to reaching a mutually acceptable agreement on long-term arrangements. The agreement will provide objective guarantees that Iran’s nuclear program is exclusively for peaceful purposes. It will equally provide firm guarantees on nuclear, technological and economic cooperation and firm commitments on security issues.\textsuperscript{130} In return, the EU-3 would ensure that the issue of the Iranian nuclear enrichment program would not be referred to the UN security council. Rather, the EU-3 would support the IAEA in continuing its work in regards to monitoring the uranium enrichment process of Iran.\textsuperscript{131} Moreover, the agreement firmly stated that ‘The E3/EU recognize that this suspension is a voluntary confidence building measure and not a legal obligation’.\textsuperscript{132}

The Paris agreement was celebrated internationally as a success for the EU-3, but in Iran it lead to division.\textsuperscript{133} The reformist saw the Paris agreement as a success, as it showed the world that Iran was not the threat to world peace as the Americans had made it out to be. The reformist had shown that Iran was willing to cooperate even on the most contentious issues. In turn, the EU-3 were also pleased with their own success. Their efforts of peaceful negotiations had counterbalanced the aggressive tactics pursued by the american government.\textsuperscript{134} The Paris agreement was a success for the Comprehensive Dialogue policy and showed the influence of the EU on the world stage. However, Iran still feared the increased American influence in the region, with spokesperson Abdullah Ramezanzadeh of Iran stating, that Iran will ‘determine the limits...and duration of this suspension’. Which was supposedly meant to ‘prevent the warmongering ideas of some in the world’, by which the Iranian spokesperson referred to the US.\textsuperscript{135} Moreover, the Paris agreement only offered a temporary solution to the issue of uranium enrichment. No final conclusion regarding the future of the Iranian nuclear program had been reached. Furthermore, the IAEA saw Iran continue with its nuclear

\textsuperscript{130} ‘Iran – EU agreement on the nuclear programme’, 14 November 2004,.https://iaea.org/NewsCenter/Focus/IaeaIran/eu_iran14112004.shtml,(accessed 29 April 2019)

\textsuperscript{131} IAEA, Communication dated 26 November 2004 received from the Permanent Representatives of France, Germany, the Islamic Republic of Iran and the United Kingdom concerning the agreement signed in Paris on 15 November 2004, 26 November 2004.

\textsuperscript{132} Ibidem.


\textsuperscript{135} Ibidem.
enrichment process right up to the deadline set by the Paris agreement.\textsuperscript{136} This in turn was perceived by the American government as a sign that Iran was not actually willing to suspend its activities and only participated in negotiations with the EU to prevent referral to the UN Security Council.\textsuperscript{137}

This perceived weakness of the reformist in turn benefited new upcoming parties that characterized themselves as the new-right of Iran. Furthermore, the reformist felt to some extent that the EU had betrayed them. At the start of the EU-Iran negotiations, various issues had been discussed. The Iranian government had complied to most of these issues, however, despite this, talks regarding a FTA had not progressed. In the period from 2004 onwards, we see the Revolutionary Guard once again increasing its influence in the country, demanding to fulfill certain contracts that had been previously outsourced to other companies. One example of this, is the Revolutionaries Guard occupation of Khomeini Airport. Here we see the Guard demanding to fulfill a contract which had been previously given to a Turkish firm. The reformist government at first tries to condemn the occupation, but eventually had to give in to the Guards demand. This incident highlights the shifting public support at the time. The reformist government loses popular support and the new right increasingly gains support from the people.\textsuperscript{138} Furthermore, it also shows that the EU fails to reward the reformist for the progress they had made on human right and trade issues. This lack of success in regards of foreign affairs might also have contributed to the loss of faith of the Iranian public in their leaders. It could be argued that the EU, with its shift towards security policy thus supported the rise of the new right wing groups in Iran.\textsuperscript{139} The shift away from human rights removes and away from an FTA, removes the incentive of the reformist to take action in this regard, which in turn disillusioned their supporters.\textsuperscript{140}

Thus, when assessing the EU policy according to the five factors deemed important in regards to nuclear proliferation, it becomes clear to what extent the policy could be considered effective. In regards to domestic politics, it becomes clear that the failure of

\textsuperscript{136} Ibidem.
\textsuperscript{137} Maloney, Suzanne. \textit{Iran's Political Economy since the Revolution}, p. 307 - 310
\textsuperscript{138} Idem, p. 311 - 313.
\textsuperscript{139} Kaussler, Bernd. “From Engagement to Containment”, p. 57.
\textsuperscript{140} Ibidem.
Khatami to press for further human rights reform, leaves his supporters disappointed. Calls for a referendum on human rights issues in order to circumvent the parliament, are ignored. Furthermore, the president calls on protesters in the country to go home, which leads to further disappointment among his supporters. In regards to security, the EU attempts to establish goodwill between Iran and the EU through its conclusion of the Tehran agreement, however EU efforts in this regard are undermined as the American actions in Iraq and Afghanistan, in combination with the statements made by the US president, increase the perceived need of Iranians for WMD as a tool for protection. The EU policy tries to ensure that the nuclear enrichment program is not perceived by Iranians as a prestige project for the country, but the EU’s insistence that no nuclear enrichment activities are to be conducted inside the country, are seen as illegal in Iran and the demand is perceived to be humiliating. This in turn leads to the call for nuclear weapons, in the hopes it would increase the national prestige by matching American power. In regards to technology, the Tehran declaration and the subsequent Paris agreement help to ensure that progress on nuclear weapons is halted, thus ensuring that the technology factor does not serve as a driver to Iranian enrichment. Lastly, there was little economic incentive or deterrent for Iran to continue its nuclear enrichment program. The promise of a future FTA agreement had come to an end, which concluded a program that served as a deterrent to Iranian proliferation. Yet, the Paris agreement prevented a referral of Iran towards the UN Security Council (UNSC) which meant that as long as the Paris agreement would remain active, no sanctions would be implemented. Overall this meant that there was still some economic deterrent that served as a means to prevent Iran from obtaining nuclear weapons.

The Iranian elections in 2005 eventually brought about a new government, lead by the conservatives. The EU had hoped for that the moderate former president Ali Akbar Ahsemi Rafsanjani would win the elections, but had insufficiently account for the crackdown of the conservatives on reformist and moderate candidates. The election of the conservative candidate shows that the EU was insufficiently able to influence the domestic policy factor

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142 Ibidem.
144 Ibidem.
145 KAUSSSLER, BERNDD. “From Engagement to Containment” p, 57 - 58.
146 ALCARO, RICCARDO. EUROPE AND IRANS NUCLEAR CRISIS, p. 66.
and the new president Ahmadinejad quickly brings about new conflicts between the EU and Iran. The Council condemns Iran in December of 2005 for the holocaust denial statements that had been made by the new President. However, more importantly, the Council conclusions condemn the ‘resumption of activity at the Uranium Conversion Facility in Esfahan, its continuing lack of transparency and its refusal to take the steps required of it in successive IAEA Board Resolutions only add to the EU's profound concerns about Iran's intentions.’ During prior negotiations the EU sought to find common ground, but solutions offered by the EU were continuously rejected by the new Iranian government. In the end, these developments lead to a new phase of the EU - Iran negotiations.

\footnote{European Council, “Presidency Conclusions” Brussels 15/16 december 2005.}
Chapter III

After the Iranian elections of 2005 and the breakdown of the Paris agreement, the EU slowly moves into the next phase of the negotiations. In the second phase of the negotiations, the EU-3 make use of coercive Diplomacy, in which a threat, a demand and a time limit are central. Whilst these negotiations thus differ greatly from the earlier phase, the EU still strives to bring an end to the Iranian nuclear enrichment program. This means that ultimately, the EU seeks to affect the five relevant factors in this regard: security, domestic politics, prestige, technology and economy. To analyse to what extend the EU was successful, this section too is divided into two subsections. The first section is characterised by a breakdown of EU - Iranian relations. In this phase divisions between the EU-3 can also be detected. The second phase begins with the election of President Obama in the US. His election comes with a new approach towards Iran, which in turn gives room for new negotiations. Once again, it is events in the US that greatly influence EU- Iranian relations, highlighting the importance of US policies on the effectiveness of the EU’s strategy.

Third phase: US involvement

The first part of the coercive diplomacy starts with the rejection of the EU’s final agreement by Iran. Iran itself had send an offer to the EU in March 2005, in which the country offered to limit its nuclear enrichment to below 20%, give inspectors full access to its nuclear facilities and would convert all nuclear fuel to rods to ensure that enrichment would no longer take place. The continuous on site presence offered by Iran went beyond the demand of the additional protocol of the IAEA, meaning that Iran would fall under additional oversight. Furthermore, by limiting its enrichment to below 20%, the country hoped to reassure western countries that it did not have intentions to develop nuclear weapons. However, the EU failed to react to the Iranian proposal by the end of the given deadline. The EU was divided on the proposal send by Iran. The US urged the negotiators to ensure that any deal would

148 IAEA, Communication dated 1 August 2005 received from the Permanent Mission of the Islamic Republic of Iran to the Agency, 1 August 2005.
149 Ibidem.
150 Idem, p. 4.
prohibit Iran from pursuing any form of nuclear enrichment, but the German government believed that some level of enrichment was acceptable.\textsuperscript{151} The US stance was seen by the new Iranian president as a betrayal of the Paris agreement. The countries leader feared that the EU would seek to perpetually prolong the negotiations, in the hope that the country would continue to halt its enrichment activities.\textsuperscript{152} To counter this feared EU strategy, Iran restarted enrichment in its facility in Esfahan on the first of August 2005. The restart of enrichment was communicated to the IAEA on the same day. In the letter to the IAEA, Iran also laid out its grievances with EU negotiators. Furthermore, it also revealed the details of the deal it had offered to the EU in order to counter criticism.\textsuperscript{153}

The EU responded soon after with its own letter to the IAEA. In this communication, the EU highlighted the fact that it was content that Iran had committed itself to the prevention of nuclear proliferation. However, rather than responding to the deal the Iranians had made, the EU made a counterproposal in which it asked the country to completely end its own nuclear enrichment programs and seek enriched Uranium on the world market, via public tenders.\textsuperscript{154} The demand for Iran to end all its nuclear enrichment activities came from the US. The American regime argued that Iran was not trustworthy and that suspension of all enrichment activity was thus necessary to ensure that Iran would not develop nuclear weapons.\textsuperscript{155} This differed from earlier European proposals, in which the EU had allowed Iran to continue enriching limited amounts of Uranium to about 4%, which could then be used in civil projects.\textsuperscript{156} In return, EU also reiterated that it would support the Iranian bid to join the WTO.\textsuperscript{157} The EU-3 did lay out guidelines under which it hoped to further increase the cooperation between the EU and Iran, but no clear offers in regards to trade were made. While the proposals the EU had formulated did not vary greatly from the EU’s earlier offers, the new deal did signify a change in its strategy. The proposal starts off with a threat, as the EU informs Iran that it has called for a extraordinary meeting of the IAEA board of governors,

\begin{itemize}
\item IAEA, Communication dated 1 August 2005.
\item Ibidem.
\item IAEA, Communication dated 8 August 2005 received from the Resident Representatives of France, Germany and the United Kingdom to the Agency, 8 August 2005.
\item Maloney, Suzanne. Iran\textsuperscript{ }s Political Economy since the Revolution, p. 307 - 310.
\item Kaussler, Bernd, ‘From Engagement to Containment’, p. 58 - 59.
\item IAEA, Communication dated 1 August 2005, p.
\end{itemize}
implying that the EU might refer the case of Iran to the UN Security Council. Furthermore, the EU negotiations also make clear that they expect Iran to halt nuclear enrichment until any new deal is made, and that proceeding with enrichment activities might have harmful consequences. These threats are in juxtaposition with the earlier agreements the EU had made with Iran under the Paris agreement, in which the EU acknowledges the right of Iran to enrich Uranium. Iranian progress in regards to human rights issues is notably absent from EU communications. Therefore, this threat can be seen as a new phase in EU-Iran negotiations.

Iran reacts to deal offered by the EU at the UN General Assembly on the 31st of August 2005. In New York, the newly elected president gave a speech that was in contrast to earlier Iranian policies and was mostly seen as inflammatory. President Ahmadinejad perpetuated conspiracy theories surrounding the terror attacks of September 11, 2001 and seemed to excuse terrorism. Strong attacks and accusations were made against the US and Europe. The speech in turn, once again alienated western countries from Iran, but also alienated the President's own base in Iran. He was accused of provoking western countries and his inexperience in regards to international relations was blamed for the increased tensions that resulted from the speech. Thus, Ahmadinejad found himself losing popularity shortly after his election, due to his handling of the negotiations. The speech formed a clear rejection of the deal that the Europeans had offered and reiterated the fact that the Iranian regime felt they had the right to enrich their own Uranium, based on previous experiences of breaches of contract.

Following this rejection, the IAEA declares that Iran is no longer in compliance with its obligations under the international treaties, but the organization falls short of referring the country to the security council. Following this declaration by Iran, Russia offer to enrich Iranian uranium in Russia, but Iran does not react to this proposed arrangement. As a result,

158 Ibidem.
159 IAEA, Communication dated 1 August 2005, p.
162 Ahmadinejad, Mahmood, “Address before the United Nations General Assembly.”
the EU, Russia, the US and China now call the IAEA to refer the case of Iran to the IAEA, which the IAEA then does. By the EU calling for the referral to the UN Security Council, the EU gives up some of its influence, and the question of Iranian nuclear enrichment now becomes a more global issue. The failure of the EU to ensure a successful conclusion of the negotiation with Iran damages the EU’s reputation and leads to a greater involvement of the US in the negotiation process. The collection of states that is now involved with the negotiations is referred to as the P5+1, as it entails all permanent members of the security council and Germany. Germany is included due to its earlier experience with the country, but also due to its aforementioned leverage over Iran due to its immense trade with Iran. The referral of the issue to the security council immediately lead to fears in Iran that these powers would try to bully the country into coercion. As a result, the country removed itself from the additional protocol of the UN nuclear treaty, meaning that IAEA inspectors were no longer welcome. This in turn limited the ability of the international community to monitor the enrichment activities which were now again proceeding in the country. The referral to the UN Security Council also leads to further backlash against the Iranian president inside his own country. The president is blamed for the developments, and fears arise of the consequences of the UNSC referral. Iran had thus far always strived to prevent such a referral, as it feared that this might lead to sanctions.

At this point, the P5+1 start pursuing a so called ‘dual track’ policy. This policy entailed that on the one hand the UNSC imposed sanctions on the country, while the EU negotiators kept offering deals. They once again demanded that Iran would cease all nuclear enrichment activities in the country, and offered incentives for Iran to buy its Uranium of the international market. The new demand of completely halting all enrichment activities, fell on deaf ears in Iran. The Iranian government clearly stated that it had the right under international treaties to enrich its own Uranium. Earlier experiences had made Iran suspicious of foreign Uranium suppliers, as foreign partners had proved to be untrustworthy before. As a result, the first so called ‘package of incentives’ which was presented by the High

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165 Ibidem.
166 Ibidem, p. 67.
Representative Solana in June 2006 was rejected by Iran. The terms of the deal were kept secret at the time, but later publications revealed the offer he had made. The deal included the demand of the P5+1 for Iran to halt all nuclear enrichment activities and also included the requirement to once again allow observers of the IAEA to full access to all enrichment facilities. In return, Iranian uranium would be enriched in Russia, Iran would be able to hold a Uranium reserve which would last five years, and various sanctions would be lifted from the country.

Iran refused the new deal offered to it and the international community responded with Sanctions under the UNSC resolution 1747 in March 2007. Before these sanctions were implemented however, Solana once again made an attempt at restarting negotiations, but this soon proved to be impossible. It did however showcase the hesitant attitude of the EU towards the sanctions regime, as the Union tried everything in its power to prevent these. The reluctance of the EU to implement sanctions was a result of German hesitance to a sanction regime. Germany eventually even proposes in June of 2007 to allow Iran a limited enrichment capacity, meaning that Germany was willing to further negotiate with Iran on the deal that the Iranians had proposed. Furthermore, the country also pressed the P5+1 for a postponement of further sanctions in the same year. France, Britain and the US eventually agreed to a postponement of a few months. Germany was supported in its efforts for this delay by China and Russia, making this configuration of powers highly unusual as China and Russia were usually found at opposite side of Germany. The differences between Germany and its allies highlights the lack of diplomatic strategy of the P5+1 at the time. Within the P5+1 construction, the US blocked any new negotiations that would not first ensure that Iran would once again halt all its enrichment procedures. Furthermore, the US refused any deal that would leave room for Iran to enrich its own Uranium. On the other hand, Germany, Russia and China were reluctant towards the implementation of further sanctions and were

171 Alacro, Riccardo. EUROPE AND IRANS NUCLEAR CRISIS, p. 181 - 203.
174 Ibidem.
175 Alacro, Riccardo. EUROPE AND IRANS NUCLEAR CRISIS, p. 59 - 91.
willing to attempt further negotiation on the basis of a non coercive strategy.\textsuperscript{176} In the end, the P5+1 in the first phase of the Coercive Diplomacy could not create a viable threat towards Iran, as they were unable to agree on an effective sanction regime and failed on listing coherent demands, as the demands of Germany and Russia differed from those of France and the US, and there was no clear time frame set for the future of the Iran negotiations.\textsuperscript{177} Lastly, human rights issues, which the EU always claims is a central focus of European Diplomacy, had now disappeared completely from the conversations between the P5+1 and Iran. Meanwhile Iranian enrichment continued, with less inspections than in the previous negotiations phase.

Fourth phase: Sanctions

The deadlock that the P5+1 had created could only be broken once a new President was elected in the United States.\textsuperscript{178} The election of Barack Obama brought new opportunities as the american president was set on changing the approach towards Iran. Due to the changing american attitude, this part of the negotiations can be seen as a distinct section, although it still fits into the narrative of coercive diplomacy. The sanctions are still present, and the demand of the P5+1 to ensure that Iran would not enrich Uranium also remained. However, now that the US was willing to negotiate without preconditions, talks could continue.\textsuperscript{179} As a result, new negotiations between Iran and the P5+1 started in 2009 in Geneva. The negotiations were preceded in a decline in Iranian and EU relations, as the Iranian presidential elections had been accompanied with violence and various human rights abuses. Protest had broken out, as there were allegations of election fraud.\textsuperscript{180} The European Union condemned the suspected fraud and supported the protestors, who rose up against the declared winner of the election. The elected president, Ahmadinejad, thus started the second term of his presidency with increasing tensions inside his home country. The protestors movement, eventually referred to as the Green movement, were slowly arrested over the

\textsuperscript{176} Ibidem.
\textsuperscript{177} Küntzel, Matthias. “Hidden Diplomacy: The German–American Dispute over Iran.” p. 228 -230.
\textsuperscript{179} Küntzel, Matthias “Hidden Diplomacy: The German–American Dispute over Iran.” p. 228 -230.
coming months. Both the European Parliament and the European Council spoke out on the matter, and tensions between the EU and Iran rose as a result.\textsuperscript{181} The uprisings had elicited fear in the Ajatolah over the stability of the regime, which further undermined the newly elected president, as he was deemed responsible for the uprisings.\textsuperscript{182} Tensions between Iran and the US were also high, as the US revealed a further nuclear enrichment side which Iran had previously kept secret. The P5+1 thus feared that Iran did not truly have the intentions to end its enrichment activities and that only intervention would ensure that Iran would not attain nuclear weapons.\textsuperscript{183} As a result, the second term of the Ahmadinejad's presidency was mostly focused on ensuring the survival of the religious regime.

Given the increasing tensions between Iran and the West, the EU3 and the US were now able to formulate coherent demands at the start of the negotiations. The US, together with France and the United Kingdom, also threatened with new comprehensive sanctions, targeting the Iranian financial sector. They planned to implement these sanctions with as many states as possible to ensure maximum impact.\textsuperscript{184} Germany meanwhile, remained hesitant to further sanctions, but the threats had effect on Iran, as the country was willing to negotiate a deal which would ensure that their enriched Uranium would be turned into fuel rods, which could not be used for nuclear weapons.\textsuperscript{185} However, as negotiations went on, Iran retreated from the talks, stating that it was not willing to end its own nuclear enrichment activities in favor of this deal.\textsuperscript{186} Iran was eventually able to drag out these negotiations far enough to serve its own purposes, as the EU3 and the US had not established a clear timeframe for Iran to operate in.\textsuperscript{187} In February 2010, Iran announced to the world that it had produced a batch of 20\% enriched Uranium, the threshold the P5+1 had hoped Iran would not achieve. Passing this threshold meant, that Iran was now close to producing its own weapon grade Uranium.\textsuperscript{188} The revelation had lead once again to a stalemate between the P5+1 and Iran, as both factions now perceived to be in the dominant position.\textsuperscript{189} The second attempt at coercive diplomacy

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\bibitem{182} Nader, Alireza. “Iran's 2013 Presidential Election.” p. 3 - 5.
\bibitem{183} Kaussler, Bernd. “From Engagement to Containment” p. 64 - 65.
\bibitem{184} Idem, p. 65
\bibitem{185} Küntzel, Matthias “Hidden Diplomacy: The German–American Dispute over Iran.” p. 228 -230.
\bibitem{186} Kaussler, Bernd. “From Engagement to Containment” p. 68 - 70.
\bibitem{187} Idem, p. 66- 67.
\bibitem{188} Idem, p. 64- 65.
\bibitem{189} Alacro, Riccardo. \textit{EUROPE AND IRANS NUCLEAR CRISIS}, p. 59 - 91.
\end{thebibliography}
had failed, but the news of the Iranian enrichment progress brought new vigour to European negotiators.

This lead to the EU implementing new sanctions on Iran in June 2010. The sanctions were mostly targeted at the energy sector in Iran, but also restricted access to financial institutions for various individuals. This time, the sanctions were fully supported by the German government, with the German foreign minister at the time stating: ‘Some companies ask what does that mean for their business, but what would nuclear bombs in the hands of Iran cost us?’ The sanctions adopted by the EU went even beyond the sanction regime which had been adopted by the UN, a few weeks earlier. The EU had become especially upset at Iranian efforts to try to circumvent European diplomacy through talks with Brazil and Turkey and saw agreements that these countries had made as an Iranian attempt to pretend it was conforming to international rules. However, while Germany agreed to these sanctions of the EU, there was still overall resistance of Germany towards the sanction regime. German businesses were still heavily present in Iran and implementing far reaching sanctions would mean German industry losses. The German resistance to further sanctions against Iran became visible shortly after the introduction of the sanctions, as a German parliamentary delegation traveled to Iran just 4 months after their introduction. During this trip, the German delegation stressed the need for closer cultural relations between Iran and Germany. The reluctance towards sanctions also became visible in early 2011, when Chancellor Merkel stated that : ‘We will have to see, if further sanctions are necessary’. The German chancellor argued that these would only be effective if they were carried by a broad coalition, together with Russia and China. Throughout the course of 2011, Russia did become more willing to introduce sanctions itself, declaring late 2011, that the country would seek closer collaboration with the US in regards to the Iranian question. When the British diplomatic mission was also attacked in this period, support from Germany for the Iranian regime finally

dwindled and following the attacks, the German government closed it embassy in Iran.\textsuperscript{194} These events once again brought Germany in line with the other EU countries, paving the way for further sanctions.

In April 2012, the European Council decided to introduce sanctions against the Iranian bank and disconnect the country from the SWIFT network. This sanction signified one of the most significant actions against the regime, as the disconnection from SWIFT meant, that the Iranian financial market, was effectively disconnected from the world.\textsuperscript{195} Furthermore, in the same year, the EU adopts an embargo against oil and gas imports from Iran, seriously damaging the Iranian economy.\textsuperscript{196} The increasing international tumults also lead to domestic pressure in Iran. Fears arise over a possible intervention by the US, or air strikes by Israel. Meanwhile, the country also experiences a series of assassinations of their nuclear scientists, further increasing domestic worries.\textsuperscript{197} In this atmosphere of increased tensions, the country had to organize a presidential election. The past election had caused riots after accusations had been made of voter fraud. At the time, reformist candidates had been suppressed, to ensure that conservative presidents, loyal to the Ayatollah would win the election. Therefore, it was important to the regime this time to ensure that the election would be perceived as legitimate. Nevertheless, the conservatives tried to limit the opportunities for reformist candidates to win the election. Popular candidates were barred from partaking the election, while many of the leaders of the green movement, which had been popular during the last election, were still under arrest.\textsuperscript{198} Given these circumstances, the conservatives were in the anticipated winners of the election.\textsuperscript{199} However, despite these opposing forces, the reformist candidate Rouhani, surprisingly won in the first round with more than 50% of the votes.\textsuperscript{200}

\textsuperscript{194} Sheahan, Maria, and Sylvia Westall. “Germany Recalls Ambassador from Iran.” \textit{Reuters}, Thomson Reuters, 30 Nov. 2011, uk.reuters.com/article/uk-germany-iran-ambassador/germany-recalls-ambassador-from-iran-idUKTRE7AT1VD20111130.
\textsuperscript{196} Alacro, Riccardo. \textit{EUROPE AND IRANS NUCLEAR CRISIS}, p. 59 - 91.
\textsuperscript{197} Ibidem.
\textsuperscript{200} Ibidem.
The new reformist president Rouhani had been a lead negotiator on the Iran deal under president Khatami and made new negotiations on the nuclear issue possible. His room for maneuver was still limited by the Ayatollah, but the president succeeded in convincing the religious leader that the sanction regime formed a greater threat to Iran, then the lack of nuclear weapons. As a result, new negotiations between Iran and the EU3 could start. This time, the US was on board at the start of the new negotiations, with Rouhani and Obama opening up direct diplomatic channels between the two countries. Eventually, these new negotiations between the EU, the US and Iran would lead to the implementation of the JCPOA agreement. This in turn would lead one to the impression that the sanction regime of the EU in the second part was effective, as it lead to a regime change in the country which in turn facilitated further negotiations. However, this view might be too simplistic. One would first need to note, that the country already tended towards a more reformist president during the elections of 2009. As stated earlier, these elections were thought to be fraudulent, with research indicating that ballot boxes were stuffed in favor of the conservative candidate Ahmadinejad. Pre-election polls of the 2009 election indicated that Mousavi was the more popular candidate. Furthermore, as shown in the introduction, not only domestic politics is important in terms of nuclear development programs, but the question if a country will develop nuclear weapons actually depends on a multitude of factors.

When comparing the coercive strategy to the five factors deemed relevant to a countries willingness to develop nuclear weapons, it becomes clear that this phase of the negotiations cannot be deemed successful. On the basis of security, the EU3 and the P5+1 offered little to no guarantees to Iran, while the sanction regime further increased tensions with the country. These increased tensions with the Iranian regime, were a threat to the existence of the Iranian state and were thus perceived as a security threat. This in turn, further motivated the Iranian regime in the advancement of its nuclear development program. In terms of domestic policies, the EU3 also failed to properly influence the country. Emphasis on human rights issues had helped reformist parties in the past, but throughout the coercive diplomacy, the EU

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no longer pursued better human rights, which in turn helped the conservatives.\textsuperscript{203} On prestige, little had changed in comparison to the comprehensive dialogue policy. In terms of technology, the technological advancements Iran had made in regards to nuclear enrichment throughout the negotiations, had turned this factor into a driver for the Iranian nuclear program, as the country now possessed technology needed for the development of nuclear weapons.\textsuperscript{204} In economic terms, the sanction regime served as an obstacle to nuclear development in the country, as the costs of the program were high due to this policy. However, the promise of a FTA with the EU, which had been made in the earlier phases of negotiations, were no longer on the table, which meant that some incentive for Iran to change its policy had been taken away.

\textsuperscript{203} Kaussler, Bernd. “From Engagement to Containment” p. 68 - 70. 
\textsuperscript{204} Ibidem.
Conclusion:

As highlighted throughout the chapters, the case study of Iran gives an indication to the priorities of the EU in regards to its foreign policy. Throughout the negotiations with Iran, the EU attempted two main strategies to discourage the country from developing nuclear weapons. These policies of Comprehensive Dialogue and Coercive Policy differed greatly from each other, with each strategy suffering its own drawbacks and bringing certain advantages. To assess the respective effectiveness of either of these policies, it is thus necessary to compare the effects of the strategies on the factors established in the introduction of this thesis. The first factor to consider in this regard is that of human rights. As this research has shown, the issue of human rights was an important aspect to the negotiations between Iran and the EU in terms of the nuclear development program, as it served as a tool to influence domestic politics. Yet, despite this, the EU shifts its focus away from human rights in its coercive strategy, even though its human rights strategy under the comprehensive dialogue had had some success. Especially in the early phase of the Comprehensive Dialogue, the EU manages to encourage change inside the country which leads to legislative adjustments. However, as the negotiations continue and more revelations are made regarding the Iranian nuclear program, the EU shifted is focus towards security. The decreasing focus on human rights is mirrored in Iran which desillusions the reformists supporters inside the country. As a result, the political power inside the country shifts towards the conservative parties. These then put greater emphasis on Iran's nuclear enrichment program, which harms EU interest. The end of EU human rights policy thus has greater impact on the domestic politics inside the country and is therefore relevant to Iran's nuclear development program.

On security, the EU also shifted its relationship with Iran. In the Comprehensive Dialogue phases of the negotiations, the EU tried to position itself as an ally to the Iranian regime, rather than a opponent. This strategy can be deemed effective, as it reduces the need for the Iranian regime to pursue nuclear weapons as a ressourance for its own security. However, this EU strategy is undermined by the US, as the US increases tensions with Iran in this period. Meanwhile the invasion of Iraq also increases the fears of Iran of a US intervention.
Therefore the EU is only partly effective in ensuring that the security factor would not serve as a driver of the Iranian nuclear program. In the second phase of the negotiation, the EU changes its stance and actively distances itself from Iran through the sanction regime. Once again, the EU is seen as a threat. In this case too, the German governments tries to limit the tensions through continued contact with the regime, but this strategy comes to an end once further revelations are made regarding the Iranian nuclear program. Meanwhile, the continuing threats from the P5+1 serve as a means for the nuclear program to be seen as a prestige project inside the country, which further drives its development.

In regards to technology, the Comprehensive Dialogue policy is more successful in preventing the Iranian nuclear development program. Under this policy, the EU and Iran come to an agreement which temporarily ends the Iranian enrichment procedures. With this stop, the development of new technologies essential for the nuclear weapons development program also comes to a halt which benefited the EU negotiators. In the coercive dialogue phase of the negotiations, the nuclear enrichment activities in Iran continue, eventually ensuring that the country reaches 20% enriched nuclear material, thus overcoming a major hurdle in any nuclear weapons development program. Due to this progress Iran is able to make in this phase of the negotiations, the coercive diplomacy policy cannot be seen as a success in the technology aspect.

Lastly, in regards to economics the EU tries two differing in approaches towards Iran. Under the Comprehensive Dialogue policy, the EU seeks to encourage the country to change its norms by proposing an FTA. In return the EU demands economic liberalization inside the country, which also serves the purpose of reducing the influence of military groups inside Iran. The policy is somewhat successful, however once the focus shifts towards security, the EU takes a different approach. Through the use of sanctions the EU hopes to coerce the country into compliance in regards to its nuclear program. However, this strategy also brings high costs for the EU itself, as various EU member states have high amounts of trade with Iran. The strategy thus results in internal disputes among member states, with Germany choosing a different approach than the rest of the EU-3. Furthermore, Germany also blocks further implementation of sanctions at first, making the policy less effective. Only once Germany is convinced of this new coercive strategy does the policy become effective in
targeting the Iranian economy. While the policy seemed to have been effective at damaging
the Iranian economy, this paper revealed that further research would need to be done to
establish if the sanctions were also able to affect political change.

Throughout the negotiations, the EU-3 were influenced by various factors that need to be
taken into consideration. With regards to external factors, the EU suffers clearly from various
developments throughout the negotiations that the EU-3 themselves did not have an influence
on. The first big external development was the revelation of the Iranian nuclear enrichment
sight. This revelation lead to increased tensions between the EU and Iran, but also increased
the involvement of the US in Iran. This revelation occurs in a period when US
interventionism in the Middle East leads to greater focus on security issues. The EU responds
to these external actions by also increasing its focus on security. The EU-3 are formed and
this new lead group formulates a new policy of which the primary purpose is to ensure that
Iran would not further enrich its Uranium. However, the pressure from the side of the US
keeps on increasing, with the US demanding that any agreement would ensure that Iran
would not enrich any Uranium on its own soil. Furthermore, the Bush government at the time
also refuses to speak to the countries leaders directly. These external factors ensure that the
EU finds itself negotiating both on its own behalf and on behalf of the US. The increased
demands of the US in the end cause the first phase of negotiations to fail, after which the EU
chooses to follow the US lead and enter a sanction regime.

In the end the EU-3, in collaboration with the countries of the UN security council, achieve
an agreement that temporarily halts the ability of Iran to enrich Uranium to such an extent
that it could develop nuclear weapons. However, the country is still allowed to continue some
of its enrichment activities for civilian purposes. Greater monitoring inside the country is
achieved. The deal that was reached is similar to the one offered by Iran to the EU in 2005,
which the EU had rejected as it had included the ability of Iran to continue limited
enrichment activity. At the time, the EU had given in to US pressure, but with a changing US
regime, the EU was now able to conclude an agreement on similar terms. In the meantime
however, Iran had managed to develop its Uranium to up to 20% and had constructed
additional nuclear enrichment facilities, bringing the country closer to the development of
nuclear weapons then it had ever been before. Had the EU been able to reach an agreement in
2005 with the reformist government at the time, then the coercive diplomacy it had pursued later might not have been necessary. Currently, the EU is once again being put under pressure by the US regime to end the nuclear agreement, but considering the consequences this had in the past, this might only be beneficial for conservative streams in Iran, which are keen to further Iran's nuclear capabilities. Thus far, only EU agreements with Iran have been able to prevent further development of the Iranian nuclear program.
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