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The EU-Iran-U.S. Triangle: Two Approaches, One Solution

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Introduction

The Islamic Republic of Iran, as it has been since 1979, has occupied discussions in the international forefront in world politics, primarily because of its strategic and vital position in the Middle East and its abundance of natural resources. Iran has the second largest gas reserves in the world (16% of total world reserves), and it has the third largest oil reserves (10%).¹ Moreover, with a population of nearly 70 million, Iran is the most heavily populated country in the Middle East, providing it with a significant labour reserve and a large army.² What has remained consistent throughout Iran's modern history is the consideration that Tehran is an important gateway to the energy-rich Central Asia region.³

For most of its history, Iran has had good relations with the Western countries; this was especially evident during the era of Mohammad Reza Shah's reign, which lasted until 1979. After the revolution of 1979, in which the Islamic clergy took over, there was a backlash against the West, in which Iranians became weary of Iran being the "puppet" in Washington's hands. These anti-American and anti-West sentiments provided a turning point with regards to the content and direction of Iran's relations with the Western countries. Since the inception of the Islamic Republic of Iran, Europe and the United States have opposed several fundamental domestic and foreign policies of Tehran; such as, the violation of human rights, opposition to the Middle East peace process between the Palestinians and Israelis, the attempt to acquire and develop weapons of mass destruction (biological, chemical and nuclear weapons) and the sponsoring international terrorism.⁴ Although both Europe and the United States agree that Iran must change its behaviour with regards to the above domestic

and foreign policy items, they have differing philosophies and practices to try to change Iran's policies.⁵

I will discuss the United States' policy of sanctions towards Iran and the EU's response to these multilateral sanctions in order to illustrate EU-U.S. relations, as well as to provide a comparative analysis with regards to the focus of this paper, the European Union's policy of "critical dialogue" towards Iran. In doing so, I argue that although the European Union's "critical dialogue" policy has had weaknesses (which will be outlined), it is perhaps the more appropriate of the two approaches that has the potential to ultimately influence and change Iran's future conduct and policy, by providing an environment of cooperation, diplomacy and increased transparency, rather than sanctions, isolation, hostility and antagonism.

Sanctioning Iran: The U.S. Approach

With the end of the Cold War, the collapse of the Soviet Union, the election of Bill Clinton as the President of the United States and a democratic majority in the U.S. Congress, especially after twelve years of Republican rule, a change in overall U.S. foreign policy was required. In this context, a new policy with regards to dealing with Iran became an important item throughout the debates in changing U.S. foreign policy.⁶

In 1993, a new policy emerged from the debates known as "dual containment", in which, much like the Soviet Union during the Cold War, Iran and Iraq would be contained by having the U.S. exert economic and political pressure on both Iran and Iraq, by means of economic sanctions and political isolation.⁷ This policy of dual containment was calculated by Martin Indyk, Clinton's Special Assistant to Near East and South Asian Affairs at the National Security Council, in which, "building up one [Iraq] to counter the other [Iran] was therefore rejected in favour of a policy of 'dual containment'."⁸ Dual containment was designed to "'increase enormously the strain' under which Iran must operate, and thereby generate the 'break-up or gradual mellowing' of Iranian power"⁹. However, the dual containment policy did not stop American oil companies from trading with Iran. Europeans, who were regularly condemned by the U.S. for trading with Iran, now accused the United States of hypocrisy.¹⁰