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Iran: What is the effect of more sanctions on domestic Iranian politics?

LSE Ideas

By Adel Al Toraifi

A diplomatic resolution to the Iranian nuclear programme is certainly the most desirable outcome. However, it seems that the chances for such a resolution are diminishing by time, to the extent that rumours of a possible US or Israeli air-strike on Iranian nuclear facilities has become a weekly routine in the current media for the past year. The debate over the issue has spanned now more than six years, three of them in which Iran has continued publicly to defy the UNSC Resolution 1696 ban on its uranium enrichment programme. A fourth round of sanctions proposed by members of the six nations has not even been agreed upon despite a year of negotiations. China and Russia have been stalling the approval of further sanctions due to their economic interests with Iran; nevertheless both states have demonstrated some pressure on Iran to comply with UNSC resolutions. Lately, the improvement of Russian-US relations has proven to be productive, as Russia refused to set a delivery date regarding its arms deal to sell the sophisticated S-300 anti-aircraft system to Iran.

Perhaps the biggest obstacle in the face of new sanctions is China. The Chinese government has continuously opposed any new sanction on Iran and its position could determine the fate of the proposed sanctions. China has pledged to retaliate for U.S. arms sales to Taiwan and warns Sino-U.S. ties will suffer further when President Barack Obama and the Dalai Lama meet – as expected – later this month. Nevertheless, U.S. officials and China experts believe Beijing – despite heated anti-U.S. rhetoric of recent days – will not stand in the way.

Now, the crucial question is not whether the six nations would manage to sanction Iran or not, but how important this step would be?

The current proposal, discussed in New York last month, would most likely target Iranian shipping companies that have violated the UN arms embargo. They would also likely bar nations and international lenders, such as the World Bank, from giving Iran any grants, loans or other financial aid, except for humanitarian or development purposes. Moreover, the sanctions would also target Iran's Revolutionary Guard Corps (IRGC). According to the Council on Foreign Relations' report titled Iran's Revolutionary Guards (June 2009), the IRGC has evolved into one of the country's most influential domestic institutions. It controls strategic industries, commercial services and black-market enterprises.

Proponents of the current sanctions proposal say that they simply need to be stronger, but a tougher sanctions regime has a number of problems. First, it will take yet more time to adopt any new measures and, with each passing day, Iran's program advances. Many experts already believe Iran can now build a bomb and the point of no return has passed. Second, sanctions have already been in place for decades and have not stopped Iran's progress. The current sanctions have proven ineffective because a number of countries have undermined them, with recent talks between Iranian and Brazilian officials on a Biofuel project as a clear example.

Perhaps the most significant problem with the idea of sanctions is that, as Mitchell Bard recently noted, "it gives the impression of action without really achieving anything." This is true, despite UN, US and EU sanctions over the years, the Iranian regime has not changed course. New sanctions would mostly target the ordinary population more than it will harm the Ayatollahs. These measures tend to undermine the fact that half of the Iranian economy and civil services are owned or run directly by the same people and institutions it wants to punish. The fallout of the 2009 elections has proven to be an important force for positive change the country, and the policy of "wait and see" by the West, though passive, has denied the conservatives in Iran from using one of the most effective tools in the hand of the regime, blaming the West.

Any meddling in the current situation could easily swing the pendulum to the other side. The international community should demonstrate its will for halting proliferation of nuclear programmes; nevertheless, imposing more sanctions at this stage might aid those whom were responsible of violating the NPT treaty in the first place.

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Sanctioning Iran, what for?

By Gregorio Bettiza

The question often asked about America implementing further sanctions on Iran, is whether these sanctions will work. But this is the wrong question. The issue is not whether sanctions themselves will succeed or not in curbing Iran's nuclear ambitions, in fact they will not. The real issue is, what will the Obama administration decide to use sanctions for.

If sanctions are simply intended to pressure Iran into abandoning its nuclear program, these will be futile.

Iran has proven resistant to multiple previous rounds. Indeed, financial and trade restrictions so far have not stopped Iran from enriching uranium or building secret nuclear facilities. If instead sanctions are intended to weaken the Iranian regime and strengthen the opposition, in the hope for a more favourable deal, this is wishful thinking. In fact, sanctions are likely to empower the regime, not undermine it. In most other cases (i.e. Cuba, Iraq, North Korea, Myanmar, Sudan) they have done exactly that, entrenching governing elites while these pass on the costs to the population.

Since sanctions alone will not work, Obama could consider using them as a symbolic gesture of last resort before military action would be seriously taken into consideration. Accompanied by the threat of intervention, sanctions may gain some traction. Indeed, like most regimes, the Iranian one is keen on ensuring its survival. After witnessing the neighbouring Taliban and Iraqi governments toppled, Tehran may yield to the threat of force. Yet, how credible is this threat in the first place? Very low. And both the Americans and Iranians know this. Setting aside the difficulties of bombing all hidden and underground nuclear facilities, the political, military and economic costs of a war would be astronomic.

The only way in which sanctions may succeed, and this is far from guaranteed, is if they are used to build a common antiproliferation coalition among all major powers, particularly the US, Russia and China. If great powers demonstrated a strong commitment to curbing nuclear proliferation worldwide by credibly reinvigorating the Nuclear Non-Proliferation Treaty, only then real international pressure would be exerted on Tehran. While this seems to be the most viable option, it would need a stroke of diplomatic genius from the Obama administration to make it happen.

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