



SECURITY POLICY BRIEF

Reviving the Security Function: EU's Path to Save the JCPOA

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Europe's efforts to keep the Joint Comprehensive Plan of Action (JCPOA) for Iran alive hardly seem effective. On 28 June 2019, during a meeting of the Joint Commission of JCPOA, it was announced that the Instrument in Support of Trade Exchanges (INSTEX) has been made operational.¹ Though it injected new hope into saving the deal, it is unlikely that in the long term INSTEX' limited scope will meet Tehran's demands. The Middle East is going through tough times since the US unilaterally withdrew from the JCPOA and started to exert 'maximum pressure' on Iran, prompting unparalleled tensions between the two nations. Can the EU do more?

Iran has abandoned 'strategic patience' and gradually introduced a harsh, tit-for-tat 'threat balancing strategy', exemplified by their recent shooting down of a US RO-4A Global Hawk surveillance drone in the Hormuz Strait. The region is fast moving towards a full-scale crisis. In May the US sent bomber task forces and a carrier to the Persian Gulf in order to reinforce its deterrence capabilities. The White House even discussed plans for launching a military attack on Iran.² In response, Iran has put its

military assets on maximum readiness and its allied proxies on full alert, and has threatened massive retaliation against any US military action. In response to the EU, Russia and China's incapacity to mitigate the negative impact of the US withdrawal and re-imposing of sanctions, Iran is revising its commitment to implementing the JCPOA.³ On 1 July the International Atomic Energy Agency confirmed that Iran's stock of enriched uranium exceeds the limit of 300kg cap set by the JCPOA.⁴ Next, Iran will enrich uranium beyond the 3.67% allowed under the deal,⁵ while discussions are underway in Tehran about a further reduction in commitments and leaving the deal altogether.

This policy paper argues that parallel to essential economic efforts for keeping the JCPOA alive, including INSTEX, Europe needs to step up its diplomatic actions in order to revive the security functions of the deal which have been widely neglected. Reviewing Iranian security policy reveals that Iran signed the deal not only due to its economic needs, but also because the Islamic Republic was seeking major security assurances. The Islamic Republic saw the JCPOA as a security measure to protect itself, particularly by shielding itself from the danger of war and potential regime change. Today, Trump's maximum pressure policy, full of mixed messages; the speculation on a possible US attack; Saudi Arabian and Emirati adversarial policies; and the JCPOA guarantors' strategic

deficit are all convincing the Iranian leadership that remaining in the deal has no further security benefit. Decision-makers in Tehran argue that Trump and America's regional allies proceeded to "securitize" the country once again, like before 2015, while Iran continued to meet its obligations under the deal. This was essential in pushing Iran toward an exit from the JCPOA and adopting a more radical response. Similarly, for Europe, the JCPOA was a crisis management tool to prevent a security crisis in the Middle East. Thus, focusing only on the economic aspects of the JCPOA is not enough.

TEHRAN THINKS THE JCPOA HAS LOST ITS SECURITY FUNCTION

How Tehran defines its interests in the JCPOA is essential to understanding its logic for remaining in the deal. During the 2013-2015 negotiations, Iran was looking for two main outcomes: sanctions relief and de-securitization. Tehran defined de-securitization as wiping out the belief that the Islamic Republic is a threat to international security. By 14 July 2015, when the comprehensive nuclear deal was reached, the UN Security Council had already passed six resolutions demanding the suspension of the Iranian uranium enrichment program. Almost all of these resolutions were adopted under Chapter VII of the United Nations Charter. This securitized Iran by identifying its nuclear program as a threat to international security. The International consensus on the securitization of Iran was seen as an existential threat to the Islamic Republic since it could have legitimized an urgent and extraordinary international response, including military action. It challenged the very survival of the Iranian state and presented it with a danger of war and, ultimately, collapse. Resolving the nuclear dispute and signing the JCPOAⁱ was seen by Tehran as a necessary step towards de-securitizing and protecting the political establishment. Accordingly, the ultimate security objective in

joining the deal was to protect the Islamic Republic.

During fierce political debates on the ratification of the JCPOA in Parliament (Majlis)⁶ in October 2015, the de-securitization function of the deal was at the core of President Hassan Rouhani's administration's argument for ratifying the JCPOA. The main arguments were that the deal would erode the threat of war, transform Iran into a normal country, and eventually ease Tehran's challenges in defense procurement after October 2020. While the former two arguments were repeatedly mentioned by Rouhani at every public engagement,⁷ the latter was less publicly debated and noticed more by the internal defense establishment. De-securitization of the Islamic Republic turned out to be a critical aspect of the reformist discourse that sought to push back internal opposition from hardliners close to the security establishment.⁸ In contrast to today's focus on the sanction-alleviating aspects of the nuclear deal, for Tehran de-securitization was just as significant as sanction relief. However, Tehran is now losing its faith in this function of the JCPOA.

Two developments caused Tehran to be perceived as an international security threat once again. First, by expanding its anti-ISIS operations in Syria and Iraq, Tehran was originally seeking to improve its deterrence capacity and compensate for its major conventional deficits. Meddling in the region was contrary to the spirit of JCPOA, which aimed at removing Iran from the list of international threats. It increased Saudi, Emirati and Israeli threat perceptions and accelerated their campaigns to once again place Iran at the top of international security concerns. Second, President Trump's 'maximum pressure' campaign took advantage of Iran's regional policy, and brought Tehran back as an international threat. Gradually, the fundamental logic behind joining the deal, which sought to reduce threats against

Islamic Republic, was fading both due to Iran's provocative regional policies and US policy. Similarly to the pre-JCPOA era, Tehran once again sees itself branded as an urgent international threat, which implies that extreme action against it could be legitimate. From Tehran's perspective, the deal is losing its security function for two main reasons. First, while Iran continues to implement the deal, the country has been subjected to a new securitization process, albeit for other issues, that could theoretically lead to military conflict. Second, Trump's economic sanctions and the EU's response deficit is hurting the Islamic Republic, weakening its power base and increasing the danger of popular internal violence and/or discontent in the medium-term. Remaining in the deal could hypothetically postpone the Islamic Republic's full re-securitization, however, as recent events show, it may not be enough to prevent a US military attack or to protect the regime. Consequently, the deal has lost its security benefit and is no longer able to provide any protection for Tehran. More and more politicians, both reformists and hardliners, are reaching this conclusion.

Indeed, the critical question for Iranian decision-makers is whether remaining in the JCPOA would have any tangible effect on toning down the threatening rhetoric. Tehran is looking hesitantly to Europe, Russia⁹ and China, doubting their willingness to provide a solid security guarantee that, if Iran stays in the deal, will prevent a US attack. Thus, even if Iranians are willing to accept the EU's limitations in providing the full economic benefits of the deal, in the absence of any apparent security benefits Tehran argues that there are no notable carrots for remaining in the JCPOA. In fact, decision-makers in Tehran have come to the conclusion that the deal is neither able to provide any concrete security advantages nor to let them to use their own resources efficiently.

There is another aspect of Tehran's view that has been less observed. US sanctions are strongly influencing Tehran's investment outlook on defense, which causes Tehran to worry about the future of the regional military balance. Iran is already behind Saudi Arabia, the UAE and Turkey in the race for military modernization.¹⁰ Though the JCPOA allows Iran to purchase arms after 2020, US sanctions are cutting into Tehran's budget and is simultaneously eliminating possible suppliers. Even Russia's role as the main potential seller of arms is contested. This is creating additional doubt about sticking to the deal.

IRAN'S RADICAL SECURITY POLICY: BALANCING THE THREAT

Against this backdrop, Tehran has chosen a tit-for-tat and 'less-for-less' policy in order to protect the Islamic Republic. Paradoxically, Iran's response could further securitize the country. Iranian leaders see the Iran-Iraq war as a case-in-point: losing deterrence capacity accelerates war. They have applied this model to the current situation. For them, while the US and regional players' threat of war looms, pulling back from deterrence is seen as self-destructive. Thus, it is highly unlikely that Tehran will leave behind its regional proxies and allies or its missile program while it is under the extreme threat of war. Iranian strategists believe that losing deterrence is the moment when the war will be initiated. On the contrary, skepticism about the security gains of the deal will probably push the country further towards 'massive retaliation' doctrine,¹¹ a more radical security policy to further bolster deterrence capacities. Iran's Supreme Leader Ayatollah Ali Khamenei reiterated that Iran will push back against further pressures with its own means¹². This is the core construct of the resistance ideology through which Tehran aims at absorbing and confronting further pressures while balancing them with its own counter-pressures. 'Threat

balancing' is a well-established aspect of Tehran's strategic thought. It seeks an equilibrium between the levels of threat that the country receives with the ones that it poses. The heart of Iranian threat balancing is to expand the price of escalation among all stakeholders involved in the crisis. Though retaliation will be costly, Iranian leaders deeply believe that concessions in the middle of an ongoing crisis would be even more costly and less protective. Thus, the aim is to proportionately elevate the rival's strategic costs to an unbearable level until threat reduction becomes a mutual decision rather than Iran's option of last resort.

This logic paves the way for extensive radicalization of Iran's regional policies and creates more tensions in the Middle East. Tehran counts on its resources, including its geopolitical advantages, missile capabilities, and regional proxies, to share the costs of its insecurity. President Hassan Rouhani recently posited the possible revision of Tehran's involvement in stemming drug trafficking and the movement of Afghan migrants to Europe. Indeed, the government in Tehran is gradually flexing its muscles by making use of its geopolitical advantages. Iran acts as a natural geographical fence, preventing the linking-up of Jihadist elements in Iraq and Syria with their counterparts in Afghanistan and vice versa. Iranian security forces occasionally arrest ISIS elements trying to cross from Iran into Iraq or Afghanistan.¹³ Termination of these operations could deal a critical blow against fighting terrorism in the region. Tehran may also use its leverage in Yemen to link North African Jihadists to their counterparts in the Middle East.

A radical security policy may also include revision of the country's proliferation policy in both acquisition and export of sensitive technologies. Iran has already shown signs of expanding ties with North Korea.¹⁴ Tehran may seek an 'oil for missile' exchange program with

Pyongyang to accelerate its missile program. Such a deal is gaining traction as potential of the US talks with North Korea to reach any binding outcome remains as yet unclear. Tehran may also proceed with plans to review its missile and UAVs export policies. By providing proxy allies with more sophisticated know-how, the country could expand hybrid operations against US interests and allies and fundamentally disrupt international investment in the Middle East. On top of this, global energy security is the most high-profile hostage to Tehran's security policy. Clearly, Iranian naval forces could cause major disruption in the Strait of Hormuz, and expanding their operations into the Red Sea could further hinder energy security.

In response to US 'maximum pressure', Tehran chose to escalate the crisis in order to highlight the collective price of its insecurity, and ultimately force the US and other stakeholders to enter into a de-escalation phase. This calculation was based on the idea that there is either collective security or collective insecurity. However, this zero-sum game policy includes some serious miscalculations. Tehran is banking on a conflict of interest between international players, but it is underestimating the capacity of the international community to build a consensus in the face of common threats. Tehran's further militarization of its foreign policy is deepening the regional security dilemma and increases the likelihood of accidental clashes. Finally, adopting the 'massive retaliation' doctrine to build up new deterrence capacities, may drastically alter the threat perception of other players, including the US, and force them into carrying out a preemptive strike. In other words, Tehran's policy of seeking further deterrence may lead to the collapse of existing deterrence.

WHAT THE EU SHOULD DO

Under these conditions, the EU needs to reassess its conflict prevention strategy. Europe has failed to uphold the pledge it made to Iran following the withdrawal of the US from the deal, most notably, expanding EU–Iran trade, maintain banking relations and preserve Iran's capacity to export oil.¹⁵ Trade between Iran and EU Member States during the first quarter of 2019 stood at €1.63 billion: a more than 69% drop compared with the same period last year's.¹⁶ Along with losing the momentum in safeguarding the economic aspects of the deal, Europe is in danger of losing the tools needed to influence decisions in Tehran, either in providing incentives or pressures.

Mainly, Tehran is losing its trust in Europe as an influential player.¹⁷ The rumours around possible American sanctions against the Iranian Special Trade and Finance Instrument (STFI),¹⁸ which Iran established as a counterpart to INSTEX, will further restrict Europe's strength in reviving the economic gains of the JCPOA. This is happening while a new report shows that INSTEX cannot directly counteract the Trump administration's "maximum pressure" campaign, nor can it fully deliver on the JCPOA's economic promises.¹⁹ On the other hand, with US 'maximum pressure' already in place, Europe has few economic tools to add to the current level of pressure on Tehran. Most European businesses have already retreated from the Iranian market and trade with Iran has shrunk to the lowest levels in years. This has significantly reduced the EU's ability to leverage Iran.

As Tehran largely defined its gains from the JCPOA beyond economic benefits only, Europe's policy, being limited solely to INSTEX, is anyway incapable of keeping the nuclear deal alive. Javad Karimi Ghodusi,²⁰ member of the Iranian Parliament's Foreign Policy and National Security Committee, touched on this point when asking Europe not to limit its actions to INSTEX.²¹ Iranian security

concerns are the key to saving the nuclear deal. Evidently, Tehran is concerned about a possible US attack. If it gained assurance that remaining in the deal would act as a security guarantee, Iran would see it as a legitimate reason to halt its exit plan. Therefore, dialogue with Iran on how to bring back the security functions of the JCPOA needs to be incorporated into the EU's plans for saving the deal. Against this backdrop, the EU could adopt the following actions:

Recovering the JCPOA's security function.

In parallel to its economic efforts, the EU needs to revive the security function of the deal and change Tehran's threat perception. Iran is hesitant about the JCPOA as an effective mechanism to protect the Islamic Republic from being attacked. Europe has the possibility to bring back the credibility of the deal by countering the demonization²² of the Islamic Republic, by adjusting its policies regarding the Iranian missile programme,²³ and by openly refusing to support any US military action or plans for regime change in Iran so long as the JCPOA, the sign of dialogue with Iran, is alive.

The EU should simultaneously send two strong messages to Tehran and Washington. Tehran should know that the survival of the deal will keep the window of de-securitization open and will prevent aggression against the country. So long as the deal continues, the EU should agree not to join in any US or regional military confrontation with Iran and clarify that it would not take part in attempts aiming at re-identifying Iran as a critical threat to international security. In return, Tehran should be fully aware that enlarging its 'threat balancing act' and increasing the threat level will not be tolerated. Iran must recognise that this could push Europe to join the US in re-securitizing the country.

Facilitating regional talks. Easing all parties' threat perceptions is the key to making an international agreement, such as the JCPOA, effective. Europe should take the initiative in

promoting a Strategic Platform for Security Talks (SPST) as a mechanism for direct talks between security and military officials of the GCC and Iran on military deconfliction. The recent call by Saudi and Emirati officials, retreating from supporting open conflict with Iran, is providing hope for the possibility of such talks.²⁴ In particular, the SPST could facilitate an understanding of each side's red lines whilst simultaneously clarifying the costs of confrontation for each country. It might help to establish a reliable military-to-military communication line for conflict prevention and lower the potential for unintended clashes. A similar process, though managed by Russia via indirect communication, worked in easing tensions between Israel and Iran over the Golan Heights in May 2018. Recent claims of a high-level security meeting between Iranian and Egyptian officials²⁵ further supports the view that talks could be initiated swiftly.

Increasing security cooperation. The JCPOA was designed to be a first step in a broad effort to change the logic of confrontation in the region into a logic of cooperation on common challenges. On this basis, and in spite of high tensions, Brussels should step up its security cooperation with Tehran beyond the JCPOA in less controversial but common security areas, such as maritime security in Afghanistan,²⁶ or drug and human trafficking. This is a critical preemptive measure in curtailing Iran's attempts to further escalate tension. It might be argued that extending the cooperation beyond the JCPOA looks unlikely amid rising tensions, however, this may just be interpreted as a trust-building measure between the EU and Iran that will serve to soften Tehran's threat perception. Involving Iran in a joint investigation on the tanker incidents in the Persian Gulf could be an important step forward and a means of building confidence. Individual European states with

traditionally good security relations with Tehran have already been successful in their collaboration with Tehran on these topics. Italy is an example: it was able to keep its navy connected with the Iranian navy through bilateral visits,²⁷ and has even cooperated on anti-narcotics training with Tehran. Encouraging other European countries to increase their security contacts with Tehran could positively influence decision-makers in Tehran.

The EU might be able to do just what it takes to save the deal and avert a major crisis in the Middle East.

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¹Statement on CPOA meeting in Vienna. 2019. June 28.

<https://www.gov.uk/government/news/iran-statement-on-jcpoa-meeting-in-vienna>

²Eric Schmitt and Julian E. Barnes. 2019. White house reviews military plans against Iran in Echoes of Iraq war. May 13.

<https://www.nytimes.com/2019/05/13/world/middleeast/us-military-plans-iran.html>

³Supreme National Security Council. 2019. Iran stops some of its measures under JCPOA, May 8. Official website of the President of the Islamic Republic of Iran.

<http://president.ir/en/109588>

⁴Reuters. 2019. Iran's stock of enriched uranium exceeds nuclear deals limit, IAEA says. July 1.

<https://www.reuters.com/article/us-iran-nuclear-limit-idUSKCN1TW2TG>

⁵Mohamad Javad Zarif, Iran has not violated the JCPOA. Interview with IRNA. July 1.

<https://www.irna.ir/news/83377487> ظریف-برجام را نقض نکرده-ایم

⁶ICANA News Agency. The speech of opponents and proponents of JCPOA in the Parliament. October 11.

<https://www.icana.ir/Fa/News/286173/> از-برجام؛ طرح-موافقان-و-مخالفان-اظهارات

⁷Hassan Rouhani. 2017. JCPOA erode the shadow of war. March 30.

<https://www.entekhab.ir/fa/news/334576/> کشور-از-را-تحریم-و-تهدید-جنگ-سایه-برجام-روحانی

برداشت

⁸See Ali Akbar Nategh Noori, an influential former Parliament Speaker and a key moderate figure, explaining in an interview how the JCPOA's ability to distancing war from Iran is the most significant function of the deal: Ali Akbar Nategh Nori. 2018. Before Iran was Under UN Chapter VII. Entekhab News Agency, May 18.

<https://aftabnews.ir/fa/news/524127/> منشور-هفت-بند-ذیل-در-ایران-برجام-از-پیش-نوری-ناطق

داشت-قرار-ملل-سازمان

⁹Russia's balancing strategy prevents Tehran from seeing Moscow as a reliable guarantor of the deal. The forthcoming trilateral meeting between national security advisers from US, Russia and Israel may end more divide between Moscow and Tehran.

¹⁰Anthony Cordesman and Nicholas Harington. 2018. Iran: Military spending, modernization and the shifting military balance in the Gulf. September 4. Center for Strategic and International Studies (CSIS). https://csis-prod.s3.amazonaws.com/s3fs-public/publication/180905_Iran_Military.pdf?LMIG7r80CCYI5XFURtnOPk8Nhenk1s_I

¹¹Abdolrasool Divsallar. 2019. Will Iran adopt a massive retaliation doctrine? May 28.

<https://lobelog.com/will-iran-adopt-a-massive-retaliation-doctrine/>

¹²Seyed Ali Khamenei. 2019. Iran's final choice is resistance. May 14.

<https://www.tasnimnews.com/fa/news/1398/02/24/2011650> ملت-قطعی-گزینہ-ای-خامنه-امام

شود-نمی-هم-جنگ-است-سم-مذاکره-است-مقاومت-ایران

¹³An official who interviewed by authors in late 2018, claimed that Iranian security services since then had neutralized over 100 ISIS cells crossing Iran from Iraq to Afghanistan.

¹⁴Tabnak News Agency. 2019. Behind the North Korean foreign minister travel to Tehran. August 9.

<https://www.tabnak.ir/fa/news/823764/> ایران-به-شمالی-کره-خارج-وزیر-سفر-پرده-شد

¹⁵EEAS. 2018. Remarks by Mogherini at the Press Conference Following Ministerial Meetings of the EU/E3 and EU/E3 and Iran. May 15. <https://europa.eu/!CB78xu>.

¹⁶Financial Tribune. 2019. Iran's trade with EU states dopes. June 17. <https://financialtribune.com/articles/domestic-economy/98490/irans-trade-with-eu-states-drops>

¹⁷Ali Khamenei. 2019. Iranian leaders Trust to Europe. March 4.

<https://www.fardanews.com/fa/news/> به-تهران-اعتماد-درباره-انقلاب-رهبر-هشدار-گسترده-بازتاب اروپا

¹⁸Nick Wadhams. 2019. US Weighs More Iran Sanctions Over Potential Trade With Europe. June 10

¹⁹Esfandiyar Batmanghelidj and Sahil Shah. 2019. Protecting Europe-Iran trade to prevent war: A provisional assessment of INSTEX. Global Security Policy Brief. European Leadership Network. June.

<https://www.europeanleadershipnetwork.org/wp-content/uploads/2019/06/ELNBB-INSTEX-June-27-2019-ADVANCE-COPY.pdf>

²⁰A controversial and influential figure in Parliament who is among the major opponents of the JCPOA. He is supposed to be close to “the deep state”.

²¹Javad Karimi Ghodusi. 2019. Europe should implement the JCPOA, not the INSTEX. Fars News Agency. June 28.

<https://www.farsnews.com/news/> غرب-روزه-۶۰-مهلت-اینستکس-نه-است-بر-جام-اجرای-به-ملزم-اروپا به-را

²²See Riccardo Alcaro and Andrea Dessì. 2019. A Last Line of Defence: A Strategy for Europe to Preserve the Iran Nuclear Deal. IAI Papers 19. June.

<https://www.iai.it/sites/default/files/iaip1914.pdf>

²³Europe needs to adopt a broader view on missile proliferation in the region that includes Saudi Arabia, the Emirates and other potential stakeholders in order to increase its chances of limiting Iran's missile development. Saudi Arabia is developing an advanced ballistic missiles programme with Chinese backing. Both Riyadh and Abu Dhabi were engaged in the illegal proliferation of missile technologies to their proxies, similarly to Iran. UAE has allegedly been transferring US weapons to the LNA in Libya which it is not allowed to transfer under agreements that have been made with the US. In this situation, it seems unrealistic to ask Tehran to limit its missile programme. Europe needs to push for regional limitations on missile proliferation, while taking into consideration the challenges posed by the regional military balance, which could put Europe within striking range.

²⁴Middle East Monitor. 2019. UAE calls for dialogue ending escalation with Iran. June 24.

<https://www.middleeastmonitor.com/20190624-uae-calls-for-dialogue-ending-escalation-with-iran/>

²⁵IRIB. 2019. Phone calls of high-level Iranian-Egyptian security officials. June 18.

<http://www.tribnews.ir/fa/news/2454392/> ایرانی-و-مصری-امنیتی-بلندپایه-مقامات-تلفنی-تماس

²⁶Iran played a positive role post-2001 both in restoring political stability and reconstruction efforts. 2002-2007 was a noticeable golden age in regard to this aspect of Iranian foreign policy. See Bruce Koepke. 2013. Iran's policy on Afghanistan: the evolution of strategic pragmatism. SIPRI. September.

<https://www.sipri.org/sites/default/files/files/misc/SIPRI13wcaBK.pdf>

²⁷Mehr News Agency. 2016. Iran, Italy launch joint marine drill. September 27.

<https://en.mehrnews.com/news/120068/Iran-Italy-launch-joint-marine-drill>



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