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Institute of South Asian Studies
National University of Singapore
29 Heng Mui Keng Terrace
#08-06 (Block B)
Singapore 119620
Tel: (65) 6516 4239 Fax: (65) 6776 7505
www.isas.nus.edu.sg
<http://southasiandiaspora.org>



Donald Trump's Iran Move: Consequences for the Shaky World Order

United States (US) President Donald Trump's decision to not certify to the US Congress that Iran was abiding by the terms of the agreement which Tehran had signed in July 2015 with America and five other major powers will have serious worldwide consequences. It will further erode the rule-based world order built over the last seven decades. And it will, albeit indirectly, widen the gap that already exists in the professed strategic interests of the countries in South Asia. This paper examines why the American president took that decision and where that will take him, his country and the world in the years ahead.

Shahid Javed Burki¹

Introduction

United States (US) President Donald Trump's decision on the Iranian nuclear issue, announced on 13 October 2017, gave himself some time since he did not, at this stage, pull

¹ Mr Shahid Javed Burki is Visiting Senior Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). During a professional career spanning over half a century, Mr Burki has held a number of senior positions in Pakistan and at the World Bank. He was the Director of China Operations at the World Bank from 1987 to 1994, and the Vice President of Latin America and the Caribbean Region at the World Bank from 1994 to 1999. On leave of absence from the Bank, he was Pakistan's Finance Minister from 1996 to 1997. He can be contacted at sjburki@gmail.com. The author bears full responsibility for the facts cited and opinions expressed in this paper.

his country out of the Vienna accord of July 2015. His decision concerns the future of Iran's nuclear weapons programme. Tehran had signed the deal with the US and five other nations. Then-US President Barack Obama, along with Secretary of State John Kerry, had worked hard for 13 months to negotiate the deal. These two leaders were anxious to make it difficult for Iran to develop nuclear weapons. They also wished to bring Iran back into the global system from which it had been effectively excluded because of the onerous sanctions placed on it by the international community.

However, the US Congress was lukewarm to the Obama administration's approach towards Iran, a country with which the US had very difficult relations following the Islamic Revolution of 1979 that overthrew the America-friendly regime headed by Shahanshah (Emperor) Mohammad Reza Pahlavi. In an effort keep the US Congress from openly opposing the deal, Obama had agreed that the administration would certify to the Congress every 90 days that Iran was in total compliance with the terms of the accord. The assumption was that if Iran was found not to be totally in compliance with the provisions of the accord, the Congress would re-impose the sanctions that were lifted following the signing of the deal. The responsibility for certifying Iran's behaviour was inherited by Trump who did not relish the prospect of repeated certifications. He had done it twice after taking office; the third certification was due on 15 October 2017. Trump was determined to do away with Obama's legacy. In his White House address announcing the Tehran policy, he said that he was acting because Iran was "under the control of a fanatical regime" with which it would not be wise to have a working relationship.

The Vienna Accord of July 2015

The agreement, known as the Joint Comprehensive Plan of Action, was characterised by many observers and experts as a victory for global diplomacy and nuclear non-proliferation. It had immediate positive consequences for Iran. It allowed Iran to resume oil exports and foreign companies to tap into a vast and growing consumer market. Tehran was also allowed to access the US\$100 billion (S\$135 billion) worth of funds blocked by the Western financial system. Since the signing of the agreement, the International Atomic Energy Agency (IAEA),

the United Nations (UN) watchdog tasked with monitoring Iran's nuclear programme, repeatedly certified the country's compliance with the deal.

Given to exaggeration and hyperbole, Trump, during the campaign for the American presidency, had called the deal with Iran the worst-ever in his country's history. He promised to "tear up the agreement" once he moved into the White House. He persisted with this view after taking office. In a speech to the UN General Assembly, he described the Vienna accord as "one of the worst and most one-sided transactions the United States has ever entered into." Until now, he never clearly spelled out the aspects of the accord that irked him. It appeared that he did not believe it was comprehensive enough. It did not prevent Tehran from developing its missile programme or giving aid to such Islamic radical groups as Lebanon's Hezbollah. He was also apparently receptive to Israel, in particular Prime Minister Benjamin Netanyahu who was the deal's strong opponent.

One of the close associates of Israel's prime minister contributed an article to *The New York Times* condemning the accord. Michael Oren, Israel's Deputy Minister for Public Diplomacy and former ambassador to the US, did not believe that the deal was worth saving. He was of the view that the Obama administration had wrongly projected the agreement as an alternative to war. "The alternative was never war, but a better deal", he wrote. "Rather than lifting sanctions on Iran, allowing it to retain its nuclear infrastructure and develop more advanced centrifuges, a better deal could have ramped up pressure on the Islamic Republic. This would have stripped Iran [of] capacities like uranium enrichment, which is unnecessary for a civilian energy program, and linked any deal to changes in Iran's support for terrorism, its regional aggression and its gross violation of human rights at home."² He suggested the threat of military action to prevent Tehran from developing nuclear weapons. He was also not concerned about the European businesses. They would rather work with the US, the world's largest economy rather than with Iran which ranked 27th among the economies of the world.

Trump's Iran Shift

As expected, the US president has now refused to certify that Iran was in total compliance with the spirit of the Vienna accord but he has not withdrawn the US totally from the purview

² "The Iran deal isn't worth saving", Michael B Oren, *The New York Times*, 7 October 2017, p A23.

of the accord. Trump spoke at length at the White House, explaining the approach he was now adopting towards Tehran. The address was perhaps the most hostile of any American leader's views on Iran since President George W Bush had in 2002 identified that country as an integral part of a perceived "Axis of Evil". However, Trump did not "rip the accord" as he had promised in his campaign speeches. According to one account, there was a fierce debate inside the Trump Administration, with Secretary of State Rex Tillerson and Defense Secretary James Mattis arguing that it was in the national security interests of the US to keep the deal's constraints on Iran.

Tillerson worked for weeks with Senators Bob Corker and Tom Cotton to draft a bill that would amend the Iran Nuclear Agreement Review Act. Under this Act, the Obama administration had agreed to send for review every 90 days its assessment whether Iran was implementing the deal. Their proposal would effectively change the terms of the deal. It would incorporate the three triggers listed by Trump that would lead Washington to completely walk out: the deployment of an intercontinental ballistic missile by Iran, Iran's refusal to negotiate an extension of the deal on the existing constraint on its nuclear activities and evidence that Iran could manufacture a bomb in less than 12 months. Any of these could prompt the US to walk away from the deal.³ Decertification meant that the president was telling his country's legislature that Tehran was not adhering to the spirit of the July 2015 pact. Tillerson unveiled the legislative gambit by framing it as the last chance to save the deal. He said the US must "either put more teeth into the obligation that Iran has undertaken...or let's just forget the whole thing. We'll walk away and start all over."⁴ Tillerson did not mention the downside risk of such political punting towards the Congress. If the Congress rejected the Corker-Cotton plan, the administration would lose creditability on the world stage, the government would look divided and the nation would be isolated.

The European Reaction

Before the nuclear deal, the US imposed what were called "secondary sanctions", under which the Treasury Department penalised companies or people who did business with Iran.

³ "Trump disavows accord with Iran on nuclear arms", Mark Lander and David E Singer, *The New York Times*, 14 October 2017, pp A1 and A7.

⁴ "Trump's Iran trap for Congress", Josh Rogin, *The Washington Post*, 16 October 2017, p A15.

Even if the Europeans stay with the accord, some of the continent's businesses would be hurt if Washington were to impose rigorously these secondary sanctions.

The reaction from Europe was clear – the European Union officials began to mobilise a counter-effort, encouraging the continent's companies to invest in Iran while urging the US Congress to push back against the White House move. “The nuclear deal is working and delivering, and the world would be less stable without it”, said Helga Schmid, Secretary General of the European External Action Service, in a speech at the Europe-Iran Forum. The forum was held in late September 2017 in Zurich to discuss business opportunities for Europe in Iran. European businesses were anxious to participate in Iran's economic recovery and take advantage of the country's rapidly growing economy. This author, in his assessment of the world's rising powers, identified Iran as one of them. In his 2017 book, he thought that the country was on its way to becoming an anchor economy in the Middle East and West Asia.⁵

The latest US move against Iran constitutes the second major policy rift between Europe and America. The first was Trump's decision to walk out of the December 2015 Paris climate accord. “There is no real alternative” to the Iran deal, a senior business executive told *The New York Times*. “It's an illusion to think you can reopen and renegotiate.”⁶ Though they avoided direct criticism of Trump, Prime Minister Theresa May of Britain, Chancellor Angela Merkel of Germany and President Emmanuel Macron of France said in a rare joint statement that they “stand committed” to the nuclear accord and that preserving it was “in our shared national security interest.” Sigmar Gabriel, Germany's Foreign Minister, said that Trump was sending “a difficult and also from our point of view dangerous signal. Destroying this agreement would, worldwide, mean that others could no longer rely on such agreements – that's why it is a danger that goes further than Iran.”⁷

⁵ Shahid Javed Burki, *Rising Powers and Global Governance: Changes and Challenges for the World's Nations*, New York, Palgrave Macmillan, Chapter 7, pp 119-138.

⁶ “Europeans move to counter U.S. rebuff of nuclear accord”, Erin Cunningham, *The New York Times*, 7 October 2017, p A12.

⁷ Quoted in Stephen Castle and Thomas Erdbrink, “European leaders say Trump's stance on Iran is further isolating the U.S.” *The New York Times*, 14 October 2017, p A7.

The Iranian Reaction

Iran made clear its position. On 7 October 2017, a week before the Trump move, Ali Akbar Salehi, the head of Iran's Atomic Energy Organization, warned that his country would be forced to abandon the agreement if other countries followed the US lead. Iranian President Hassan Rouhani's comments came just hours after Trump's announcement. "We will continue to stick to the deal and cooperate with the [International Atomic Energy Agency] within the framework of international law," he said in a TV address. However, if the deal's other signatories "refuse to abide by their commitments, Iran will not hesitate", and withdraw from the deal. Rouhani thought that Trump's speech "showed that the [nuclear deal] is much stronger than what this gentleman thought during the presidential campaign. This is an international, multilateral deal. It is not a document that is between Iran and the United States that he can treat the way he likes."

Trump is targeting Iran's Islamic Revolutionary Guard Corps, the arm of the Iranian military that is active in several parts of the Middle East. However, the US had not included it in the Foreign Terrorist Organization framework, used by the State Department, which carries harsh sanctions. Iran's Foreign Minister said, after the Trump announcement, that any designation of the Revolutionary Guard as a terrorist organisation would provoke an unspecified "crushing response." Rouhani, in recent months, had indeed sought to curb the force's role in a stagnant economy as part of a bid to woo further foreign investment. However, Trump's move may give a new lease of life to the organisation. In his address, the Iranian President called the Revolutionary Guard "a powerful force that is popular among the Iranian people." Addressing Trump, he said, "You made us more united than ever. You can try to separate the government and the people but you cannot sow discord."⁸

Reactions in the United States

The liberal press in the US was unanimous in condemning Trump's move. In an editorial, *The New York Times* called the president's position, "his most feckless foreign policy decision yet," and advised him: "Don't do it, Mr. President. Be a statesman, listen to your

⁸ The Hassan Rouhani quotations are from Erin Cunningham, "Rouhani fires back over nuclear deal," *The Washington Post*, 14 October 2017, p A8.

own military and intelligence officials and put the security of America and its allies ahead of your ego.”⁹ The same sentiment was expressed by *The Washington Post*, America’s other mainstream liberal newspaper. It also wrote an editorial, warning the president that he was “embarking on a dangerous and pointless game of brinkmanship with Tehran.” The newspaper reminded Trump that IAEA had repeatedly certified Iran’s compliance; according to Defense Secretary Mattis, the US intelligence community agreed with the UN body. “Iran is not in material breach of the agreement, and I do believe ... [it] has delayed the development of nuclear capability”, Joint Chiefs of Staff Chairman Joseph F Dunford Jr testified to Congress. However, Trump seemed set upon following this course since he found it “loathsome certifying every 90 days that President Barack Obama’s signature policy achievement is intact.”¹⁰

Consequences for South Asia

How will President Trump’s move against Iran affect the South Asian sub-continent? For an answer, it is not only necessary to look at what the American president did to the Vienna accord but also at his approach to the Middle East and West Asia. Some of the signals he has sent out are clear. First, he has indicated a preference for strong leaders – even those who belong to monarchies, especially if they are not constrained by institutions that follow rules. Egypt’s President/Field Marshal Abdel Fattah el-Sisi fits the description. So do the monarchs of Saudi Arabia, the United Arab Emirates and Bahrain. He has applauded their move to isolate Qatar as that country was inclined to work with Iran, one of two countries the American leader had chosen to focus a great deal of his attention. The other was North Korea. Second, and that was also a component of the Afghan policy, he has widened the differences between India and Pakistan at a time when relations between the two countries were exceptionally tense. He invited New Delhi to become an important player in Afghanistan’s economic development while accusing Pakistan of making the resolution of the Afghan problem more difficult. Third, Trump entrusted the making of American foreign policy to the men in uniform rather than to the institutions that have the responsibility in this area. The Afghan policy announced on 21 August 2017 brought in the military as the implementer without any constraint exercised by civilian authorities. Fourth, afraid that radical Islam

⁹ “Mr. Trump, don’t scrap the Iran deal”, *The New York Times* editorial, 7 October 2017, p A22.

¹⁰ “A dangerous game of brinkmanship”, *The Washington Post* editorial, 6 October 2017, p A22.

posed a real danger to the West – not just the US – he is attempting to split the Muslim world along sectarian lines. Sunni Saudi Arabia’s open conflict with Shiite Iran was seriously exacerbated by the American president’s open support for the former and disdain for the latter.

These policy moves will most likely sharpen the divide in South Asia. It has already resulted in Pakistan getting even closer to China than was the case before. Also, with Pakistan having the world’s second largest Shiite population, Islamabad is now engaged in cultivating Tehran as an economic partner. India, on the other hand, has arguably responded positively to the courting by the US. As is recognised, South Asia is the least regionally integrated area in the world. Trump’s approach to the areas in the region’s neighborhood will only widen the various divides.

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