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The Iran Nuclear Deal: Containment or Appeasement?

By Eugene E G Tan

Synopsis

The Lausanne agreement on Iran's nuclear programme was hailed by all P5+1 parties as a positive step toward preventing Iran from developing its nuclear arsenal. While critics are doubtful, it could reduce the likelihood of a possible nuclear arms race in the region. What are the implications for the Asia-Pacific region?

Commentary

A FRAMEWORK agreement on Iran's nuclear programme that would restrict the number of centrifuges it can possess, as well as limit its development of uranium enrichment was concluded in Lausanne on 3 April 2015. Iranian compliance with the agreement would result in the removal of crippling sanctions that have severely affected its economy. This deal can be said to represent a marked change in the international community's approach to dealing with Iran's nuclear ambitions.

The on-going crisis stems from Iran's ambiguous dual-use nuclear programme, which the West has alleged can be used to develop nuclear weapons as well as civilian nuclear power. As a signatory of the Nuclear Non-Proliferation Treaty (NPT), Iran has argued that it has the right to develop nuclear capabilities for peaceful purposes, such as energy generation and medical usage, under the auspices of the International Atomic Energy Agency (IAEA). Furthermore, Iran has maintained that its nuclear development is related to its growing energy needs that have steadily increased over the years.

Breaking the deadlock

Some critics have rejected the Islamic Republic's claim that it requires nuclear power to fulfil its energy needs since Iran has large reserves of natural oil deposits. Also, intelligence and other reports have suggested that a nuclear weapons option was being pursued covertly, for instance, when the secret facility at Fordow was revealed in 2009. In addition, violations of protocols and obstruction of IAEA inspections as well as threats made against neighbours and alleged support for terrorist/militant groups in the region, have, expectedly, contributed to a general distrust of Iranian intentions.

In the absence of a deal on the development of nuclear capabilities, the international community has imposed many layers of sanctions on Iran, including the freezing of assets. In the wake of the

sanctions, Iran's exports have been badly affected, with its oil exports down from 2.2 million barrels per day (bpd) in 2011 to only 700,000 bpd in 2013. This decline in oil exports has cost the Iranian economy about US\$26 billion in lost oil revenue in 2012, and shrunk Iran's Gross Domestic Product (GDP) considerably.

Having the Lausanne deal act as a medium towards Iran prospering economically, while checking its growth in nuclear capability, is win-win scenario for all concerned parties. The terms of the deal are stringent, and allow benefits for compliance, while addressing the concerns of the other parties.

First, by limiting the number of centrifuges that Iran can hold, the theoretical amount of uranium needed for a nuclear arsenal has been greatly reduced, while providing enough to generate electricity. Further, the quality of enriched uranium has also been limited to 3.67 per cent for 15 years, compared to 90 per cent required in weapons grade uranium. In addition, Iranian nuclear facilities will also be accessible to IAEA inspectors including hitherto restricted military bases like Parchin. The propensity for Iran to cheat can be thus minimised, and Iran can rebuild the trust it lost with the rest of the world.

Preventing a potential nuclear arms race

By offering Iran an olive branch and allowing it to pursue peaceful usage of nuclear power, while maintaining a transparent and thorough inspection regime, a nuclear arms race in the region can also be averted.

The Lausanne deal can reduce regional competition and suspicion, and improve overall interstate security in the Middle East by ensuring that the smoke and mirrors that obscure the Iranian nuclear programme are removed. The stark religious divisions that exist among states in the Middle East already make the region unpredictable; the secrecy surrounding sensitive issues like nuclear power and nuclear weaponry would further add to the distrust in the region. Iran's main regional rival, Saudi Arabia, has already hinted that it too will obtain nuclear weapons should Iran obtain them.

On the other hand, denying Iran the right to civilian nuclear power would also complicate the equation in the Middle East. Saudi Arabia and the United Arab Emirates have nuclear energy capabilities coming online in the next five years, albeit without nuclear fuel production capabilities, and this asymmetry in power calculations may drive Iran to pursue nuclear weapons capability regardless.

In an ideal situation, warm cooperation – like the non-nuclear weapon zone treaty proposed by Saudi Arabia – is the best solution to solve this situation, but given the animosity among the parties concerned, the chance for cooperation as a control mechanism is almost non-existent. Hence the Lausanne deal is strategically ideal because Iran can be closely monitored and the ambitions of states in the restive region can be assuaged.

Implications for Asia

The import of this deal does not apply only to Iran, but if successful, can also be way of ensuring that the NPT is not abused by states with nuclear ambitions. Iran has been often linked with the likes of North Korea when it comes to flouting in international norms, and the Lausanne deal could potentially change the willingness of rogue regimes to cooperate with the international community.

Experts have rightly pointed out that the circumstances of Iran and North Korea are vastly different, considering that Iran has stayed within the boundaries of the NPT, while North Korea has withdrawn from the treaty. Since President Rouhani came to power in 2013, Iran has been more conciliatory in its attitude, while North Korea has become more belligerent in its posturing on nuclear weapons in the same period, using its nuclear capabilities as a bargaining chip to force the United States back to the negotiating table.

Thus, the success of the Lausanne deal could signal a willingness of great powers to enter into rapprochement with regimes that are uncooperative with the international system, with the rewards of cooperation greater than the costs incurred with unsupervised nuclear proliferation. Further, the deal at Lausanne could also signal to North Korea that belligerent attitudes will be met with indifference;

denuclearisation should be a voluntary precondition to more talks, and not be just a product of the talks.

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