



المركز العربي للأبحاث ودراسة السياسات  
Arab Center for Research & Policy Studies

## CASE ANALYSIS

# The Iran Deal and its Implications for the Region and Israel/Palestine

Policy Analysis Unit-Washington, DC | August 2015

The Iran Deal and its Implications for the Region and Israel/Palestine

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**Arab Center for Research and Policy Studies**

PO Box 10277

Street No. 826, Zone 66

Doha, Qatar

Tel.: +974 44199777 | Fax: +974 44831651

[www.dohainstitute.org](http://www.dohainstitute.org)

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## The Deal

The Joint Comprehensive Plan of Action (JCPOA), the product of two years of intense negotiations, is a significant achievement in nonproliferation negotiations and the strengthening of the global nonproliferation regime.<sup>1</sup> The detailed plan, signed on July 14, 2015 by Iran, the five permanent members of the UN Security Council (China, France, Russia, United Kingdom, United States), Germany, and the European Union, gives inspectors access to Iran's "nuclear supply chain" for the next 25 years. By the terms of the agreement, Iran agreed to dramatically scale back its nuclear program and to allow unprecedented levels of inspections. In exchange, it would receive relief from sanctions that had been imposed by the UN Security Council, the European Union, and the United States as "punishment" for its alleged noncompliance with the International Atomic Energy Agency and the Nuclear Non-Proliferation Treaty).<sup>2</sup>

Perhaps the most illuminating text in the agreement is the inclusion of specific provisions dealing with potential violations of the agreement--the so-called "snap back" sanctions provisions (Paragraphs 36 and 37). The provisions outline mechanisms through which multilateral disputes are to be resolved. Any actor in the agreement can raise concerns about violations, and resolution of the complaint can be achieved only if the complaining party finds the resolution satisfactory. What this means is that a single determined party can trigger the reimposition ("snap back") of sanctions. If this happens at all, the United States is likely to be the complainant.<sup>3</sup> In essence, Iran agreed to provisions that put the power of "snap back" sanctions into the hands of the United States, forgoing veto protection from other participants (e.g., China or Russia). By so doing, Iran has placed remarkable trust in the United States, a country that Iranian leaders often refer to as the "Great Satan": The willingness to do so reflects Iranian negotiators' rational calculus, far divorced from the rhetoric that has often characterized its leadership. It reflects a belief that both US and Iranian interests are served by adherence to the agreement.

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<sup>1</sup> The text of the agreement is available at <http://bit.ly/1K5NnK2>.

<sup>2</sup> "Full text: Obama gives a speech about the Iran nuclear deal," Washington Post, August 5, 2015, <http://wapo.st/1hjE8Na>. For background information on the questionable nature of the charges leveled against Iran over the years, see Gareth Porter, *Manufactured Crisis: The Untold Story of the Iran Nuclear Scare* (Charlottesville, VA: Just World Books, 2014).

<sup>3</sup> Secretary of State John Kerry testified before Senate Foreign Relations Committee: "[T]he United States alone, for the duration of the agreement, has the ability to snap back in the U.N., by ourselves. We always have the ability to put our sanctions back in place." See "AUDIO/VIDEO: Senator Coons questions Secretary Kerry, Moniz, and Lew on Iran deal," US Senator Christopher Coons of Delaware web site, July 24, 2015, <http://1.usa.gov/1INEeXz>

## Conditions That Led to the Deal

It is probably not too much of a stretch to state that the US wars in Iraq and Afghanistan created the conditions that drove the principals to the negotiating table and kept them there for two years. For Iran, these wars created both a crisis and an opportunity. Placed on an “axis of evil” list, Iran had to contend with the reality of US ground forces on both its eastern and western borders. Yet it also had common interests with the US in both Afghanistan and Iraq and could shape outcomes in both theaters if it played its cards well. Iran and the US cooperated in Afghanistan, especially in the early stages of the war, but it was in Iraq that Iran’s skill at turning crisis to opportunity was most clearly demonstrated. After the US destroyed the Baathist regime of Saddam Hussein, Iran was primed to play a significant role in shaping Iraq’s future, and it did so by developing strong alliances with Iraqi Shia political groups that took control of the Iraqi political establishment. Under Saddam Hussein, Iraq had served as a check to Iran in the region. With Iraq transitioning into an Iranian client, Iran was freer to project its power and influence in the region. Iran accelerated its nuclear program during the US occupation of Iraq.

Even as Iran was growing in regional influence, it had to contend with the effects of western sanctions. According to U.S. Treasury Secretary Jacob Lew, the Iranian economy is 15-20 percent smaller than it might otherwise be as a result of tighter sanctions imposed in 2012.<sup>4</sup> The effects of the sanctions on the lives of ordinary Iranians were profoundly damaging---in fact, the US government implicitly acknowledged that the sanctions made it difficult for Iran to finance medicine and food purchases.<sup>5</sup>

For the United States, the wars in Iraq and Afghanistan were costly endeavors in every way imaginable. The blood and treasure spent on the war were significant,<sup>6</sup> the cost to Iraqi civilian

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<sup>4</sup> Zachary Laub, “CFR Backgrounder: International Sanctions on Iran,” Council on Foreign Relations, July 15, 2015, <http://on.cfr.org/1dNVLT2>. For the effect of sanctions on ordinary Iranians, see Sammy Almashat and Maziar Shirazi, “Iran sanctions debate ignores civilian impact,” Aljazeera, March 26, 2015, <http://bit.ly/1ytAPF5>.

<sup>5</sup> See Almashat and Shirazi.

<sup>6</sup> US defense department figures show that 6,626 US troops were killed in Iraq and Afghanistan; see <http://www.defense.gov/news/casualty.pdf>. A recent Harvard study estimated that both wars cost US taxpayers \$4-\$6 trillion, an estimate that takes into account medical care of wounded veterans. Ernesto Londono, “Study: Iraq, Afghan war costs to top \$4 trillion,” Washington Post, March 28, 2013, <http://wapo.st/1JJlhS8>.

life and infrastructure untold,<sup>7</sup> and the credibility of the United States plummeted as it became clear that a war unpopular around the globe was fraudulently sold to Americans as a war to fight terrorism and destroy weapons of mass destruction – a war that not only found no such weapons but also led to an unprecedented surge in global incidents of terrorism. This was the context in which the US considered its strategy toward the Iranian nuclear program.

Critics of the Obama administration have accused the President of not projecting a credible threat of US military force against Iran. Yet military force was unlikely to achieve the stated US policy objective of preventing Iran from acquiring nuclear weapons. Iran is a resource rich nation, with a population of nearly 80 million; its scientists have already mastered the nuclear fuel cycle. Any nation that fits Iran's profile can achieve the technological advancements necessary to build atomic weapons (a capability first achieved 70 years ago) if it is determined to do so. Airstrikes, no matter how robust, would do no more than damage the infrastructure of the Iranian nuclear program -- which would quickly be rebuilt by an Iranian government infinitely more determined to cross the weaponization threshold. US military action would mean not only closing off any prospects for diplomacy but also having to choose between engaging in further military action or relenting on its stated objective—clearly a lose-lose scenario. The best strategy for the US is to avoid a scenario that offered such dismal options.

Iranians were confident that a US president who campaigned on a promise to end Middle East wars would find it difficult propose to a war-weary public that it must support another open-ended military engagement in the Middle East. Thus, Iran was rapidly expanding its nuclear program despite the imposition of sanctions on it since 2006 and at a time when the US was unable to carry out a military threat that would likely lead to full-scale war. This simultaneously created a sense of urgency to resolve the dispute over the Iranian nuclear program even while it was clear to everyone involved that the prospects for military action were slim.

## Implications of the Iran Deal

The Joint Comprehensive Plan of Action was crafted as the US was redefining its role in the region. For many years, the vacuum created by the fall of the Saddam Hussein regime in Iraq was filled in large part by the US occupation, but it was clear to the US and its regional partners that the US ultimately would withdraw its troops and turn Iraq over to Iraqis, a majority of whom

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<sup>7</sup> An article published in *The Lancet* estimated that 654,965 Iraqis had been killed by the US military between 2003 and 2006; see [Gilbert Burnham, Riyadh Lafta, Shannon Doocy, and Les Roberts](#), "Mortality after the 2003 invasion of Iraq: A cross-sectional cluster sample survey," *The Lancet*, 2006, <http://bit.ly/1OR06Sa>.

are Shia and have sympathetic ties to Iran. US interests were also being shaped by changes in the global resource market. Increasingly over the last decade the United States has been able to produce more oil independently than in the past, reducing reliance on Middle Eastern sources of oil.<sup>8</sup> President Obama told columnist Thomas Friedman that “at this point, the U.S.’s core interests in the region are not oil, are not territorial. ... Our core interests are that everybody is living in peace, that it is orderly, that our allies are not being attacked, that children are not having barrel bombs dropped on them, that massive displacements aren’t taking place. Our interests in this sense are really just making sure that the region is working. And if it’s working well, then we’ll do fine.”<sup>9</sup>

This definition of US interests is a tectonic shift that has been in the works for a significant period of time. To regional partners, it is a source of anxiety: The US waged war on Iraq, which led to increased regional influence for Iran, and now the US claims that it has little reason to commit massive resources to countering this. The US has basically told its regional partners that it is time for them to play an increased role in the region they call home.

However, unless the Iran deal can lead to increased cooperation between regional parties, the President’s goal of regional stability might be hard to achieve. The redefinition of US goals in the region has already led its regional partners and specifically the Gulf states under the leadership of Saudi Arabia to act militarily to confront what they see as Iranian proxies in the region.<sup>10</sup> This might lead to devastating consequences in various states and produce breeding grounds for violent extremism.

Regional stability is unlikely unless Iran and Saudi Arabia forge a cooperative relationship on shared regional interests. The territorial expansion of Islamic State of Iraq and the Levant (ISIL) presents an opportunity for cooperation between the two countries: ISIL poses serious security threats to Saudi Arabia and its client regime in Egypt and targets Shia communities for mass attacks. Tension between Riyadh and Tehran, however, are likely to continue to revolve around sectarian fault lines, which have been exacerbated by the Arab uprisings. Shiite populations in Saudi Arabia, Yemen, Kuwait, Bahrain, Lebanon, and elsewhere have often looked to Tehran for

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<sup>8</sup> John Krohn, Mike Ford, Dana Van Wagener, “Tight oil-driven production growth reduces need for U.S. oil imports,” US Energy Information Administration, April 7, 2014, <http://1.usa.gov/1IKTvhe>

<sup>9</sup> Thomas L. Friedman, “Iran and the Obama doctrine,” New York Times, April 5, 2015, <http://nyti.ms/1F2WXh6>

<sup>10</sup> Saudi Foreign Minister Adel Al-Jubair said in a press conference with US Secretary of State John Kerry: “And we are committed that if Iran should try to cause mischief in the region, we are committed to confront it resolutely.” “Remarks with Saudi Foreign Minister Adel Al-Jubair,” US Department of State, July 16, 2015, <http://1.usa.gov/1Djwsii>

support when they feel excluded or unfairly targeted by their governments. Gulf states regard religious minority groups as a severe security threat, which has led to reactionary and even destabilizing policies. Iran has no comparable experience; it has a small Sunni population that it has cracked down on (especially the Kurdish and Balochi communities) but this minority faces nothing comparable to the discrimination faced by Shia minorities in Arab countries. (In fact, challenges to the Iranian government are more likely to come, not from internal minority groups but rather from within the framework of the Shia-led Islamic Revolution, like the Green Movement in 2009.)

These demographic realities are unlikely to change and will continue to stoke tensions between Tehran and Riyadh. Gulf states could reduce tensions by opening their political systems and addressing the legitimate grievances of minority populations. While this might be uncomfortable for Gulf states (and indeed, President Obama has described the effort as “a tough conversation to have”), it is important that the US push Gulf states in this direction, because addressing the concerns of minority populations contributes to long-term regional peace and stability. Other crises in the region, like the civil war in Syria, have thus far been intractable, but that might change if Tehran can be persuaded to work with other parties toward a resolution of the conflict.

The Iran deal has important implications for the question of Israel/Palestine. Iran’s nuclear program had occupied the top spot on the international community’s agenda for the last few years, in part because of the acceleration of the Iranian nuclear program but also because Israel made it a priority by raising the prospect of an Israeli attack on Iran.

Even in the early years of the Obama administration, before the Iran sanctions regime was in full effect and while the US was attempting to advance the Israeli/Palestinian peace process, Israeli prime minister Benjamin Netanyahu would routinely reply to President Obama’s concerns about Israeli settlement expansion by shifting the focus to Iran.<sup>11</sup> In President Obama’s second term, significant personal efforts made by Secretary Kerry to restart the process ran up against the intransigence of the Israeli government backed by an increasingly right-wing electorate. Kerry eventually announced a pause to reevaluate US policy and shifted his focus to negotiations with Iran.

The Iran issue has deflected US and international attention away from the Israeli/Palestinian issue; other conflicts are raging in the region as well. However, if the Iran deal is implemented and shows signs of success, one of the biggest distractions from engaging the Israeli/Palestinian

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<sup>11</sup> “Remarks by President Obama and Israeli Prime Minister Netanyahu in press availability,” The White House, May 18, 2009, <http://1.usa.gov/1IrPJ5q>.

issue is taken off the table. The international diplomatic bandwidth that has been so dedicated to Iran over the last two years is now available and can be focused on reprioritizing issues.

Although conditions that would encourage successful or meaningful negotiations between Israelis and Palestinians do not exist, international actors may start taking steps to change those conditions. Israel continues to vociferously oppose the Iran deal, which received unanimous endorsement in the UN Security Council (an achievement in itself); this is contributing to tensions between Israel and leading Western nations. It is conceivable that several states may begin to take actions to pressure Israel to move on negotiations with the Palestinians now that the Iran issue has been resolved.

President Obama is unlikely to exert the kind of pressure necessary on Israel to restart meaningful negotiations in the short time he has left in the White House. He is wary of how his actions could impact the electoral race for the Oval Office, and both the Israelis and Palestinians know that the next president might not be inclined to commit to a process begun by a predecessor. Nevertheless, taking the Iran issue off the table is likely to have positive implications for Israeli/Palestinian negotiations that extend beyond Obama's presidency.