



**S. RAJARATNAM SCHOOL  
OF INTERNATIONAL STUDIES**  
A Graduate School of Nanyang Technological University

# RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: [RSISPublication@ntu.edu.sg](mailto:RSISPublication@ntu.edu.sg) or call (+65) 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

No. 117/2012 dated 5 July 2012

## Stopping Iranian Nuclear Proliferation: Sanctions or Inducements?

By Nah Liang Tuang

### **Synopsis**

*Stepping up sanctions against Iran by financial or oil embargos may be counter-productive given its economic resilience and popular support for its nuclear program. The best way is to induce Iranian leaders to moderate their policies.*

### **Commentary**

The European Union has imposed a potentially crippling embargo on Iranian oil imports on 30 June 2012 to stiffen international sanctions against Iran. This measure adds to the many punitive UNSC resolutions and bilateral sanctions levied against Iran in recent years to convince Tehran not to enrich uranium. There have also been measures such as the February 2012 blacklisting by the the EU-based Society for Worldwide Interbank Financial Telecommunication (SWIFT) which prevents Tehran from transferring US dollar or Euro-denominated funds internationally to pay for imports or be paid for her exports.

### **Using the stick is counter-productive**

However, it can be argued that this approach is counter-productive for three main reasons. Firstly, the Iranian economy is far from impoverished. It is valued at US\$990 billion, providing the Iranian population with an annual per capita GDP of about US\$13,000. This provides Iran with a fair margin for weathering economic sanctions. North Korea is much worse off economically with an estimated per capita GDP of only US\$1800 and yet it managed to acquire nuclear bombs.

Secondly, even if EU sanctions do bite and the US fully implements the policy of cutting off access to the American financial system to any state that imports Iranian oil, Iran can always find other buyers for her oil other than the EU and deal with States that have little dealings with or through the US. For instance, China needs all the energy resources she can get to sustain her burgeoning economy and is unlikely to go “cold turkey” on Iranian oil (the fact that Beijing only recently reduced Iran oil imports by 25% to appease the US is telling). Also, there are many third world states that have minimal relations with the US and are prepared to buy Iranian oil via barter payments.

Thirdly, despite Tehran’s oppression and opposition to it amongst the youth and urban population, popular support for Iran’s nuclear programme remains strong due to nationalistic reasons. Consequently, any pressure on Tehran to terminate or curtail uranium enrichment will encounter resistance from Iranians and a willingness

to tolerate sanctions imposed austerity

### **A viable evolutionary strategy**

Therefore, if Iran has the geostrategic impetus to pursue a nuclear deterrent and evidence suggests that coercive sanctions are ineffective, what should the international community do to prevent Iranian nuclear weapons proliferation? Analysing South African nuclear disarmament, the solution would appear to lie with peaceful regime moderation and/or change. In the South African case, reasons for nuclear disarmament are widely attributed to the end of the cold war leading to greatly moderated hostility from Angola, Zambia and Mozambique and the election of the reformist and liberal F. W. de Klerk as South Africa's president in 1989; he initiated the disarmament process and completed it in 1991, citing economic, moral and diplomatic justifications for relinquishing nuclear arms.

Applying this paradigm to Iran, the best hope for Iranian nuclear restraint and a certified peaceful Iranian nuclear programme is for a substantial moderation of Tehran's policies either through leadership or regime change. In this regard, hope lies in the fact that the majority of Iran's population is young. With the median age of Iran being about 26 and the youth mostly opposing the hardline policies of Tehran's theocracy, there is a fair to good chance that generational leadership change could well result in a more benign attitude towards the west and a concrete commitment not to acquire nuclear weapons.

This can be seen in the previous election of the visibly moderate Mohamed Khatami as president from 1997 to 2005. Additionally, Ayatollah Khamenei will soon be 73 years old and with persistent reports of poor health, his passing might trigger regime change away from theocracy as the ranks of today's Iranian young adults are bolstered by the coming of age of tomorrow's youth. Therefore, if the militarisation of the Iranian nuclear programme can be prevented, there is hope that its peaceful nature can be cemented in the future.

In order to promote this outcome, the EU could offer the Iranians a face saving olive branch by accepting Iranian declarations of peaceful nuclear intent and allowing the enrichment of Uranium up to 20% which is more than adequate for energy generation and medical use while falling short of the 85-90% required for nuclear warheads. In return, Tehran's quid pro quo would be the admittance of International Atomic Energy Agency inspectors to ensure that the 20% enrichment ceiling is adhered to.

Additionally, the EU could offer to suspend the embargo on Iranian oil and if Iran kept to the enrichment restrictions for the next 2 years, offer to recommend that punitive UNSC resolutions be lifted. It is thus hoped that this can buy time until the youthful Iranian electorate can acquire the critical mass to influence or change the government.

*Nah Liang Tuang is an Associate Research Fellow at the Institute of Defence and Strategic Studies, a constituent unit of the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University.*