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## **Chapter 1 Country Overview**

## **Country Overview**

IRAN

Known as Persia until 1935, Iran was one of the greatest empires of the ancient world. Iran became a unique Islamic republic in 1979, when the monarchy was overthrown and religious clerics assumed political control under supreme leader Ayatollah Khomeini. Since then, Iran has experienced an eight-year (1980-1988) war with Iraq, internal political struggles and unrest, economic disorder, and severe human rights violations. Ayatollah Khomeini died in 1989, and Ayatollah Ali Khamenei was appointed for life as the supreme leader.

Since 1979, Iran has been led by conservatives who have kept reformers at bay. The elections of June 2005 dealt a blow to the reformists when Mahmoud Ahmadinejad, Tehran's ultraconservative mayor, became president. Ahmadinejad's controversial re-election in June 2009 further widened the rift between conservatives and reformists. However, there were high hopes that the political climate might be shifting in Iran in 2013 with the election of the reformist President Hassan Rouhani.

Meanwhile, Iran remained subject to United States, United Nations, and European Union economic sanctions and export controls because of its continued involvement in terrorism and its nuclear weapons ambitions.\* The United Nations Security Council has passed a number of resolutions calling for Iran to suspend its uranium enrichment and reprocessing activities.

Iran has an abundance of energy resources. It is OPEC's second largest oil producer and holds about 10 percent of the world's proven oil reserves. It also has the world's second largest natural gas reserves (after Russia). However, heavy government control, corruption and inefficiency have weighed down the economy.

\*Editor's Note on Iranian Nuclear Negotiations --

The international community has been focused on aggressive multilateral negotiations between Iran and the P5+1 countries of the United States, the United Kingdom, France, Germany, Russia, and China, aimed at arriving at a landmark nuclear deal. At issue was the goal of arriving at an accord that would regulate Iran's nuclear program, its stockpile of enriched uranium, and curtail Iran's ability to develop a nuclear bomb. For Iran, the objectives were twofold. First, Iran hoped to prove that its nuclear development was for peaceful purposes and not aimed at weaponization, as charged by the West. Second, Iran was keen to end a painful international sanctions regime that has badly damaged Iran's economy.

Going back to January 2014, an interim Iranian nuclear deal went into force. Under the terms of that interim agreement, Iran began the process of diluting its stockpile of uranium enriched to 20 percent, with all such uranium expected to be eliminated within a six-month period. There were also provisions for inspections at the Arak heavy water reactor and the Fordo uranium enrichment site close to Qom. While the interim deal constituted only a first step in the diplomatic track, it was certainly a significant step in that process aimed at establishing an enduring accord. Indeed, it represented a sea change in Iran's relationship with the United States, which was actively evolving from one marked by hostility to one of engagement. Now, with a final nuclear deal at stake, it was to be seen if that engagement would be ultimately deemed productive.

At the end of March 2015, the P5+1 multilateral talks with Iran were set to end, with all eyes on a framework for a long-term agreement. But the negotiations were mired by various sticking points, prompting the parties to extend the negotiating process.

Finally, on April 2, 2015, after marathon talks in Switzerland, the P5+1 countries and Iran announced that the hard work of negotiations and diplomacy had yielded results, and that a framework agreement on Iran's nuclear program had been reached. The agreement presaged a long-term deal, which would have to be made by the final "hard" deadline on June 30, 2015. The prevailing question continued to dominate: Can a final accord on Iran's nuclear program be forged? The answer to that question remained the same at the time of writing: It was yet to be determined if the nuclear negotiations would actually end in a viable and enduring deal; however, the successful framework agreement reached on April 2, 2015, marked a massive breakthrough in the realm of international diplomacy for the purpose of global security.

Political resistance from hardliners in the United States Congress and from Iran itself could upend the deal. Nevertheless, new rounds of nuclear negotiations commenced later in the spring of 2015 with an eye on forging a sustainable final accord.

## Key Data

| Key Data    |  |
|-------------|--|
| Region:     | Middle East  |
| Population: | 81824272   |
| Climate:    | Mostly arid and semi-arid; subtropical along the Caspian Sea                                       |
| Languages:  | Persian and Persian dialects<br>Turkic languages<br>Kurdish<br>Luri<br>Balock<br>Arabic<br>Turkish |
| Currency:   | 10 Iranian rials = 1 toman   |
| Holiday:    | Islamic Republic Day is 1 April (1979), No Ruz (Iran's New Year) is 21<br>March                    |
| Area Total: | 1648000  |
| Area Land:  | 1636000  |
| Coast Line: | 2440   |

### Iran

### Country Map



### Middle East

## Regional Map



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# Chapter 2 Political Overview

## **History**

Archeological findings have placed knowledge of Iranian prehistory at middle Paleolithic times. The earliest sedentary cultures date from 14,000 to 18,000 years ago.

By the sixth millennium before the common era, or B.C.E, a fairly sophisticated agricultural society and proto-urban population had emerged. As a part of the third wave of migration from Europe, Aryan tribes traveled across the Caspian Sea and settled the area of Iran around 1500 B.C.E. After centuries of inhabitation and peaceful co-mingling with the indigenous population, two major civilizations emerged out of these peoples, the Persian and the Medes.

By the sixth century B.C.E., the two ancient civilizations were united under Cyrus the Great. Cyrus subverted neighboring kingdoms of Babylonia, Palestine, Syria and Asia Minor and consolidated all the territories into the great Persian Empire.

The following dynasty that ensued was called the Achaemenian Dynasty, in deference to Cyrus' respect for his ancestors. The ancient name of the actual territory remained as Persia until 1935 when it was officially changed to Iran.

In 521 B.C.E., dominion of the Persian Empire shifted to Darius, who came to be known as "King of Kings." Under Darius I, the Achaemenian Dynasty developed a sophisticated social system and infrastructure within the empire.

Darius' son, Xerxes, fought against the Greeks-the only people in the region that the Persians did not subjugate. Xerxes managed to capture the city of Athens, but the Greeks were able to resist the Persians, and eventually, under the leadership of Alexander the Great of Macedon, the Greeks defeated the Persians.

Greek influence in Persia was intense during the following Hellenistic period, especially from 330 to 275 B.C.E. For his part, Alexander had great respect for the Persians and even married the daughter of a Persian nobleman. The resulting cultural integration gave rise to the Seleucid Dynasty, most famous for its fascinating artistic contributions. By around 250 B.C.E., however, the Seleucids gave way to the Parthians.

The Parthians were originally a nomadic people with a feudal style of government. Over time, they came to respect the culture of the people they had conquered, and as such, they allowed the Greco-Persian languages, culture and system of administration to prevail. The Parthian dynasty lasted from about 250 B.C.E. to approximately 226 in the common era, or C.E., when they were toppled by one of their own vassals, Ardeshir Parsa, a Sassanian.

At that time, the Roman Empire was burgeoning, and had control of neighboring areas, such as Mesopotamia and Armenia. The Sassanians, under Ardeshir Parsa, began to encroach onto these neighboring enclaves of Roman dominion. This ultimately resulted in f our centuries of intermittent warfare between the Roman Empire and the Sassanians of Persia. Nevertheless, the Sassanian Dynasty prevailed until the early 600s C.E.

At that time, the Sassanians in Persia were exhausted by battles with the Romans, and easily succumbed to Bedouin Arab-Muslim invaders from the west. In addition, the Romans were themselves affected by the Arab-Muslim assault and lost two vitally important territories, Syria and Egypt.

By the end of the seventh century, Persia was fully conquered by the Arabs, the religion of Islam was disseminated among the populace, and the concomitant culture and social ideology of Islam became firmly established in Persian life. As well, Persian society was highly influenced by Arab art, literature and sciences, in much the same way that Greek culture had been assimilated centuries earlier.

A series of dynasties followed from the eighth c entury through the tenth century, including Omayyads, Abbasids, Mazyars and Samanians.

In 945 C.E. Mahmud, a Muslim Turk from Ghazna, ousted the Samanians and paved the way for Turkish rule. The Seljuk Turks, originating in the Altai Mountains of Central Asia, were very similar to the Persians, having shared Aryan ethnic and linguistic roots. As such, Turkish influence melded easily into Persia's evolving civilization.

In 1220 C.E. the history of Persia took a violent turn. The Mongols, under the conqueror Genghis Khan, had successfully vanquished vast territories stretching from Europe well into eastern Asia. Although Mongol-ruled territory bordered the Persian kingdom of Kharazmshahi, Genghis Khan had not extended his imperial powers into Persian jurisdiction, out of respect for the Persian culture. Instead, he attempted to establish a trading relationship with the Kharazmshahi sultan, and sent emissaries armed with magnificent gifts to negotiate a trading treaty. Presumably driven by greed, a Kharazmshahi officer killed the Mongol emissaries and plundered the gifts. The officer's action propelled an intensive plan of violence and warfare by the Mongols. Not satisfied with simply attacking Kharazmshahi, the Mongols ravaged most of the Persian territories and kingdoms. Genghis Khan, the Mongol leader, died in 1227 C.E. without completing the entire massacre of

Persia.

In the late 14th century, a Tartar called Tamerlane, launched a second surge of attacks and consummated the efforts of the deceased Mongol leader. Tamerlane, a Sunni Muslim, was spurred by his own contempt for Shiites, whom he viewed as heretics.

Tamerlane was succeeded by his son, Shahrokh, who had a deep appreciation for the Persian language and culture. Consequently, the Persian civilization was able to flourish under Tartar rule, and gave rise to a Persian renaissance that lasted for over two centuries.

From 1502 to 1736, the 'Golden Age' of Persia prevailed under the Safavid Dynasty, with art, culture, science and other developments of the civilization reaching new heights. The most prominent figure of the period was Shah Abbas.

In 1722, the Safavid capital was raided by an Afghani warlord called Mahmoud, and most of the dynastic princes were killed. Persia fell into a state of chaos, paving the way for Russian occupation under Peter the Great.

Meanwhile, a surviving Safavid prince, Tahmasb, emerged and successfully subdued the external powers, reuniting Persia once again. He was ousted from power by a member of his regiment, Nadir Shah, who then proclaimed himself as the ruler of Persia in 1736.

In 1750, Karim Khan founded the Zand dynasty. Preferring to be called "Vakil ol Roaya" (representative of t he people) rather than "Shah" (King or Sultan), Karim Khan is remembered as the best-loved ruler in Persia's history.

Some decades later, however, he was overthrown by the rapacious regime of Agha Mohammad. Under Agha Mohammad, the Qajar Dynasty was established, and its army attacked Russia, then under the rule of Catherine the Great. The dynasty eroded when Agha Mohammad was assassinated by one of his own entourage in 1797.

Persia was then occupied by various European powers. These occupations were largely due to Persia's strategic location on the Persian Gulf (which was also called the Arabian Gulf), as well as the discovery of oil. In 1906, it was divided into two spheres of influence under Russian and British command.

In 1921, however, Reza Khan, an officer of the Persian Cossack Brigade, seized control of the government. In 1925, Reza Khan declared himself shah, ruling as Reza Sh ah Pahlavi for almost 16 years and installing the new Pahlavi Dynasty.

Under his reign, Persia's name was officially changed to Iran, and the country began to modernize

and secularize politics, and the central government reasserted its authority over the tribes and provinces. In September 1941, following the Allies' occupation of western Iran in World War II, Reza Shah was forced to abdicate. His son, Mohammad Reza Pahlavi, became Shah of Iran and ruled until 1979.

Meanwhile, during World War II, Iran was a vital link in the Allied supply line for lend-lease supplies to the Soviet Union. After the war, Soviet troops stationed in northwestern Iran not only refused to withdraw but backed revolts that established short-lived, pro-Soviet separatist regimes in the northern regions of Azerbaijan and Kurdistan. These ended in 1946. The Azerbaijan revolt crumbled after United States (U.S.) and United Nations (U.N.) pressure forced a Soviet withdrawal, and Iranian forces suppressed the Kurdish revolt.

In 1951, Premier Mohammed Mossadeq forced the parliament to nationalize the British-owned oil industry. Although a British blockade led to a virtual collapse of the oil industry and serious internal economic troubles, Mossadeq continued his nationalization policies. The Shah and the Prime Minister remained at odds over other political issues as well, and a political fight ousted Mossadeq briefly out of power in 1952.

The administration of United States (U.S.) President Truman had initially been sympathetic to Iran's nationalist aspirations, but under the Eisenhower administration the U.S. came to accept the view of the British government that no reasonable compromise with Mossadeq was possible, and that he even was making probable a communist-inspired takeover. The Cold War atmosphere and the fear of Soviet influence in Iran also shaped U.S. po licy. The Eisenhower administration approved a British proposal for a joint Anglo-American operation to overthrow Mossadeq. On August 19, 1953, pro-shah army units and street crowds defeated Mossadeq's forces. The shah returned to the country, and Mossadeq was sentenced to three years' imprisonment for trying to overthrow the monarchy.

In 1954, Iran allowed an international consortium of British, American, French and Dutch oil companies to operate in Iran. By joining the Baghdad Pact, Iran established closer relations to the West, and received large amounts of military and economic aid from the U.S. until the late 1960s.

In 1961, Iran initiated a series of Western-style economic, social, and administrative reforms that became known as the Shah's White Revolution. The core of this program was land reform. Modernization and economic growth proceeded at an unprecedented rate, fueled by Iran's vast petroleum reserves-the th ird largest in the world.

In 1978, domestic turmoil swept the country as a result of religious and political opposition to the Shah's rule and programs, especially the hated internal security and intelligence service. In January 1979, the Shah was exiled from Iran; he died abroad several years after.

On Feb. 1, 1979, a religious leader, Ayatollah Ruhollah Khomeini, returned from France to direct a revolution that resulted in a new, theocratic republic guided by Islamic principles. Back in Iran after 15 years in exile, Khomeini remained Iran's national religious and political leader until his death in 1989.

In 1989, just after the Ayatollah's death, Ali Akbar Rafsanjani, was elected president. During his administration, Rafsanjani strengthened the bond between mosque and state, thought to be synonymous in Iran. He also brought Iran more onto the world stage, both economically and politica lly. Rafsanjani was eventually re-elected to a second and final term in 1993.

During his second term, Rafsanjani lost some public support due to his economic policies. These policies caused food shortages and a reduction in public services. In turn, there were riots and demonstrations throughout the country.

In 1997, Ali Mohammad Khatami was elected president of Iran. President Khatami emphasized the need for domestic stability and the need to repair the national economy. There were efforts under way to improve the petroleum industry and make Iranian oil more marketable. Conflicting conservative and moderate factions have continued to grapple over the effects of such policies on the country's future.

Supporters of Khatami's reform policy dominated the new Iranian parliament formed after the February 2000 elections, while conservative hard-liners continued to control the judiciary branch as well as the military and government media.

The struggle between would-be reformers and fundamentalist hard-liners took a turn in the direction away from reform and moderation with the election of Mahmoud Ahmadinejad in 2005.

Meanwhile, from 1980 to 1989, Iran and its neighbor Iraq were embroiled in a cross-border war. The war began with an attack on various territories in Iran by Iraq, and escalated when Iran began to regain its lost territories and infiltrate Iraq. The conflict ended on July 18, 1988, when Iran complied with United Nation Resolution 598 in which the original sovereign territories were restored.

Note on History: In certain entries, open source content from the State Department Background Notes and Country Guides have been used. A full listing of sources is available in the Bibliography.

## **Political Conditions**

#### From the 1979 Revolution to 2002

The 1979 Islamic revolution and the war with <u>Iraq</u> transformed Iran's class structure politically, socially and economically. In general Iranian society remained divided into urban, market-town, village and tribal groups. "Mullahs" (clerics) tended to dominate politics and nearly all aspects of Iranian life.

After the fall of the Pahlavi regime in 1979, much of the urban upper class of prominent merchants, industrialists and professionals, favored by the former Shah, lost standing and influence to the senior clergy and their supporters. Alternately, bazaar merchants, who were allied with the clergy against the Pahlavi Shah, gained political and economic power in the aftermath of the revolution. The urban working class enjoyed somewhat enhanced status and economic mobility, spurred, in part, by opportunities provided by revolutionary organizations and the government bureaucracy.

The early days of the regime were characterized by political turmoil. These included the seizure of the <u>United States</u> (U.S.) embassy compound and its occupants on Nov. 4, 1979, by Iranian militants. By mid-1982, a succession of power struggles first eliminated the center of the political spectrum, followed quickly by the leftists, leaving only the clergy. There was some moderation of excesses both internally and internationally, although <u>Iran</u> remained a significant sponsor of terrorism. Internally, political struggles and unrest, as well as economic disorder, continued to prevail.

In addition to a turbulent political environment, economic growth and development was hindered by unemployment, population growth, the economic burden caused by the costly war with <u>Iraq</u>, in addition to shortages of raw materials and trained managers. Farmers and peasants received a psychological boost from the attention given to them by the Islamic regime, but were not better off in economic terms. The government made progress on rural development, including electrification and road building, but did not make a commitment to land redistribution.

The Islamic Republican Party, or IRP, was Iran's dominant political party until its dissolution in 1987. The Iranian government has been opposed by a few armed political groups, including the "Mojahedin-e-Khalq" (People's Mojahedin of Iran), the People's Fedayeen, and the Kurdish Democratic Party.

Since 1987, <u>Iran</u> has gone through some very dramatic political changes. The religious hierarchy still has great control over both domestic and foreign policy. Since the death of the Ayatollah Khomeini on June 3, 1989, however, the government has formed a coalition of sorts between the different factions of Islam. The "Majlis-e Khobregan" (Council of Experts) chose the outgoing president of the republic, Ali Hoseini-Khomeini, to be Khomeini's successor as the national

religious leader, in what pro ved to be a smooth transition. Ayatollah Khomeini has been considered a hard-liner.

Ali Akbar Hashemi-Rafsanjani, speaker of the Islamic Consultative Assembly, was elected president with an overwhelming majority; he took office on Aug. 3, 1989. Four years later, Rafsanjani was re-elected with a more modest majority of about 63 percent of the votes cast. Some Western observers attributed the reduced voter turnout to disenchantment with the deteriorating economy. Over the course of Rafsanjani's tenure, Iran returned to the hard-line domestic policy it had been moving away from since the death of the Ayatollah Khomeini. Rafsanjani's administration was seen as a coalition balanced very carefully between "conservatives," "reformers," and "technocrats."

In February 1994, an attempt was made on the life of President Rafsanjani. It was later discovered that the self-proclaimed "Free Officers of the Revolutionary Guards" had committed the attack. In April 199 5, civil unrest and riots in a suburb of Teheran occurred. The demonstrators protested against economic reforms instituted by the government that had caused a shortage of consumer goods during the previous twelve months.

The 1996 legislative elections (held on March 8 and April 19) produced a parliament where the conservative Combatant Clergy Association (or Society of Combatant Clergy) gathered 110 seats and a slight majority over the more moderate Servants of Iran's Construction, which won 96 seats. The outcome suggested a high degree of factionalism in Iranian politics.

In 1997, Rafsanjani was appointed Chairman of the "Shura-ye Tashkhis-e Maslahat-e Nezam" (Committee to Determine the Expediency of the Islamic Order, or Council for Expediency) for another five-year term, ensuring that, although he could not run for president, he would still be involved in political life.

Presidential elections were held on May 23, 1997. A young and discontent electorate voted overwhelmingly for the reform-minded candidate, Sayed Ali Mohammad Khatami-Ardakani, who was sworn into office on Aug. 3, 1997. Another major figure in Iranian politics, Nateq Nouri, was re-elected speaker of the parliament in June of that same year.

The moderate, reformist President Khatami emphasized his commitment to sustained and balanced advancement in political, cultural, and educational spheres. His administration was geared toward economic development, while trying to manage the conservative and fundamentalist elements of the various governmental bodies. Iranian politics have been marked by an increasing struggle for control over the future direction of Iranian domestic and foreign policy. President Khatami's attempts to implement some political reforms on the domestic front and to open diplomatic channels with former "enemies of the Islamic Revolution" were met with fierce resistance by the hard-line conservatives, especia lly fundamentalist religious leaders. In particular, Khatami's reforms were frequently at odds with the policy preferences of the supreme religious leader,

### Ayatollah Ali Khomeini.

Khatami's reform program suffered many setbacks. In 1998, for example, Khatami's Interior Minister, Abdullah Nouri, was impeached by the conservative-dominated parliament. In April 1999, Zan, a reformist newspaper with an emphasis on women's rights, was banned. Later that month, Mohsen Kadivar, a reformist cleric and Khatami supporter, received an 18-month prison sentence for alleged defamation of the Islamic authorities. He had criticized the Ayatollah Khomeini's regime. Also in April, another Khatami supporter, former Tehran mayor Gholamhossein Karbaschi, received a two-year prison sentence for alleged corruption. Despite a petition signed by 130 out of the 270 members of the Islamic Consultative Assembly (parliament) requesting a pardon from the Ayatollah Khomeini, Karbaschi wa s imprisoned in early May. Karbaschi maintains that he is innocent and is the victim of political rivals' desire to get rid of him.

The struggle between reformers and hard-liners was manifested and materialized violently with the student revolt and subsequent mass counter-demonstrations in July 1999. The July 7 parliament debate on new legislation to severely curtail freedom of the press provided the impetus for the protests and ensuing violence. On July 8, students in Tehran gathered to protest the closing of the reformist newspaper Salam, and to demand that freedom of the press be maintained and even expanded.

In response to the students' demonstrations, police forces and alleged conservative, anti-reform vigilantes attacked a Tehran University dormitory on July 9, killing an estimated five students in the process. By the next day, the student rebellion had spread to other cities in <u>Iran</u>, and the minister of education and the university chance llor had tendered their resignations.

Despite a July 12 government prohibition of demonstrations, the protests continued, becoming increasingly violent on the 12th and 13th. Some students rioted, demanding that the government act against the police responsible for the attack on the dormitory and that security forces be placed under the authority of President Khatami and his minister of the interior. Khatami's government later did dismiss the police officers responsible for initiating the attack on the student dormitory.

On July 14, hundreds of thousands of Iranians took to the streets to protest the students' actions and the ongoing violence. Conservative members of parliament and the Ayatollah Khomeini encouraged these counter-demonstrations. While President Khatami had initially condemned the police and vigilantes' actions against the students, he was later compelled to speak out against the violence, calling on the students to end their rioting. Pre sident Khatami had always advocated a peaceful and legal reform program; the rioting and subsequent public backlash against the student movement provided hard-line elements with a prime opportunity to denounce his reforms. Senior members of the Revolutionary Guard went so far as to publicly blame the president and his reforms for the riots. Later, General Rahim Safavi, the head of the Revolutionary Guards, stated that the security forces still supported Khatami. Although authorities claimed to have released most of the 1,400 demonstrators arrested in the July 1999 demonstrations, student leaders insisted that many were still being held; tortured; and coerced to sign confessions. Students and journalists continued to demand that newspapers that had been shut down be allowed to resume publishing and that security forces be punished for their actions against students. They also reiterated their demand for police forces to be placed under the authority of President Khat ami's government.

President Khatami also experienced some successes. Reformist candidates swept the March 1999 Tehran municipal elections, in the first local elections to be held throughout <u>Iran</u>. Ardent Khatami supporters, namely members of the <u>Iran</u> Islamic Participation Front, won 13 of the 15 Tehran city council positions. Abdullah Nouri, Khatami's former minister of the interior, won one of the seats. The pro-Khatami councilors were able to take their seats, despite hard-liners' pre- and post-election attempts to disqualify them. In addition to this electoral success, Dr. Ataollah Mohajarani, Khatami's Minister of Islamic Culture and Guidance, escaped impeachment and removal from office in May 1999, appearing before the parliament and successfully defending his actions as minister. Nevertheless, powerful conservatives continued criticizing the reformist minister, and Mohajarani was forced to resign in April 2000. President Khatami accepted his resignation in December.

Most importantly, the February 2000 legislative elections revealed that President Khatami's reform policies are widely supported by the Iranian people. In a surprisingly open and competitive election campaign, pro-Khatami candidates dominated the elections, and won a large majority of the 290 Majlis seats. Election fraud and violations were reported, and several electoral areas held a second round.

At the center of the ongoing political events is the struggle between the reformers and opposition politicians on one side and the security apparatuses and the judiciary on the other. In August 2000, participants in a conference organized by Iran's largest pro-reform student group, Office to Foster Unity, were attacked by the Basij (voluntary Islamic militia) and the elite Islamic Revolution Guards Corps, which are under direct control of the supreme leader Ayatollah Ali Khomeini. Over the course of several days, scores of people were inju red, a policeman killed, and the governor-general of the Lorestan province attacked.

A move to clamp down on an increasingly critical media was launched by conservative forces in the spring of 2000. Since then, more than 80 pro-reform newspapers have been closed down, and dozens of journalists and political activists jailed. Top investigative journalist Akbar Ganji was convicted to 10 years in jail, and five years in exile, for participating in an international conference in Germany. Prior to the conference Ganji had written a series of articles implicating senior hard-liners in the killing of opposition activists and writers. Reform-supporters accused the judiciary of violating legal rights by jailing writers and activists in favor of reforms merely on political grounds. In the longer term, reformers feared that the judiciary's behavior could undermine the legitimacy of the Islamic state.

In January 2001, three Iranian intelligence officers were sen tenced to death, and 12 more to prison in connection with the killings of four opposition politicians and writers in late 1998. The case has furthered the divide between reformers and hard-liners. Reformers believed the killings were part of a campaign to silence dissidents, and claimed that more than 80 murders and "disappearances" occurred over the last 10 years. Moderates and liberals accusef the hard-line judiciary of covering up and ignoring links to high-ranking clerics and other intelligence officials. Deputy Intelligence Minister Said Emami, the most senior government member arrested in connection with the murders, allegedly committed suicide while in jail.

The forming feature of Iranian politics was to be found in the power-play between the reformdominated parliament, the hard-line judiciary and the Guardian Council. On two occasions, in June 2000 and January 2001, around 150 members of parliament signed letters to the head of the judiciary, Ayatollah Ma hmoud Hashemi Shahroudi, protesting the closing of newspapers and the convictions of opposition activists and reform writers to harsh prison sentences. The parliament also passed several bills which were rejected as "un-Islamic" by the conservative Council of Guardians. The bills concerned increased press-freedoms; the right of unmarried Iranian women to study abroad; and the rise of the legal marriage age from nine to 15 for girls, and from 15 to 18 for boys. If a bill is overruled twice, the issue is referred to the State Expediency Council, or SEC, which arbitrates in disputes between the Majlis and the Guardian Council. The SEC is headed by former President Rafsanjani, who is close to the conservatives.

The Iranian people gave President Khatami a strong mandate for continued reforms in the June 8, 2001, presidential election. Khatami won 76.9 percent of the votes in an election that included no real challengers. The overwhelming vote for Khatami, even larger than the 70 percent he won four years ago, is a clear message that the Iranian people want reforms.

Despite solid support, Khatami faced immense challenges. The conservatives continued to control powerful non-elected positions, and continued to make President Khatami's reform-fight an uphill battle. The state-dominated economy was suffering from recession and high unemployment. High oil-prices had so far postponed the need for acute reforms, but Khatami was under pressure to deliver results in his second term. The Iranian people, and in particular the youth cohort born during the Iran-Iraq war who now amounted to a quarter of the population, were impatient. The vast majority of Iranians now wanted more than reformist rhetoric; they wanted economic, political and cultural reforms to materialize.

Economically, Khatami remained trapped between the divergent economic views of his allies. The ones on the left wanted social justice and equitable distribution of income, while the ones to his right were calling fpr a more free-marked styled economic policy. Economic reform had so far been marred by clerical politics and poor management. If the economic situation did not improve soon, Khatami's supporters were expected to lose patience. Much responsibility was on the regime, but oil prices could make or break the Iranian economy in the shorter term.

Socially, the cost of mismanagement were all too apparent. Divorce rates had reached almost Western levels; an estimated two million people were now addicted to drugs, and the educated middle-class was leaving the country at a rate of 200,000 per year. Culturally, the Internet and satellite dishes were bringing the global environment into homes on a larger scale. Iranian theatre, music and film has been blossoming, and several Iranian filmmakers have received worldwide success with their innovative and exciting films.

In the meantime, joblessness and frustra tion created an explosive atmosphere in Iranian society. On Nov. 1, 2001, hooliganism mixed with social and political protest occurred when young Iranians took to the streets in Iran's major cities after <u>Iran</u> lost a soccer match it was widely expected to win. The crowds drew violent retaliation from police and security agents. The vast demographic bulge has created considerable economic, political and cultural challenges for the regimes. While political discourse among the older opposition remained riddled with revolutionary rhetoric, opposition from younger generations was far more intolerable as they tend not to blame the imperialist world for Iran's domestic problems.

Human rights organizations continued to report severe human rights violations, such as torture, murder, jailing without charge or trial. In particular, freedom of expression has been severely restricted, and journalists, editors and intellectuals have been frequently harassed and jaile d. Both Amnesty International and the United Nations Commission for <u>Human Rights</u> were denied access to <u>Iran</u>. The United Nations <u>Human Rights</u> Committee passed a referendum asking <u>Iran</u> to stop its human rights abuses that include execution of minors, amputation and public floggings.

In an uncharacteristic move by the Iranian parliament in November 2001, 175 MPs signed a petition stating that torture and other such mental or physical abuses against prisoners was unconstitutional. They also called for the establishment of a council to monitor the treatment of prisoners. In May 2002, parliament passed a bill that outlawed torture to gain information by detainees. However, the following month, the Guardian Council rejected the bill over articles it considered unconstitutional. If the reformist parliament refuses to change the bill to appease the Guardian Council's criticism, the bill will then be sent to the Expediency Council for approval.

The new cabinet appointed and approved by the parliament in August 2001 disappointed most of the reform-minded. Five new members were brought in, but none of them were radical reformers. While some reform sympathizers were demoralized by the conservative backlash, President Khatami was hoping to avoid tiresome confrontations by building a wider alliance that included moderate conservatives.

In fact, political clashes between reformers and hard-liners drew criticism for President Khatami -largely for his silence regarding pressing political matters. In November 2001, the Guardian Council prevented the parliament from making amendments to election laws when he charged that any amendments are unconstitutional. The proposed parliamentary amendments were aimed at curtailing the power of the Guardian Council over the electoral process in light of the Council's rejection of some 60 reform-minded candidates from a provincial by-election. The parliament, frustrated by b eing consistently blocked by the GC, called for a referendum on democracy to meet the demands of the people before the 2003 legislative elections. President Khatami kept silent during the ordeal, leaving many disappointed that he did not come to the direct aid of his parliament.

Another political crisis occurred at the end of 2001; this time over parliamentary immunity and legislator's freedom of speech. In December 2001, the Guardian Council arrested MPs Hossein Loqmanian, Mohammad Dadffar and Fatemeh Haqiqatjou for making critical and derogatory statements about the GC during parliamentary sessions. Loqmanian was sentenced to ten months in prison and more than 60 other MPs were prosecuted for similar offenses. Outraged MPs argued that legislators were guaranteed immunity by the constitution in making such statements while parliament is in session. While hard-liners had previously cracked down on reformist intellectuals, students and journalists, the blatant assa ult on parliamentary members was seen as a clear indication that hardliners were now waging a serious war on lawmakers, making a sort of political coup against elected reformist.

On Jan. 15, 2002, The Speaker of the parliament, along with several other MPs, staged a walkout as a protest the verdict against Loqmanian. Hours later Ayatollah Ali Khomeini pardoned Loqmanian. This crisis represented a small victory for the parliamentary over the hardliners, yet it came at the price of a virtual shutdown of democratic government while illustrating the GC's disregard for constitutional rights of those officials elected by the people.

It was becoming increasingly clear that the people were dissatisfied with the present state of affairs in the Iranian government. On May 5 and 8, 2002, President Khatami, in a move analysts believed was to re-assert his commitment to reform, and to take the pressure off the besieged reformist camp, harshly chastized conservati ves and hard-liners for blocking the path to reform. He also threatened to resign if the hard-liners continued to the block changes desired by the people of Iran. On May 16, the cleric, Ayatollah Ebrahim Amini, the head of the conservative Assembly of Experts, warned that Iranian society was "on the verge of explosion." He stated, "The duty of the rulers is not fasting or preying all the time, but to listen to the people, to fulfill their demands, offer them better life, prosperity and work."

On the foreign policy level, President Khatami continued a policy of gradual normalization to the West, and made ground-breaking official visits to France, Italy and Germany in 2000. Relations with the <u>United States</u> had been slowly improving, despite the United States' concern for Iransupported terrorism. In August 2000, Iranian and American legislators met in New York discussing issues of mutual concern and ways to reduce hostilities. In part due to Iran's staunch pro-Palestin ian stand in the Israel-Palestinian conflict, the Iran Libya Sanctions Act, or ILSA, was prolonged with another five years by the <u>United States</u> Congress on June 20, 2001. The political aftermath of the terrorist attacks on the <u>United States</u> on Sept. 11, 2001, helped define Iran's role in the international community. While the Iranian regime surprisingly strongly condemned the attacks, <u>Iran</u> called for a United Nations-led solution, and opposed the bombing campaign on neighboring <u>Afghanistan</u>.

Despite the slow-moving attempts at improving relations between the <u>United States</u> and <u>Iran</u>, <u>United States</u> President George Bush's State of the Union address in early 2002 brought all diplomatic relations to a halt when the president branded <u>Iran</u>, along with <u>Iraq</u> and North Korea, as countries forming an "Axis of Evil." The Bush administration alleged <u>Iran</u> actively seeks out weapons of mass destruction and supports terrorist organizations. <u>Iran</u> immediately denou nced Bush's statement, called the <u>United States</u> "the Greatest Evil," and warned its citizens that it should prepare for an American military offensive.

### **Complex Geopolitics**

In September 2002, <u>Iran</u> informed the International Atomic Energy Agency (IAEA) that it planned to develop a nuclear power program. According to the Iranians, the program was intended to include the entire nuclear cycle. At the time of the announcement, little attention was given to the matter by the mainstream media. Then, in February of 2003, Iran's President Mohammad Khatami announced that the country had its own deposits of uranium and, as such, <u>Iran</u> had begun extraction to produce nuclear fuel. President Khatami noted that uranium was being mined in the Savand region, while processing facilities had been constructed in the cities of Isfahan and Kashan. As well, two other facilities at Natanz and Arak were also confirmed as being nuclear plants.

Iran insisted that the plants and facilities had been developed for nuclear power production. Indeed, President Khatami explained that Iran nuclear program would be developed in accordance with the Nuclear Non-Proliferation Treaty, and he also expressed the desire to cooperate with the IAEA. In this regard, Iran said that it would welcome inspections by Mohamed El Baradei, the head of the IAEA, who was already scheduled to visit Iran in late February of 2003. When the matter of Iran's burgeoning nuclear program gained some traction in the media in early 2003, the officials at the IAEA stated that Iran's nuclear developments were not a surprise and expressed little alarm about Iran's announcements.

Nevertheless, El Baradei emphasized the importance of Iran's signature on the IAEA's additional protocol, which would be necessary to diffuse any misgivings regarding Iran's nuclear ambitions. The additional protocol, which was formulated in 1991, would all ow United Nations inspectors to have liberal and unscheduled access to nuclear sites and facilities. Thus far, there are 28 signatories to the original protocol. The <u>United States</u> is not one such signatory, although it has expressed the intent to adopt its own modified version. For its part, <u>Iran</u> has not agreed to the idea of impromptu inspections, although Iranian officials said that they were willing to discuss the issue in more detail.

By March 2003, Time magazine reported that Iran's nuclear program was more thoroughly advanced than had previously been understood. In particular, Iran's uranium enrichment facilities were deemed to be considerably more established, to the extent that they may well have been in violation of the Nuclear Non-Proliferation Treaty. Specifically, a uranium enrichment facility was reported to house hundreds of gas centrifuges, which can produce enriched uranium right away. As well, various parts used in the development of thousands o f other gas centrifuges were being prepared for mass production. The <u>United States</u> expressed outrage over these discoveries. Various American politicos observed that the restarted nuclear program in North Korea, as well as the emerging nuclear program in <u>Iran</u>, suggest that the "axis of evil" exposed by <u>United States</u> President George W. Bush in January 2002, may have been a self-fulfilling prophesy of sorts.

The issue of Iran's nuclear program garnered attention in June 2003, when the International Atomic Energy Agency (IAEA) delivered a report on the nature of Iran's burgeoning nuclear program. Washington hoped that the IAEA would declare Iran to be in violation of the Nuclear Non-Proliferation Treaty. Against this backdrop, <u>Russia</u> said that it would continue to assist Iran in developing the country's first nuclear reactor, despite objections from the <u>United States</u>. <u>Russia</u>, however, noted that it would not provide such assistance unless Iran signed an additional prot ocol to the Nuclear Non-Proliferation Treaty, which would provide for intensive nuclear inspections.

For its part, <u>Iran</u> refused to sign the additional protocol. Officials in Tehran said that no new treaties would be entered until international sanctions, and specifically, the ban on nuclear technology, were dropped. This caveat notwithstanding, the Iranian government said that it would continue to maintain an optimistic perspective regarding the idea of an additional nuclear non-proliferation protocol. Regardless, the <u>United States</u> rejected Iran's suggestion that it would agree to the proposed inspections and protocol on the condition that the ban on nuclear technology would first have to be lifted. Likewise, the IAEA urged Iran's unconditional concurrence on the additional non-proliferation protocol.

Indeed, the head of the IAEA, Mohammed El Baradei, stated that <u>Iran</u> had not reported some of its nuclear activities. These claims were denied by the Ira nian government in Tehran. The Iranian government also asserted the view that questions regarding the country's nuclear program had become politicized. Nevertheless, the issue of Iran's nuclear program emerged at the forefront of the international agenda when an IAEA report on the matter was leaked to the public. The report stated that (1) <u>Iran</u> had failed to account for certain nuclear materials; (2) <u>Iran</u> had failed to provide specific documentation related to imported nuclear materials; (3) <u>Iran</u> had failed to report subsequent processing and use of nuclear materials; and (4) <u>Iran</u> had failed to declare facilities where nuclear materials were stored and processed. This catalogue of revelations was referred to as "a matter of concern" for the IAEA.

Meanwhile, as the war in <u>Iraq</u> ensued in early 2003, neighboring countries were affected. <u>Iran</u> was faced with internal conflict as hard-line and orthodox Islamic factions of the government in Tehran placed pressure on the reformists for failing to more strongly condemn the military action against

Iraq. As missiles from both Iraqi and coalition forces hit Iranian soil, the reformist Foreign Minister Kamal Kharrazi attempted to retain stability by observing that such occurrences were natural consequences of war. His words were directed toward the more radical elements of the government, and they were intended to establish a sense of calm among Iranians. They were also a subtle message to Washington denoting Iran's reticence about any entangled conflict with the <u>United States</u>. Iran has been particularly sensitive about such an outcome, having been dubbed one-third of George Bush's "axis of evil" (as mentioned above).

The divisions between hard-line and reformist camps were most evident in the two diametrically opposed positions they took to the Iraq situation. While some reformers quietly offered support for and cooperation with the United States' plan to disarm Iraq, hard-liners have called for suicide bombings and other terrorist attacks against United States' interests. The official position of Iran has been one of opposition to a war in Iraq. The lack of street protests in the streets of Tehran were likely to have been associated with the general dislike Iranians feel for Saddam Hussein after suffering for many brutal years of war with Iraq. Yet at the same time, a great deal of anti-American sentiment in Iran has prevailed, and it could easily have been harnessed if more missiles were to fall -- accidentally or not -- in Iranian territory. The reformists aligned with President Mohamad Khatami were anxious to prevent such an outcome. Compounding matters was the desire by Shiite Muslims in Iran to have greater influence in post-war Iraq, which has its own Shi'a population to deal.

Despite Iran's attempts to maintain a low profile, the <u>United States</u> accused <u>Iran</u> of supporting armed groups inside <u>Iraq</u> and specifically warned the Iran-base d Badr Brigade Shiite group of Iraqi exiles in <u>Iran</u> to refrain from any activity that might be viewed as hostile. Although the Iranian Foreign Ministry dismissed the warnings, the <u>United States</u> Defense Secretary harshly warned of consequences, thus raising the specter of an attack against <u>Iran</u> at some later date. The threat raised concern that, like <u>Syria</u>, <u>Iran</u> might potentially face military action in the aftermath of the war against <u>Iraq</u>. Statements denying such a possibility by the <u>United States</u> Secretary of State did not fully dispel fears of such an outcome.

In May 2003, with the reconstruction efforts in <u>Iraq</u> starting, the <u>United States</u> was concerned that groups from neighboring <u>Iran</u> might be interfering with the process, while <u>Iran</u> itself might be providing a safe haven for Islamic militants. Whether or not these fears were justified, the <u>United States</u> speculated that Iranian factions might have been working to advance the establishment of an Islamic theocrac y in a post-war <u>Iraq</u>. In this regard, <u>United States</u> Defense Secretary Donald Rumsfeld stated in a Wall Street Journal article that "those whose objective is to remake <u>Iraq</u> in Iran's image will not be accepted or permitted."

The rising tensions between the <u>United States</u> and <u>Iran</u>, however, was not limited to the issue of <u>Iraq</u>. Washington linked the suicide bombing in Riyadh (Saudi Arabia) to Tehran and resultantly, backdoor bilateral dialogue was severed. For its part, <u>Iran</u> denied being a safe haven for terrorists

and it reminded the <u>United States</u> that approximately 500 al-Qaida suspects and operatives in <u>Iran</u> had been arrested. With pressure intensifying, however, Tehran warned Washington not to interfere in Iran's affairs. A spokesman for the Iranian Foreign Minister cautioned that <u>Iran</u> had always defended itself and its interests and would not hesitate to do so again, if threatened.

Also in May 2003, Iranian President Mohammed Khatami traveled to Le banon for the first official visit by an Iranian head of state since the Islamic revolution in 1979. At the airport, Khatami was met by the Lebanese President Emile Lahoud, Prime Minister Rafik Hariri, several Cabinet members, as well as the deputy head of Hezbollah, Sheik Naim Kassem. Khatami's presence was also greeted with throngs of enthusiastic Shi'a supporters in the streets of Beirut. In addition to signing a loan agreement valued at about \$50 million, Khatami also discussed the role of Hezbollah with the Lebanese leadership. Although Hezbollah operates in Lebanon, its activities have often in the past been funded by Iran. Lebanon, Iran, and also Syria, were thusly pressured by the United States to withdraw their support of Hezbollah.

On the domestic political front, in March 2003, Iranian President Mohammad Khatami stormed out of a meeting to protest a decision by hard-liners in the government to double funding for the Guardians' Council. The council ensures that legislation falls in line with Islamic law and the development was a blow to Khatami's reformist agenda. Specifically, it took funding away from Khatami's economic reform program, but symbolically, it represented the internal power struggle between conservative hard-liners and reformers in the Iranian government.

In June 2003, the International Atomic Energy Agency (IAEA) urged Iran to accept stringent nuclear inspections, which would fall under the jurisdiction of an additional protocol to the Nuclear Non-Proliferation Treaty (NPT). Iran, however, announced it would not agree to intensify inspections of its nuclear program saying that such measures would be considered -- if and when -- the ban on access to nuclear technology was lifted. Iran also maintained the position that its nuclear program did not include ambitions of nuclear weapons development. Nevertheless, Iran said it would invite the head of the IAEA, Mohammed El Baradei, for a visit, which w ould be intended to clarify outstanding "technical problems" regarding Iran's nuclear program. The government in Tehran did not specify what those "technical problems" might be.

Various members of the international community urged <u>Iran</u> to accept both inspections as well as the additional protocol. These members of the international community include the <u>United States</u>, which is adamantly against the development of an Iranian nuclear program, as well as <u>Russia</u>, which earlier offered to assist <u>Iran</u> in nuclear development for power generation purposes. The <u>United Kingdom</u> also urged <u>Iran</u> to allow tougher inspections at its nuclear facilities, warning that the issue might affect Iran's relations with the European Union (EU). Throughout, <u>Iran</u> has said that it would expect some sort of reciprocation for its efforts. For its part, however, the <u>United States</u> rejected Iran's suggestion that it would agree to the proposed inspections and protocol on the condition that the ban on nuclear technology would first have to be lifted. Likewise, the IAEA urged Iran's unconditional concurrence on the additional non-proliferation protocol.

The IAEA also issued a report stating that (1) Iran had failed to account for certain nuclear materials; (2) Iran had failed to provide specific documentation related to imported nuclear materials; (3) Iran had failed to report subsequent processing and use of nuclear materials; and (4) Iran had failed to declare facilities where nuclear materials were stored and processed. This catalogue was referred to as "a matter of concern" for the IAEA. Indeed, Iran's nuclear program includes the construction of a nuclear plant where centrifuges are developed. Centrifuges can be used to produce enriched uranium, which is itself the principal material used in the creation of nuclear weaponry.

In July 2003, <u>Iran</u> completed a test of a long-range surface to surface Shahab-3 ballistic missile. The missile is based on the North Korean Nodong-1 missile, however, it has developed further using Russian technology. Military analysts say that the missile had a range of 800 miles and that it could potentially reach <u>Israel</u>. Tehran has not been supportive of the Jewish state of <u>Israel</u> and has been accused of supporting militant Islamic extremists. Regardless, Tehran has said that its missiles are to be used only as deterrents.

By September 2003, the <u>United States</u> declared that <u>Iran</u> had clearly violated its United Nations nuclear safeguards obligations. However, the <u>United States</u> did say it was willing "to give <u>Iran</u> a last chance to stop its evasions." <u>Iran</u> continued to deny its uranium enrichment activities were part of an illegal weapons program.

A few weeks later, the head of Iran's atomic energy program, Gholamreza Aghazadeh, said that he intended to participate in discussions with the IAEA about the country's nuclear program. The discussions were to focus on the possibility of Iran signing a new protocol (mentioned above). Earlier, Iran's orthodox governmental factions appeared on the verge of ending cooperation with the IAEA. Indeed, Iran had threatened to review its relationship with the IAEA after an Oct. 31, 2003, deadline was imposed by which verification would be made about a possible nuclear weapons program. Thus, Aghazadeh quelled the fears of many in the international community when he said that the government of Iran remained committed to meeting its responsibilities in regard to the existing treaty.

In October 2003, following negotiations with the IAEA, and talks with the foreign ministers of the United Kingdom, France and Germany, Iran agreed to temporarily halt its enrichment of uranium. Iran also agreed to sign an additional protocol to the Nuclear Non-Proliferation Treaty, which would provide for spontaneous inspections of nuclear facilities in Iran. Both measures were aimed at assuring the IAEA and th e international community that Iran was not pursuing a nuclear weapons program. In return, European foreign ministers agreed to recognize Iran's right to "the peaceful use of nuclear energy." Still, since it agreed to these two measures, Iran did not immediately end its enrichment of uranium. The Iranian Foreign Ministry said that it was exploring how it might halt the nuclear fuel cycle. Iranian President Khatami has said that Iran wished to resolve the matter, so long as its right to nuclear technology was not compromised.

Iran was facing an Oct. 31, 2003 (noted above), deadline to demonstrate to the IAEA that it does not have nuclear weapons ambitions. On Nov. 20, 2003, the IAEA reviewed Iranian compliance with its demands. Ultimately, Iran said it would suspend its uranium enrinchment program and allow tougher United Nations inspections of its nuclear facilities. However, by February 2004, the <u>United States</u> said it was considering action over what it alleged was Iran's continued pursuit of nuclear weapons. The announcement came after United Nations inspectors reportedly found undeclared nuclear technology in Iran.

As 2003 drew to an end, the future of <u>Iran</u> depended largely on the success or failure of the ruling elite in delivering tangible economic, social and political benefits to the ordinary Iranians, as well as their immediate constituencies. If state policies gained legitimacy and consolidated their position in society at large, political reform -- and even a development toward democracy based on Islam -- could have a chance to develop.

Tragedy struck the country late in the year. On Dec. 26, 2003, Iran's southern city of Bam -- about 620 miles (1,000 kilometers) southeast of Tehran -- suffered a devastating earthquake. The earthquake had a magnitude of at least 6.3, according to local sources, although the <u>United States</u> Geological Survey measured it somewhat higher at 6.7. Iranian officials estimated the death toll to be around 40,000.

More than 200,000 people inhabited Bam and its surrounding areas. Within Bam, most of the structures that were destroyed made of either mud brick or ordinary bricks, which collapsed and left no protected spaces within which people might survive. The outlying villages of Bam were completely destroyed. Complicating matters was the increasing threat of disease. Several correspondents on the ground in <u>Iran</u> reported the "stench of death" in the air, and observed that the failure to clear corpses from the rubble could result deleteriously for survivors.

Bam is home to the ruins of a historic citadel -- a 2,000-year-old architectural feature surrounded by a medieval city. It was listed on UNESCO's list of World Heritage Sites.

Approximately 400 foreign experts from 16 different countries were reported to be involved in the rescue efforts. Technologic ally advanced sound equipment as well as sniffer dogs (despite the view of dogs as unclean in Islamic culture), were being used. Those efforts notwithstanding, the Iranian media variously reported that the rescue efforts had been hampered by the government's poor coordination, which included insufficient bulldozers, excavators and other such equipment. The local media also faulted the government for its lack of preventive measures in a country that has been repeatedly affected by earthquakes.

For its part, the Iranian government rejected help from Israeli non-governmental organizations. Nevertheless, in contrast with a similar situation following an earthquake several years ago, <u>Iran</u> did not reject all international aid. Despite the Bush administration's decision to include <u>Iran</u> in its "axis

of evil" in 2002 (as noted above), two <u>United States</u> aircraft carrying food and aid landed in the city of Kerman -- the first touchdown of <u>United States</u> airc raft on Iranian soil for about a decade.

In mid-February 2004, the country was facing another crisis. This time over the disqualification of thousands of reformist candidates from the February 20 elections. The Council of Guardians had announced a list of more than 5,400 candidates who were approved to run for election around the country. More than 2,300 candidates -- four times as many as in the last election -- were disqualified, including many of the most well-known figures in the reform movement. Also disqualified was Mohammad Reza Khatami, the president's brother, who was in charge of the largest reform faction and served as deputy speaker of the outgoing parliament. He had won more votes than any other candidate in the 2000 general elections.

Many candidates were declared not eligible due to an alleged indifference to Islam and to the constitution. Others were accused of questioning the supreme leader's powers. ; In the end, a total of 4,737 candidates were vying for 289 seats.

At the time, it was believed that the elections could bring about instability and a minority, rightwing government that might be rejected internationally and reverse much of the progress President Khatami had made in regards to external relations. Indeed, analysts were predicting a win for the religious conservatives without the mass participation of pro-reform voters. A government survey indicated that turnout would likely be around 30 percent countrywide, but falling as low as 10 percent in large cities.

Although steady voting was reported, voting turnout was expected to drop dramatically from the 67.2 percent seen in 2000 as voters expressed disappointment over the recent political rift and the failure of reformists to carry out their earlier pledges. The <u>United States</u> said the elections were neither free nor fair. Meanwhile, supreme leader Ayatollah Ali Khomeini urged voters to go to the polls, charging that the country's "enemies" wanted it boycotted.

As expected, on the eve of the election, some of the country's most famous intellectuals and journalists called for a boycott. Unable to penetrate the mainstream media, liberals sent boycott e-mails and mobile phone messages to millions of people. One such message reportedly read, "Don't take part in the funeral of freedom." Whether or not the reformist boycott succeeded or not remained to be seen at the time of writing.

Not surprisingly, once all the ballots were counted, it was announced that Iran's hardliners, conservatives and other right-leaning candidates gained control of almost all the major seats despite the record low turnout of eligible voters. Only 50.57 percent of the electorate participated -- a portion 17 percent lower than the last parliamentary elections in 2000. The result was that the new parliament would be composed of a mix of hardliners, conservatives and right-leaning independents leaving President Mohammed Khatami, whose term is due to end in June 2005, an isolated reformist holding public office in Iran.

Although Iranian leaders could claim that the turnout of the electorate was higher than that of certain Western democracies, it could not so easily ignore the significantly low turnout in urban centers, such as the capital city of Tehran, where participation was around 28 percent of the electorate.

By mid-2004, even as global attention was focused on the situation in Iraq, questions about Iran's nuclear potential ran rampant. TheInternational Atomic Energy Agency (IAEA), led by chief nuclear inspector Mohamed ElBaradei, criticized Iran for its lack of cooperation in its determination of whether or not Iran was attempting to develop nuclear weaponry. Indeed, ElBaradei said it remained unknown as to how extensive Iran's nuclear program might be, and h ow developed its centrifuge building plans were. He also noted that it was unknown as to whether or not Iran had declared all of its enrichment activities, used in the development of nuclear weapons. At issue was the lingering question of traces of weapons-grade uranium uncovered in Iran. While ElBaradei cautioned there was no evidence sustaining allegations by the United States of an Iranian nuclear program, he warned that Iran had not been adequately cooperative and called for greater transparency and responsive engagement.

Meanwhile, the <u>United Kingdom</u>, <u>France</u> and <u>Germany</u> promulgated a draft resolution at the United Nations condemning Iran's conduct on this matter. Debate was to commence in Vienna on this draft resolution. Central to the document was a call for <u>Iran</u> to halt aspects of its nuclear program.

For its part, Tehran denied all claims of a nuclear weapons programs and told the IAEA that it should stop its investigation. At the same time, the Iranian Foreign Minister Kamal Kharrazi said that Iran must be recognized internationally as a nuclear nation whose nuclear ambitions are aimed only at electric power generation. Parliamentarians in Iran also warned that they would retaliate if either the IAEA or the international community exerted too much pressure on the issue.

Around the same time as the criticism from the IAEA arose, according to Iran's Revolutionary Guards, three navy vessels from the <u>United Kingdom</u> entered Iranian territorial waters located close to the Iraqi border without permission. The Iranian Foreign Ministry in Tehran said the vessels were seized and that eight of the sailors on board were arrested. For its part, the United Kingdom's Ministry of Defense in London confirmed it had lost contact with three patrol vessels in the area but it did not confirm the identities of the persons arrested by the Iranian authorities.&nb sp; Reports suggested that diplomats from the <u>United Kingdom</u> were in contact with Iranian officials in the hopes of resolving the matter. Bilateral relations between London and Tehran have remained strained over human rights, nuclear proliferation as well as policies regarding the Middle East.

In September 2004, the IAEA again expressed concerns over uranium enrichment, a possible precursor to manufacture of nuclear weapons, and passed a resolution calling for <u>Iran</u> to stop this

activity. The speaker of Iran's parliament, Ali Haddad Adel, rejected the calls, saying Iran would make an independent decision on uranium enrichment suspension. Nonetheless, Iran did leave a door open for compromise with the IAEA when it said that any further suspension of enrichment activities was a matter for negotiations, although it could not be achieved via resolutions. The IAEA then set a meeting date of November 25 to review the Iranian nuclear program. This secured for Iran some time to answer any outstanding questions and avoid possible United Nations sanctions.

One problem that remained to be addressed was the question of the degree of advancement of the Iranian nuclear program. Iran's top nuclear negotiator, Hassan Rohani, said <u>Iran</u> was producing uranium hexaflouride gas out of yellow cake uranium at one facility, and had reached the last stage of uranium enrichment at another.

In November 2004, <u>Iran</u> agreed to suspend much of its uranium enrichment activities by a deadline of Nov. 22, 2004. This development came on the heels of meetings with the European Union. Talks between <u>Iran</u> and the European body have been ongoing as regards trade concessions and nuclear power. The International Atomic Energy Agency (IAEA) said that while this was a positive development, it could not say whether or not there were undeclared nuclear materials at stake. Moreover, a halt on nuclear related activities did not necessarily constitute a complete halt. Indeed, the head of the IAEA, Mohammed ElBaradei, said in early 2005 that the full picture regarding Iran's nuclear activities and facilities remained unknown.

A week after <u>United States</u> President George W. Bush warned he would not rule out military action against <u>Iran</u> in early 2005, Iran's Supreme Leader Seyed Ali Khanenei responded in a disparaging tone. The Iranian leader referred to the United States' threats as "nonsense" in response to various comments by members of the Bush administration that <u>Iran</u> should be viewed as a threat to the world because of its attempt to develop nuclear weapons. For its part, <u>Iran</u> said that it would defend itself against American aggression and militarism, even as it continued to engage in talks with the European Union regarding its nuclear program. <u>Iran</u> said that its nuclear program is for peaceful means and is intended only as a deterrent against enemy states in the region.

In February 2005, even as newly-appointed <u>United States</u> Secretary of State Condoleezza Rice applied harsh words toward Iran's nuclear development, Iranian officials continued to defend its right to develop nuclear power for peaceful -- and if necessary -- defensive purposes.

In a related development, talks between <u>United States</u> representatives and Iranian representatives on Iran's nuclear program were marked by cultural gaffes, which included a dinner menu of items inconsistent with traditional Islamic practice. The unfortunate circumstances did not bode well for the already dismal state of bilateral relations between the two countries.

Meanwhile, the nuclear issue also took center stage as <u>Iran</u> and <u>Russia</u> signed an agreement by which Moscow would supply fuel for Iran's new nuclear reactor in Bushehr. Under the terms of the agreement, <u>Iran</u> must return spent nuclear fuel rods from the reactor, which had been designed

and built by <u>Russia</u>. This condition was implemented in response to growing anxiety by the <u>United</u> <u>States</u>, <u>Israel</u> and others about Iran's nuclear ambitions. The deal was significant because it was intended to allay the fears of the international community, while at the same time, ensuring that Iran's first reactor was brought on stream. This latter consideration was a key consideration as the nuclear project had increasingly represented a symbol of national pride in the face of <u>United States</u> opposition.

In the backdrop of this development was a meeting in <u>Slovakia</u> between Russian President Vladimir Putin and <u>United States</u> President George W. Bush in which both countries agreed that <u>Iran</u> should not develop nuclear weapons. <u>Russia</u>, however, refused to acquiesce to <u>United States</u> pressure to completely halt cooperation with <u>Iran</u> on nuclear power.

In June 2005, six bombs exploded in <u>Iran</u>, collectively killing several individuals and injuring scores of people only days ahead of the presidential election. Four of the blasts targeted government buildings in the south-western city of Ahwaz, close to the <u>Iraq</u> border. This area suffered from unrest between Arabs and Persians a few months earlier in April 2005. A fifth bomb exploded near the Imam Hussein mosque in the capital city of Tehran, killing two people. At the Vali Asr square in central Tehran, a sixth explosion went off. Another three bombs were defused before they could detonate.

There have been few bombings in Iran since the war with Iraq ended in 1988. Although no group actually claimed responsibility for the sudden violence, Iran's main security decision-making entity, the Supreme National Security Council, suggested that the attacks might have been carried out by separatist Arabs. A spokesperson for the council also intimated that separatist Arabs might have been helped by an armed opposition group base d in Iraq called the People's Mujahideen. For its part, however, the People's Mujahideen denied any involvement in the attacks. The spokesperson also mentioned possible involvement by the remnants of the Ba'ath Party, as well as American and British interests. No actual evidence pertaining to these claims was, however, offered.

### **Elections of 2005**

The first round of presidential elections were held in <u>Iran</u> on June 17, 2005, to determine the new president and successor to outgoing President Mohammad Khatami, who was constitutionally barred from seeking a third term. Despite criticism from the <u>United States</u> government about the political process in <u>Iran</u>, and despite the fact that dissidents called for a boycott to protest the prohibition of female candidates and key reformists, turnout was nonetheless reported to be quite high. Indeed, voting had to be extended three times, ending about four hours later than scheduled, in order to accommodate voters. As such, de spite the ostensible limitations of Iran's political system, the high level of participation among the electorate provided an air of much-needed legitimacy to a system in which all political candidates had to be approved by the clerical authorities, known as the Guardian Council. In <u>Iran</u>, the council is charged with the task of

evaluating candidates on the basis of their support for the Islamic system of government and moral values.

While there was no clear winner predicted, and even as experts predicted it would be the closest election since the Islamic revolution in 1979, polls leading up to the election suggested that former President Akbar Hashemi Rafsanjani was commanding the greatest amount of support. Still, with competition between both reformist and conservative factions, it was conceivable that if one candidate did not manage to garner more than 50 percent and an absolute majority, a second round of elections might have to be scheduled.

Rafsanjani was competing within a field of several presidential candidates. Up to 1,000 other possible presidential contenders had been earlier rejected by the Guardian Council. Among the hard-liner conservatives within the approved field of candidates were the following: the former police chief, Mohammad Baqer Qalibaf; the mayor of Tehran, Mahmoud Ahmadinejad; and the former head of state-run media, Ali Larijani. Among the reformists within the approved field of candidates were the following: Iran's former parliamentary speaker, Mehdi Karrubi; Former Education Minister Mostafa Moin and leading activist, Mostafa Moin; and Vice-President for Sports Mohsen Mehralizadeh.

Regarded now as a pragmatist and a centrist who enjoyed good relations with the country's clerical authorities, Rafsanjani took on a more progressive message for the duration of his campaign. He called for improved relations with the West and also addressed the country's economic challenges. Both issues were of paramount importance to younger voters who made up a substantial portion of the electorate.

The political candidates knew that victory was not possible without capturing a lion's share of this particular demographic group. But young voters were somewhat frustrated with the Iranian landscape. Up to a quarter of the youth population has been faced with unemployment and they have become increasingly aware that only through greater integration with the global system will more growth -- and jobs -- emerge. Meanwhile, their exposure to the West through satellite television and the Internet has meant that they have come to view things through a different cultural prism than their parents' generation. As such, they want to see better ties with the West, even as they begin to take on more of a Western lifestyle (if only in a clandestine manner). They anticipated the promised reforms of Khatami with enthusiasm, but were disappointed when he was unable to deliver on them because of the pressure from the hard-liners and clerical authorities. After all, the ultimate authority in Iran has resided not with the president but with the unelected supreme leader, the Ayatollah Ali Khomeini.

Following the first round of the election, the two main candidates who garnered the strongest support were former President Akbar Hashemi Rafsanjani and Tehran Mayor Mahmoud Ahmadinejad. The fact that Ahmadinejad had garnered the second largest portion of the vote share was regarded as surprising, especially since early election returns suggested that a reformist candidate was coming in second to Rafsanjani. Mostafa Moin and other candidates alleged that the election had been rife with fraud and vote-rigging. The public outcry led to the government call for a recount of ballots in four cities, including Tehran. The allegation of fraud notwithstanding, for the first time, <u>Iran</u> would go through a second round -- or run-off election -- between the two top vote-getting candidates on June 24, 2005.

As voters headed toward the run-off date, they were faced once again with an ideological choice between conservatism and reform. Conservative factions were encouraged to strongly support Ahmadinejad. In fact, Islamic paramilitary forces were reported to have been instructed to vote for him. In response, the Islamic Revolution Mujahideen Organization and the Islamic Iran Participation Front -- both known as being reformist organizations -- issued statements opposing military involvement in the political process. Meanwhile, reformist leaders urged supporters to throw their weight of support behind Rafsanjani. Whether or not he was their candidate of choice in the first round, the priority was to prevent a victory by the conservative hard-liner, Ahmadinejad. Even defeated reformist, Mostafa Moin, urged the country's progressive factions to unite to defeat Ahmadinejad. For his part, Rafsanjani called on Iranians to support him against the "extremist" in the run-off. His also referenced the charges of fraud, noting that they had "tarnished" the election.

On the ground in Iran, there was general feeling of shock among those with reformist inclinations. Even among moderate conservatives, there was a sense of uneasiness surrounding Ahmadinejad's surprising showing in the first round of the election. Many Iranians were anxious because a victory for a hard-liner like Ahmadinejad could very well herald a reversal of some of the changes and social freedoms, which had been gained in recent years. Several progressive reformists said in interviews that although Rafsanjani did not represent their philosophies, they felt compelled to vote for him in the second round, given the predilections of his opponent. Still, Ahmadinejad's considerable appeal resided in his populist message, which called for a system in which all people could benefit economically, in keeping with many of the principles of the revolution. In a country where there has been a divide between the "haves" and the "have-nots," his message appeared to have resonated with a sizable portion of the voters. His election success also illustrated the fact that while the discourse about Iran has often centered on its political theocracy and burgeoning nuclear program, on the ground, socio-economic issues, such as class, are important to many Iranians.

On June 24, 2005, when voters returned to the polls for the second round, turnout was very heavy. Many Iranians seemed very invested in the outcome and aware that their collective choices would chart the future course for the country. Once the votes were tallied, it appeared that Ahmadinejad had won a convincing victory with 62 percent in the run-off -- almost twice the amount of votes garnered by Rafsanjani. The outcome meant that conservative hard-liners now controlled all elected and unelected positions of Iranian government.

The winner, Mahmoud Ahmadinejad, was born in Garmsar (close to Tehran) in 1956. The son of a blacksmith, he also functioned as a revolutionary guard and was a supporter of the revolution in the late 1970s, which brought Ayatollah Khomeini to power. He was also alleged to have been involved with the American hostage crisis during that period. He went on to gain a doctorate in traffic and transport from Tehran's University of Science and Technology; he was a lecturer at that very institution before being appointed mayor of Tehran in 2003. As mayor, he cut back on many of the reforms instituted by the moderates who had earlier been in charge of the city. As well, he shut down a number of the Western-style fast-food restaurants, removed Western-style advertising, and mandated Islamic-style beards and traditional garb for males. Perhaps as a result of these philosophical differences, he was excluded from key policy setting meetings by President Khatami. When he entered the presidential election campaign, he was not very well known and expended no money on campaigning. Instead his candidacy was backed by the conservative clerical elite and mobilized in the country's mosques. His populism -- embodied in his charges against the wealthy, his campaign against corruption and his simple lifestyle -- captured the attention of significant factions of voters.

### **Post-election Politics and Global Implications**

In a statement presumably directed toward the <u>United States</u> and the West, the new president, Mahmoud Ahmadinejad, said that his victory was a blow to Iran's enemies. The new Iranian president also noted that his intent was to "build up an exemplary, developed and powerful Islamic society." With regard to concerns about the possible retraction of social reforms, he said, that freedom originated with God and that Iranians already enjoyed all conceived liberties.

For his part, defeated Iranian presidential candidate Akbar Hashemi Rafsanjani responded by accusing the authorities of dirty tricks and election fraud. His angry response was echoed by other reformist candidates and their associated factions; they accused Iran's Revolutionary Guards and Basij security services of orchestrating a plot to ensure a victory by Ahmadinejad. Indeed, officials from the Interior Ministry who were responsible for monitoring polling stations apparently received about 300 complaints of electoral violations in the capital city of Tehran alone. The Guardian Council, however, dismissed all such allegations.

Meanwhile, a spokesperson from the Iranian Foreign Ministry stated that the country would resume uranium enrichment, which had been suspended since late 2004, and it would pursue its nuclear program. The announcement, which had been issued before the actual election results were known, was a symbolic indicator that whomever was elected to be president, the actual policy agenda of the country would remain under the control of the clerical elite.

On Aug. 8, 2005, the United Nations nuclear agency, the International Atomic Energy Agency (IAEA) confirmed that <u>Iran</u> had resumed fuel cycle work at its uranium conversion facility, which is located near the city of Isfahan. Since 2004, such activity was suspended to provide the

appropriate climate for negotiations with the European Union (EU). However, on Aug. 6, 2005, Iran rejected proposals made by the EU for the purpose of halting its nuclear program. Iran went on to state that it remained interested in further negotiations with the EU, but that it reserved the right to develop its own nuclear power. Both the EU and the <u>United States</u> have said that a resumption of nuclear development activities of this sort could result with Iran being referred to the United Nations Security Council, from which economic sanctions could result. The IAEA was expected to meet on Aug. 9, 2005, to discuss the emerging situation. It was expected that the nuclear watchdog group would then submit a report to the United Nations Security Council. Indeed, the IAEA backed a United Nations resolution calling for a halt to Iran nuclear development program.

Meanwhile, <u>United States</u> President George W. Bush responded to news of the resumption of Iran's nuclear program by stating that he had not ruled out the option of using force against <u>Iran</u>. In an interview on Israeli television, Bush said that although he was working on a diplomatic solution, he was skeptical that one could be found. When asked about the possible use of force against <u>Iran</u>, Bush said, "all options are on the table." Although many people doubted the wisdom of the <u>United States</u> launching another military attack in the Middle East when it was already consumed with the situations in <u>Iraq and Afghanistan</u>, the American president seemed to use these cases to press home his point that military action was a viable possibility. Indeed, Bush said, "The use of force is the last option for any president. You know we have used force in the recent past to secure our country."

Throughout, <u>Iran</u> has insisted that its interest in developing a nuclear program has been for peaceful purposes only, in order to develop nuclear power. The <u>United States</u> has accused <u>Iran</u> of carrying out a clandestine program intended to ultimately develop nuclear weaponry.

In September 2005, the International Institute for Strategic Studies, a London-based think tank, assessed Iran's nuclear, chemical, biological and long-range missile activities and concluded that Iran was still years away from being able to develop nuclear weapons capability. The assessment also noted that a diplomatic confrontation was possible between the European Union and the United States on the issue. This was because the European body has been leading diplomatic talks with Iran, and this report could very well enforce the argument that a deliberative approach would be feasible, given the lack of nuclear development by Iran. The assessment also pointed to Iran's political restraint in the recent past, which has included shutting down its nuclear activities while ensconced in talks with the European Union. Finally, the assessment noted that Iran could well be attempting to avoid international reaction and recrimination, and as such, they may decide to develop their nuclear capabilities over a much longer time horizon.

Also in September 2005, following remarks by Iran's President Mahmoud Ahmadinejad that Iran had an inalienable right to produce nuclear energy, speculation abounded that the country would be referred by the United Nations watchdog atomic agency, the International Atomic Energy Agency (IAEA), to the United Nations Security Council. Such a referral could potentially result in

sanctions against <u>Iran</u>. Iran's leadership in Tehran warned that such a move could result in its decision to begin uranium enrichment, in addition to the uranium conversion process, which it had already resumed. Tehran has also noted that there is a double standard regarding the countries that have been allowed to become nuclear powers. This was a position likely to be appreciated by other members of the global community, and in spite of opposition from the West.

Hamid Reza Asefi, a spokesperson for the Iranian Foreign Ministry, noted that <u>Iran</u> did not seek to pursue nuclear enrichment activities in the near future, however, if the IAEA undertook radical measures, it would be forced to respond in a corresponding manner. The spokesperson also said that <u>Iran</u> was "deaf to the language of threats."

Later in September 2005, a resolution passed by the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), essentially paved the way for Iran to be referred to the United Nations Security Council. In response, Iran characterized the resolution as "illegal." In the voting of the resolution, a majority of countries voted against Iran. These countries included European countries, which had earlier been mediating an end to Iran's nuclear development, as well as India, a country which has usually enjoyed close bilateral ties with Iran. Russia and China opposed the motion and abstained from voting, and Venezuela voted against it. Iran's foreign ministry accused the <u>United States</u> of placing pressure on other countries to vote for the motion. Iranian officials in Tehran also maintained that its nuclear activities were not in violation of the Nuclear Non Proliferation Treaty and that if it was referred to the United Nations Security Council, it could well respond by starting a process of uranium enrichment, and it could also terminate IAEA inspections of its nuclear facilities and activities.

In October 2005, President Mahmoud Ahmadinejad attended a conference in Tehran titled "The World Without Zionism." There, in front of about 3,000 students, he asserted the view that Israel's establishment had been a move by the West against the Islamic world. But it was his statement that <u>Israel</u> be wiped off the map that evoked outcry and harsh criticism from many countries across the world. His actual words were, "As the Imam [Iran's late revolutionary leader Ayatollah Ruhollah Khomeini] said, <u>Israel</u> must be wiped off the map."

In response, the European Union, <u>Russia</u> and <u>Canada</u> expressed their condemnation. The <u>United</u> <u>States</u> said that the comment illustrated why there should be concern about Iran's nuclear program. For its part, <u>Israel</u> called for <u>Iran</u> to be expelled from the United Nations. The United Nations Security Council issued its own statement condemning President Mahmoud Ahmadinejad over his comments.

Iran then explained that its president's remarks were not a threat against <u>Israel</u> and not intended to express a potential attack on <u>Israel</u>. The Foreign Ministry of <u>Iran</u> also said that it respected the United Nations charter and that it was not threatening the use of force. Iranian officials also were quick to point out that as harsh as the rhetoric might have been, there was nothing particularly new

about the words uttered by the Iranian president since they were the slogan of the 1979 revolution. They also accused the international media of not presenting President Ahmadinejad's words in proper context.

The rapid response from <u>Iran</u> showed the country's desire to prevent alienation from the international community. The incident, in its own way, also managed to elicit something of an assertion from <u>Iran</u> that it would not attack <u>Israel</u> -- the first assertion of this kind ever.

In the first week of November 2005, Iran's chief nuclear negotiator and the Secretary of Iran's Supreme National Security Council, Ali Larijani, issued a letter to the United Kingdom, France and Germany, calling for the resumption of talks regarding its program of nuclear development. The letter welcomed constructive and logical negotiations. No official response from the United Kingdom, France and Germany was immediately forthcoming. Talks with the three European countries, known as the "EU3," had stalled in August 2005 when Iran resumed uranium conversion activities. Observers speculated that the overture from Iran had been sparked by the recent fallout from the intemperate remarks by President Ahmadinejad regarding Israel. The international outrage, manifest symbolically by the cancellation of talks by United Nations Secretary-General Kofi Annan, may have signaled a warning to Iran that such destructive rhetoric would not pave the way toward further integration with the international community.

### **Geopolitical Situation in 2006**

World powers commenced meetings in London in mid-January 2006 to discuss how to deal with Iran following its decision to resume nuclear development. The issue of Iran's nuclear development program escalated after Iran broke the seals on a nuclear facility, ending a two-year moratorium on nuclear research. The <u>United States</u> (U.S.), the <u>United Kingdom</u> (U.K.), <u>France</u>, <u>Russia</u>, <u>China</u> and <u>Germany</u> were set to consider the strategy pertaining to the escalating diplomatic impasse with <u>Iran</u>. On the table has been the question of whether or not to apply economic sanctions.

Earlier the U.K., <u>France</u> and <u>Germany</u> said that ongoing talks with <u>Iran</u> over its controversial nuclear development program had reached a "dead end" and called for an emergency meeting of the United Nations' (U.N.) nuclear watchdog group, the International Atomic Energy Agency (IAEA). Indeed, the three European countries began work drafting a resolution to submit to the IAEA that demanded that <u>Iran</u> to be referred to the U.N. Security Council, which has the power to enact economic sanctions. U.K. Foreign Secretary Jack Straw said that the responsibility resided with <u>Iran</u> to reassure the international community about its intentions. To this end he said, "The onus is on <u>Iran</u> to act to give the international community confidence that its nuclear program has exclusively peaceful purposes." He also warned that trust had been "sorely undermined by its [Iran's] history of concealment and deception."

While the U.S. was expected to strongly back such a resolution, there have been anxieties about whether or not <u>China</u> and <u>Russia</u> would support it. Russian President Vladimir Putin noted that compromise was still possible. He said that <u>Iran</u> had not rejected a Russian offer by which the enrichment of uranium would be provided by <u>Russia</u> for Iran's nuclear program. Such an arrangement would effectively prevent <u>Iran</u> from actually making nuclear weapons. Despite Russia's own interests in Iran's nuclear industry, however, Western diplomats have hinted that <u>Russia</u> would not ultimately stand in the way of sanctions. <u>Russia</u>, however, did not appear enthused about the prospects of moving quickly in the direction of sanctions. Russian Foreign Minister Sergei Lavrov said, "The question of sanctions against <u>Iran</u> puts the cart before the horse. Sanctions are in no way the best, or the only, way to solve the problem." For its part, <u>China</u> has presented more of a challenge and has continued to be reticent about the notion of sanctions, perhaps due to its own energy interests. Indeed, the Chinese Foreign Ministry issued a statement saying, "All relevant sides should remain restrained and stick to resolving the Iranian nuclear issue through negotiations."

By January 17, 2006, the U.K. appeared to have hardened its own stance, rejecting both Iran's offer to return to the negotiating table as well as the Russian compromise. Instead, the U.K., <u>France</u> and <u>Germany</u> said that they would ask for a meeting with the IAEA in early February 2006. After looking back on the past years of negotiations, these European countries concluded that the time had been spent by <u>Iran</u> on further development of its uranium enrichment capability, to the extent that traces of weapons-grade uranium had been found on centrifuges.

Meanwhile, the European Union Foreign Policy head, Javier Solana, was meeting with United Nations Secretary General Kofi Annan in New York to discuss the matter. As well, Mohammed ElBaradei, the head of the IAEA, was meeting with <u>United States</u> Under-Secretary of State Robert Joseph in Vienna regarding <u>Iran</u>. For his part, ElBaradei warned that his patience with <u>Iran</u> was running thin. After three years of intensive efforts, he remained unable to conclude whether or not Iran's nuclear program has been aimed purely at energy creation, as the Iranian government has claimed, rather than at the proliferation of nuclear weapons, as many in the West have feared.

Iran has steadfastly denied that it wishes to develop nuclear weaponry. Indeed, in a rare press conference in the capital city of Tehran in mid-January 2006, President Mahmoud Ahmadinejad even said that Iran did not need nuclear weapons. He went on to note that nuclear arsenals were needed by people who "want to solve everything through the use of force." Instead, he maintained the position that Iran had the right to develop nuclear technology.

It has been this issue -- of Iran's right to develop nuclear technology -- that requires a bit more attention. For Iran, and other countries whose sovereign roots have been growing stronger in the post-independence phase of national development, there is a need to assert selfhood and sovereignty on par with other countries in the global community. International actors and agencies seeking to constrain that "right" have thusly found themselves ensconced in escalating imbroglios, often infused with the spirit of identity politics. Why should the West have the right to nuclear

power when <u>Iran</u> cannot? Why should <u>India</u> and <u>Israel</u> be allowed to have nuclear programs while <u>Iran</u> does not? Certainly, there has been little public criticism in recent years of the nuclear programs of <u>Israel</u> and <u>India</u>. Still, neither <u>Israel</u> nor <u>India</u> has signed the Nuclear Non-Proliferation Treaty and, as such, neither country is bound by its provisions as <u>Iran</u> happens to be. Moreover, both <u>India</u> and <u>Israel</u> are functioning democracies with legacies of peaceful transitions of power. As such, they are deemed to be less threatening to global insecurity and instability in comparison with countries such as <u>Iran</u> and North Korea.

In his press conference, the Iranian president also accused some leaders of the West of having faulty logic on the nuclear issue. To this end he said, "Leaders who believe they can create peace for themselves by creating war for others are mistaken." He also noted that some leaders had "medieval mindsets" and wished to deprive Iran of valuable technology, without any evidence that his country had committed any wrongdoing. While this stance may resonate with others in the developing world who do not wish to be bullied by the West, support for Iran's position has been severely undercut by a series of rather intemperate remarks by President Ahmadinejad as regards Israel. Since coming to power, the Iranian leader has said that "Israel must be wiped off the map." He also appeared to question the truth of the Jewish holocaust saying, "They have created a myth today they call the massacre of Jews and they consider it a principle about God, religions and the prophets." Such rhetoric has been reminiscent of the late leader of the Islamic Revolution, Ayatollah Ruhollah Khomeini who said, "Every Muslim has a duty to prepare himself for battle against Israel." Even Iranian so-called reformists, such as Ali Akbar Hashemi Rafsanjani and Mohammad Khatami, have uttered anti-Israel rhetoric.

Following on the path of these words, some have concluded that ideological differences lie at the heart of the nuclear issue in Iran. They have argued that popular support for an independent Palestinian state has fueled the hard-line position of the Iranian government over the years, and has spurred the vitriol against Israel, and by extension, the West. Still, Iran has never actually gone to war with Israel. Moreover, in recent years, anti-Israel ranting has found little resonance among Iranian youth despite the regularity with which it occurs. Iranians today are concerned about democratic rights that have never been realized, the economy, and the problem of unemployment. These frustrations were manifest in the 2002 labor protests. Meanwhile, it has become increasingly common to hear Iranians say, "Forget Palestine, what about us?" Still, in a country that can hardly be regarded as a democracy, such dissonance is not likely to result in any policy shift from the Supreme Leader or the Guardian Council, which hold the real power in Iranian politics and society and whose positions are stultified. As a result, leaders have continued to regularly emit vituperative pieces on the evils of the state of Israel, while the Iranian citizens have increasingly ignored them.

The eroding connection between the people and the leaders of <u>Iran</u> notwithstanding, it is a common sense of Iranian identity -- of patriotism and national pride -- that unites people in their belief that <u>Iran</u> should have the right to nuclear research and development, without interference

from the West. Bolstered with popular backing for its nuclear plans, it is unlikely that Iran will be easily cowed into submission by international pressure. With Europe, led by the U.K., France and Germany, recommending action in the form of sanctions by the U.N. Security Council, the matter is sure to become increasingly complex. In anticipation of such a threat, Iran has warned that the imposition of economic sanctions would result in higher oil prices. Indeed, Iranian Economy Minister Davoud Danesh-Jafari said: "Any possible sanctions on Iran... could possibly, by disturbing Iran's political and economic situation, raise oil prices beyond levels the West expects." As a result, there was increasing anxiety about the possible repercussions on the global oil market.

With time running out in late January 2006, the European Union said that it would agree to meet with <u>Iran</u> a final time to try to resolve the impasse over Iran's nuclear program. Still, a spokesperson from the government of the U.K. said that Europe still held its position that the time had come for the U.N. Security Council to become involved. Such involvement would likely come in the form of economic sanctions.

During separate meetings in London, foreign ministers from Europe -- the U.K., France and Germany -- were also scheduled to meet with counterparts from the United States, Russia and China to discuss a coordinated response to the same matter. Again, Moscow and Beijing argued for more time to resolve the matter with Iran, however, neither of the two countries foreclosed the possibility of the IAEA referring Iran to the U.N. Security Council in anticipation of possible economic sanctions. There was still some hope that the Russian compromise (discussed above) might come in to play. Whether or not the Russian compromise was actually advanced, however, U.K. Foreign Secretary Jack Straw noted that a resolution would have to offer Iran to come out of the negotiations with its national dignity in tact. To this end he said, "We must have a bargain which enables both sides to come out of it with their head held high." He also emphasized the position held by the Europeans that the impasse with Iran must be resolved diplomatically and not via military action.

On February 4, 2006, the U.N. nuclear watchdog agency, the IAEA, voted to report <u>Iran</u> to the U.N. Security Council regarding its nuclear activities. The actual resolution at stake specified that <u>Iran</u> should extend "indispenable and overdue" cooperation with the IAEA intended to "clarify possible activities which could have a military dimension." The vote came after several days of intense diplomatic negotiations and was expected to eventually lead to the implementation of sanctions against <u>Iran</u>.

Twenty seven countries on the board of the IAEA voted in support of reporting Iran, five countries abstained, and three countries voted against the measure. <u>Russia</u> and <u>China</u> voted in favor of the resolution after being given assurances that there would be no immediate threat of sanctions against Iran. Indeed, the resolution also deferred any possible action by the United Nations Security Council until the delivery of a report by the head of the IAEA, Mohamed ElBaradei, on Iranian compliance. The report was set to be delivered on March 6, 2006.

Some observers suggested that the overwhelming vote in support of the resolution by the IAEA board showed strong and shared support for the measure. Certainly, U.S. ambassador to the IAEA, Gregory Schulte, said that the vote conveyed a "very powerful signal" and intimated that Iran's response would be telling. Likewise, U.S. Secretary of State, Condoleezza Rice, said that the U.S. hoped that Iran would take seriously the "clear message" from the IAEA. But Javad Vaiedi, the deputy head of the Supreme National Security Council, observed that the vote was politically motivated and did not, in fact, reflect a high level of international consensus.

Following the decision to report <u>Iran</u> to the U.N.Security Council, the Iranian authorities in Tehran maintained that its nuclear development efforts were not for military objectives. Tehran then went on to assert that its uranium enrichment activities would resume. As well, Iranian President Ahmadinejad warned that in response to the resolution of the IAEA, volutary cooperation with the IAEA would be halted. A day later on February 5, 2006, Tehran declared its intent to stop snap inspections at its nuclear facilities.

By February 6, 2006, U.S. Defense Secretary, Donald Rumsfeld, asserted that all options, including military action against Iran, remained on the proverbial table as a possible option. In response, the Russia's foreign minister warned against such threats and the Russian government was expected to resume negotiations on the aforementioned compromise plan. Russia's Deputy Prime Minister Sergei Ivanov said that he was optimistic that Tehran would seriously consider the proposal as a means of moving forward. As well, Egypt was considering putting forth a proposal by which the Middle East would be a nuclear weapon free zone.

Meanwhile, markets responded to the latest developments with a rise on oil prices as anxieties increased about possible disruptions in oil from <u>Iran</u>, which is OPEC's second-largest supplier.

In mid-February 2006, diplomats from the United Nations said that <u>Iran</u> had restarted the process of uranium enrichment, as evidenced by the feeding of uranium gas into centrifuges. Uranium enrichment is the preliminary step in the process leading to the production of fuel for nuclear reactors and bomb-making. The move was anticipated since Iranian authorities in Tehran had earlier warned of the resumption of enrichment activities after the International Atomic Energy Agency (IAEA) reported the country to the United Nations Security Council. Since then, Tehran has likewise warned that it will also cease cooperation with United Nations nuclear inspectors seeking to carry out snap inspections at nuclear facilities.

In a further development, Iranian President Mahmoud Ahmadinejad has said that he was considering withdrawing from the Nuclear Non-Proliferation Treaty (NNPT). If <u>Iran</u> moves forward with this measure, it will join North Korea to form a duet of countries which have abandoned the NNPT and resumed nuclear development in recent years.

The situation devolved further when Tehran indefinitely postponed talks with Moscow regarding the compromise plan for <u>Russia</u> to provide enriched uranium to <u>Iran</u> for its nuclear energy

program. Nevertheless, by late February 2006, Tehran moved in a more cooperative direction and said that it would be willing to move forward with discussion aimed at exploring the Russian compromise proposal. While Tehran was not expected to acquiesce to the Russian proposal completely, the return to the negotiating table suggested some small shift in the nuclear impasse.

The matter evoked questions about how to strike the correct balance between the right of counties to have nuclear technology with the right of the international community to limit the proliferation of nuclear weaponry across the globe.

In the backdrop of these developments was a story published by the London Daily Telegraph, which intimated that Pentagon strategists were making plans to launch attacks against Iran's nuclear sites. Such attacks would be undertaken as measures of "last resort" for the purpose of foreclosing any possibility that Teheran might try develop nuclear weaponry. While the White House in the <u>United States</u> has said that it would prefer to handle the matter using diplomatic channels, President George W. Bush has not ruled out the possibility of military action.

In March 2006, Mohamed ElBaradei, the head of the IAEA, called on both Iran and the West to return to the negotiating table to discuss Iran's nuclear development program. He cautioned that there would be long-term implications for global peace. In this regard, he said, "It has to do with regional security, the whole Middle East regional security is very much at stake and escalation is not going to help." ElBaradei spoke at the commencement of an IAEA meeting that could herald United Nations Security Council action against Iran for its uranium enrichment activities.

Iran announced on April 11, 2006 that it had succeeded in enriching uranium on a small scale for the first time. The enrichment process used 164 centrifuges at a facility in Natanz. Iranian President Ahmadinejad characterized the occasion as a "very historic moment" and noted that it signified "the start of the progress of the country." As he had before, he called on the West to respect Iran's right to pursue the development of nuclear technology for peaceful purposes.

It was a position steadfastly opposed by the U.S., which asserted that <u>Iran</u> should not have any kind of nuclear development program. U.S. Secretary of State Condoleezza Rice responded to the news by warning that the U.N. Security Council would examine available options aimed at forcing <u>Iran</u> to "obey the international system." British Foreign Secretary Jack Straw said that Iran's decision to enrich uranium, albeit on a small-scale basis, "further undermines international confidence in the regime and is deeply unhelpful." <u>China</u> expressed concern about the path <u>Iran</u> was taking, but was believed to be against taking drastic action against <u>Iran</u>, preferring a diplomatic solution. Likewise, Russian Foreign Minister Sergey Lavrov said that <u>Iran</u> was moving "in the wrong direction," however, he cautioned against unduly dramatizing the situation and again noted that Moscow was against military action against <u>Iran</u>.

The news from Iran came around the same time as public attention was drawn to an article in the

New Yorker magazine by Seymour Hersch, which asserted that the <u>United States</u> military was drawing up plans to use military action in <u>Iran</u> that included the possible use of nuclear weaponry. For his part, <u>United States</u> President George W. Bush said he would not rule out the military option in dealing with <u>Iran</u>.

Meanwhile, Mohamed ElBaradei, the head of the IAEA, was set to travel to Tehran to discuss the crisis. ElBaradei was scheduled to report back to the United Nations Security Council at the close of April 2006 regarding Tehran's compliance with the demand to halt enrichment activity by the close of April, or face the consequence of international isolation. United Nations Secretary General Kofi Annan expressed hope on April 12, 2006 that IAEA head would be able to bring Iran back to the negotiating table. But the mid-April 2006 to Tehran by the head of the IAEA, Mohamed ElBaradei, failed to change Iran's position. Still, the nuclear watchdog chief said that an agreement was in place to continue dialogue on the issue.

The notion of dialogue was echoed on April 16, 2006 in the bipartisan call by members of the U.S. Senate for direct bilateral talks between the <u>United States</u> and <u>Iran</u>. Richard Lugar of Indiana, the Republican Chairman of the Senate Foreign Relations Committee, said it was too soon to press for sanctions and noted that direct bilateral talks would be "useful." He said, "The Iranians are a part of the energy picture. We need to talk about that." Democratic Senator Christopher Dodd of Connecticut expressed a similar sentiment saying, "I happen to believe you need direct talks. It doesn't mean you agree with them.... But there's an option." The position expressed by these Senators was at odds with the unilateral demands articulated by the executive branch of government in the <u>United States</u>.

According to Iranian authorities, the country operated 164 centrifuges, thus enabling "industrial output" of enriched uranium. However, the process only created low-level enrichment needed for nuclear fuel. In order to create the highly enriched uranium needed for nuclear weapons, Iran would need thousands of centrifuges. Various sources have thusly said that Iran will not be immediately capable of making a nuclear bomb. Some predictions were as short as within a year; others suggested a ten-year timeline. The London-based International Institute of Strategic Studies has said that Iran could produce enough fissile nuclear material to make a nuclear bomb within 3 years.

In late April 2006, just days before a deadline issued by the U.N. for <u>Iran</u> to halt its nuclear program, the government in Tehran said that its uranium enrichment and nuclear research activities were "irreversible." As well, Hamid Reza Asefi, a spokesperson for the country's Foreign Ministry said that demands for <u>Iran</u> to stop its nuclear research were "not on the agenda."

Leading up to the April 28, 2006 deadline, diplomatic efforts intesified with some countries calling for a less confrontational stance in negotiations on Iran's controversial nuclear program. To this end, the U.S. Department of State gave permission to U.S. Ambassador to Iraq, Zalmay Khalilzad, to convene direct talks with Iran. Although the talks were to be oriented toward Iran-Iraq

relations, the opening up of dialogue was viewed as a step away from the hardline approach taken so far by the U.S. in regard to <u>Iran</u>. In addition, efforts by the Russians were underway to revist the compromise concept of Iranian uranium enrichment on Russian territory.

By the close of April 2006, although <u>Iran</u> stood firm in its expressed right to pursue nuclear enrichment, the government said that it would allow IAEA inspectors to monitor nuclear sites if the U.N. Security Council did not intervene.

The U.S. dismissed the offer by <u>Iran</u>, stating that <u>Iran</u> would have to entirely give up its nuclear ambitions and without that, debate would now have to be taken up by the U.N. Security Council. U.S. Secretary of State, Condoleezza Rice, said on April 30, 2006 that <u>Iran</u> was "playing games" and that the U.S. would pursue a U.N. resolution requiring <u>Iran</u> to comply with demands that it cease its uranium enrichment activities. Rice also referenced Chapter 7 of the U.N.charter, which provides for enforcement via penalties or military action. Echoing a previously stated position of the Bush administration prior to the invasion of <u>Iraq</u>, she noted that the credibility of the U.N. was at stake. Rice said, "The international community's credibility is at stake here. And we have a choice, too. We can either mean what we say, when we say that <u>Iran</u> must comply, or we can continue to allow <u>Iran</u> to defy."

Economic sanctions were the most likely route anticipated as regards Iran's non-compliance. The U.S. and its European allies had earlier advanced the notion of sanctions after the IAEA confirmed that Iran had successfully produced enriched uranium and later defied the U.N. Security Council's deadline to cease such activities. But punitive responses, such as sanctions, have constituted a route that two U.N. Security Council permanent members -- <u>Russia</u> and <u>China</u> -- have been reticent about supporting.

For its part, <u>Iran</u> has said that it does not believe that the U.N. would impose sanctions and it has also warned about the possible effects on the price of oil globally. Meanwhile, in Tehran, a spokesperson for the country's Foreign Ministry, Hamid Reza Asefi, said that his country sough to resolve the matter through diplomatic means and not as a result of pressure and threats.

In other nuclear developments, Iran's President Mahmoud Ahmadinejad earlier announed that <u>Iran</u> was testing a more advanced centrifuge, known as a P-2, which can quickly enrich uranium. This announcement did little to assuage fears by the West that Iran's ultimate goal is to develop nuclear weaponry.

In May 2006, Iranian President Mahmoud Ahmadinejad delivered a letter to the U.S. presidency via the Swiss embassy in Tehran. An Iranian spokesperson said that the letter contained "new solutions for getting out of international problems and the current fragile situation of the world." Hopes for a positive shift in relations, and particularly, as regards Iran's controversial nuclear program, were quickly dashed when U.S.Secretary of State Condoleezza Rice dismissed the letter. Rice said, "There's nothing in here that would suggest that we're on any different course

than we were before we got the letter." The White House likewise noted that there was nothing in the letter that substantially addressed its concerns about Iran's nuclear ambitions.

On June 1, 2006, an agreement was reached regarding a unified approach by the world's most powerful countries to Iran's burgeoning nuclear program. The agreement was forged during a meeting in Vienna, <u>Austria</u> and was attended by the foreign ministers of the U.K., <u>France</u>, <u>Russia</u>, <u>China</u> and the <u>United States</u> -- all of whom are United Nations Security Council permanent members. The meeting also included the foreign minister of <u>Germany</u> as well as the European Union foreign policy chief.

The unified approach called on <u>Iran</u> to stop sensitive nuclear research and apparently included both penalties and incentives. The actual details of the "carrot and stick" plan were not immediately disclosed because officials said that the proposal package had to be first presented to <u>Iran</u> for consideration.

Nevertheless, British Foreign Secretary Margaret Beckett said, "We are prepared to resume negotiations should <u>Iran</u> resume suspension of all enrichment related and reprocessing activities as required by the IAEA and we would also suspend action in the Security Council." Beckett also warned, "We have also agreed that if <u>Iran</u> decides not to engage in negotiation, further steps would have to be taken in the Security Council ... We urge <u>Iran</u> to take the positive path and to consider seriously our substantive proposals which would bring significant benefits."

In the past, <u>Russia</u> and <u>China</u> had opposed punitive measures against <u>Iran</u> while the U.S. has said that if <u>Iran</u> refused to halt its nuclear enrichment activities, it would be referred to the U.N. Security Council. The current climate of consensus was, thus, quite a shift in positioning for all three countries.

In the case of the U.S., its shift in stance may have been motivated by the need for unwavering Russian support. As such, the U.S. agreed to the language in the draft U.N. Security Council resolution that would foreclose an immediate threat of military strikes against <u>Iran</u>. U.S. Secretary of State Condoleezza Rice, who had a day earlier announced that Washington was offering direct talks with Tehran, noted that if talks or sanctions did not work, however, military options remained on the table. Still, the State Department appeared to be conveying the message that it was willing to moderate its position in order to move the negotiations with <u>Iran</u> forward. Officials in Washington were also urging <u>Iran</u> not to make a quick reactive decision, instead calling on Tehran to examine not only the proposal package forged by the joint powers, but also to consider what might seriously be regarded as a policy shift from the White House.

By June 2, 2006, the message from Washington was not entirely unified when the Director of National Intelligence, John Negroponte, said in an interview with the British media (BBC Radio) that <u>Iran</u> could have a nuclear bomb ready within 10 years. He also accused <u>Iran</u> of being a state sponsor on terrorism. It was not clear whether or not this message had been coordinated with the

top officials at the White House.

There was no immediate response by <u>Iran</u> to the news of the proposal package. Instead, on June 2, 2006, Iranian President Mahmoud Ahmadinejad said that Tehran would not relinquish its right to nuclear technology as a result of Western pressure. It was essentially the same message that the Iranian leadership had been articulating for some time and so there was some worry that the new approach may have been an exercise in futility. But U.N. Secretary General Kofi Annan reportedly called President Ahmadinejad to personally ask him to consider the proposal at hand. As well, European Union foreign policy chief, Javier Solana, was expected to personally deliver the proposal to the Iranian government.

A few days later, Ahmadinejad said in a public speech that although he would not bargain away Iran's independence, he did intend to examine the plan to determine whether or not it fit with the national interest. He also said, "We will not pass judgment on the proposals hastily." The Iranian president's public statement that serious consideration of the proposal would be given marked a departure his previously unequivocal stance.

On June 6, 2006, Iran's chief nuclear negotiator, Ali Larijani, characterized the proposal package at hand as "constructive" and said that it contained both "positive steps" and "ambiguities." Larijani also said that Europe had rightfully tried to resolve the nuclear impasse diplomatically. He also noted that Iran was open to the resumption of talks aimed at finding a fair and rational solution. The language used by the Iranian negotiator was deemed to be encouraging, even conciliatory, and generally free of the customary rhetoric that had previously led to headlines around the world. Western diplomats expressed satisfaction with the encouraging nature of Iran's initial response.

On June 12, 2006, the board of the IAEA was set to debate Tehran's controversial nuclear development program. The IAEA board was also expected to examine the most recent report on Iran by the Director-General, Mohammed ElBaradei. Iran's envoy to the IAEA called for a "constructive debate" just as members of the U.N. nuclear watchdog group prepared to meet in Vienna. The envoy also asked that there not be any "repetitive allegations," which might cause a deterioration of the situation at hand.

At the close of August 2006, a report by the IAEA stated that <u>Iran</u> ignored the deadline to cease work on its nuclear program. Findings from the IAEA report, which was yet to be officially released, said that <u>Iran</u> continued to enrich uranium well past the deadline for which such nuclear activities should have stopped. Indeed, a source familiar with the report apparently suggested that <u>Iran</u> commenced a new phase of uranium enrichment just ahead of the August 31, 2006 deadline. The leaked report further asserted that <u>Iran</u> had not satisfactorily met the assessment requirements of the IAEA regarding the country's nuclear program. To that end, the report stated, "Iran has not addressed the long outstanding verification issues or provided the necessary transparency to remove uncertainties associated with some of its activities."

That said, there was no conclusive evidence ensconced in the report that Iran's nuclear program was "of a military nature," or oriented toward weapons development and proliferation.

Iran's intransigence on the nuclear issue was manifest recently in President Mahmoud Ahmadinejad's repeated declaration that his country would not bow in any way to international pressure. <u>Iran</u> has insisted that its nuclear program has been developed for peaceful purposes, despite allegations by the U.S. that <u>Iran</u> was attempting to develop nuclear weaponry.

John Bolton, the U.S. ambassador to the U.N., said that the IAEA report offered clear evidence of the untenable nature of Iran's position. For his part, U.S. President George W. Bush has often warned that <u>Iran</u> would suffer consequences for continuing its nuclear activities in the face of IAEA restrictions. To this end, the U.S. has advocated the imposition of sanctions against <u>Iran</u> -- a measure that would require consensus among the veto-wielding permanent members of the U.N. Security Council.

Since the passage of the deadline to halt enrichment activities in conjunction with the IAEA report, France -- one of the permanent members of the U.N. Security Council -- expressed regret about Iran's unyielding stance. French Prime Minister Dominique de Villepin said, "We cannot accept that Iran does not respect commitments it has made in the past." Whether or not France's regret over Iran's refusal to halt its nuclear activities would translate into a vote in favor of sanctions, as demanded by the U.S., was yet to be determined. Meanwhile, there was little sign that Russia and China -- two other permanent members of the U.N. Security Council -- had shifted their shared position that the mode of response be characterized by patience, rather than punishment.

With Iran's nuclear program at the forefront of the international purview, Javier Solana, the European Union (EU) foreign policy chief, was to convene meetings in <u>Germany</u> on September 9, 2006 with Ali Larijani, the chief nuclear negotiator for <u>Iran</u>. That date would precede scheduled negotiations between multilateral Western parties and Tehran on a proposed package of incentives for <u>Iran</u>, aimed at halting its nuclear activities. It was not known whether this package would be well-received by <u>Iran</u>, given the fact the uncompromising position taken by the country's leadership.

On September 14, 2006, the IAEA branded a <u>United States</u> government report on Iran's nuclear program to be "erroneous" and "misleading." The IAEA was referring to a leaked congressional report that apparently contained several distortions of the nuclear agency's own assessments regarding the nuclear development activities of <u>Iran</u>. In particular, the IAEA said that a claim in the report regarding the removal of a safeguard inspector did not reflect the true nature of the situation. In a protest letter sent by the IAEA, the contention by the congressional report that Inspector Chris Charlier was removed for failing to abide by "an unstated IAEA policy barring IAEA officials from telling the whole truth" about <u>Iran</u> was condemned as being "outrageous and dishonest." Equally significant, however, was the congressional report's assertion that <u>Iran</u> had

enriched some weapons' grade uranium -- a direct contradiction of the IAEA's finding that only small amounts of uranium, enriched a lower levels, had actually been found.

In October 2006, <u>Iran</u> rejected the demands by the five permanent members of the U.N. Security Council and <u>Germany</u> to suspend its uranium enrichment activities. The six countries convened discussions in the <u>United Kingdom</u> regarding Iran's refusal to stop its nuclear activities and to consider the possible implementation of sanctions. For its part, <u>Iran</u> said via its Foreign Ministry, "The suspension is completely unacceptable and we have rejected it." <u>Iran</u> also dismissed the threat of sanctions, stating, "The threat of sanctions is an inefficient means to achieve a solution."

As a result of these latest developments, a debate at the U.N. was expected to take place. At issue on the agenda would be possible measures to be undertaken under the aegis of Article 41 of Chapter 7 of the U.N. Charter, which allows the Security Council to employ non-military means, such as sanctions, to augment its decisions. The nature of such action was likely to be the subject of heated debate. Indeed, there has been no consensus among the five permanent members of the U.N. Security Council and <u>Germany</u> about what type of sanctions to impose on <u>Iran</u>. While the U.S. was in favor of punitive measures, <u>Russia</u> and <u>China</u> said that they would not support drastic action.

On December 23, 2006, the U.N. Security Council unanimously passed a resolution authorizing sanctions against Iran, on the basis of that country's controversial nuclear program. The resolution demanded an end to all uranium enrichment work in Iran, banned both the importation and exportation of nuclear material to and from Iran, froze some of the country's overseas assets, and threatened further non-military sanctions.

While the resolution disallowed nuclear trade with <u>Iran</u>, the U.S. complained that the ban was not sufficiently stringent. More strongly-worded draft resolutions were rejected, however, by other U.N. Security Council members, including <u>China</u> and <u>Russia</u>, both of whom hold veto power.

A day later, Iranian President Mahmoud Ahmadinejad reacted by rejecting the resolution, dismissing it as only "a piece of paper." The Iranian leader noted that the 15 countries on the U.N. Security Council, which had voted in favor of sanctions, would regret their actions. He also said that the move by the U.N. meant that the West had squandered its opportunity to improve relations with his country. Nevertheless, President Ahmadinejad declared that Iran was now an established nuclear state and that it was in the West's best interest "to live alongside the Iranian nation."

Rhetoric aside, <u>Iran</u> announced that it intended to immediately commence the installation of 3,000 centrifuges at a uranium enrichment plant at Natanz. It [the installation of thousands of centrifuges] was a move that could indicate intent to enrich uranium for nuclear weaponry. Meanwhile, in Iran's parliament, a clear majority approved emergency legislation directing the government to review Iran's relationship with the IAEA.

#### **Geopolitical Situation in 2007**

On February 5, 2007, it was reported that <u>Iran</u> was installing two cascades of 164 centrifuges (328 in total) at an underground atomic facility. Infrastructure construction was completed at that facility, which could expand Iran's nuclear program an "industrial scale" into the arena of enrichment. It was suggested that the cascades would be dry-spun and then subsequently be fed with uranium feedstock gas.

The news came ahead of a formal announcement by the Iranian government set for February 11, 2007. Diplomats from the European Union confirmed similar accounts of these activities in Iran, with one noting that this direction was the opposite hoped for by the United Nations Security Council. Meanwhile, the International Atomic Energy Agency (IAEA) offered no comment.

On February 21, 2007, as the deadline expired for <u>Iran</u> to suspend its nuclear activities, President Ahmadinejad said that his country aimed to achieve nuclear capability as soon as possible. At the same time, the Iranian government again denied claims by the <u>United States</u> that it was seeking nuclear weaponry, asserting once again that its program was for peaceful means. The government also said that it was open to talks on the matter.

That said, the Iranian government was faced, for the first time, with opposition not only from the international community, but now from within its own midst. Indeed, a small reformist political party, the Islamic Revolutionary Mujahadin Organization, called for Ahmadinejad to accept the U.N.'s demand to halt its nuclear activities and missile program. It also accused the government of endangering national security, the national interests, and the safety of the Iranian people, by advancing its nuclear ambitions. The position of the Islamic Revolutionary Mujahadin Organization marked the first time that the government's nuclear policy has been openly and assertively been challenged.

In the background of these developments was the aforementioned December 2006 U.N. resolution that imposed sanctions on <u>Iran</u>, and paved the way for tougher measures to be implemented. The U.N. nuclear watchdog group, the IAEA, was set to report that <u>Iran</u> missed the aforementioned deadline and effectively defied the ultimatum imposed by the international community.

On March 24, 2007, the United Nations (U.N.) Security Council voted in favor of new sanctions against <u>Iran</u>, as a result of its continued nuclear activities. The fresh sanctions both prohibit the export of Iranian arms and freeze the assets of individuals involved in nuclear and missile development activities.

In the aftermath of despite this action by the U.N., Iranian President Mahmoud Ahmadinejad characterized the sanctions as illegal, and asserted that his country had no intention of stopping its controversial nuclear program. On the presidential website, Ahmadinejad also warned that <u>Iran</u> would re-assess its ties to those responsible for the imposition of the new sanctions. Moreover, <u>Iran</u>

said that in would further reduce cooperation with U.N. nuclear inspectors, effectively demonstrating continued intransigence on the nuclear issue.

Meanwhile, on March 23, 2007, 15 members of the British Navy were captured by members of Iranian forces. The incident occurred when the British Navy personnel boarded a vessel just off the coast of Iraq on the basis of suspected smuggling activities. The servicemen from the HMS Cornwall were apparently seized by gunpoint by Iran's Revolutionary Guard. British Foreign Secretary Margaret Beckett demanded both the immediate and safe return of the servicemen, as well as a "full explanation" from Iran about its actions.

The Iranian government subsequently said that the British Navy had illegally entered Iranian waters. However, the British government countered this claim saying that its Navy personnel were conducting routine patrols in Iraqi waters. To this end, British Prime Minister Tony Blair said, "It simply is not true that they went into Iranian territorial waters and I hope the Iranian government understands how fundamental an issue this is for us." Blair also characterized the detention of the 15 members of the Royal Navy as "unjustified and wrong."

It was yet to be seen how <u>Iran</u> would react, given the fact that the diplomatic climate abroad, as well as the political climate at home, were not particularly favorable in March 2007. First, new sanctions were being imposed by the United Nations (U.N.) Security Council on <u>Iran</u> in regard to its nuclear program. As well, students at home were reacting to the government's claims about the Royal Navy personnel entry into Iranian waters by calling for them to face trial.

Ultimately, despite competing claims by the Iranians and the British about the jurisdiction in which the 15 servicemen were picked up, the Iranian government opted not to place the foreigners on trial, and eventually released them. The favorable outcome for the 15 Britons appeared to have prevented already-tense relations between <u>Iran</u> and West from devolving further.

On April 9, 2007, Iran announced that it had the capacity to produce nuclear fuel on an industrial scale. In referring to the milestone, President Mahmoud Ahmadinejad said, "With great honor, I declare that as of today our dear country has joined the nuclear club of nations and can produce nuclear fuel on an industrial scale." The Iranian president reiterated his claim that Iran had a right to develop its peaceful nuclear program, and warned that Iran could step away from the Nuclear Non-Proliferation Treaty (NPT) if further pressure from the international community was brought to bear. Iran was already subject to United Nation sanctions as a result of its controversial nuclear development program.

Absent from President Ahmadinejad's speech were details of Iran's nuclear capacity, such as the number of centrifuges that were now operational at the nuclear facility in Natanz. However, Iran's chief nuclear negotiator, Ali Larijani, confirmed that his country had begun the process of injecting gas into the centrifuges, and other officials noted that up to 3,000 uranium gas enrichment centrifuges were running at the Natanz facility. The situation promised to further complicate

existing tensions between Iran and the West.

In September 2007, French Foreign Minister Bernard Kouchner said that the world should prepare for war over the Iran's atomic activities. In a media interview, Kouchner observed that while negotiations with Iran should be fully exhausted before embarking on a new course, the world should be ready for a worst case scenario if such talks were ultimately unsuccessful. To this end, he warned, "We have to prepare for the worst, and the worst is war." He also noted that Iran armed with nuclear weapons would present "a real danger for the world."

Signaling that <u>France</u> had taken a position in the debate over <u>Iran</u> burgeoning nuclear program, Kouchner said that many French companies had been asked not to do business with <u>Iraq</u>. Making clear that no prohibitions had been established, the French Foreign Minister noted that French enterprises have been advised not to do so. As well, he made clear that <u>France</u> was in favor of European Union sanctions against <u>Iran</u>.

French President Sarkozy had earlier characterized war with <u>Iran</u> as "catastrophic" and French Prime Minister Fillon noted that all avenues would be exhausted in resolving the matter diplomatically.

September 23, 2007 saw Iranian President Mahmoud Ahmadinejad arrive in the <u>United States</u> to attend the meeting of the United Nations General Assembly, and also to speak at a forum at Columbia University. Ahmadinejad's visit was met with protests, most especially by opponents of his speaking engagement at Columbia University. He had originally intended to lay a wreath at the site of the September 11, 2001 terror attack in New York, however, police cited security concerns in denying that request.

In a television interview on the American network CBS for the show, "60 Minutes," the Iranian president took a measured tone and said that his country was not building nuclear weaponry. To that end, President Ahmadinejad said, "Well, you have to appreciate we don't need a nuclear bomb. We don't need that. What need do we have for a bomb?" He continued, "In political relations right now, the nuclear bomb is of no use. If it was useful it would have prevented the downfall of the Soviet Union." President Ahmadinejad also noted that Iran was not embarking on a path to war with the <u>United States</u>, saying, "It's wrong to think that <u>Iran</u> and the U.S. are walking toward war. Who says so? Why should we go to war? There is no war in the offing."

These assertions were a departure from President Ahmadinejad's announcement several days prior in which he harshly issued a warning to any countries considering military attacks against <u>Iran</u>. Indeed, an Iranian air force official noted that if, in a worse case scenario, <u>Iran</u> was attacked by <u>Israel</u>, it had the capacity to respond with air and missile raids.

On the other side of the equation, the Bush administration in the <u>United States</u> repeatedly noted that although it intended to deal with <u>Iran</u> diplomatically, all possible options remained on the

proverbial table. Meanwhile, the head of <u>United States</u> Central Command, Admiral William Fallon, observed that the emotional rhetoric was not productive. In an interview with al-Jazeera television, he said, "This constant drum beat of conflict is what strikes me, which is not helpful and not useful."

Iran and the <u>United States</u> have enjoyed poor relations over the years, and bilateral relations were at an all-time low over the United States' opposition to Iran's nuclear ambitions. Adding to the tensions were the accusations by the <u>United States</u> that <u>Iran</u> was assisting Shi'ite militias in <u>Iraq</u>. These allegations were disputed by the Iranian government, which assured its Iraqi counterpart that no such actions were ongoing.

In early November 2007, there was movement toward the drafting of a third resolution at the United Nations providing for economic sanctions against Iran regarding its nuclear program. A vote in the United Nations Security Council on the draft resolution was expected to follow, if reports by the International Atomic Energy Agency (IAEA) and the European Union indicated continuing work on Iran nuclear program. To that end, a meeting was scheduled for November 19, 2007 of world powers (United States, <u>United Kingdom</u>, <u>France</u>, <u>Germany</u>, <u>Russia</u> and China) to assess these reports. A vote on further economic sanctions against Iraq had been scheduled for September 2007 but was delayed until November 2007 to allow the new reports to be considered.

In the background of these developments was the brewing tensions between IAEA head Mohammed ElBaradei and some of the Western countries. Whereas ElBaradei has asserted that Iran was years away from developing nuclear weaponry, the <u>United States</u> (U.S.) has said that Iran's desire to enrich uranium instead of importing it at cheaper prices made clear that its objective was the development of nuclear weapons. Still, even as relations between the IAEA and the U.S. were tense over this matter, Iran's former President Hashemi Rafsanjan suggested that dialogue between his country and the IAEA was moving forward.

In December 2007, the latest National Intelligence Estimate (NIE) in the <u>United States</u> concluded that <u>Iran</u> halted its weapons program in 2003. The NIE, which coalesces information from the United States' 16 intelligence agencies, asserted "high confidence" that <u>Iran</u> stopped its nuclear weapons program in 2003 "in response to international pressure." The NIE also expressed "moderate confidence" in its view that the nuclear weapons program has not since been restarted. Still, the NIE assessment noted that although <u>Iran</u> appears "less determined" to develop nuclear weapons, the Middle Eastern country has continued to enrich uranium. Indeed, the report stated that <u>Iran</u> had successfully installed centrifuges used for the enrichment of uranium but that "significant technical problems" prevented the operation of new equipment, and deemed the country unable to have actually manufacture a nuclear bomb until the 2010-2015 time period. Accordingly, the NIE reflected similar findings by the International Atomic Energy Agency (IAEA). Mohammed ElBaradei, the head of the nuclear watchdog agency, said, "The report gives me a sigh of relief because it is consistent with our assessment."

While enriched uranium is, indeed, used to manufacture nuclear weapons, <u>Iran</u> has maintained throughout that its nuclear ambitions are peaceful and not oriented toward the proliferation of nuclear bombs. This latest NIE assessment appeared to bolster Iran's claims about the peaceful purposes of its nuclear program -- a point noted by IAEA chief ElBaradei who said that <u>Iran</u> had been "somewhat vindicated." To that end, Iran's Foreign Minister Manouchehr Mottaki welcomed the report and Iranian President Mahmoud Ahmadinejad said that the NIE findings constituted "great victory" in favor of his country's stance. In a speech televised to the country, the Iranian president said that the report was a "fatal blow" to those who had stirred the fears and tensions surrounding the threat of nuclear weapons development.

Nevertheless, the <u>United States</u> and other Western countries continued to characterize Iran's nuclear development as threatening. With <u>Iran</u> currently subject to both United Nations (U.N.) Security Council sanctions, as well as unilateral <u>United States</u> sanctions, there was speculation about how, or if, the sanctions regime would be affected by the new information.

United States (U.S.) <u>National Security</u> Advisor Stephen Hadley responded to the report by saying that it confirmed his country's concerns about Iran's nuclear ambitions and asserted that President George W. Bush had crafted "the right strategy" on <u>Iran</u>. In fact, he called on the international community to "turn up the pressure on <u>Iran</u>," and encouraged the use of tactics such as sanctions and diplomatic isolation against <u>Iran</u>. For his part, U.S. President Bush said that the report did not alter either his view or his policy on <u>Iran</u>. Bush said that in spite of the new intelligence, <u>Iran</u> was still a threat to the world. In fact, he said that the report proved that <u>Iran</u> was still trying to enrich uranium, and that it was a "warning signal" that <u>Iran</u> could very well restart its weapons program. Confirming Hadley's statement, Bush said that the NIE was "an opportunity for us to rally the international community."

Some of the countries in the West appeared to respond to the U.S. President's rallying call. French President Nicolas Sarkozy said that <u>Iran</u> remained a threat and noted that he supported the notion of further sanctions. German Chancellor Angela Merkel stopped short of calling or new sanctions against <u>Iran</u>, but agreed that <u>Iran</u> continued to pose a threat. She appeared to support the ongoing path saying, "We and our partners would like to continue with the U.N. process." Merkel also appeared to call for talks and diplomatic negotiations saying, "I think we and our partners need to continue to seek dialogue with <u>Iran</u>."

Yet even with support from France and Germany, the problem for the U.S. was that its very position [that Iran poses a dire danger to the world] was now mitigated by the NIE findings. That is to say, the NIE evoked grave skepticism about the very essence of U.S. President Bush's claim only a month prior that action against Iran was needed to prevent World War III. Indeed, the tone from the White House in using the hyperbolic language of "World War III" was now very likely to be decried as both alarmist and spurious. Seizing upon this view, Mohammad Ali Hosseini, a spokesperson from the Iranian foreign ministry said, "This report proves Bush's statements - which always speak of the serious threat of Iran's nuclear program - are unreliable and fictitious."

In fact, the most immediate outcome of the NIE has been the collapse of the argument in favor of military action against <u>Iran</u>. As noted just above, the NIE findings undercut the notion of an imminent threat posed by Iran's nuclear capacity. While dissonance on the international stage was expected to continue to smolder over the fact that <u>Iran</u> has continued to abrogate U.N. Security Council edicts that it stop its enrichment of uranium, the temperature of the conflict was expected to decrease.

Meanwhile, U.N. Security Council members, <u>Russia</u> and <u>China</u>, were now less likely to support the notion of strongly intensifying sanctions against <u>Iran</u>. Both countries were expected to argue that the NIE proved that the nuclear threat posed by <u>Iran</u> was now contained. Indeed, in light of the NIE findings, Russian President Vladimir Putin's view on the matter appeared quite prescient. Putin said that there was no "concrete evidence" that <u>Iran</u> was building a bomb.

As such, many analysts concluded that the NIE report very likely served to reinvigorare the diplomatic path. To that end, IAEA head, ElBaradei said, "I see this report as a window of opportunity. It's a window of opportunity because it gives diplomacy a new chance."

### **Recent Domestic Issues**

In May 2006, thousands of ethnic Azeris in the north-west of <u>Iran</u> protested a newspaper cartoon. The cartoon was published in state-owned newspaper and showed people attempting to speak to a cockroach and the insect responding "What do you mean?" Azeris -- the most sizable ethnic minority group in <u>Iran</u> -- were outraged that the cartoon suggested that they were stupid and that they had been compared to an insect. Due to the mass outrage, the newspaper was shut down and both the editor and the cartoonist were arrested, however, the outrage was not easily quelled. Attacks on government buildings ensued while several banks and a television station were burned to the ground. Meanwhile, there were reports from several cities, such as Ardebil, Naqadeh and Meshkin Shahr, stating that the Iranian security forces opened fire on the protestors, causing the deaths of several people, scores of casualties and hundreds of arrests.

Key elections in Iran in December 2006 presented a political setback for Iran's President Mahmoud Ahmadinejad. The elections were held to decide on the composition of the country's powerful religious entity -- the Assembly of Experts -- as well as local government. Turnout was approximately 60 percent with the best election performances being enjoyed by moderate conservative candidates, as well as reformist candidates who were experiencing a political resurgence.

Of particular note was the landslide victory for former President Akbar Hashemi Rafsanjani to the Assembly of Experts. Rafsanjani's victory signified a comeback of sorts not only for the former moderate president in the political realm, but also the renewed popularity of moderate politicians in

Iran. Also of significance was the fact that no candidate aligned with current President Ahmadinejad appeared to have won seats on councils in several important cities.

The poor showing of conservative candidates linked with the president indicated frustration among some in the Iranian population about the direction of the country set by the leadership. The election results also augured the need for some change in policies. Whether or not such change would actually occur, was yet to be seen. Nevertheless, a representative from the reformist Islamic Iran Participation Front said, "It is a big 'no' to the government's authoritarian and inefficient methods."

In February 2007, a Sunni Muslim group claimed responsibility for the bombing of a bus transporting members of Iran's Revolutionary Guard. The attack, which took place in the predominantly Sunni city of Zahedan left 11 people dead. The area, located in the province of Sistan-Baluchestan and next to Pakistan and Afghanistan, has been beset by poverty and has long been regarded as a hotbed of violence, banditry and crime. While an attack at a checkpoint in the area in 2006 left 20 people -- including government officials -- dead, this latest attack on the Revolutionary Guard was regarded as the most significant incident in years. Two days after that attack, clashes between armed militants and security forced erupted in the same city.

### **Diplomatic Imbroglio**

The <u>United States</u> (U.S.) Pentagon said on Jan. 7, 2008, that five Iranian boats threatened five U.S. navy ships in the Strait of Hormuz, which has functioned as a major oil transportation route. The Pentagon said the Iranian vessels approached and threatened to blow up the U.S. ships in what the U.S. said were international waters. When those U.S. ships prepared to open fire, the Iranian vessels -- believed to belong to the Revolutionary Guard -- withdrew. The U.S. authorities said that Iran's "provocative actions" could very well "lead to a dangerous incident in the future." For its part, <u>Iran</u> dismissed the incident as routine saying that the matter was resolved once both sides were able to identify one another. In 2007, a similar incident resulted in the detainment of 15 British sailors for two weeks.

### **Special Note: Parliamentary Elections of 2008**

The election for the Majlis (parliament) of <u>Iran</u> was held on March 14, 2008. The parties in contention for the available parliamentary seats were the Conservatives, the Reformists, the Independents, and other unnamed contenders.

In the wake of the parliament's proposed bill to cut the term of President Ahmadinejad from 4 years to  $2\frac{1}{2}$  years, the election on March 14, 2008, was draped with conspiracy theories and confusion. The Conservatives, under the leadership of President Ahmadinejad, set the election at

a controversial time period -- the week before the Iranian New Year. Many believed this was a move to catch the population of Iran off guard so that as few people as possible would vote. Then, after the vote, if the election results were less than desirable, they could doctor the outcome. This skepticism was derived from the Reformists' point of view. The Reformists considered themselves to be a target of the Guardian Council, the ruling body of government, since many of their candidates up for the open spots on the Council were disqualified.

Needless to say, many believed that the corruption in the government, the devolving economy, and the bill regarding the shortened term of Ahmadinejad, all factored highly in the March election.

With the votes counted on election day, it was clear that the Conservatives would retain control of parliament, as expected. The Conservatives' strong showing was partially due to their performance in the Iranian capital of Tehran. However, it should be noted that not all the Conservatives were pro-Ahmadinejad; in fact, a significant number of them were viewed as critics of the president. Despite the fact that many of their candidates were disqualified by the Guardian Council, the Reformists also had some reason to celebrate since they enjoyed a modest increase in parliamentary representation. There were also some Independents who won representation in parliament.

The main outcome of the election was the fact that President Ahmadinejad could be faced with a lack of cooperation in parliament. This was due to the parliamentary increase in the number of Reformists and critical Conservatives. This scenario could likely weakene the presidency while strengthening the country's Supreme Leader -- Ayatollah Khomeini. Such an end could indicate an even more hardline stance on foreign policy and retrenchment in regards to Iran's nuclear ambitions.

Western powers criticized the election as neither free nor fair and criticized the decision to disqualify many Reformist candidates.

## Nuclear Politics Return to the Agenda

In late May 2008, the United Nations nuclear watchdog group, the International Atomic Energy Agency (IAEA), said that Iran was withholding some information about its nuclear program. The IAEA said in a report that Iran was not providing enough information about its nuclear activities despite agreeing to clarity prevailing questions about the country's nuclear development program. At issue for the IAEA was the fact that Iran has been operating 3,500 centrifuges in Natanz. (Centrifuges are used to enrich uranium, which can then be used to develop nuclear weaponry.) The IAEA said that Iran had to provide substantially more details about its nuclear development regime. For its part, Iran insisted that it had "left no question unanswered" and vowed to continue to enrich uranium.

June 2008 saw international negotiators put forth a new package, laden with attractive incentives, to <u>Iran</u> aimed at halting that country's nuclear enrichment activities. The deal was reached after extensive consultations between European Union policy chief, Javier Solana, and Iranian representatives. The talks were aimed at resolving many of the contentious issues that had, to date, left the nuclear issue in <u>Iran</u> unresolved.

Javier Solana described the new incentive package for <u>Iran</u> as "full of opportunities." Solana said the five members of the five permanent members of the United Nations Security Council (the <u>United States</u>, the <u>United Kingdom</u>, <u>China</u>, <u>Russia</u>, France) as well as <u>Germany</u> were willing to both recognize Iran's right to have a civilian nuclear energy program, and to assist in its development for peaceful purposes. To that end, Solana said, "We are ready to cooperate with <u>Iran</u> in the development of a modern nuclear energy program based on the most modern generation of light water reactors." He went on to state, "We can offer <u>Iran</u> legally binding fuel supply guarantees. We are offering the construction of nuclear power plants." Solana also noted the deal would also include trade benefits for <u>Iran</u>.

For its part, <u>Iran</u> has repeatedly warned it would not accept demands that it halt its nuclear enrichment activities. Nevertheless, <u>Iran</u> said it would study the proposal. <u>United States</u> President George W. Bush was quick to suggest that <u>Iran</u> had already dismissed the deal. However, Solana pointed out that, in fact, <u>Iran</u> had agreed to consider the deal.

Two days after the aforementioned incentives package was put forward, Prime Minister Gordon Brown of the <u>United Kingdom</u> and President George W. Bush of the <u>United States</u> warned <u>Iran</u> that it should accept their "offers of partnership" or deal with harsh sanctions and increased international isolation. Brown particularly noted that if <u>Iran</u> chose not to respect United Nations resolutions, then it would face a more difficult sanctions regime, including the freezing of overseas assets at Iran's predominant bank and the imposition of energy sanctions.

Tough sanctions would have been a lesser consequence of Iranian intransigence on the nuclear issue. On June 20, 2008, Israel carried out a military exercise presumed to be a rehearsal for an attack on Iran's nuclear facilities. United States officials said in an interview with the New York Times that more than 100 Israeli fighter jets participated in maneuvers over the eastern Mediterranean earlier in the month. The military exercise appeared oriented toward sending a message to Iran that Israel would carry out an attack on Iranian nuclear targets if Israel believed that Iran was approaching development of nuclear weaponry. Iran responded to the development by again insisting that its nuclear program was peaceful and dismissing the threat of an Israeli attack.

Meanwhile, the head of the nuclear watchdog agency, International Atomic Energy Agency (IAEA), Mohammed ElBaradei, has discouraged the notion of a military strike by <u>Israel</u> on <u>Iran</u> stating in an interview with Al-Arabiya television, "A military strike, in my opinion, would be worse

than anything possible - it would turn the region into a fireball."

Nevertheless, earlier in the month, an Iranian-born Israeli politician and former defense minister, Shaul Mofaz warned that military action would be "unavoidable" if Tehran was able to acquire the technology to manufacture atomic bombs. This assertion, along with the military exercises, certainly suggested that a confrontation between Israel and Iran might be possible, especially if the diplomatic efforts failed, and if Iran was shown to carrying out particular nuclear ambitions, such as the processing of weapons-grade plutonium and installation of additional centrifuges. While other leading figures in Israel had distanced themselves from Mofaz's remarks, Ehud Barak, the current defense minister, said that his country would ensure that Iran did not achieve its nuclear ambitions.

On July 9, 2008, <u>Iran</u> test-fired nine missiles in an apparent warning to <u>Israel</u> and the <u>United States</u> that it was capable of retaliating against any potential military strike on <u>Iran</u>. The missiles included both short-range and long-range types, as well as the new version of the Shahab-3, which was purported to be have sufficient range as to reach <u>Israel</u>. The missile test came less than a month after <u>Israel</u> carried out a military exercise presumed to be a rehearsal for an attack on Iran's nuclear facilities.

Ahead of the missile tests, an adviser to Iran's Supreme Leader made clear that it would retaliate if it was struck by Israel. Later, Hoseyn Salami, the commander of Iran's Revolutionary Guard's Air Force, described his country's military capacity saying, "Our missiles are ready for shooting at any place and any time, quickly and with accuracy." That said, Iranian President Mahmoud Ahmadinejad made clear on the day of the missile testing that Iran did not intend to attack Israel. The United States reacted with restraint to the event, urging Iran to "refrain from further missile tests if they truly seek to gain the trust of the world."

### Notes:

-Mullen, the Chairman of the <u>United States</u> Joints Chiefs, said that military action against <u>Iran</u> would further destabilize the region -- a view that appeared to be in line with the White House's official stance in favor of negotiations and an increased sanctions regime.

-While speculation increased about whether or not <u>Israel</u> would strike against Iranian nuclear facilities, <u>Israel</u> would nonetheless have to gain approval to penetrate air space controlled by the <u>United States</u>. Thus, some modicum of American involvement in a strike would be necessitated, and there is no sense that the <u>United States</u> is prepared to go down that road yet.

-For its part, Israel's military strike option is predicated on two considerations. First, it may be prepared to take action if it is clear that <u>Iran</u> has enough enriched uranium with which to make a nuclear bomb (a stage that the National Intelligence Estimate in the <u>United States</u> has said has not yet been reached by <u>Iran</u> as noted below). Second, <u>Israel</u> may be prepared to take action if <u>Iran</u> acquires a new Russian anti-aircraft system, the S-300 (a process that could take an extended period of time).

-United States National Intelligence Estimate (NIE) in late 2007 asserted that <u>Iran</u> had not progressed in its nuclear ambitions. Nevertheless, the <u>United States</u> has been at the forefront of Western efforts to end Iran's nuclear program and ensure that it does not develop nuclear weaponry.

### **Relations with the United States: New Developments**

Years after deeming <u>Iran</u> to be part of the "axis of evil," the Bush administration in July 2008 offered no denial of reports that it would establish a diplomatic presence in <u>Iran</u>. According to the British newspaper, the Guardian, the <u>United States</u> was set to open an interests section in the Iranian capital of Tehran. Since the hostage crisis of 1979, the United Sates has not had a diplomatic presence in <u>Iran</u>.

The <u>United States</u> Department of State released a statement by Secretary of State Condoleezza Rice, which noted that while the <u>United States</u> was not changing its policy in regard to the Iranian government, it was interested in outreach to ordinary Iranians.

That said, the <u>United States</u> was slated to convene talks with <u>Iran</u> in Geneva. It would be the first time in three decades that a high ranking American diplomat would be involved in such a meeting with Iranian counterparts. At that meeting, the United States reinforced its position on Iran's nuclear program, noting that Iranian obstinacy on the matter would lead to a heightened sanctions regime.

## Update on the Nuclear Issue

In early August 2008, only a day after the <u>United States</u> and the <u>United Kingdom</u> warned that <u>Iran</u> would face a heightened sanctions regime if it did not respond positively to prevailing proposals on how to deal with its controversial nuclear program, the government of <u>Iran</u> offered an ambiguous response to the European Union (EU).

At issue was a "freeze for freeze" offer put forth a week earlier by EU foreign policy chief Javier Solana that Iran halt its uranium enrichment program, while international powers would refrain from imposing further economic sanctions. A deadline was set for a response by Iran, which Iranian chief nuclear negotiator Saeed Jalili said his country would meet by tendering a formal response on Aug. 5, 2008. To that end, Iran did indeed sent a message to Solana. However, it was unclear if that message was an actual response to prevailing proposals on Iran's nuclear ambitions. Solana's office confirmed that a letter from Iran had been received but did not furnish any details, saying instead that it would study the contents of the missive.

A spokesperson for the Iranian Supreme National Security Council told Agence France Press that

the message did not pertain to the incentives package that had been offered by the five permanent members of the United Nations Security Council (the <u>United States</u>, the <u>United Kingdom</u>, <u>China</u>, <u>Russia</u>, France) as well as <u>Germany</u> in June 2008, which was aimed at halting Iran's nuclear enrichment activities.

Late September 2008 saw the United Nations Security Council unanimously approve a new resolution on Iran. United Nations Security Council resolution 1835 reified previous demands that Iran halt its uranium enrichment activities but did not expressly impose new sanctions. Instead, the resolution asserts that Iran must "comply, and without delay, with its obligations" set forth in previous resolutions; it also urges Iran to co-operate with the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA). There were no new sanctions in the resolution due to Russia's objections to such a move. The resolution came a week after the IAEA said that it was unable to provide assurances about Iran's controversial nuclear development program due to a lack of information.

Iran responded to this action by the United Nations by disregarding the edict and, instead, making it clear that it would not stop enriching uranium. Iran, as before, also maintained that its nuclear development activities have been for peaceful purposes. Iran's chief nuclear negotiator, Saeed Jalili, characterized the new resolution as unconstructive. Moreover, Jalili warned that the new resolution would only create further "mistrust" and would hinder the fostering of international peace, security and productive cooperation at the global level.

### **More Recent Developments:**

By early 2009, it was yet to be seen how the nuclear issue and the broader matter of foreign relations between <u>Iran</u> and other country would be handled given the new balance of power in the <u>United States</u>. <u>United States</u> Secretary of State Hillary Clinton, as the top diplomat for the new Obama administration, had signaled the possibility of talks with <u>Iran</u>.

That said, on Feb. 20, 2009, a new report by the United Nations' nuclear watchdog entity, the International Atomic Energy Agency (IAEA), asserted that <u>Iran</u> was understating how much uranium it had enriched, and that it had built up a stockpile of nuclear fuel. According to reports by Reuters, the discrepancy in the amount of uranium believed to have been enriched and the amount enriched in actuality was not due to subterfuge by <u>Iran</u>, but rather, a result of a technical mistake.

The Obama administration in the <u>United States</u> expressed concern over these revelations and called on the international community to address the matter with urgency. White House spokesperson Robert Gibbs said, "The report represents another lost opportunity for <u>Iran</u> as it continues to renege on its international obligations." On March 1, 2009, <u>United States</u> senior military commander Admiral Mike Mullen said that <u>Iran</u> had enough nuclear material to manufacture a bomb. In an interview on the cable network CNN, the chairman of the <u>United States</u> Joint Chiefs of Staff said, "We think they do, quite frankly. And <u>Iran</u> having a nuclear weapon, I've believed for a long time, is a very, very bad outcome for the region and for the world." This assertion by Mullen came two weeks after the International Atomic Energy Agency (IAEA) said in a report that Tehran had increased its stockpile of fissile nuclear material.

There were some analysts, such as David Albright, president of Washington-based Institute for Science and International Security, have said the Iranian stockpile was enough to be converted into enriched uranium sufficient for building one bomb (reported by Agence France Presse). But that view was not shared by <u>United States</u> Secretary of Defense Robert Gates, who said in an interview on the NBC news show, Meet the Press, "I think that there has been a continuing focus on how do you get the Iranians to walk away from a nuclear weapons program? They're not close to a stockpile. They're not close to a weapon at this point."

Amidst the rising tide of anxiety over Iran's nuclear ambitions, there were questions of how <u>Israel</u> - a sworn enemy of <u>Iran</u> -- would respond. According to a report published by the Daily Telegraph of London, <u>Israel</u> has launched covert operations against <u>Iran</u>, which included plans to assassinate nuclear scientists.

Drawing upon both <u>United States</u> and other Western intelligence sources, the report in the Daily Telegraph of London noted that <u>Israel</u> was using "hit men," "double agents" and "front companies," in targeted efforts to sabotage Iran's nuclear program by eliminating "key human assets." The report made mention of the death of an Iranian scientist at the Isfahan uranium plant. It reported of rumors linking the Israeli intelligence agency Mossad with the gas poisoning death of Ardeshire Hassanpour in 2007.

Making good on a campaign promise, <u>United States</u> President Barack Obama offered the possibility of diplomatic engagement with <u>Iran</u>. In a videotaped message in the third week of March 2009, President Obama said, "My administration is now committed to diplomacy that addresses the full range of issues before us."

President Obama made a point of using the official name of the country when he said he wanted "to speak directly to the people and leaders of the Islamic Republic of <u>Iran</u>." President Obama also indicated that his administration was committed "to pursuing constructive ties among the <u>United</u> <u>States</u>, <u>Iran</u> and the international community."

President Obama's message was broadcast at the same time as the Iranian festival of Nowruz. The timing may have been orchestrated for its symbolic value since Nowruz is a significant celebration on the Iranian calendar marking the start of spring. Making clear that a new era of diplomacy was ahead, President Obama said, "With the coming of a new season, we're reminded of this precious

humanity that we all share. And we can once again call upon this spirit as we seek the promise of a new beginning."

But President Obama also struck a warning when he noted, "This process will not be advanced by threats. We seek instead engagement that is honest and grounded in mutual respect." He continued, "The <u>United States</u> wants the Islamic Republic of <u>Iran</u> to take its rightful place in the community of nations. You have that right - but it comes with real responsibilities."

In response, an advisor to Iranian President Mahmoud Ahmadinejad cautiously welcomed <u>United</u> <u>States</u> President Obama's message but called for a fundamental shift in American foreign policy. Of particular concern to <u>Iran</u> was the United States' support for <u>Israel</u>, according to Ahmadinejad's advisor, Ali Akbar Javafekr, who also said the sanctions against <u>Iran</u> had to end. He continued, "By fundamentally changing its behavior, America can offer us a friendly hand." Iran's Supreme Leader Ayatollah Ali Khomeini issued a less diplomatic reaction, instead demanding that the <u>United States</u> radically change its policies.

Tense relations between the Washington D.C., and Tehran have been ongoing for decades but took a particularly negative turn when President Obama's predecessor, George W. Bush, referred to <u>Iran</u> as part of the "axis of evil." Bilateral relations devolved further when <u>Iran</u> decided to pursue its controversial nuclear program.

To date, the <u>United States</u> and many other countries have expressed anxieties about Iran's nuclear ambitions, which the Iranian government has maintained is for peaceful purposes and not intended to build atomic weaponry. The <u>United States</u>, first under the Bush administration, and now under the Obama administration, wants <u>Iran</u> to abandon its nuclear enrichment activities. That said, analysts surmise that in advancing this overture, President Obama has signaled interest in building a more constructive relationship with Tehran before directly confronting the nuclear issue.

Indeed, Javier Solana, the foreign policy chief of the European Union, characterized Obama's overture as "very constructive" and called on <u>Iran</u> to heed the United States' president's core message.

In April 2009, Iranian President Mahmoud Ahmadinejad presided over the opening of the country's first nuclear fuel production facility at Isfahan. He also announced that the new facility could produce pellets of uranium oxide, which could potentially fuel a heavy-water reactor being constructed in Arak. Such an ability would suggest that Iran has made great strides in its nuclear development program. Indeed, at full capacity, the new facility could produce enough plutonium to produce two nuclear weapons a year, assuming the plutonium was separated from the nuclear reactor's spent fuel.

Meanwhile, the Iranian leader said his country had tested two new types of centrifuge with higher capacities at a uranium enrichment plant in Natanz. Gholam Reza Aghazadeh, the head of Iran's

nuclear program, said the country had increased the number of centrifuges it was running to 7,000. This claim has yet to be verified since international inspectors had earlier noted that <u>Iran</u> had less than 4,000 functioning centrifuges.

Iran's nuclear program has been a source of controversy, with many Western powers accusing Iran of using its nuclear power program as a veil for ambitions to build a nuclear arsenal. For its part, however, Iran has insisted that its nuclear development program is for peaceful purposes. But in a speech given at the opening of the nuclear production facility, President Ahmadinejad went further in explaining Iran's nuclear ambitions by noting that Iran was moving ahead with its nuclear agenda because it was the only way to establish Iran's status on the world stage. Stated differently, he was emphasizing a national identity interest.

President Ahmadinejad also responded to an offer of dialogue with six world powers when he said that his country was open to the notion. That being said, the Iranian leader said that such talks would only be in the offing in the context of "justice" and respect." He said, "The Iranian nation has from the beginning been after logic and negotiations, but negotiations based on justice and complete respect for rights and regulations." He continued, "One-sided negotiations, conditional negotiations, negotiations in an atmosphere of threat are not something that any free person would accept."

But <u>Russia</u> and <u>China</u> -- two countries that have urged restraint by the West in dealing with <u>Iran</u>, have urged the Iranian authorities to accept the invitation. Russian Foreign Minister Sergei Lavrov said that <u>Iran</u> had to "convince us all of the exclusively peaceful character of its nuclear program." The five permanent United Nations Security Council members and <u>Germany</u> also urged <u>Iran</u> to accept the invitation to participate in talks. In a statement, they called on <u>Iran</u> "to take advantage of this opportunity to engage seriously with all of us in a spirit of mutual respect." <u>United States</u> Secretary of State Hillary Clinton indicated that the <u>United States</u> wanted to be a full participant in such talks, saying, "Obviously we believe that pursuing very careful engagement on a range of issues that affect our interests and the interests of the world with <u>Iran</u> makes senses." The United States' top diplomat also emphasized the imperative of the effort noting, "There is nothing more important than trying to convince <u>Iran</u> to cease its efforts to obtain a nuclear weapon." <u>China</u> applauded the United States' engagement on the matter. Jiang Yu, a spokesperson for the Chinese Foreign Ministry, said that Beijing was "glad to see an improvement in relations between the <u>United States</u> and <u>Iran</u>."

President Ahmadinejad responded to an offer of dialogue with six world powers when he said that his country was open to the notion. Perhaps in an effort to provide the reassurance sought by Russian Foreign Minister Sergei Lavrov (as noted above), President Ahmadinejad said Iran has prepared proposals aimed at resolving his country's nuclear dispute with the West. The Iranian leader said that his country's proposal package would ensure "peace and justice" for the world although he offered no details. On national television, Ahmadinejad said, "We have prepared a package that can be the basis to resolve Iran's nuclear problem. It will be offered to the West

soon." He went on to describe his proposal by saying, "It respects rights of all nations." Analysts, however, warned that what may be viewed in Tehran as an overture of peace and resolution may not find the same resonance in the capitals of the West.

Iran tested the patience of the Western community by test firing a medium range surface-to-surface missile during the third week of May 2009. President Mahmoud Ahmadinejad hailed the successful missile launch, saying that the Sajjil-2 missile utilized "advanced technology" and had demonstrated accuracy by landing on its unspecified target. Separate reports from the <u>United States</u> confirmed that the missile launch had indeed taken place successfully.

The missile, with a solid fuel capacity that was believed to increase accuracy, could potentially reach <u>Israel</u> as well as American bases in the region. As well, it could theoretically be used to deliver nuclear warheads. Accordingly, there was a growing sense of concern about an apparently provocative act by Tehran at a time when Western powers were looking for productive dialogue, aimed at resolving the ongoing dispute over Iran's nuclear ambitions.

But in another twist, however, Iranian President Mahmoud Ahmadinejad signaled that he was open to meeting with <u>United States</u> President Barack Obama, if he was successful in his re-election bid in June 2009. Ahmadinejad said he was open to debating international issues with the American president at a forthcoming United Nations session scheduled for September 2009. He noted that he would only be willing to discuss Iran's nuclear program within the context of International Atomic Energy Agency regulations. For his part, President Obama has maintained his openness to constructive engagement with <u>Iran</u>.

On May 28, 2009, a mosque in the Zahedan -- the capital of Sistan-Baluchestan -- was the site of a bomb explosion that left around 20 people dead and more than 60 others injured. Zahedan is one of Iran's cities inhabited mostly be Sunni Muslims in this predominantly Shi'a Muslim country. The province of Sistan-Baluchestan is regarded as one of the most remote and neglected corners of Iran. Bordering Afghanistan and Pakistan, the province gained notoriety as a trans-shipment point in the trafficking of narcotics including heroine and morphine. Perhaps not surprisingly, the area has become home to militants and drug gangs.

The Iranian news agency reported that the attack was carried out by a suicide bomber. At the same time, Jalal Sayah -- the provincial deputy governor -- placed the blame on the <u>United States</u>. Sayah alleged that the three suspects who had been arrested in connection with the attack were mercenaries hired by the <u>United States</u>.

# **Primer on Presidential Election of 2009**

Background

Iranians were set to go to the polls in June 2009 to elect a president. President Mahmoud Ahmadinejad, known for his vitriolic and controversial rhetoric, was seeking re-election. However, the economic challenges in <u>Iran</u>, manifested by falling oil prices, rising inflation and concomitant rising joblessness were expected to potentially hurt the incumbent president's prospects. Ahmadinejad would also be faced with formidable challenges, particularly from among the reformist bloc.

Should a reformist unseat hard-line President Ahmadinejad, the move would signal a reformist and moderate shift on the Iranian political landscape. To do so, however, any reformist would have to overcome strong opposition from Iran's conservatives and rely on the backing from previous reformist and moderate supporters who have become disillusioned by the lack of progress and reform in <u>Iran</u> in recent times.

### The Candidates

As indicated above, it was announced that incumbent President Mahmoud Ahmadinejad would run in the upcoming presidential elections. A consultant to Ahmadinejad, Mojtaba Samareh Hashemi was quoted as saying, "Mahmoud Ahmadinejad is the 10th presidential elections candidate in June." Referring to the president's service to the Iranian people during his tenure in office, Hashemi said the Iranian "people know their servants better."

Among the incumbent president's challengers was the conservative speaker of the parliament, Ali Larijani, who has functioned as one of Iran's chief diplomats on the international scene in talks related to Iran's nuclear program. If Iranians decided they wish to pursue further engagement on the matter, especially with the new Obama administration in the <u>United States</u>, Larijani was viewed as a solid choice.

At the same time, after years on the sidelines, Iran's reformists were trying to make a comeback. Ahead of presidential elections set for June 2009, Iran's former President Mohammad Khatami announced his candidacy for the country's position as head of state.

At a meeting of reformists, Khatami said, "I will seriously take part as a candidate for the election." Then, at a news conference in Tehran, Khatami pointed to the urgency of the moment as his motivation for contesting the election. He said, "Is it possible to remain indifferent toward the revolution's fate and shy away from running in the elections?" He also urged a free and open election saying, "This candidacy doesn't deprive others and the path is open. What should be stressed is that the elections must be held freely."

On March 17, 2009, Iran's reformist former President Mohammad Khatami announced his withdrawal from the presidential election. In a statement that came after a meeting with several reformist leaders, Khatami said: "I announce my withdrawal from the 10th presidential election." Calling for a "free and fair" election, Khatami said he intended to continue to participate politically,

and he wanted to encourage massive voter turnout in the upcoming election.

Khatami's withdrawal appeared linked with the decision of former Iranian Prime Minster Mir-Hossein Mousavi, also a reformist, to also seek the presidency. Clearly, the reformist camp wanted to avoid vote splitting and unite behind a single candidate.

As of June 2009, four candidates were approved by the conservative-controlled Guardian Council to contest the presidential election set for June 12, 2009. Profiles of all four candidates are as follows --

## Incumbent President Mahmoud Ahmadinejad

Ahmadinejad is considered a representative of the country's ultra-conservatives and a close disciple of Supreme Leader Ayatollah Ali Khomeini. During Ahmadinejad's presidency, Iran has not only refused to halt uranium enrichment despite prevailing United Nations Security Council resolutions calling for it to do so, it has in fact accelerated its nuclear program. Ahmadinejad also maintains a hard line with the <u>United States</u> and <u>Israel</u>. Ahmadinejad has dramatically increased government spending and has supported subsidies for lower-income families. But the country's escalating rate of inflation and high unemployment have resulted in sharp attacks about his poor stewardship of Iran's economy.

Former Prime Minister Mir-Hossein Mousavi

Mousavi -- an ethnic Azeri -- is a leading representative in Iran's reformist camp and is considered to be the main challenger to Ahmadinejad. As an reformist politician, Mousavi has repeatedly criticized the incumbent government's economic policy. He also vows to pursue constructive interaction and improved relations between Iran and the wider world if he is elected as president. Mousavi has notably advocated liberty of speech and thought, as well as improved women's rights -- clear shifts in policy from the current leadership of Iran.

Former Parliament Speaker Mehdi Karroubi

Karroubi, the current chairman of the National Trust Party, is regarded as a pragmatist reformist on Iran's political scene. Karroubi vows to change Iran's executive mode if he is elected as president, saying that Ahmadinejad's intemperate statements have served only to cause problems for Iran in the realm of international relations. Karroubi favors "good diplomacy" in foreign policy and has said that he seeks a "logical, wise and proud" relationship with other countries. On the economy, Karroubi has called for the distribution of the oil sector profits to every Iranian adult. He also said that while there was nothing lacking in Iranian human rights law, there was a need for its enforcement.

Former Revolutionary Guards chief Mohsen Rezaie

Rezaie, currently the secretary of the Expediency Discernment Council, is considered by many observers as a moderate conservative candidate in the upcoming presidential election. He adopted the phrase "economic rescue" as a campaign slogan and called for a revolution in the Iranian economy. Rezaie has blamed Ahmadinejad for driving Iran's economy to the edge of a "precipice." On foreign policy, Rezaie said he looked for engagement with foreign countries, including the <u>United States</u>, and wanted to preserve security and peace in the region. Rezaie has perhaps offered the most detailed alternate plan for addressing Western concerns over Iran's nuclear activities. He said he would continue Iran's uranium enrichment -- but within the framework of an international consortium, which could potentially include the <u>United States</u>, <u>Russia</u> and European countries.

### Towards Election Day

Election day on June 12, 2009, was drawing close and Iranians headed to the polls to choose between incumbent President Mahmoud Ahmadinejad and his three rivals -- Mohsen Rezaie, Mehdi Karroubi and the main challenger, Mir Hossein Mousavi.

In the final days of the campaigning for the Iranian presidential election was marked by large rallies with thousands of attendees, as well as ever-increasingly heated political rhetoric. In his last media appearance, Ahmadinejad made virulent accusations of his opponents, including the claim that his opponents had conspired with <u>Israel</u> against him. In fact, he referred to "Zionist entities" -- an apparent reference to Israeli companies -- which he claimed had been used to falsify information and discredit his government. But the other three candidates had not been offered equivalent time for media appearances and so they were not able to counter these claims.

The political climate had become so fractious and acrimonious that former President Hashemi Rafsanjani called on Iran's Supreme Leader Ayatollah Ali Khomeini to restrain Ahmadinejad's ever-increasingly vociferous statements. As well, fervent supporters of Mousavi gathered in throngs to show their support for him, and to decry Ahmadinejad for his handling of the economy - which is characterized by high inflation and structural unemployment -- and undermining Iran's reputation internationally.

Ahmadinejad's main core of support has come from the Revolutionary Guard and Iran's ruling clerics, although neither group had officially endorsed him. He was also supported by the Basij militia, and perhaps most importantly, by Ayatollah Khomeini. President Ahmadinejad additionally commanded the support of both the urban poor and rural inhabitants, and his promise of sharing oil wealth has found resonance among struggling families. On the other hand, however, his poor stewardship of the economy offered an opening to his rivals. Accordingly, those rivals garnered support among the intelligentsia, the middle classes, and the more educated portions of the urban population.

There were three key demographic groups that were also expected to play decisive roles in the election. Of primary importance were Iranian women who, in their pursuit of increased personal

liberty, were expected to cast their support for reformist candidates. In fact, Mousavi's tendency to campaign and even hold hands with his wife -- a noted university professor -- in this conservative country was considered a culturally radical shift. That said, conservative Ahmadinejad was not without his own female supporters thanks to his advocacy of insurance for housewives. The substantial youth and student vote -- and particularly, young females who make up 65 percent of the country's university students -- were also expected to be influential. Finally, the reformist candidates were also expected to secure support from national and religious minorities.

Polls ahead of the election suggested that the main contest was between Ahmadinejad and Mousavi. In the week before election day, several independent polls showed that Mousavi had advanced a decisive lead over Ahmadinejad. That said, even with such polling data available, there was no guarantee that any candidate would acquire the 50 percent majority to avoid a run-off among the two top vote getters.

To that end, Mousavi's challenge would be to capture enough of the anti-incumbent vote to either win outright or garner enough support to get him to the second round. He was helped by the fact that former President Rafsanjani made it clear via an open letter to the Supreme Leader Khomeini that the continuation of an Ahmadinejad presidency would run counter to Iran's best national interests. For his part, Ahmadinejad's objective was to win an outright majority and avoid having to deal with a run-off election, where he would be faced with a consolidated anti-incumbent voting bloc. Among the two other candidates, conservative voters looking for an alternative option to Ahmadinejad were expected to cast ballots for Rezaie, while Karroubi was expected to share the moderate vote with Mousavi.

### **Election Results**

On June 12, 2009, voter turnout was so high that polling stations had to extend their operations for several hours to accommodate Iranians who wanted to cast their ballots. Reports from the ground suggested that voter participation was unprecedented. Since there was no exit poll data, it was unknown as to which candidate was in the lead. That said, fierce and rancorous debates between the candidates, fervent competition between the conservative and reformist camps respectively, aforementioned polling data, the massive rallies attended by tens of thousands of Mousavi's supporters, as well as unprecedented voter turnout, gave hope to the reformists that possible victory was at hand.

But soon after the polls closed, both reformist former Prime Minister Mir-Hossein Mousavi and incumbent President Mahmoud Ahmadinejad claimed to have won the election, according to international media. Actual results were not available at the time these competing claims were made and, following the pattern of past elections, vote counting and verification was not expected to be completed until the next day.

With that said, there were reports that Mousavi was in line to win a landslide victory. One of his

Iran

campaign spokesmen, Mohsen Makhmalbaf, said that the Mousavi camp had been contacted by the Interior Ministry to advise them to commence preparations for a victory statement. They were also cautioned to be show restraint in so doing, out of respect for Ahmadinejad's supporters.

Suddenly, however, the political landscape changed radically. Mousavi's websites were blocked, text messaging and other forms of mobile communications were cut off, various social networking communications were curtailed, and one of Mousavi's campaign headquarters was reportedly raided.

Soon thereafter, a former Revolutionary Guard commander who now led the Interior Ministry, Sadegh Mahsouli, announced that it was Ahmadinejad who was far ahead in the vote count. Iranian state media then declared Ahmadinejad the winner by landslide. This announcement was a clear shock since the very same Interior Ministry allegedly suggested it was Mousavi who was on track for his own landslide victory only a little while earlier.

In contrast to other contested election results showing a competitive race with close vote totals for the candidates, this was a confusing case of two sides respectively claiming decisive "landslide" victories. As strange vote totals were released showing Mousavi even losing ethnic Azeri enclaves and other likely strongholds, questions arose about the veracity of the numbers. The communications blockage and climate of disbelief only served to increase suspicion about the questionable election results and stoke fears of fraudulence. The scenario was evolving into a political powder keg of sorts.

# **Post-Election Protests**

The intensity of that political powder keg increased when Mousavi issued a strong statement vociferously rejecting the election results, alleging fraud, and promising resistance. He argued that nullification of the election results was "the only possible way for regaining the people's trust and cooperation with the government." He also called on his supporters "to peacefully protest and defend legal rights civilly and without confrontation and violence all over the country." As well, Mousavi issued a letter calling on the Council of Guardians to void the election saying "fraud is evident," and he dispatched a letter to Ayatollah Khomeini protesting the vote counting. His face-to-face meeting with Ayatollah Khomeini was expected to be as futile as his letter in reversing the announced election results.

Meanwhile, it was reported via Mousavi's official "Twitter" (a social networking mechanism) account that he had been placed under house arrest. The message read: "Dear Iranian People, Mousavi has not left you alone, he has been put under house arrest by Ministry of Intelligence." In a separate message on Mousavi's website, he again charged that the will of the people had been violated, but warned his supporters not to resort to violence as they protested the unfolding situation. Mousavi expressed hope that the security forces of Iran would treat the protestors with care as the people registered their discontent.

Such an end was not to happen. Mousavi's supporters did indeed take to the streets to protests Ahmadinejad's claim of victory. Indeed, demonstrations broke out across the country from the capital city of Tehran to Mashhad in the north eastern part of the country and Baabol to the north. But various reports from the ground in <u>Iran</u> suggested that several well-known reformists, intellectuals, human rights advocates, and members of the opposition were arrested. Among those detained was Mohammad Reza Khatami -- the brother of former reformist President Khatami. Meanwhile, hundreds of Mousavi's ordinary supporters were arrested and beaten.

The Mousavi camp was joined by the other reformist presidential candidate, Mehdi Karroubi, who threw off his clerical robes in protest. Karroubi virulently condemned the election results and echoed Mousavi's call for resistance saying, "If we do not resist this [fraud], people will never help us again."

Also joining the fray was the fourth presidential candidate, Mohsen Rezaie. According to Lara Setrakian of ABC News, Rezaie wrote and published a strong condemnation of the Iranian election results. It was significant that the only other conservative candidate, who also served as the former head of the Revolutionary Guard, had staked out such a position in opposition to Ahmadinejad, the Supreme Leader Ayatollah Khomeini, and the overall established order of Iran.

Meanwhile, various media outlets in the region, including al-Jazeera, reported that former President Rafsanjani resigned from a powerful position. Specifically, he resigned from one of the constitutional bodies upon which he sat -- the Expediency Council -- in protest of the situation unfolding in <u>Iran</u>.

Those opposing the election results were not limited to the political arena. Grand Ayatollah Sanei declared Ahmadinejad's presidency to illegitimate. He warned that cooperation with Ahmadinejad's government was tantamount to acting against Islam. Ayatollah Sansei had earlier issued a fatwa against vote rigging, characterizing it as a mortal sin. His moral and religious edicts did not find resonance among those trying to hold onto power as some reports alleged that police had surrounded his home and office.

Resistance unfolded at the civic level across the country. Notably, 120 faculty members of Sharif University resigned en masse in protest. At the University of Isfahan -- one of Iran's largest institutions of higher learning - 700 student protestors broke into riot mode. In response, the Revolutionary Guard and police moved into action, chasing the students back into the dormitories, where they were beaten and arrested. Some students were able to escape and go into hiding, but reports on the ground suggested that as many as100 students were critically injured and another 500 suffered wounds.

There were other reports that former President Khatami and former President Rafsanjani met with Mousavi at the presidential candidate's house. The meeting, which brought together leading political figures for common purpose in opposition to the establishment, took place at Mousavi's house presumably because he was now under house arrest, as indicated above. No further information about that meeting was available at the time of writing. However, there were subsequent reports that Mousavi's wife, Zahra Rahnavard, called for peaceful protests, followed by a national strike. To that end, Mousavi said he would request permission for a protest rally. Perhaps not surprisingly, that request was denied. Undeterred, Mousavi's supporters said they would instead march to the shrine to Revolutionary Leader Ayatollah Khomeini. The bold move was sure to provoke a confrontation between the reformist and establishment elements within the context of revolutionary principles.

Meanwhile, Supreme Leader Ayatollah Khomeini issued repeated declarations of support for the re-election victory of Ahmadinejad, even characterizing the election outcome as a "divine assessment." Then, two days after the election, Ahmadinejad himself asserted his political power and again claimed election victory at an international news conference.

On June 14, 2009, Ahmadinejad took questions from the international media at a news conference. In response to questions pertaining to the violence in the streets, Ahmadinejad dismissed the protestors, equating them with disgruntled fans of the losing team at a soccer match. He said, "Some believed they would win, and then they got angry. He continued, "It has no legal credibility. It is like the passions after a soccer match. ... The margin between my votes and the others is too much and no one can question it."

According to the Associated Press, Ahmadinejad also dismissed allegations of election fraud, emphatically affirming instead that his re-election was "real and free." Indeed, Ahmadinejad went even further to accuse the international community of waging "psychological warfare" against Iran, by challenging his legitimacy as the re-elected leader of Iran. According to the BBC, Ahmadinejad said, "This is a great victory at a time and condition when the whole material, political and propaganda facilities outside of Iran and sometimes... inside Iran, were total mobilized against our people."

At the news conference, Ahmadinejad was asked by CNN correspondent Christiane Amanpour about the safety of Mousavi. She posed the following questions: "What is the situation with your challenger Mir-Hossein Mousavi and will you guarantee his safety? And why have opposition reform individuals, officials, been arrested?" Perhaps instructively, Ahmadinejad sidestepped the question about Mousavi's safety, saying instead: "The situation in the country is in a very good condition. Iran is the most stable country in the world, and there's the rule of law in this country, and all the people are equal before the law. And the presidential election has witnessed people's massive turnout. As I said, even in a soccer match, people may become excited and that may lead to a confrontation between them and the police force. This is something natural. A person coming out of a stadium may violate the traffic regulations. He will be fined by the police no matter who he is, an ordinary person or even a minister." Going forward, Ahmadinejad has said his apparent election victory has afforded him political capital to accentuate his policies. Indeed, at a news conference two days after the election, Ahmadinejad was asked if he would take a more moderate stance in his second term. In response, he promised, "I'm going to be more and more solid." Human rights advocates warned that a more "solid" position by Ahmadinejad promised further repression of reformist, moderate, prodemocracy and student elements. Geopolitical analysts warned of greater influence by the Revolutionary Guard as well as intensified nuclear development. Economists warned of further financial woes in a country already beset by economic challenges. Whether or not these prognostications would prove true was yet to be seen.

Following the news conference, Ahmadinejad's supporters convened a victory rally. But the streets were also filled with protestors and activists, effectively setting the stage for conflict. To that end, journalists on the ground reported that pro-Ahmadinejad demonstrators were allowed to express themselves in celebration while protestors and activists were subdued by security.

Jim Sciutto of ABC News reported via Twitter: "Inside the protests tonight, if you support Ahmadinejad, no police, you criticize him, get pepper spray, tear gas, batons... Anti-gov't protests have spread to other Iranian cities, including Rasht... We witnessed police spraying pepper gas into the eyes of peaceful female protesters... Two worlds in Tehran tonight. Support Ahmadinejad, free rein. Oppose him, risk police attacks, tear gas, batons, arrest."

Apparently, protestors were not the only ones to feel the effects of what was clearly a crackdown by the political establishment as members of the foreign press were being shut down. It started with the removal of two of the biggest German television stations covering the election in Iran. As well, the al-Arabiya network was shut down and BBC News was ordered to exit Iran immediately. The BBC also said its satellites used for its Persian television and radio services were subject to "heavy electronic jamming." Then, there were unconfirmed reports that NBC News offices in Tehran were raided, and that NBC's cameras and equipment were all confiscated. This was followed by allegations that journalists at ABC News had their cameras and film confiscated. ABC's Jim Sciutto confirmed this report by noting: "Police confiscated our camera and videotapes. We are shooting protests and police violence on our cell phones." At the broader level, Internet access and mobile communications were curtailed. In another development, a Canadian journalist, George McLeod of the Globe and Mail, was reportedly mistaken for a protestor, detained and beaten.

On June 14, 2009, two days after the Iranian presidential election took place, dissent was registered from the rooftops of Iranian homes and buildings. The day had seen some of the most fierce street conflict between protestors and security forces. Then, after sundown, supporters of Mousavi uttered shouts and cries of "Allahu Akbar," or "God is Great" from rooftops to register their dissent in one of the most powerfully symbolical ways. Indeed, "Allahu Akbar" was the rallying cry against the Western-backed monarchy that fell to the 1979 Islamic Revolution. Now that rallying cry was being used against the very power structure that came into being via the

## revolution.

A day later, in a rather unanticipated move, Iran's Supreme Leader Ayatollah Ali Khomeini appeared to agree to Mousavi's request that possible election fraud be considered. He directed the Council of Guardians to investigate those allegations of election fraud. It was unknown if the action would end with the election results actually being questioned by the body, which is charged with authorizing the official election outcome. The move was viewed by some as a way for the leadership of Iran to quell the uprising of protestors who relentless took to the streets since the election result was announced. There was speculation that the establishment had hopes that the high intensity of the protestors' anger would subside during the period in which the investigation was unfolding.

But even under threat of live ammunition fire by security forces, protestors attended Mousavi's rally for which permission had been denied. Mousavi himself was in attendance at the rally, which the Iranian government deemed to be illegal. At the time of writing, hundreds of thousands of people were in attendance and at least ten people had been shot to death, five others were missing, and several others were critically injured by Islamic Basij militiamen.

Mass protest action continued in the following days. Then on June 18, 2009, hundreds of thousands of people answered Mousavi's call to attend a "day of mourning" rally in Tehran to commemorate those killed while expressing their voices of opposition to Iran's official election result. Many attendees at the "day of mourning" rally wore black to symbolize the deaths of fellow protestors at the hands of Islamic Basij militiamen and to illustrate a funeral procession, while some displayed banners and signs questioning the rationale for those deaths. Protest tactics had changed over the course of days with protestors now often marching in silence, rather than chanting slogans, and dropping to the ground en masse when Islamic Basij militiamen were spotted. The new tactics seemed to be in keeping with Mousavi's call for peaceful demonstrations that did not antagonize the opposing side. Mousavi himself was in attendance, causing the protestors to break their silence and express their support for him. Outside Tehran, a silent demonstration took place at a shrine in the south-western city of Shiraz.

Perhaps in a bid to modify his earlier comparison of protestors to the angry soccer fans of a losing team, President Ahmadinejad said he was referring only to those who "riot." He also struck a more conciliatory tone in reference to the opposition saying, "Everyone is a winner. Iranians are very much valued and respected, and the cabinet belongs to all Iranians." His supporters launched their own counter-protest with thousands in attendance.

In other developments, the Council of Guardians decided not to carry out a new election as called for by Mousavi, but to simply carry out a partial recount of some ballots. As well, the Iranian authorities were making high level arrests of individuals associated with the opposition. Among those detained were former President Rafsanjani's daughter and son, as well as former Foreign Minister Ebrahim Yazdi -- the head of the Freedom Movement of <u>Iran</u> -- who was arrested while

undergoing cancer treatment at a Tehran hospital.

### Crackdown Against the Opposition

The climate on June 18, 2009 was one of anticipation as Supreme Leader Ayatollah Khomeini was expected to deliver the sermon at Friday's prayers. His address was expected to be a harbinger of the government's stance. Would Supreme Leader Ayatollah Khomeini go the way of the people now that he was under pressure from Grand Ayatollah Montenzeri and Grand Ayatollah Sanei -- both of whom had now expressed opposition to the election result and vociferously questioned Ahmadinejad's legitimacy? Or would he take a moderate position, augmenting Ahmadinejad's official victory but also offering concessions to the opposition forces? Alternatively, would he instead take a hard line position?

In fact, it was the hard line position that was adopted by Iran's supreme leader on June 19, 2009. Ayatollah Khomeini declared that the election outcome had been decided at the ballot box and would not be overturned by protestors in the streets of Iran. He said, "Some may imagine that street action will create political leverage against the system and force the authorities to give in to threats. No, this is wrong." Khomeini also dismissed any allegation of election fraud or irregularities as impossible in Iran, and he reiterated his strong support for President Ahmadinejad. As well, Iran's supreme leader issued a strong warning that those continuing to participate in protests would face harsh repercussions. He specifically warned that opposition leaders would "be held accountable for all the violence, bloodshed and rioting" if they did not stop the protest rallies.

The Iranian leader additionally blasted the countries of the West, and incorrectly accused <u>United</u> <u>States</u> President Obama of saying, "We were waiting for a day like this to see people on the street." In fact, the American president carefully avoided any such statements against the objections of other politicians in the <u>United States</u>. But Khomeini saved his harshest criticism for the <u>United Kingdom</u>, which he characterized as "the most evil of them," for trying to stoke instability in <u>Iran</u>. To that end, he said: "Some of our enemies in different parts of the world intended to depict this absolute victory, this definitive victory, as a doubtful victory."

The day after Khomanei staked out this hard line position, opposition supporters returned to the streets in defiance of the authorities and in the face of likely bloodshed. The extent of the injuries that occurred during street clashes was unknown although reports from hospitals suggested an extensive casualty list. Slowly, images began to be dispersed through still-functioning forms of media and communications and revealed a picture of grave brutality as security forces used guns with live ammunition, batons, water cannons and tear gas against the protestors. But the protestors were not about to be quelled easily and they fought back against the police and militias by pelting stones at them. They were not to be quickly silenced either as many in the crowd screamed, "Death to the dictator!" in the streets and, as before, the shouts and cries of "Allahu Akbar" resounded from rooftops in an expression of opposition. It was the most serious case of civil chaos and instability in Iran since the Islamic Revolution of 1979.

By June 21, 2009, however, it was clear that the authorities had now managed to suppress the opposition to some degree. Several political leaders associated with the opposition had been arrested and the streets were now teeming with a heavy security presence on every street corner. Consequently, it was difficult for protestors to carry out mass action. In addition, most of the foreign media had either been asked to leave the country or had their operations severely curtailed. Indeed, more than 20 journalists and bloggers had been detained, according to Reporters Without Borders. For his part, Mousavi showed that he would not back down. He urged supporters to keep up their protests and said he was prepared to a martyr on behalf of the people.

Two weeks after its contested presidential elections, Iranian protestors continued to take to the streets in defiance of the government's warning that dire consequences were in the offing. On June 24, 2009, Supreme Leader Ayatollah Ali Khomeini's repeated decrees that demonstrators should stop their mass action went unheeded and they braved the streets to register discontent over the Iranian leader's assertion that he would "not yield" over the election results, which the government said made incumbent President Mahmoud Ahmadinejad the winner over reformist candidate, Mir Hossein Mousavi.

There was speculation that the ire of the opposition protestors had fueled, in part, by the wellpublicized and horrific video footage of a young Iranian university student being gunned down as she exited a car and bled to death on the street. Regardless of their actual motivation, pro-reformist protestors and supporters of Mousavi rallied in the streets and clashed with Iranian riot police, according to reports from eye witnesses. Police fired tear gas at the crowds, shot live ammunition into the air, and used clubs to beat some protestors, in an effort to disperse the crowds. These reports could not be verified by mainstream international journalists, who have been severely restricted from freely reporting post-election developments in <u>Iran</u>.

For his part, Mousavi was not seen in public, although the wife of the reformist candidate, Zahra Rahnavard, urged protestors to continue their opposition and called for the release of those detained since the disputed election took place. Among those detained were several employees of Mousavi's newspaper as well as 70 academic scholars. Speaking via Mousavi's website, Rahnavard said, "It is my duty to continue legal protests to preserve Iranian rights." she was quoted as saying on the website.

According to Reuters, one of Mousavi's fellow presidential candidates, moderate Mehdi Karoubi, joined the chorus in denouncing the government as "illegitimate." Karoubi said, "I do not accept the result and therefore consider as illegitimate the new government. Because of the irregularities, the vote should be annulled."

The proverbial "line in the sand" between the two sides was hardening, because as the reformists and moderates stood in solidarity, so too did the conservatives and hard liners join ranks. In fact, hard line cleric Ahmad Khatami said that protestors should be dealt with "severely and ruthlessly"

and demanded harsh retribution for those daring to defy the regime. Addressing worshippers at Tehran university, he said: "I want the judiciary to... punish leading rioters firmly and without showing any mercy to teach everyone a lesson."

The streets of Tehran went quiet for a few days but erupted in clashes between riot police and thousands of protestors once again on June 28, 2009. As before, police used tear gas and clubs against the protestors in an effort to disperse the crowds. One particularly brutal account by eye witnesses involved the beating of an elderly woman close to the Ghoba Mosque. Again, these reports could not be verified due to severe restrictions on journalists working in <u>Iran</u>.

By the start of July 2009, Iran's military chief, Major General Hassan Firouzabadi, said that the European Union (EU) was no longer qualified to participate in talks regarding Iran's nuclear program. For its part, the EU said it was considering whether or not to withdraw its ambassadors from Iran in response to the ongoing diplomatic dispute. While the <u>United Kingdom</u> was calling for such a move, other countries such as <u>Germany</u> and <u>Italy</u>, have argued that the lines of communication with Iran should be maintained. At issue has been the detainment of several British embassy staffers by the Iranian government, which has blamed the <u>United Kingdom</u> for inciting riots among opponents of the regime.

On the domestic front, the Basij militia in Iran have said that opposition presidential candidate, Mir Hossein Mousavi, was guilty of propaganda against the state. Basiij militia also characterized Mousavi as the ultimate architect of the post-election instability facing the country and called for his prosecution as a result. For his part, Mousavi was not backing down. Indeed, on his own website, Mousavi said, "It is our historic responsibility to continue our complaint and make efforts not to give up the rights of the people." Mousavi also demanded the release of the "children of the revolution" - - an apparent reference to the arrests of hundreds of reformist activists.

On July 8, 2009, weeks after the contested Iranian election, fresh opposition protests erupted in Iran in defiance of warnings by the government that such demonstrations should cease. Hundreds of protestors nonetheless took to the streets and started marching toward Tehran University. The march appeared to be symbolically timed to coincide with the 10th anniversary of the 1999 student protests, which saw conflict between pro-reformists and Basij militia. The protestors chanted "Death to the dictator," and reportedly broke windows of offices and set fire to garbage cans. In response, Iranian police fired tear gas at them in an attempt to quell the crowds. There were also reports that police wrote down the license plate numbers of vehicles from which horns were sounded in solidarity with the protestors.

Meanwhile, two lawyers -- Mohammad Ali Dadkhah and Abdolfatah Soltani -- were detained. Both individuals have been aligned with Nobel Peace Prize winner Shirin Ebadi's human rights group, and both have provided legal representation to some of the activists who were detained in the aftermath of the contested Iranian presidential election. In other developments, a group of clerics known as the Assembly of Qom Seminary Scholars and Researchers, have backed the opposition in <u>Iran</u> by characterizing Iran's presidential election as invalid. The statement by the clerics also condemned moves made by some members of the Guardian Council, saying that they had "lost their impartial image in the eyes of the public." The declaration was a clear act of defiance against Supreme Leader Ayatollah Ali Khomeini and laid bare the emerging schism among the establishment of <u>Iran</u>.

In mid-July 2009, former Iranian President Ali Akbar Rafsanjani called for the release of protestors who were jailed during demonstrations following the contested presidential election. He noted, "In the current situation it is not necessary for us to have a number of people in prisons... we should allow them to return to their families." In a sermon delivered at Tehran University, former President Rafsanjani also said that many Iranians held no faith in the official results of the election, which proclaimed Mahmoud Ahmadinejad to be the winner. He additionally asserted that the media should be allowed to discuss the contested and controversial nature of the election openly. To this end, he said: "It is not necessary to pressure media. We should allow them to work freely within the law."

His words were met by approval from some in the hall who shouted "Freedom! Freedom!" and carried green prayer mats to show support for opposition and reformist candidate, Mir Hossein Mousavi. Viewed as an important player on the Iranian political scene, former President Rafsanjani was now making it clear that he supported Mousavi. As such, these assertions made during Iran's all-important Friday prayers were a direct challenge to Supreme Leader Ayatollah Ali Khomeini.

Also attending the prayers was another opposition candidate, Mehdi Karoubi, as well as Mousavi, who urged supporters not to cease their protest actions. Mousavi's calls appeared to be heeded since outside the university, thousands of people wearing green gathered to rally in the streets. It was the first public demonstrations in a week. As before, shouts of "Allahu Akbar" (God is great) and death to the dictator" were reported to have been heard. Police used tear gas to try to disperse the crowd.

# International Response

At the international level, what kind of relationship would <u>Iran</u> have with the West? Clearly, finding a negotiated settlement to the ongoing dispute over Iran's nuclear program was not made any easier for the Obama administration in the <u>United States</u>. As noted by Suzanne Maloney at the Brookings Institute, "Washington now faces a newly fractured Iranian polity ruled by a leadership that is willing to jettison its own institutions and legitimacy in its determination to retain absolute control. That does not bode well for Iran's capacity to undertake serious talks and eventually engage in historic concessions on its nuclear program and support for terrorism."

With these challenges in full view, the <u>United States</u> has not expressed acceptance for the Iranian election results, with the Obama administration preferring to take a cautious "wait-and-see"

position. Indeed, the lead from the Associated Press one day after the election was as follows: "The U.S. on Saturday refused to accept hard line President Mahmoud Ahmadinejad's claim of a landslide re-election victory in Iran and said it was looking into allegations of election fraud." This position was quite distinct from the European Union, which has indicated that it accepts that Ahmadinejad is the president, although it acknowledges voting irregularities.

The <u>United States</u> took a more decisive turn following the violence unfolding in the streets of <u>Iran</u> on June 15, 2009. The <u>United States</u> Department of State said it was "deeply troubled" by reports of violence and voting irregularities in the election. As well, President Obama made clear that he was concerned about the safety of the protestors and their right to be heard in the face of apparent voting irregularities, but he explained that he did not wish the <u>United States</u> to be viewed as meddling in Iran's affairs with possible dire results. On June 19, 2009, however, as Supreme Leader Khomeini augured a possible crackdown on protestors, the <u>United States</u> House of Representatives took an even more clearly defined line by issuing an almost-unanimous condemnation of Tehran's handling of the opposition protest movement and in support of fair and democratic elections. The move had little actual effect on <u>United States</u> foreign policy, which is primarily set in the White House, but served to issue the most vociferous response from the <u>United States</u>.

Amnesty International said it was "extremely disturbed" by the content and tenor of Supreme Leader Khomeini's speech, and warned that it suggested a harsh crackdown on those who continued to voice their opposition. As well, United Nations High Commissioner for <u>Human Rights</u>, Navi Pillay, said that he was concerned about the magnitude of arrests against opposition supporters and called on Tehran to restrain the Islamic Basij militiamen.

Presumably in response to the threat of a violent crackdown ensconced in Supreme Leader Khomeini's speech, <u>United States</u> President Obama warned the Iranian clerical leadership, "The whole world is watching." Once the harsh crackdown against opposition protestors commenced, President Obama demanded that the ruling Iranian regime cease its "violence and unjust action against its own people." President Obama also called on Iran's leaders to "govern through consent, not coercion." In his strongest assertion yet, the American president issued a statement of solidarity with the people of <u>Iran</u>, which read: "The universal rights to assembly and free speech must be respected, and the <u>United States</u> stands with all who seek to exercise those rights."

The Iranian regimed continued to step up its efforts against Western governments, which it blamed for spurring on the protests. Indeed, Iran expelled two British diplomats for "activities incompatible with their status" and said it was considering downgrading bilateral ties with the United Kingdom. In retaliation, the United Kingdom asked two Iranian diplomats to leave the country.

Iran's relationship with the West devolved further after local employees of the British Embassy in Tehran were arrested. Iran accused them of inciting protests but British Foreign Secretary David

Milliband said <u>Iran</u> was guilty of "harassment and intimidation." The European Union issued its own condemnation of the arrests of the embassy employees and demanding their release. The European bloc also appeared to issue a warning of sorts to <u>Iran</u> via a statement that read, "harassment or intimidation of foreign or Iranian staff working in embassies will be met with a strong and collective EU response."

Across the Atlantic, the <u>United States</u> rescinded invitations to Iranian diplomats to attend Independence Day celebrations. On June 25, 2009, Iranian President Mahmoud Ahmadinejad warned <u>United States</u> President Barack Obama to "avoid interfering" in Iranian affairs. Ahmadinejad was presumably reacting to President Obama's forthright critique of Iran's crackdown on the protestors during a joint news conference with German Chancellor Angela Merkel. President Obama said that the Iranian people had a universal right to assemble and express their voices freely. He also expressed praise for the opposition demonstrators, saying, "Their bravery in the face of brutality is a testament to their enduring pursuit of justice. The violence perpetrated against them is outrageous." Thus, in response to the sharpened language coming from the American president, Ahmadinejad posed a question of President Obama, "Do you want to speak with this tone? If that is your stance then what is left to talk about?" He also accused President Obama of behaving like former President George W. Bush.

But the international community appeared fairly unified in its condemnation of Iran's treatment of opposition protestors. Foreign ministers from the major industrialized countries, known as the G8, were meeting in <u>Italy</u> and issued a shared statement deploring the post-election violence in <u>Iran</u>. The statement additionally said: "We express our solidarity with those who have suffered repression while peacefully demonstrating and urge <u>Iran</u> to respect fundamental human rights."

Analysis: Is this Iran's version of the Velvet Revolution or is this Iran's Tiananmen moment?

The coverage discussed above has been set within the context of the 2009 Iranian presidential election and the ensuing fight between Ahmadinejad and the conservatives versus Mousavi and the reformists. But this dichotomy, to some extent, obfuscates the political complexity of the Iranian scene, as well as the broader political elements and dynamics. Of note is the fact that Ahmadinejad's political fate is inextricably linked to the power of Ayatollah Khomeini --and the Supreme Leader's fate is itself intertwined with the political viability of Ahmadinejad. A contrived election result that reifies the current balance of power, flies in the face of legitimacy, and contravenes against revolutionary principles about "people-centered" power, is sure to not only spark the fire of popular discontent among Mousavi's supporters, but also certain elements outside his circle. Thus, it was not surprising to see Mousavi's own presidential rivals as well as some of the country's spiritual leaders joining the resistance, as noted above, as a crisis of confidence unfolds.

In a sense, in the effort to retain Ahmadinejad's power -- under what may arguably be viewed as questionable circumstances -- an anti-establishment protest movement is now coalescing in Iran in

the days after the election. No longer is the attention singularly on Ahmadinejad's presidential power; instead, the focus is moving toward the political and spiritual establishment of <u>Iran</u>, headed by none other than Supreme Leader Ayatollah Khomeini.

The 2009 election story remains unfinished at the time of writing. Will popular resistance -- now evolving into an anti-establishment movement -- end in Iran's answer to the Velvet Revolution? Or will the established order continue to crackdown in hard line fashion against those who dare dissent and challenge its authority? And could that crackdown end for Iran as it did for student protestors at Tiananmen Square decades ago? The stance by Supreme Leader Khomeini augured a strong possibility that those choosing to continue to voice their opposition to the government in Tehran would face a harsh crackdown reminiscent of Tiananmen Square two decades ago. Indeed, that crackdown already began, as discussed above, and has -- to some degree -- resulted in the sustained suppression of the opposition. As well, Mousavi has shown no sign that he was ready to surrender, saying that he was willing to be a martyr for the cause of political form.

## Editor's Note:

While limited journalistic access has prevented proper verification of the facts on the ground in Iran, human rights groups have said that hundreds of people, including reformist politicians and activists, journalists, as well as lawyers, have been detained since the protests began in June 2009. Many of these individuals were being held on charges that they acted against the interests on national security and, therefore, were at risk of suffering the death penalty. Their situation was not helped by emerging reports that some of these detainees were tortured to extract confessions. The legal trials of scores of these detainees commenced at the end of July 2009.

### **Recent Developments on Domestic Scene**

Mahmoud Ahmadinejad was to be inaugurated for a second term in office as president on Aug. 5, 2009. But in the days leading up to his inauguration, he found himself mired in a political imbroglio with members of his own hardline camp over key decisions in government and in dealing with detained opposition protestors. Ahead of his swearing in ceremony, Mahmoud Ahmadinejad insisted that there was no rift between him and Iran's Supreme Leader Ayatollah Ali Khomeini.

At issue was the ongoing political crisis that had gripped the country in the aftermath of the contested June 2009 presidential election between incumbent Ahmadinejad and other contenders, including opposition leader Mir-Hossein Mousavi. Select exit poll data had signaled a possible win by Mousavi, and even set against contrary exit poll date, a close election race was anticipated to be likely. The official result giving a landslide victory to Ahmadinejad was soundly rejected by significant portions of the Iranian electorate. Indeed, it led to demonstrations by an outraged public at a level unseen since the Islamic Revolution of 1979, a state of political strife nationally, condemnation of the election at home and internationally, as well as a brewing power struggle

between hardliners and reformists among the political establishment.

It was an extension of this latter issue that was the source of Ahmadinejad's assertions. Given the controversial nature of the election outcome, it was not surprising that there were increasing tensions and an ever-increasing chasm between hardliners and reformists. That said, it was somewhat unexpected to find that a rift had emerged within the hardline or conservative faction of the political class. One principle cause of consternation was Ahmadinejad's decision to write a letter to the Iranian judiciary demanding "maximum Muslim leniency" toward the protestors and opposition figures who had been detained, even noting that the "duration of the detentions has been more than normal." This admission tacitly acknowledged claims made by human rights advocates and contradicted the government's own claim that detainees were being fairly treated.

Also of concern was Ahmadinejad's decision to select his close ally, Esfandiar Rahim-Mashaie, as his deputy in defiance of Supreme Leader Khomeini. Mashaie gained something of a reputation of being culturally liberal. As Minister of Tourism, he invited Israelis to visit Iran, and during a visit to Turkey, he remained at an official dinner with female entertainers. Both moves were not well-received by the ultra-conservatives in government. Supreme Leader Khomeini ordered Ahmadinejad to dismiss Mashaie as a result, but the president refused to comply for over a week. In the Iranian Islamic system, the Supreme Leader's word was not to be ignored. Given Khomeini's strong sanction of Ahmadinejad as the winner of the contested election, this decision to go against the Supreme Leader was even more pronounced. Although Ahmadinejad eventually assented to Khomeini's will, he nonetheless raised the ire of hardliners and conservatives within his ranks, and also managed to keep Mashaie in the presidential fold as his chief of staff and special adviser.

In yet another case, which widely seen as an act of defiance, Ahmadinejad fired Intelligence Minister Gholamhossein Mohseni-Ejei. The intelligence minister had accused reformist presidential candidates Mir-Hossein Mousavi and Mehdi Karroubi of having links with foreign powers and inciting instability. But these views were common among hardliners and, as such, Ahmadinejad's actions -- to remove Mohseni-Ejei from cabinet along with the short-lived appointment of Mashaie as deputy -- raised the ire of several other hardliners and ultra-conservatives, who would normally be Ahmadinejad's natural political allies.

Ahmadinejad dismissed the notion of there being problem in his relationship with Iran's Supreme Leader Khomeini. Describing his connection with Khomeini during a speech in the holy city of Mashhad, Ahmadinejad said: "This is not a political relationship ... our relationship is based on kindness. It is like a relationship between a father and his son." He decried those trying to exploit perceived divisions saying, "Your efforts will bear no fruit. This road is closed for those devils who dream about harming our relationship. Their dream will be buried along with them."

The situation within the hard-line camp illuminated a complex set of dynamics. Assuming Ahmadinejad's announced margin of victory in the June 2009 election was correct, then it was

plausible that the re-elected president was asserting his political capital. On the other hand, if the election result was more suspect -- perhaps even facilitated by those in power, with the Supreme Leader Khomeini at the helm -- it was plausible that the hard-line elite expected to wield the effective power that it nominally bestowed on Ahmadinejad.

In the background of these contrary and complicated internal political dynamics was the ongoing state of instability in <u>Iran</u> in the aftermath of the contested election. Protests, while less frequent, were still taking place, and usually ensued to mark a particular threshold or symbolic event. To this end, protestors gathered to commemorate the tragic killing of a young girl, Neda Agha-Soltan, who became an iconic martyr of the reformist movement during the height of the post-election protests. As before, protestors clashed with security forces, and Iranian riot police used tear gas and the threat of arrests to disperse the crowd.

Opposition leader Mousavi tried to join in the demonstrations but was prevented from doing so by the authorities. Hard-line and conservative politicians have continued to call for Mousavi's arrest, claiming that he was guilty of fomenting dissent and instability in post-election Iran. But for his part, Mousavi has not backed down from his claim that the election result was fraudulent, the new government was "illegitimate" and that the Iranian authorities were responsible for killing, harming and detaining his supporters. He has been joined by former President Mohammad Khatami, who has decried the attacks on the crowds of demonstrators, and also promised to continue to heed the reformist call.

On Aug. 6, 2009 --- one day after Mahmoud Ahmadinejad was inaugurated into office for a second term -- hundreds of supporters of opposition leader Mir-Hossein Mousavi took to the streets to protest and register their opposition. The protestors marched in defiance of the heavy presence of riot police in Tehran and chanted "Death to the dictator" as they moved toward Vanak Square. Meanwhile, a mass trial for those who were arrested in the opposition's demonstrations that took place after the contested presidential election.

On the previous day, several key reformists boycotted Ahmadinejad's inauguration ceremony, flouting Supreme Leader Khomeini's authority by refusing to heed his call for unity on that day. For his part, Ahmadinejad was yet to present a cabinet to parliament for approval. As he moved into his second term, he was faced with detractors on both sides, as noted above.

By late August 2009, Ahmadinejad was under fire for his choice of cabinet. While a confidence vote was expected in the conservative parliament, members of parliament expressed objections to his some of his selections. In particular, they objected to his choice for education minister, who was one of three women nominees, on the basis of a lack of experience. Meanwhile, the international community decried his decision to choose a defense minister-designate, Ahmad Vahidi, who was wanted by Interpol in connection with a 1994 bombing of a Jewish center in Argentina that killed 85 people. Conversely, this particular selection of Vahidi was likely to be supported by hardliners in the conservative parliament.

Ultimately, while Ahmadinejad's choice of education minister was rejected, another woman --Marzieh Vahid Dastjerdi-- was approved as Iranian health minister. Dastjerdi, the first female minister in the 30-year history of the Islamic republic, was known to be a conservative who has advocated on behalf of gender-segregated health care in which only female medical professionals treat female patients and only male medical professionals treat male patients. Also, as expected, Vahidi won strong support in the Iranian parliament despite his alleged involvement in a terrorist act in <u>Argentina</u>.

Meanwhile, a cadre of former Iranian parliamentarians have called on the country's Assembly of Experts to legally investigate if Supreme Leader Ayatollah Ali Khomeini should maintain his position of power. As expressed in a letter, which was addressed to former President Ali Akbar Rafsanjani (the head of the Assembly of Experts), the parliamentarians decried the harsh crackdown on protestors who opposed the contested election results that returned Mahmous Ahmadinejad to power over reformist Mir-Hossein Mousavi. The parliamentarians charged that the Assembly of Experts had a responsibility to do so under the aegis of Article 111 of the constitution, which specifically notes that if the supreme leader "becomes incapable of fulfilling his constitutional duties," then he can be dismissed. For its part, the Assembly of Experts is one of the most powerful bodies in Iranian governance with the power to remove the person occupying the position of supreme leader. However, it was yet to be seen if the Assembly of Experts would take on the task of directly challenging the sitting supreme leader of the country.

Also occurring at the same time was a move by a senior cleric, Ayatollah Ahmad Khatami, who called for former reformist presidential contender, Mehdi Karroubi Karroubi, to be prosecuted. Karroubi was under fire for his accusations that some opposition protestors had been raped or tortured to death while detained in prison. Khatami said that Karroubi's claims were "full of libel" and "against the Islamic system" and therefore deserved legal consequences. He also said that Karroubi's words were a boon to Iran's enemies like the <u>United States</u> and <u>Israel</u>.

Thousands of opposition supporters clashed with security forces in Tehran during a pro-Palestinian rally on Sept. 18, 2009. Opposition supporters had been warned not to disrupt the Quds Day event, which was sponsored by the government. While the event began calmly, reformists were not inclined to heed the post-election ban. The situation took a negative turn when reports emerged that two leading reformists -- opposition leader Mir-Hossein Mousavi and former President Mohammad Khatami -- were both attacked by loyalists and security forces. Meanwhile, President Mahmoud Ahmadinejad delivered a speech, which included his often-uttered denial of the Nazi Holocaust as well as his criticism of the Jewish state of <u>Israel</u>. As before, Western officials condemned his remarks. British Foreign Secretary David Miliband characterized Ahmadinejad's denial of the Holocaust as "abhorrent as well as ignorant," while the Obama administration excoriated Ahmadinejad for his "ignorant and hateful" remarks.

On Oct. 18, 2009, a suicide bombing left at least 35 people dead and another 30 injured. Among

the dead were five senior officers of Iran's elite Revolutionary Guard Corps, including Nour Ali Shoushtari -- the deputy head of the Revolutionary Guard Corps' ground forces -- who was mediating talks between Iranian Shi'ites and Sunnis in Sarbaaz in south-eastern Sistan-Baluchistan. That area of Sistan-Baluchistan has been predominantly inhabited by the Baluchi ethnic group -- a Sunni Muslim minority in Shi'a-ruled <u>Iran</u>.

While some voices in Iran at first placed the blame on the <u>United States</u> for the attack, <u>Iran</u> later accused Pakistan of being behind the suicide bombing. Indeed, President Mahmoud Ahmadinejad said that Pakistani agents were behind the violence and demanded that the Pakistani government arrest those responsible. Emerging reports have suggested that the Sunni resistance group, Jundullah, might have carried out the attack. However, the Pakistani foreign office has denied claims by <u>Iran</u> that Jundullah's leader was in <u>Pakistan</u>.

On Oct. 21, 2009, Iranian commanders urged their country's authorities to launch an offensive operation against the Jundullah Sunni resistance group. In an interview with the Fars news agency, Brigadier General Mohammad Pakpour, the commander of the Islamic Revolution Guard ground forces, said, "This is not acceptable to us that terrorists enter <u>Iran</u> from a neighboring country and stage terrorist action."

Tensions between <u>Iran</u> and <u>Pakistan</u> were further accentuated when on Oct. 26, 2009, Pakistani police arrested 11 Iranian Revolutionary Guard officers for illegally entering the country via the shared border with <u>Iran</u> in the southwestern province of Baluchistan.

Editor's Note:

Iran's Revolutionary Guard Corps - composed of more than 200,000 members -- was originally established to protect the leaders of the revolution. In recent times, its purpose has been extended to enforce the government's strict Islamic moral codes and to protect Iran's interests, such as oil fields and missile arsenals.

# **Recent Developments Related to the Nuclear Issue**

In September 2009, the issue of Iran's controversial nuclear program came to the fore. A report by the International Atomic Energy Agency (IAEA) noted that Iran's Natanz nuclear plant registered a reduction in the number of centrifuges used to actively enrich uranium. Nonetheless, the IAEA also charged that Iran was not cooperating in an investigation of allegations that Iran was on the path toward weaponization of uranium.

To that end, the <u>United States</u> envoy to the IAEA, Glyn Davies, asserted that <u>Iran</u> was continuing to enrich uranium in defiance of the United Nations Security Council and could already have garnered sufficient enriched uranium to eventually produce a nuclear bomb. At a meeting of the

IAEA in Vienna, Davies said, "We have serious concerns that <u>Iran</u> is deliberately attempting, at a minimum, to preserve a nuclear weapons option."

In response, Iran's envoy to the IAEA, Ali Asghar Soltanieh, argued there had been false accusations about Iran's nuclear program from the <u>United States</u> before. He said, "The world is observing curiously whether or not this [American] administration follows the same trend as the Bush administration - pursuing hostile political confrontation, using fabricated baseless allegations." <u>Iran</u> has maintained that its nuclear program has only a civilian energy development purpose and that its rocket-building activities would be oriented toward satellites alone.

But analysts warned that Iran's vociferous defense of its nuclear program could be a strategy intended to stall further international action that might be in the offing. Indeed, <u>United States</u> President Barack Obama has warned <u>Iran</u> that its friendly overtures toward engagement with Tehran would expire by the end of September 2009. At that time, the <u>United States</u> president was prepared to pursue new sanctions against <u>Iran</u>.

Mohamed El Baradei, the head of the IAEA, urged <u>Iran</u> to accept the United States' offer of dialogue. Ahead of the IAEA meeting in Vienna, he said, "The U.S. is making an offer without preconditions and on the basis of mutual respect." He continued, "The offer by the U.S. is an offer that should not be refused, that cannot be refused, because it has no conditions attached to it. And I hope [the] response will be positive."

Such hopes of dialogue were somewhat complicated after <u>Iran</u> put forth its package of proposals to the five permanent United Nations Security Council members and <u>Germany</u>. According to the independent United States-based entity, ProPublica, the five-page proposal, <u>Iran</u> called for "comprehensive, all-encompassing and constructive" negotiations on a range of security issues, including global nuclear disarmament. However, the document detailing Iran's latest proposals on its nuclear ambitions conspicuously failed to mention Iran's own nuclear program.

The <u>United States</u> reacted by registering dissatisfaction with the proposal package. Philip Crowley, the <u>United States</u> Assistant Secretary of State for Public Affairs, said that the proposed measures failed to address the status of Iran's nuclear program. He said, "Our concern is that the response itself did not really address what is the core issue of the international community and the core concern, which is Iran's nuclear ambitions."

Conversely, <u>Russia</u> reacted by suggesting that the Iranian proposals signaled positive progress. Russia's Foreign Minister Sergei Lavrov said, "Based on a brief review of the Iranian papers my impression is there is something there to use." Lavrov also indicated that there would be no oil sanctions against <u>Iran</u>. "Some of the sanctions under discussion, including oil and oil products, are not a mechanism to force <u>Iran</u> to co-operate, they are a step to a full-blown blockade and I do not think they would be supported at the United Nations Security Council." The American and Russian responses showed divergent approaches to the Iranian nuclear issue, and suggested that consensus on the matter would not be easily achieved. The controversy surrounding Iran's nuclear program took on greater significance after the IAEA meeting, as discussed above. If <u>Russia</u> was indicating that it would not support strong oil sanctions against <u>Iran</u>, then what options would be available to countries such as the <u>United States</u>, which has made clear that consequences were in the offing if <u>Iran</u> failed to resolve the international community's concerns about its nuclear ambitions?

In mid-September 2009, experts at the United Nations nuclear monitoring agency, the International Atomic Energy Agency (IAEA), indicated their belief that Iran could have the ability to manufacture a nuclear bomb. In a report drafted by IAEA officials, the report titled, "Possible Military Dimension of Iran's Nuclear Program," also intimated that Iran could well be trying to develop a missile system capable of carrying an atomic warhead. The document was based on intelligence provided by internal IAEA investigations, external nuclear arms experts, as well as IAEA member states. Excerpts of this confidential report was made public by the Associated Press.

Of particular concern in the document were the following three findings by the IAEA:

- <u>Iran</u> worked on the development of an internal chamber of a ballistic missile, which would have the capacity to house a warhead payload described as "quite likely to be nuclear"

- <u>Iran</u> may have engaged in "probable testing" of explosives used to detonate a nuclear warhead; this method is referred to as "full-scale hemispherical explosively driven shock system"

- <u>Iran</u> may have enough technical knowledge to enable the design and production of an implosion nuclear device (i.e. an atomic bomb) "using highly enriched uranium as the fission fuel"

Moreover, the document concluded that while <u>Iran</u> was not yet capable of attaching nuclear warheads to its Shahab-3 medium-range missile, further research and development could lead to the production of a prototype system. To that end, the Shahab-3 missile -- with a range of up to 1,250 miles (2,000 kilometers) -- would place <u>Israel</u> within striking distance. Thusly, the IAEA has called on <u>Iran</u> to remove all doubts about its claim of an exclusively peaceful civilian nuclear energy program.

There was some hint that IAEA head, Mohamed ElBaradei, was not keen on sharing the substance of the report, which some IAEA member states have called a "secret annex." For its part, the IAEA has referred to the notions of a "secret annex" on Iran as misinformation. With the report now in the public purview, the IAEA did not deny the existence of the document detailing Iran's nuclear record. Instead, it released a statement noting that the IAEA had "no concrete proof that there is or has been a nuclear weapon program in Iran." This position was similar to ElBaradei's statement in 2007 in which he maintained that there was no "concrete evidence" that Iran was

carrying out atomic weapons work.

Nevertheless, in recent times, ElBaradei has moved away from his typically restrained tone in regard to Iran's nuclear program. He has forthrightly encouraged <u>Iran</u> to cooperate with IAEA investigations and has urged dialogue sought by the <u>United States</u>. Perhaps more importantly, in a private meeting with IAEA board members, ElBaradei reportedly said that if the intelligence on Iran's alleged nuclear weapons experiments were true, then "there is a high probability that nuclear weaponization activities have taken place - but I should underline 'if' three times."

Earlier in 2009, the IAEA reported that Iran had produced more than enough low-enriched or fuelgrade uranium for one nuclear weapon. Clearly, it was plausible that Iran's enrichment capacities may have expanded since that time at the start of the year. Perhaps not surprisingly, that possibility -- in conjunction with this confidential report -- have fueled the prevailing anxieties of countries, such as the <u>United States</u>, <u>Israel</u> and <u>France</u>, who have already expressed alarm over Iran's controversial nuclear program. Indeed, despite Iran's enduring insistence that its nuclear development has been purely for civilian energy purposes, the <u>United States</u> has long argued that Iran's uranium enrichment program could not be simply understood in those terms. Now, it would seem that the United States' allegations were being bolstered to some degree by the emerging intelligence, its actual accuracy notwithstanding.

On Sept. 17, 2009, <u>United States</u> Defense Secretary Robert Gates expressed concern about Iran's apparent stalling tactic saying, "We are all concerned about <u>Iran</u> running out the clock on us on their nuclear program." He continued, "And our view is there is still time for diplomacy and, I might say, sanctions to persuade the Iranians that their security will be diminished by going down the track of nuclear weapons."

For its part, Iran's supreme leader Ayatollah Ali Khomeini has continued to dismiss allegations that <u>Iran</u> has nuclear weapons ambitions. In a speech broadcast on Iranian state television, Khomeini said, "We fundamentally reject nuclear weapons and prohibit the production and the use of nuclear weapons." But he also took aim at the <u>United States</u>, describing the American government's claims of Iran's nuclear ambitions as being "false." He also accused the current Obama administration in the <u>United States</u> as hostile and anti-Iranian despite its seemingly friendly overtures of engagement.

In a separate interview with NBC, Iranian President Mahmoud Ahmadinejad said his country had no need for nuclear weapons. He noted, "We don't need nuclear weapons. Without such weapons, we are very much able to defend ourselves." That said, Ahmadinejad insisted on Iran's right to pursue its own nuclear energy program. He said, "If you are talking about the enrichment of uranium for peaceful purposes, this will never be closed down here in <u>Iran</u>." In this way, Ahmadinejad was making clear that <u>Iran</u> would not yield to pressure from the international community.

With the controversy surrounding the actual purpose of Iran's nuclear program still percolating,

attention fixed on the fate of <u>Israel</u> -- a state Iranian President Mahmoud Ahmadinejad has repeatedly stated should be "wiped from the map." The aforementioned intelligence about the possibility of attaching a nuclear bomb to a ballistic missile capable of hitting <u>Israel</u> has only increased fears about regional stability. Additionally, it certainly has posed existential questions for <u>Israel</u>. With no concurrence on international sanctions against <u>Iran</u>, what options could be deployed against <u>Iran</u> if it failed to satisfy global concerns about its nuclear ambitions?

Neither the <u>United States</u> nor <u>Israel</u> have ever actually foreclosed the possibility of targeted air strikes against <u>Iran</u>, which would be specifically aimed at preventing that country from obtaining a nuclear weapon. Russian Prime Minister Vladimir Putin entered the fray, speaking against military action and the imposition of new sanctions against <u>Iran</u>. Prime Minister Putin characterized any attack on <u>Iran</u> as "very dangerous" and warned that it would lead to "an explosion of terrorism." That said, he also called on <u>Iran</u> to show "restraint" in its nuclear program and to be mindful of Israel's security concerns. Prime Minister Putin said, "This is a dangerous region and <u>Iran</u> should show responsibility, especially by taking into account Israel's concerns."

On Sept. 20, 2009, Russian President Dmitry Medvedev said during an interview on CNN that Israel had no plans to attack Iran. The Russian leader said that after talks with Israeli President Shimon Peres, he was assured that Israel had no such intent saying, "My Israeli colleagues told me they were not planning to act in this way, and I trust them." President Medvedev, like his colleague, Prime Minister Putin, warned against military action. He described the notion of strikes against Iran as "the worst thing that can be imagined," saying it would lead to a "humanitarian disaster."

In late September 2009, <u>Iran</u> revealed the existence of a second uranium enrichment plant in defiance of provisions set forth in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The second uranium enrichment plant was reported to be an underground facility under construction close to the holy city of Qom. Diplomatic sources indicated that the construction of the facility began in mid-2006, and was in the location of a former missile site controlled by the Iranian Revolutionary Guard.

Speculation arose about the intent of the Qom site. Some analysts argued that <u>Iran</u> wanted to construct a back-up facility in the event that the Natanz site was attacked. But experts have also suggested that <u>Iran</u> may endeavor to enrich uranium at levels consistent with a nuclear explosion. Iranian officials have said that Qom facility was not yet operational and was intended only for the use of nuclear energy. Iranian officials also claimed that no nuclear material had been introduced to the plant, and that enrichment levels would only be sufficiently high as to make nuclear fuel and not a bomb. However, Iranian claims were being met with skepticism since, until this point, <u>Iran</u> had only acknowledged the existence of one uranium enrichment plant at Natanz.

The broader issue of Iran's actual nuclear ambitions have remained a matter of debate. While <u>Iran</u> has insisted that its nuclear activities have been limited to a civilian program and have been oriented

toward a peaceful program of nuclear energy, the West -- led by the <u>United States</u> -- have long disputed this contention. Thus, this discovery of a new nuclear facility close to Qom would likely only bolster the case by the West against <u>Iran</u>. Indeed, it would augment burgeoning plans to impose a stricter sanctions regime on <u>Iran</u> until it suspends all its enrichment activities, as required by the United Nations (U.N.) Security Council.

Experts observed that <u>Iran</u> revealed the news about the covert facility to the United Nations only because it realized that the <u>United States</u> and other Western government had already learned of its existence. For its part, Iranian officials have claimed that the second uranium enrichment plant was not intended to be a secret. In an interview with Agence <u>France</u> Presse, Ali Akbar Saleri, the head of Iran's nuclear agency, said, "This installation is not a secret one, which is why we announced its existence to the IAEA [International Atomic Energy Agency]." However, this argument was not likely to be helped by a statement issued by the world watchdog nuclear agency itself, which intimated that it had only recently been informed of the existence of the facility close to Qom.

Indeed, the revelation by Iran of its covert uranium enrichment facility was preceded by an announcement from the International Atomic Energy Agency (IAEA). Specifically, the IAEA confirmed that Iran acknowledged the construction of a previously undisclosed facility to manufacture nuclear fuel in a Sept. 21, 2009, letter to the world's nuclear watchdog body. IAEA spokesperson Marc Vidricaire noted: "I can confirm that on 21 September Iran informed the IAEA in a letter that a new pilot fuel enrichment plant is under construction in the country." He continued, "The letter stated that the enrichment level would be up to five percent (re: low enriched uranium). The Agency also understands from Iran that no nuclear material has been introduced into the facility."

Speaking from the G-20 summit in Pittsburgh, <u>United States</u> President Barack Obama accused <u>Iran</u> of concealing the construction of the Qom uranium enrichment plant from the international community and the necessary international agencies. He argued that Iran's decision to construct a clandestine nuclear facility represented a "direct challenge to the basic compact" of the global non-proliferation regime.

At issue was the fact that Iran's clandestine nuclear activities would be a clear violation of international law. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which dates back to 1968, has 189 signatories, including Iran. According to Article Three of the Treaty: "Each Non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards... for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this Article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this Article shall be the trick of the safeguards in all peaceful nuclear activities within

the territory of such State, under its jurisdiction, or carried out under its control anywhere."

Given this clearly set forth set of rules, <u>Iran</u> -- as a non-nuclear weapons state and party to the Treaty -- must comply with its safeguard agreements, which constitute the core of the agreement. Failure to declare activity related to enriching nuclear material would be an ostensible violation of the NPT.

Almost a week after the revelation about the secret nuclear facility at Qom, the head of the IAEA, Mohammed ElBaradei, said that Iran was in violation of the law by not informing his agency of this development sooner. In an interview with CNN,he said, "Iran has been on the wrong side of the law in so far as to inform the agency at an earlier date." He continued, "Iran was supposed to inform us on the day it was decided to construct the facility. They have not done that." The head of the nuclear watchdog also noted, "They [the Iranian authorities] are saying that this was meant to be a back-up facility in case we were attacked and so they could not tell us earlier on." In this way, ElBaradei put to rest the speculation surrounding Iran's motivation for developing the secret nuclear facility at Qom.

Meanwhile, as information began to emerge about the Qom facility, there were reports that its size was inconsistent with the claim of it serving civilian nuclear purposes. Indeed, it was thought to be capable of accommodating 3,000 centrifuges according to the IAEA -- clearly an amount sizable enough for manufacturing material for weapons use, yet insufficient to power a nuclear reactor.

Ironically, Iran's revelation about the new nuclear facility came just one day after world leaders emphasized the need for greater cooperation on nuclear disarmament and against nuclear proliferation. The ironic timing of the revelation was also emphasized in the fact that Iran was set to engage in comprehensive talks with the five permanent members of the United Nations Security Council -- the <u>United States</u>, the <u>United Kingdom</u>, <u>Russia</u>, <u>China</u> and <u>France</u> -- as well as <u>Germany</u>. Those talks were set to convene on Oct. 1, 2009, in Geneva. It was not known how these latest developments would impact the meeting. Nevertheless, the news that <u>Iran</u> test-fired two short range missiles, and had plans for a long range missile test, was not expected to yield positive reactions from the international community.

Iranian state television reported that two short-range missiles -- the Tondar-69 and Fateh-110 -- had been test-fired during military exercises. Both missiles have a range of approximately 100 miles. Iranian state television also announced plans to test fire the long-range Shahab-3 missile, whose range of up to 1,250 miles would place <u>Israel</u> within striking distance. Indeed, by Sept. 28, 2009, it was reported that <u>Iran</u> had test-fired not only the ballistic Shahab-3 but also the surface-to-surface Sajjil.

The short-range missile tests raised the ire of the players in the anticipated multilateral talks and were viewed as gestures of defiance by <u>Iran</u>. The test firing of the Shahab-3 was expected to spur condemnation from the international community, and, conceivably, could be viewed as an

unambiguous act of provocation by <u>Iran</u>. But the test-firing of the Sajjil would likely increase anxiety by the West over Iran's intent, given that missile's use of solid fuel, which is regarded as more likely to ensure accurate delivery than liquid fuel rockets, as well as its longer range potential.

Only a week earlier, a confidential IAEA report surfaced in which it was alleged that <u>Iran</u> was working on the development of an internal chamber of a ballistic missile. This internal chamber of a ballistic missile would have the capacity to house a warhead payload described as "quite likely to be nuclear." The IAEA document concluded that while <u>Iran</u> was not yet capable of attaching nuclear warheads to its Shahab-3 medium-range missile, further research and development could lead to the production of a prototype system.

Directly following the revelation about the facility at Qom, the leaders of the <u>United States</u>, the United Kingdom and <u>France</u>, condemned the clandestine nature of Iran's nuclear activities in a joint statement. The key part of that statement read as follows: "Now, Iran's decision to build yet another nuclear facility without notifying the IAEA represents a direct challenge to the basic compact at the center of the non-proliferation regime. These rules are clear: All nations have the right to peaceful nuclear energy; those nations with nuclear weapons must move towards disarmament; those nations without nuclear weapons must forsake them. That compact has largely held for decades, keeping the world far safer and more secure. And that compact depends on all nations living up to their responsibilities."

President Obama and the other Western leaders additionally demanded that <u>Iran</u> "act immediately" in allowing United Nations nuclear inspectors to investigate the newly-revealed facility, and to satisfy calls for full disclosure on Iran's nuclear activities. They noted that despite Iran's oft-made claims of a nuclear program for peaceful purposes, the revelation of a second nuclear plant was not consistent with those claims. Flanked by British Prime Minister Gordon Brown and French President Nicolas Sarkozy, President Obama said, "Iran must comply with U.N. Security Council resolutions and make clear it is prepared to meet its responsibilities as a member of the community of nations." Intransigence in the face of this clear demand for compliance would mean that <u>Iran</u> would well face the prospect of harsh international sanctions and a tougher sanctions regime, as indicated above. To that end, President Obama stressed that <u>Iran</u> would be held accountable for any failure to meet these responsibilities.

Echoing President Obama's unyielding tone, British Prime Minister Brown declared that his country -- in addition to France -- were "at one" with the United States in responding to Iran's revelation. He also accused Iran of engaging in "serial deception" against the international community and, accordingly, there was ""no choice but to draw a line in the sand" over the nuclear issue. Dismissing any pretense of ambiguity, Prime Minister Brown asserted, "Iran must abandon any military ambitions for its nuclear program." Likewise, French President Nicolas Sarkozy made it apparent that the world would be watching to see if a "step change" from Iran was in the offing. Without such a change, the French leader warned that all options for consequences were

# "on the table."

With the prospect of further -- and more stringent -- sanctions looming, attention was focused on <u>Russia</u> and <u>China</u>. The two permanent members of the United Nations Security Council have historically been reticent about responding harshly to provocative and/or problematic actions by both <u>Iran</u> and North Korea.

That said, <u>Russia</u> was now indicating that it was more likely to join forces with the Western leaders in this case, given the recent discovery of Iran's covert nuclear activities. Russian President Dmitry Medvedev explained that although his country did not normally view the imposition of sanctions as productive, they were nonetheless "inevitable" in certain cases. Following a meeting with President Obama, he said, "We need to help <u>Iran</u> to [make] the right decisions."

On the other hand, <u>China</u> was not yet ready to move in that direction. Indeed, China's Foreign Ministry spokeswoman, Jiang Yu, called for a redoubling of diplomatic efforts. Jiang said, "We believe that sanctions and exerting pressure are not the way to solve problems and are not conducive for the current diplomatic efforts on the <u>Iran</u> nuclear issue." It should be noted that this statement from <u>China</u> was a repetition of its long-standing policy of non-interference and, hence, not to be interpreted as the final position on the matter. To that end, <u>United States</u> sources said the Chinese were still digesting the new information about Iran's secret nuclear plant.

Multilateral talks on Iran's nuclear program ensued in Geneva several days after the revelation about the Qom facility and despite Iran's volley of missile tests. Iran's foreign minister, Manouchehr Mottaki, described the negotiations as having taken place in a "constructive" atmosphere. The meeting included Iran, the five permanent members of the United Nations Security Council, and Germany, and marked the first return to the negotiating table since mid-2008 when previous talked ended in a stalemate. This time, the talks ended with an agreement to continue the dialogue. Javier Solana, the European Union's foreign policy chief, explained that all parties had "agreed to intensify dialogue in the coming weeks" and hold further discussions before the end of October 2009.

That said, President Obama of the United States warned that his country's patience with <u>Iran</u> was "not unlimited." He said, "We're committed to serious and meaningful engagement, but we're not interested in talking for the sake of talking." As well, President Obama urged that <u>Iran</u> take the necessary actions to prove its peaceful intentions saying, "Iran must take concrete steps to build confidence that its nuclear program will serve peaceful purposes." President Obama additionally reiterated his demand that IAEA nuclear inspectors be granted "unfettered access" to Iran's second uranium enrichment facility within a two week time frame.

Beyond the multilateral negotiations, there was also a rare bilateral meeting between the <u>United</u> <u>States</u> and <u>Iran</u> that took place with Undersecretary of State, William Burns, and Tehran's chief nuclear negotiator, Saeed Jalili, in attendance. After that meeting, <u>United States</u> Secretary of State Hillary Clinton echoed President Obama's tone, acknowledging the significance of the occasion, but nonetheless noting that action and not just words and gestures were needed from <u>Iran</u>.

To that end, on Oct. 1, 2009, Iran said it would soon open its Qom plant for inspection in a move that averted an immediate global confrontation. In an interview with the BBC, the foreign policy head of the European bloc, Javier Solana, asserted: "Iran has told us that it is plans to co-operate fully and immediately with the International Atomic Energy Agency on the new enrichment facility near Qom, and will invite experts from the agency to visit soon, we expect in the next couple of weeks." In fact, the IAEA acknowledged that its inspectors would visit the nuclear site at Qom on Oct. 25, 2009. The head of the IAEA, Mohammed ElBaradei, said, "I see that we are shifting gears from confrontation into transparency and co-operation. I continue, of course, to call on Iran to be as transparent as possible." Indeed, as scheduled, a team of IAEA inspectors carried out its inspection at the facility close to Qom. Details related to the visit were not disclosed. While this procedure signaled Iranian cooperation, a report by the Washington Post indicated that senior United States officials believed that the nuclear plant was emblematic of Iran's desire to weaponize.

Iran also agreed to a plan to transport some of its low-enriched uranium (LEU) for reprocessing outside Iran's borders. The plan would involve enrichment in <u>Russia</u> and the fabrication of fuel assemblies in <u>France</u>. This LEU would be used in an IAEA-monitored research reactor producing medical isotopes, and would serve medical research purposes, while also reducing Iran's stockpile of enriched uranium. The evident benefit would be that Iran's LEU could no longer be enriched to the point that it could facilitate weaponization. Stated another way, Iran's nuclear breakout capabilities would be curtailed. A follow-up meeting between officials from Iran, the <u>United States</u>, <u>France</u> and <u>Russia</u> was scheduled for Oct. 19, 2009, in Vienna to discuss the particulars of this plan for the Tehran Research. By late October 2009, <u>Iran</u> missed the deadline to respond to the compromise plan advanced by the United Nations. That said, Iran's foreign ministry indicated a willingness to move forward with a plan to send its enriched uranium elsewhere for reprocessing. The IAEA confirmed that <u>Iran</u> did eventually submit a reply, the details of which were reported to have included significant changes ensconced within the original deal.

These moves have been cast as part of the "freeze-freeze" package of incentives by the West, whereby a halt on Iran's centrifuges could well result in a withdrawal of sanctions. Augmenting this proposal were President Obama's assurances that he would stand by a 2008 package of incentives that included security commitments to Iran. It was yet to be seen if Iran would agree totally to the "freeze-freeze" proposal. Indeed, Iran has not yet agreed to completely halt its nuclear enrichment activities, and this shift in direction by Iran toward cooperation remained in the genesis stages.

Iran commenced five days of war exercises spanning 230,000 square miles of territory. The central objective of these large-scale exercises was to practice thwarting potential aerial attacks on its nuclear facilities. In an interview on Iranian state media, the head of Iran's air defense -- Brigadier General Ahmad Mighani -- explained that the war games were intended "to display Iran's

combat readiness and military potentials." In this way, <u>Iran</u> was extroverting an aggressive military stance in an effort to stave off strikes on its nuclear facilities.

Other Iranian officials warned of retaliation in response to any attempt by foreign entities to target its nuclear sites. To that end, Iran warned it would not hesitate to carry out a retaliatory missile strike on Tel Aviv if its nuclear facilities were attacked by Israel. Mojhtaba Zolnoor, an aide to Iran's supreme leader, Ayatollah Ali Khomeini, issued the following statement: "If the enemy attacks Iran, our missiles will strike Tel Aviv." In an interview with the Fars News Agency, Amir Ali Hajizadeh -- the commander of Iran's Revolutionary Guards' air force wing -- offered his own warning to Israel as follows: "Their [Israeli] F-15 and F-16 fighters will be trapped by our air defense forces and will be annihilated."

It should be noted that such action by <u>Israel</u> -- or even the <u>United States</u> -- has never been foreclosed. Indeed, both countries have reserved the right to launch targeted strikes against Iran's nuclear sites in order to crush Iran's nuclear proliferation capacity.

Meanwhile, Iran also failed to gain the goodwill of the main players in the global community when it rejected a prevailing proposal to transport some of its low enriched uranium outside its borders for processing into fuel rods for the Tehran Research Reactor. The proposal (discussed above), which was brokered by the United Nations' nuclear watchdog entity, the International Atomic Energy Agency (IAEA), was intended to provide Iran with a means for its research reactor to produce medical isotopes, while also reducing Iran's stockpile of enriched uranium. The evident benefit would be that Iran's uranium could no longer be enriched to the point that it could facilitate weaponization.

Iran said that rather than comply with the IAEA compromise proposal, it was considering the purchase of enriched uranium instead. In an interview with the Mehr News Agency, Kazem Jalali said: "Purchase of uranium enriched to the level of 20 percent is the best option to supply the fuel needed for the Tehran reactor." The spokesperson for the Majlis <u>National Security</u> and Foreign Policy Commission continued, "Production of 20 percent enriched uranium inside <u>Iran</u> is another option on the table."

Iran's rejection of the proposal that it had earlier embraced was a blow to the diplomatic process. Consequently, a multilateral bloc composed of the United Nations Security Council's permanent members (China, <u>France</u>, <u>Russia</u>, the <u>United Kingdom</u> and the United States) and Germany called on <u>Iran</u> to reconsider its position. In fact, the United Nations Security Council urged <u>Iran</u> to work cooperatively on a resolution, given the fact that it had already approved three rounds of sanctions, should <u>Iran</u> continue its existing uranium enrichment activities. As if to underscore this possible outcome, Russian President Dimitry Medvedev warned that <u>Iran</u> could face new sanctions if it failed to take quick action in assuaging global doubts and suspicions about its nuclear ambitions.

These recent actions by Iran -- its show of military force as well as the rejection of the IAEA

compromise proposal -- came at a time when that country was faced with sharp pressure from the international community to prove its claim that its nuclear development program was oriented toward nuclear energy generation. Despite Iran's insistence that its nuclear ambitions have had a peaceful purpose, its failure to comply with the IAEA compromise proposal, as well as the recent revelations about a clandestine nuclear facility at Qom (discussed above), have only bolstered the United States' accusation that Iran seeks to build a nuclear bomb.

As of November 2009, Iran's nuclear facility at Qom was the central focus of the nuclear debate. A report by the IAEA asserted that the underground nuclear enrichment facility was "in an advanced state." While IAEA inspectors noted that no centrifuges were yet installed, they nonetheless confirmed that the Qom nuclear plant was designed to accommodate 3,000 centrifuges. As aforementioned, this amount was sufficient for the production of one or two nuclear weapons on an annual basis, yet insufficient to power a civilian nuclear reactor.

These findings formalized the previous reports made in September 2009, however, the IAEA went further in noting that Iran's reluctance to disclose the existence of the Qom facility "reduces the level of confidence in the absence of other nuclear facilities under construction, and gives rise to questions about whether there were any other nuclear facilities in <u>Iran</u> which had not been declared to the agency."

The IAEA Board of Governors was scheduled to meet on Nov. 26, 2009 to discuss these issues in the broader context of Iran's actions related to its controversial nuclear program. Of central importance was Iran's rejection of a broad compromise agreement, which would theoretically allow Iran to continue nuclear development at the Tehran Research Reactor by transporting low enriched uranium outside its borders for processing, while simultaneously reducing Iran's stockpile of enriched uranium and curtailing nuclear breakout activity.

Analysts suggested that the IAEA Board of Governors could very well conclude that Iran's clandestine Qom facility was constructed in violation of nuclear non-proliferation safeguards, effectively referring Iran to the United Nations Security Council, with serious consequences to follow. Such a move would likely trigger further Iranian defiance and would invariably contribute to the devolution of the diplomatic process. Should Iran decide to reconsider the IAEA compromise proposal for the Tehran Research Reactor, then it was possible that the anticipated referral of Iran to the United Nations Security Council could be offered in softer tone (i.e. without setting an absolute course towards sanctions).

By late November 2009, the governing body of the IAEA passed a resolution condemning Iran for developing a clandestine uranium enrichment site at Qom. The IAEA's governing body also demanded that Iran freeze its activities at Qom immediately. It was the first resolution to be passed against Iran in four year and had strong support from the vast majority of the board members. Indeed, the resolution passed by a 25-3 margin with six abstentions. The resolution gained crucial backing from China and Russia, who appeared to have been frustrated by Iran's intransigence on

the nuclear development controversy and its refusal to assent to the aforementioned compromise proposal. Their support for the rebuke indicated possible -- albeit not guaranteed -- support for sanctions in the future.

British Prime Minister Gordon Brown warned that stiff sanctions were in the offing for Iran if it did not respond generatively to this rebuke from the international community. Speaking from a Commonwealth summit in Trinidad and Tobago, he said, "I believe the next stage will have to be sanctions if Iran does not respond to what is a very clear vote." Russia's Foreign Ministry urged Iran to respond to this development "with full seriousness" to the resolution. Striking a similar tone, the White House in the <u>United States</u> warned that <u>Iran</u> would have to address "the growing international deficit of confidence in its intentions."

But rather that taking a moderating position to these developments, Iran's reaction was one of defiance instead. Iranian Foreign Ministry spokesperson Ramin Mehmanparast characterized the IAEA vote as "a theatrical move aimed at pressuring Iran," which he promised would be "useless", according to the IRNA state news agency. Then, Iran threatened to reduce its cooperation with the IAEA, stopping just short of breaking ties completely. Intensifying the stakes, Iran's government additionally announced that it intended to build 10 new uranium enrichment sites. These three moves were contrary to the desired response sought by the international community and made clear that negotiations on Iran's nuclear program had reached a stalemate.

Underscoring that stalemate, the head of the IAEA, Mohammed ElBaradei, noted that his inspectors had seen little cooperation from the Iranian authorities and, as such, the IAEA had made no progress in its attempts to verify the so-called peaceful nature of Iran's nuclear program. El Baradei also issued a rare and gloomy depiction of the negotiating landscape. He said, "It is now well over a year since the agency was last able to engage Iran in discussions about these outstanding issues. We have effectively reached a dead end, unless Iran engages fully with us."

# Editor's Note:

The existence of Iran's nuclear facility at Qom is very likely a violation of international law. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which dates back to 1968, has 189 signatories, including Iran. According to Article Three of the Treaty: "Each Non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards... for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this Article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this Article shall be the territory of such State, under its jurisdiction, or carried out under its control anywhere." Given this clearly set forth set of rules, Iran -- as a non-nuclear weapons state and party to the Treaty -- must

comply with its safeguard agreements, which constitute the core of the agreement. Failure to declare activity related to enriching nuclear material would be an ostensible violation of the NPT.

### Additional Notes:

On Dec. 16, 2009, Iran said it had successfully test-fired an advanced variant of its Sajjil-2 ballistic missile. If confirmed, this test would demonstrate an acceleration of Iran's missile development program, given the fact that the two-stage Sajjil-2 was powered by solid fuel, effectively affording it greater range and accuracy than the liquid-fueled Shehab-3 missiles typically used by Iran. The Sajjil-2 was also known to have a more advanced guidance system. It should be noted that Iran test-fired a Sajjil-1 missile earlier, evoking similar fears about that country's intent and its advances related to the development of intercontinental ballistic missiles used to carry nuclear warheads. For his part, Iran's Defense Minister Ahmad Vahid said that the test-firing exercise was intended to show Iran's deterrent capabilities. Regardless, the missile test appeared to be a clear act of defiance against the West and Israel, which has become increasingly alarmed about Iran's nuclear ambitions. The United States responded by saying that its Missile Defense Agency in the Pacific would conduct a missile test of its own in January 2010.

### **Miscellaneous Recent Developments**

On Dec. 18, 2009, <u>Iran</u> briefly seized control over an Iraqi oil well. Reports stated that Iranian troops entered the southern part of <u>Iraq</u> and raised the Iranian flag over the Fakkah oil field. Iraq's Deputy Interior Minister Ahmed Ali al-Khafaji first denied these actions took place but subsequently confirmed that the Iranian troops were in <u>Iraq</u> and had control of the oil well. Iraqi officials then appeared to downplay the incident by saying that the area at stake was a disputer border region. On the other side of the equation, <u>Iran</u> denied taking control of any oil well inside Iraqi territory.

December 2009 also saw the re-emergence of the reformists versus the hardliners on the political scene. The political opposition in Iran, led by Mir Hossein Mousavi and Mehdi Karroubi, called for supporters to turn out in large numbers in the holy city of Qom for the funeral of one of the country's most well-known clerics. Grand Ayatollah Hoseyn Ali Montazeri was once designated to be the successor to the revolutionary leader, Ayatollah Khomeini. However, he eventually parted ways with Khomeini, arguing that the 1979 revolution never brought about liberation it promised, but instead imposed a dictatorship on the people. He also criticized human rights abuses in Iran. His stand against the theocratic establishment of Iran reached its apex in the aftermath of the controversial and disputed presidential election of 2009, in which he joined the political opposition in alleging electoral fraud. Since then, the Iranian leadership has referred to Montazeri as "the rioters' cleric." His funeral was expected to spur political activism by the reformists.

By late December 2009, Iran was embroiled in an explosion of anti-government protests. The

demonstrations coincided with important Shi'a Muslim celebration of Ashura, which marks the death of Imam Hussein, a grandson of the Prophet Muhammad, in the seventh century. Ashura has a strong historical and symbolic legacy for Shi'ites. According to Shi'ites, Hussein and his small group of companions numbering less than 100 fought with, and were massacred by, the army of the governor of Kufa. The holy festival brought heavy crowds of opposition and reformist supporters to the streets of the Iranian capital of Tehran -- some of them boldly chanting "Khomeini will be toppled" and "this is the month of blood."

The political opposition and reformist factions had hoped the symbolism of the day (the martyrdom of Hussein against the established powers) would inspire heavy turnout, and such an end was realized -- possibly even exceeding expectations. That said, the scenario was marked by violent confrontation and death.

Indeed, on Dec. 27, 2009, at least eight opposition protestors were killed during these antigovernment demonstrations in Tehran when security forces opened fired on the crowd. Among the dead was the nephew of reformist leader and opposition presidential candidate Mir Hossein Mousavi. In the northwestern part of the country, and in cities of Isfahan and Najafabad, further deaths were reported on opposition websites, although there has been little confirmation from mainstream international media due to journalistic limits imposed by the government.

Despite the bloodshed and attempts to disperse crowds using tear gas, Iranian security forces had trouble subduing the protestors who continued to gather at state-run radio and television headquarters, and eventually filled large swaths of central Tehran. Faced with this rather unprecedented defiance by the opposition support base, the authorities began to round up several opposition activists and figures. Among those detained were senior aides to Mir Hossein Mousavi and a former foreign minister.

At the political level, a dichotomy is becoming more entrenched in <u>Iran</u>. On one end of the spectrum is the autocratic and hardline leadership of the country, which seems unwilling to acknowledge a groundswell of post-election opposition discontent, which shows little sign of being quelled. But on the other side of the spectrum, that opposition and reformist faction is bereft of leadership and without tangible means of upsetting the balance of power. Indeed, despite Western hopes that these demonstrations augur the spread of a new and democratizing revolution across Iran, it is far more likely that Iran's fundamental core of power -- Ayatollah Khomeini backed by the Revolutionary Guard -- will take an even harder line with dissenters, thrusting the country further in the direction of dictatorship.

At the international level, the Western world has had to strike a delicate balance between registering discontent over the clear human rights violations of Iranian citizens, and appearing too supportive of the opposition and reformist factions -- a stance that might work against those elements in Iran. The Obama administration in the <u>United States</u> had thusly vociferously condemned the "unjust suppression of civilians in Iran," while the French foreign ministry condemned the "arbitrary

arrests and the violent actions" taken against protesters defending "their right to freedom of expression and their desire for democracy."

In his first commentary since the death of his nephew and other anti-government protestors, Iranian opposition leader Mir Hossein Mousavi said he was not afraid to die for the reformist cause. On his website, Mousavi posted a statement which read: "I am not unwilling to become a martyr like those who made that sacrifice after the election for their rightful national and religious demands."

Mousavi also posted a five-point solution to the post-election crisis gripping Iran in which he called for the creation of a "transparent" election law, the release of political prisoners, the recognition of media freedom, and the right of popular assembly. Mousavi also demanded that the government, parliament and judiciary accept "direct responsibility" for the situation, saying "I say openly that until there is an acknowledgement of the existence of a serious crisis in the country, there will be no possibility of resolving the problems and issues." He additionally dismissed accusations by Iranian hardliners that opposition activists have incited unrest. The opposition leader observed as well that the arrest or death of either himself or other opposition leaders would "not calm the situation."

It was deemed to be the most defiant opposition treatise in <u>Iran</u> in recent memory and appeared aimed at Iran's clerical leadership, which has sanctioned draconian measures against opposition activists, even going so far as to call for the execution of Mousavi and others.

On July 16, 2010, around 30 people were killed and at least 100 others were injured as a result of twin suicide bomb attacks at the Jamia Grand Mosque in the city of Zahedan, located in the Sistan-Baluchestan province of Iran. The attack occurred as worshippers marked the anniversary of the birth of Imam Hussein, grandson of the Prophet Muhammad. Among the dead were members of Iran's elite Revolutionary Guard. While there was no immediate claim of responsibility, the location of the attacks in remote and restive Sistan-Baluchestan -- the site of a Sunni Jundallah insurgency - caused suspicion to be cast on this particular movement. Indeed, Iranian media soon reported that Jundullah was, in fact, claiming responsibility for the bombings, which it said had been carried out the attacks in retaliation for the hanging of its leader a month earlier.

Meanwhile, Iranian authorities posited the theory that at least one of the suicide bombers was dressed in women's clothing. The clerical leadership of Iran also cast blame on the <u>United States</u>, which they said was sympathetic to Jundallah and anxious to cause instability within its borders. Despite this accusation by <u>Iran</u>, <u>United States</u> Secretary of State Hillary Clinton condemned the attacks and urged that the perpetrators be apprehended and brought to justice.

On September 3, 2010, pro-government mobs attacked the residence of reformist opposition leader, Mehdi Karroubi. The notorious Basij pro-government militia attacked Karroubi's home with firebombs, leaving it devastated; they also beat a bodyguard to the point of unconsciousness.

Karroubi was at home at the time of the attack but was not injured himself. These acts by the Basij constituted a clear warning against all those daring to show signs of dissent, given the timing of the attack -- only hours ahead state-sanctioned rallies. Despite the force of the opposition's expression in the period following the contested presidential election of 2009, Iran in 2010 was a place where political activism unsupportive of the current hardline regime would be subject to harsh oppression. The fact that Karroubi's home was the latest target of the hardline crackdown on dissent was not a surprise. In recent times, Karroubi -- a cleric and former parliament speaker -- has been one of the more outspoken opposition voices in Iran. Of course, such dissention has come with a price, as seen by the attacks on his home and his bodyguard. By mid-September 2010, security forces attacked the office of Mir Hussein Moussavi, the former presidential candidate and Iranian opposition leader, seizing his computers and other property. Iranian prosecutors said that they were building a case against both Mousavi and Karroubi, warning that both reformist opposition figures would soon face trial.

December 2010 saw President Ahmadinejad sack Foreign Minister Manouchehr Mottaki while the country's top diplomat was on an official visit to Africa. Mottaki was replaced by nuclear chief Ali Akbar Salehi. For his part, Mottaki criticized Ahmadinejad for the move, saying that the dismissal in absentia was "un-Islamic, undiplomatic and offensive."

On Dec. 15, 2010, a suicide bombing at the Imam Hossein Mosque in the Iranian south-eastern city of Chabahar left around 40 people dead. Women and children were among the victims and it appeared that pilgrims commemorating the Shi'a festival of Ashura were the targets of the attack. The location of the suicide bombing -- Sistan-Baluchistan province -- has been beset by sectarian violence, with the predomninatly Sunni population of the area railing against Iran's Shi'a majority. Perhaps not surprisingly, the extremist Sunni Muslim group Jundullah claimed responsibility for the attack. Jundullah has been known to operate along Iran's border with Pakistan and two suicide bombings in Zahedan on the border in mid-2010 were blamed on the group. Throughout, the government of Iran has suggested links between Jundullah and the United States; however the United states Department of State has designated Jundullah to be a terrorist group.

On Feb. 14, 2011, thousands of opposition supporters took to the streets in the Iranian capital of Tehran. Other protests were reported across the country in Isfahan, Mashhad and Shiraz. This mass action came on the heels of the successful "Jasmine Revolution" in <u>Tunisia</u>, followed by the successful "Nile Revolution" in <u>Egypt</u>, both of which swept the "old guard" from power in those respective countries.

Iran, though, was not home to a government struggling with the question of how to express power and authority in the face of a tumultuous political climate. Instead, thehard line government wasted no time in deploying security forces to the streets, using tear gas against protesters, and detaining scores -- if not hundreds -- of people daring to participate in anti-government demonstrations.

Days earlier, Iranian opposition leaders Mir Hossein Mousavi, and Mehdi Karroubi had been

placed under house arrest. That move was clearly intended to stop Mousavi and Karroubi from not only participating in the protests, but also issuing rallying calls for opposition supporters of the unsuccessful "Green Revolution" in that country only a few years earlier, which never managed to accomplish a shift in governance.

Still, these moves at repressing the protesters paled in comparison to the brutal crackdown on proopposition supporters during the time of the Green Revolution and the months that followed. Scores of people were killed and/or detained at that time.

United States Secretary of State Hillary Clinton warned against the government's use of violence and applauded the rights and aspirations of the protesters. She said, "We are against violence and we would call to account the Iranian government that is once again using its security forces and resorting to violence to prevent the free expression of ideas from their own people." Clinton continued, "Secondly, we support the universal human rights of the Iranian people. They deserve to have the same rights that they saw played being out in Egypt and that are part of their own birthright." Turkish President Abdullah Gul, on a trip to Iran, warned that countries trying to repress their people would serve only to ignite mass action against the government. He said, "When leaders and heads of countries do not pay attention to the demands of their nations, the people themselves take action to achieve their demands."

Note that by Feb. 20, 2011, Faezeh Hashemi Rafsanjani, the daughter of reformist former President Akbar Hashemi Rafsanjani, was arrested in Tehran for participating in a banned protest march. Official state media said that Rafsanjani was being held in due to her "blunt statements" and because she used "provocative slogans."

The Iranian government's desire to silence and suppress the opposition took a dire turn on Feb. 28, 2011 when it was reported that the country's two most well-known opposition leaders, Mir Hossein Mousavi and Mahdi Karroubi, as well as their wives, Zahra Rahnavard and Fatemeh Karroubi, were taken to the Heshmatieh prison in Tehran. The two opposition figures had already been placed under house arrest so their transfer to the prison was regarded as a new sign of the Iranian regime's intent to deal harshly with any and all threats to its power.

In the first part of May 2011, a feud unfolded between Iran's supreme leader, Ayatollah Ali Khamenei, and President Mahmoud Ahmadinejad. According to Morteza Agha-Tehrani, a stalwart of the president, Khamanei has issued an ultimatum to Ahmadinejad over the inclusion of a certain candidate for a cabinet post. At issue was Khamenei's demand for the reinstatement of Hevar Moslehi as Intelligence Minister who was relieved of his portfolio by Ahmadinejad. Failing to ultimately go the way of Khamenei's dictate would end in Ahmadinejad's resignation. Even with this threat upon him, the Iranian president, in a rare show of intransigence, was not quick to assent to the demand.

While it is generally known that Iranian presidents wield operational power and the Guardians

Council and the Ayatollah hold ultimate power in <u>Iran</u>, overt autocratic power is rarely wielded in such a manner. Thus, the fight over Moslehi has been interpreted as a proxy for an increasing chasm between the two men on the Iranian political landscape.

As May 2011 came to a close, the precariousness of Ahmadinejad's political position was in sharp relief when an Iranian court barred one of the president's allies, Vice President Hamid Baqaie, from holding office for four years due to "violations" while in a previous job as the head of Iran's Cultural Heritage and Tourism Organization. The court did not furnish any details about the so-called violations. As well, a constitutional watchdog agency overturned a decision by Ahmadinejad to temporarily assume the position of oil minister. As before, Ahmadinejad appeared to be under pressure from the ultra-conservative elements of the Iranian power base yet the government of Iran has dismissed reports of there being any power struggle.

A dark cloud settled over Iran's already-repressed anti-government movement in mid-2011. At issue was the disappearance of a well-known opposition leader and activist, Mehdi Karroubi, who had come to the fore at the height of the reformist anti-government uprising, known as the "Green Revolution," following the contested presidential elections of 2009. It should be noted that the "Green Revolution" ended unsuccessfully with the deaths and incarceration of opposition activists, and a harsh crackdown by the theocratic and totalitarian Iranian authorities on dissent.

In February 2011, according to the opposition website Kaleme, both Karroubi and the "Green Revolution" leader, Mir Hossein Mousavi, were taken to the Heshmatiyeh prison in the capital city of Tehran. They were respectively detained after calling on the Iranian people to once again take to the streets in demonstrations. Clearly, in an effort to short-circuit any displays of anti-government dissent, the Iranian authorities wasted no time in incarcerating the two opposition icons, whom they have accused of treason and threatened with execution. Now, at the close of August 2011, Iranian and international human rights activists were expressing "extreme concern" over the welfare of Karroubi, who had been missing for as many as six weeks.

In an interview with CNN, Hadi Ghaemi, the director of the International Campaign for <u>Human</u> <u>Rights</u> in <u>Iran</u>, said: "We are extremely concerned for the health and well-being of Karroubi, who is 74 years old, and no one has heard from him for six weeks, not his wife, any family or associates." Ghaemi also expressed fear that Karroubu was being subject to coercive "brainwashing" while in custody.

In an interview with the American television station, NBC News, Iranian President Mahmoud Ahmadinejad said that two American hikers jailed for spying in <u>Iran</u> would soon be released. In a separate interview with the Washington Post, President Ahmadinejad explained that the release would be permitted as "a humanitarian gesture."

The hikers -- Shane Bauer and Joshua Fattal -- have been in Iranian custody since their arrest in 2009, and were sentenced to prison for eight years in mid-2011. Harsh sentences for the two

Americans raised already-poor relations between <u>Iran</u> and the <u>United States</u>, especially since the Obama administration has strenuously denied that Bauer and Fattal were involved in any intelligence activities. A third hiker, Sara Shourd, was arrested along with Bauer and Fattal, but was released in September 2010 on medical and humanitarian grounds. Now a year later, Iranian authorities were indicating that the two men could also be released after paying bail of \$500,000 each.

In response to the news, United states Secretary of State Hillary Clinton said that she was encouraged and noted, "We hope we will see a positive outcome from what appears to be a decision by the [Iranian] government." The decision to release the two Americans came ahead of a visit by President Ahmadinejad to the <u>United States</u> for a meeting of the United Nations General Assembly on Sept. 22, 2011.

A day before -- on Sept. 21, 2011 -- reports emerged from <u>Iran</u> that the two hikers had been released on bail (as discussed above) and were being flown from that country to <u>Oman</u>. It was not known who actually paid the total bail among of one million dollars. It should be noted that the release of Bauer and Fattal had been brokered by the Kingdom of <u>Oman</u>. <u>United States</u> President Barack Obama reacted to the news of their release as follows: "The tireless advocacy of their families over these two years has won my admiration, and is now coming to an end with Josh and Shane back in their arms."

It was not know if the careful timing of the release held particular political significance. Was it intended to help Ahmadinejad who was sure to encounter protests on <u>United States</u> soil at the meeting of the United Nations General Assembly? Or was it intended to thaw abysmal relations between Tehran and Washington, in the context of Iran's controversial nuclear program?

Regardless, after their release, once home on <u>United States</u> soil, Fattal and Bauer wasted no time in opening up about their detention in <u>Iran</u> and the charges against them. The two American hikers rebuked Iran for their ordeal that had gone on for years, asserting that they had been detained because of their American nationality, and not because they may have illegally crossed the border from <u>Iraq</u> into <u>Iran</u>. To this end, Fattal said: "From the very start, the only reason we have been held hostage is because we are American. <u>Iran</u> has always tied our case to its political disputes with the U.S." He continued by noting that although he and Bauer applauded the Iranian authorities "for finally making the right decision," they nonetheless "do not deserve undue credit for ending what they had no right and no justification to start in the first place."

On Nov. 24, 2011, according to the state-run IRNA news agency, <u>Iran</u> announced it had broken up an American spy network and that 12 individuals had been arrested. Iranian officials claimed that the 12 individuals were "spies" working on behalf of the <u>United States</u> Central Intelligence Agency (CIA) to undermine the country's military and its nuclear program. No information was available about the identity or nationality of the dozen so-called agents. Parviz Sorouri, an influential member of the <u>National Security</u> and Foreign Policy Committee in the Iranian parliament, was reported to have said that the agents were working cooperatively with Israel's Mossad. He was quoted in international media having said, "The US and Zionist regime's espionage apparatuses were trying to use regional intelligence services, both inside and outside Iran, in order to deal a strong blow to our country. Fortunately, these steps failed due to the quick measures taken by Intelligence Ministry officials." Iranian officials have further alleged that the <u>United States</u> has recruited spies from diplomatic missions in <u>Turkey</u>, the <u>United Arab Emirates</u>, and <u>Malaysia</u>.

### Special Report: Iran's Nuclear Enrichment Program

### Introduction

In January 2010, attention was upon possible sanctions being placed on Iran in response to its intransigence over its controversial nuclear development program and its possible violations of international law in this regard. There was a prevailing sanctions proposa being advanced by the United States, given the fact that the Middle Eastern country missed the Dec. 31, 2009, deadline to accept a compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods with a purity of 20 percent. Iranian Foreign Minister Manouchehr Mottaki demanded that nuclear fuel be sold to Iran or swap nuclear fuel for Iran's low-enriched uranium. He issued a one-month deadline of his own as well as an ultimatum as follows: "Otherwise, Tehran will enrich uranium to a higher purity needed for the fuel. This is an ultimatum." Also at issue has been the fact that Iran has not opened its clandestine uranium enrichment plant near Qom for international inspection.

Iran's Latest Moves --

In February 2010, Iranian President Mahmoud Ahmadinejad called on his country's nuclear head, Dr. Ali Akbar Salehi, to intensify uranium enrichment, in defiance of the international community. The move was essentially a fulfillment of an earlier threat by Iran to enrich uranium at a higher purity level of 20 percent. At issue has been Iran's claim that it is entitled to carry out a civilian nuclear program, aimed at generating energy. This claim has been disputed by several countries of the West, and Iran's case has been compromised by revelations of clandestine nuclear development facilities including the discovery of a secret nuclear facility at Qom.

This move by <u>Iran</u> to intensify its uranium enrichment came after <u>Iran</u> rejected a compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods and, instead, imposed an ultimatum of its own. Specifically, Iranian Foreign Minister Manouchehr Mottaki warned that his country would enrich uranium at the higher purity level (20 percent) if the West did not meet its counter-demand that nuclear fuel be sold to <u>Iran</u> or nuclear fuel be swapped for Iran's low-enriched uranium. Of significance has been the fact that civilian nuclear power requires uranium enriched to about only three percent, whereas weapons grade uranium has to be enriched to 90 percent. Intensification beyond the three percent range has, therefore, signaled alarm bells

across the globe.

Clearly, the situation marked a further deterioration of relations between <u>Iran</u> and the West, and prompted the British Foreign Office to issue a statement asserting: "This would be a deliberate breach of five UNSCRs [United Nations Security Council Resolutions]." As well, the <u>United States</u> called for united global action in the face of a possible Iranian nuclear threat. With sanctions in the offing, <u>United States</u> Defense Secretary Robert Gates said that while there was time for the proposed sanctions to work, the world would have to "stand together." During a visit to <u>Italy</u>, Gates said, "Pressures that are focused on the government of <u>Iran</u>, as opposed to the people of <u>Iran</u>, potentially have greater opportunity to achieve the objective."

By February 11, 2010, Iranian President Ahmadinejad announced in the capital city of Tehran that his country had now enriched its first batch of uranium to 20 percent. The declaration came during a celebration marking the 31st anniversary of the Islamic Revolution. President Ahmadinejad said that the "first consignment of the 20 percent enriched uranium has been produced and handed over to the scientists." He continued, "God willing, the work will continue until completely supplying the country's needs." The Iranian president appeared to issue a veiled warning to the international community by noting that while his country was capable of enriching uranium up to 80 percent -- the intensity level of weapons grade enrichment -- it would not move in that direction. Left unstated was the possible corollary: Iran would not yet move in that direction.

Meanwhile, according to the New York Times, Iranian officials claimed that the 20 percent uranium enrichment process occurred at the Natanz facility and in the presence of inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA). However, the IAEA would not confirm these claims by Iran. Indeed, a memorandum dispatched by IAEA Director General Yukiya Amano to member nation states noted that when the inspectors arrived at the Natanz facility, they were informed that Iran had already commenced the procedure of feeding low-enriched uranium into centrifuges for enrichment.

Background on Sanctions --

As noted above, the attention of the world's leading powers has been upon possible sanctions against Iran since the start of 2010. Sanctions would be imposed in response to its intransigence over its controversial nuclear development program and its possible violations of international law in this regard. There was a prevailing sanctions proposal, given the fact that the Middle Eastern country missed the Dec. 31, 2009, deadline to accept the aforementioned compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods. Also at issue has been the fact that Iran has not opened its secret uranium enrichment plant near Qom for international inspection.

Accordingly, five permanent members of the United Nations Security Council plus Germany met

for several hours on Jan. 16, 2010, to discuss the matter. The meeting, however, ended without a clear agreement. Russian Deputy Foreign Minister Sergei Ryabkov explained that the meeting was "inconclusive in a sense that we didn't make any decisions right away," but he notably added that most of the discussions were focused on the "second track" - a reference to the path of sanctions. Those sanctions were expected to be levied against the Iranian government, as well as the Revolutionary Guard Corps, which has seen increased influence within Iran in recent times. Robert Cooper, a senior European Union official who led the meeting, said: "We will continue to seek a negotiated solution but consideration of appropriate further measures has also begun."

It should be noted that the new target of proposed sanctions -- Iran's Revolutionary Guard -- has emerged because of its growing significance as a power center within the country. Analysts have drawn attention to the accelerating transfer of power to the Revolutionary Guard Corps, which was originally established in 1979 to protect the ideals of the Islamic revolution. The political power and influence of the Revolutionary Guard was on full display in the anti-government protests that have occurred in Iran following its 2009 contested presidential election, making clear that they have become more closely intertwined with the base of clerical power surrounding Iran's Supreme Leader Ayatollah Ali Khameini. Moreover, the Revolutionary Guard was believed to be the leading entity behind Iran's nuclear ambitions.

In addition to its political power and influence has been the fact that the Revolutionary Guard has also become a powerful economic force in <u>Iran</u>. It controls construction and even companies, earning billions in public contracts over a two-year span, as reported by the Washington Post. In that report, the Washington Post quoted Mashallah Shamsolvaezin of the Center for Scientific Research and Middle East Strategic Studies in Tehran, who said: "They [the Revolutionary Guard Corps] have become the main, most faithful caste, to protect the system of Islamic government. In exchange, wealth, power and respect are being transferred to them at an increasing rate."

United States Secretary of State Hillary Clinton has reportedly been discussing a sanctions proposal with allied nations aimed at placing pressure on the Iranian regime and the Revolutionary Guard. Indeed, Secretary Clinton emphasized the inclusion of the Revolutionary Guard in this proposal saying, "We have already begun discussions with our partners and with like-minded nations about pressure and sanctions. Our goal is to pressure the Iranian government, particularly the Revolutionary Guard elements, without contributing to the suffering of the ordinary people, who deserve better than what they currently are receiving."

But certain voices have argued that such sanctions will do little to stem the tide of power emanating from this enclave. Indeed, Iranian parliamentarian Kazem Jalali said, "U.S. sanctions will have no negative effect since the Guard organization is self-sufficient."

Latest Developments --

On Feb. 10, 2010, the United States Treasury Department levied specific sanctions against the

Iranian Revolutionary Guard by freezing the assets of one individual -- General Rostam Qasemi -- as well as four companies affiliated with the Corps. Qasemi was the head of the engineering arm of the Iranian Revolutionary Guard, known as Khatam al-Anbiya Construction. As noted by Stuart Levey, the <u>United States</u> Treasury's Under-Secretary for Terrorism and Financial Intelligence, the Revolutionary Guard "is hiding behind companies like Khatam al-Anbiya and its affiliates to maintain vital ties to the outside world." Clearly, this move by the <u>United States</u> Treasury was just one indication of the types of actions that might be levied against <u>Iran</u> in the near future.

Indeed, <u>United States</u> President Barack Obama noted that his administration would develop "a significant regime of sanctions" over the next several weeks (February 2010) targeting <u>Iran</u>. Striking a much different tone from his earlier conciliatory intonation in regard to <u>Iran</u>, President Obama expressed confidence that the international community would coalesce efforts against that country. He said, "The international community is unified around Iran's misbehavior," and suggested that global powers would work together to apply pressure on <u>Iran</u>. In particular, President Obama acknowledged the new stance being taken by <u>Russia</u>, which has previously been reticent about applying sanctions to <u>Iran</u>. Indeed, the <u>United States</u> president said he was pleased to see "how forward-leaning the Russians have been on this issue."

Bolstering this position was a statement by Russian Deputy Foreign Minister Sergei Ryabkov in the aftermath of Iran's announcement that it was enriching uranium at higher levels. Ryabkov explained in an interview with Interfax that sanctions against <u>Iran</u> were now more likely saying, "In this new situation, the question of sanctions, of drafting a resolution for new sanctions has become more relevant." <u>Russia</u> seemed to yet maintain its hope for dialogue and diplomacy with Ryabkov remarking, "However the situation may develop, a platform must remain for talks and ways must be sought to mitigate international concerns about Iran's nuclear program by involving <u>Iran</u> in diplomatic efforts."

Regardless of Russia's evolving position in regard to tough sanctions against <u>Iran</u>, <u>China</u> -- which wields veto power at the United Nations Security Council -- maintained its negative resolve against such action.

For its part, <u>Iran</u> has been telegraphing contradictory signals in what could only be described as mixed messages. Even as <u>Iran</u> rejected the compromise deal discussed above, followed by Iranian President Ahmadinejad's announcement of uranium enrichment at higher intensity levels, <u>Iran</u> was still signaling its interest in engagement with the West. Indeed, Ali-Akbar Salehi, the director of Iran's Atomic Energy Organization, said his country was still open to discussions around the possibility of sending Iranian uranium abroad for enrichment. Specifically, Iran's nuclear energy chief said in an interview with Iranian state television that Tehran was open to exchanging its 3.5 percent enriched uranium for 20 percent enriched nuclear fuel. Salehi said, "If they [re: the global powers] come forward and supply the fuel, then we will stop the 20 percent enrichment." He explained that the Tehran Research Reactor required 20 percent enriched uranium to produce medical radioisotopes, necessitating the imperative that the nuclear reactor not exhaust its supply of

fuel. Salehi continued, "All we have asked the West or countries that have the capacity to produce the fuel is 'Please supply us with the fuel.' So the deal is still on the table."

Whether or not the global powers were actually interested in entertaining this complicated positioning by Iran was yet to be seen. Certainly the <u>United States</u> was not wasting any time in trying to shore up support for its plans for Iran. To those ends, <u>United States</u> Secretary of State Hillary Clinton traveled to the Middle East to seek support from Arab countries for harsher sanctions against Iran. The keystone of the United States' diplomatic offensive was a speech by Secretary Clinton at the United States-Islamic World Forum, which was being hosted by the Washington-based Brookings Institute and the government of <u>Qatar</u>. The speech was billed as a sequel to President Barack Obama's historic address in Cairo, in which he called for the cessation of "the cycle of mistrust and discord" between the <u>United States</u> and the Muslim world. At the forum in <u>Qatar</u>, Secretary Clinton urged Iran to reconsider its nuclear program and what she described as "dangerous policy decisions."

Also central to Secretary Clinton's diplomatic offensive was dialogue with <u>Saudi Arabia</u>. At issue was Saudi Arabia's flourishing trading relationship with <u>China</u>, and the concomitant belief that Riyadh could entice Beijing into abandoning its opposition to the plan for harsh sanctions against <u>Iran</u>. Assistant Secretary of State Jeffrey Feldman explained this maneuver as follows: "We would expect [the Saudis] to use their relationships [with China] in ways that can help increase the pressure that <u>Iran</u> would feel." Perhaps partially driving China's continued reticence against sanctions has been a possible loss of revenue from investments in <u>Iran</u> and a disruption in oil supplies from that country. Accordingly, <u>Saudi Arabia</u> could play a vital role in reassuring <u>China</u> that it could neutralize any disruptions emanating from <u>Iran</u>.

In the third week of February 2010, the United Nations watchdog agency, the International Atomic Energy Agency (IAEA), expressed concern that Iran was trying to develop nuclear payload for a missile. The report conveyed strong doubts about Iran's adherence to international transparency obligations as follows: "Altogether this raises concerns about the possible existence in Iran of past or current undisclosed activities related to the development of a nuclear payload for a missile." The report also noted that Iran's resistance in cooperating with IAEA investigators compounded global anxieties "about possible military dimensions to Iran's nuclear program." The information, which was revealed via a leaked confidential report by the IAEA, also contained confirmation that Iran had begun enriching uranium at higher levels.

These new revelations collectively provided support for the United States' claim that <u>Iran</u> has not met its international responsibilities and they could, potentially, bolster the argument in favor of sanctions. To this end, the <u>United States</u> recapitulated its warning that <u>Iran</u> faced consequences if it continued along its current path. White House Press Secretary Robert Gibbs noted, "We always said that if <u>Iran</u> failed to live up to those international obligations, that there would be consequences." <u>Russia</u> said that it was "very alarmed" at the findings contained in the IAEA report.

During a radio interview, Russian Foreign Minister Sergei Lavrov said: "We are very alarmed and we cannot accept this, that Iran is refusing to co-operate with the IAEA." The <u>United Kingdom</u> and <u>Germany</u> both said the report augmented great concerns about Iran's nuclear activities. The United Kingdom's Foreign Office issued a statement that read: "This most recent report notes that as well as ignoring the requests for information about possible military dimension of their program, <u>Iran</u> built a secret enrichment plant in Qom, and <u>Iran</u> enriched uranium up to 20 percent despite the [IAEA] telling them not to do so." <u>Germany</u> warned that Iran's failure to comply with IAEA rules on its nuclear program was compelling the international community to pursue the path of further sanctions.

Perhaps not surprisingly, <u>Iran</u> expressed a very different view. Indeed, Iran's envoy to the IAEA, Ali Asghar Soltanieh, told the IRNA news agency that the report "verified the peaceful, nonmilitary nature of Iran's nuclear activities." As well, Iran's supreme leader, Ayatollah Ali Khamenei, strongly denied his country was developing nuclear weapons, saying that any fears that <u>Iran</u> was trying to develop nuclear weapons were "baseless." According to Iranian media, Khamenei said, "The West's accusations are baseless because our religious beliefs bar us from using such weapons. We do not believe in atomic weapons and are not seeking that."

Another area of concern articulated in the IAEA report was the finding that <u>Iran</u> has transported its stockpile of enriched uranium from below ground to an above ground site. There was some speculation that the move could be motivated by Iran's desire to provoke a military strike (possibly by Israel) -- a move that could have political benefits at home to the Iranian regime. Regardless of Iran's motivation behind this decision to move its stockpile of enriched uranium, <u>Israel</u> was certain to be considering its options as regards a nuclearized <u>Iran</u>.

#### Iranian Nuclear Summit

In mid-April 2010, <u>Iran</u> convened a nuclear disarmament conference in the capital city of Tehran. There, Iran's Supreme Leader Ayatollah Ali Khamenei charged that "Only the U.S. government has committed an atomic crime." He continued, "The world's only atomic criminal lies and presents itself as being against nuclear weapons proliferation, while it has not taken any serious measures in this regard." This assertion from the Iranian leadership appeared to have been driven, at least in part, by the newly-reviewed <u>United States</u> nuclear posture, and came after the <u>United</u> <u>States</u> and <u>Russia</u> forged an agreement to decrease their respective nuclear arsenals.

In an apparent bid to show that his country did not intend on using nuclear weapons -- its acquisition notwithstanding -- Khamenei also said that the use of nuclear weapons was prohibited by religion. Emphasizing his moral objection to the use of nuclear weaponry, Khamenei characterized the potential deployment of a nuclear weapon as "haram" -- a prohibition under Islam.

At the conference, Iranian President Mahmoud Ahmadinejad called for an independent body to

oversee nuclear disarmament. Presumably, Ahmadinejad did not view the existence of the nuclear watchdog agency, the International Atomic Energy Agency (IAEA), as such an institution, despite its expressed purpose. However, he did call for <u>United States</u> and other countries in possession of nuclear weapons to be suspended from the IAEA. <u>Iran</u> also demanded that <u>Israel</u>, which is believed to possess an undeclared nuclear weapons program, to join the Nuclear Non-Proliferation Treaty, as a means of assuring a nuclear weapons-free Middle East.

For its part, <u>Israel</u> made it clear that it viewed <u>Iran</u> as the main security threat, not just to the region, but to the whole globe. Speaking at a war memorial ceremony, Israeli President Shimon Peres declared that <u>Iran</u> was a threat to the entire civilized world.

#### Further Nuclear Moves

On April 19, 2010, Iranian President Mahmoud Ahmadinejad approved the construction of a new nuclear enrichment plant. A senior adviser to the president, Mojtaba Samareh Hashemi, said: "The construction process of the new site will begin upon the president's order." The announcement came two months after Iran said that it commenced enrichment of low-level uranium for a research reactor in Tehran. At that time, Iran said that it intended to begin construction on at least two new enrichment facilities. Hashemi also said that while Iran remained open to negotiations on the concept of a nuclear fuel swap (a reference to a proposed plan to send most of its uranium abroad for processing and conversion into fuel rods for use in the research reactor), it would not stop producing its own fuel in the interim. Accordingly, many Western countries have observed that Iran's actions are consistent with that of a country determined to produce nuclear weapons, it claims to the contrary, and its declarations of the immorality of the use of atomic weaponry notwithstanding.

In May 2010, as Turkish Prime Minister Recep Tayyip Erdogan traveled to Tehran for negotiations on Iran's controversial nuclear program in that country, there were suggestions from Ankara that a compromise deal was at hand. The Turkish leader, along with Brazil's President Luiz Inacio Lula da Silva, were playing key roles in trying to persuade Iran's government to agree to a deal that would transport its nuclear material abroad for processing. There were hopes that the two countries, which have enjoyed relatively friendlier diplomatic terms with Iran than the Western powers and Russia, might be positioned to successfully make the case for compromise.

This plan has seen several iterations over recent times, including provisions for the transfer of stockpiles of low enriched uranium to <u>Russia</u> and <u>France</u> for processing. It should be noted that until this time, the proposal has never garnered Iranian concurrence. In this new arrangement, the low enriched uranium would be transferred to <u>Turkey</u>. With <u>Iran</u> already trying to avert the prospect of new sanctions being imposed by the United Nations, it was possible that there would be greater receptivity to the resurrected compromise deal, albeit with a more neutral country as the partner state. There were hoped that such a proposition would allay the West's fears that Iran's nuclear ambitions include nuclear weapons proliferation. These anxieties have only been

strengthened by revelations about secret nuclear facilities in <u>Iran</u>, and non-compliance with monitoring regulations set forth by the International Atomic Energy Agency.

However, the <u>United States</u> dismissed the deal brokered by <u>Turkey</u>, and drafted its own proposal to levy new sactions against <u>Iran</u>. That United States-drafted proposal was tabled at the United Nations Security Council, prompting <u>Turkey</u> to call for a delay in the interests of further negotiations. Such a delay was unlikely, as <u>United States</u> Secretary of State Hillary Clinton said that the strong draft proposal against <u>Iran</u> was already backed by the five permanent members of the United Nations Security Council. For his part, <u>United States</u> President Barack Obama made it clear that his country intended to pursue the new sanctions against <u>Iran</u>, irrespective of the new nuclear deal with <u>Turkey</u> and <u>Brazil</u>. President Obama reportedly informed Turkish Prime Minister during a phone call that the new agreement failed to build "necessary confidence" that <u>Iran</u> would abide by its international obligations. Further, the <u>United States</u> leader acknowledged Turkey's and Brazil; efforts, but noted that the new deal left open a host of "fundamental concerns" about Iran's atomic ambitions and broader nuclear program.

From Tehran, the head of Iran's atomic energy organisation, Ali Akbar Salehi, dismissed the prospect of looming sanctions and predicted that such a move by the international community would ultimately backfire. Salehi said, "They won't prevail and by pursuing the passing of a new resolution they are discrediting themselves in public opinion." Nevertheless, the draft resolution on sanctions against <u>Iran</u> was reported to be already circulating in the chambers of the United Nations Security Council.

United Nations imposes new sanctions on Iran

On June 9, 2010, the United Nations Security Council voted in favor of fresh sanctions to be imposed on <u>Iran</u> over its failure to end its controversial nuclear program. The vote in the United Nations Security Council was 12 in favor of the new round of sanctions, two against the sanctions, and one abstention.

The detailed vote count was as follows:

"Yes" votes from permanent (i.e. with power of veto) United Nations Security Council members --United States, <u>United Kingdom</u>, <u>France</u>, <u>Russia</u>, China

"Yes" votes from non-permanent (i.e. without power of veto) United Nations Security Council members --

Japan, Austria, Bosnia-Herzegovina, Mexico, Nigeria, Gabon, Uganda

"No" votes from non-permanent (i.e. without power of veto) United Nations Security Council members --

Turkey, Brazil

# "Abstention" (from non-permanent member without power of veto --Lebanon

The sanctions would constitute the fourth round of such punitive actions against <u>Iran</u>, and was regarded as the harshest set of measures to date. The main provisions included an arms embargo, which would prohibit <u>Iran</u> from purchasing heavy weapons, such as attack helicopters and missiles; stringent rules regarding financial transactions with Iranian banks; and a wider swath of Iranian individuals and companies to be subject to travel bans and asset freezes. In addition, a new system of cargo inspections would be established to detect and stop <u>Iran</u> from acquiring banned materials.

The new sanctions regime was based on a draft prepared by the <u>United States</u>, which was tabled at the United Nations Security Council weeks prior. At the time, <u>United States</u> Secretary of State Hillary Clinton said that the strong draft proposal against <u>Iran</u> was already backed by the five permanent members of the United Nations Security Council. For his part, <u>United States</u> President Barack Obama made it clear that his country intended to pursue fresh sanctions against <u>Iran</u>, as a consequence of the prevailing "fundamental concerns" about Iran's atomic ambitions and broader nuclear program. Now, with the imposition of the new sanctions regime, President Obama heralded the measure as an unmistakable message to halting the spread of nuclear arms. The <u>United States</u> position was mirrored by the <u>United Kingdom</u> with Foreign Secretary William Hague saying that the vote in favor of fresh sanctions delivered a "strong statement of international resolve," and would increase the pressure on <u>Iran</u>.

Despite Iran's insistence that its nuclear program is for peaceful purposes, its failure to comply with the standards imposed by the International Atomic Energy Agency (IAEA), and the revelations about clandestine nuclear sites, have fueled anxieties by the international community that Iran does, in fact, intend to manufacture a nuclear bomb. Indeed, <u>China</u> took a rare stand against <u>Iran</u>, emphasizing the imperative to deal with the threat of nuclear proliferation. China's ambassador to the United Nations, Zhang Yesui, characterized the sanctions regime as an attempt to prevent nuclear proliferation in <u>Iran</u>. The Chinese diplomat also noted that the new sanctions were targeted and would not hurt "the normal life of the Iranian people."

Meanwhile, backers of the new sanctions regime were denied a unanimous vote in its favor due to the "no" votes from Turkey and Brazil, who managed to cobble together a compromise deal with Iran weeks earlier on the transportation of low enriched uranium outside of Iran for processing. That deal was regarded by the United States as not sufficiently strong to curb Iran's nuclear goals. Indeed, as reportedly detailed in letters dispatched to the IAEA by Russia and France, the deal brokered by Turkey and Brazil would only cover 1,200 kilograms of low enriched uranium and would leave Iran with enormous stocks in their possession. For their parts, Turkey and Brazil took a different view, pointing to the concessions made by Iran in their own (now abandoned) compromise deal. Turkey and Brazil concluded that further sanctions against Iran would be

counter-productive, hence their "no" votes.

Critics have argued that as strong as the new sanctions regime may be in comparison to measures of the past, it nonetheless falls short of the heavy pressure favored by hardliners. For example, there was no call for an oil embargo, and there were no crippling economic actions that could deleteriously affect Iran's vital interests. That being said, an even stronger sanctions regime was not likely to gain support from veto-wielding members of the United Nations Security Council, such as <u>Russia</u> and <u>China</u>. Moreover, while average Iranians were not likely to experience the effects of the new sanctions, the powerful Iranian Revolutionary Guard would not be so lucky. Indeed, this was one of the expressed objectives set forth by the <u>United States</u> when it first began to consider the fourth round of sanctions against <u>Iran</u>.

The aim of a new sanctions regime was to specifically target the Iranian Revolutionary Guard, which has emerged as a power center within that country. Analysts have drawn attention to the accelerating transfer of power to the Revolutionary Guard Corps, which was originally established in 1979 to protect the ideals of the Islamic revolution. The political power and influence of the Revolutionary Guard was on full display in the deadly anti-government protests that occurred in Iran following its 2009 contested presidential election, making clear that they have become more closely intertwined with the base of clerical power surrounding Iran's Supreme Leader Ayatollah Ali Khameini. Moreover, the Revolutionary Guard was believed to be the leading entity behind Iran's nuclear ambitions.

In addition to its political power and influence has been the fact that the Revolutionary Guard has also become a powerful economic force in <u>Iran</u>. It controls construction and even companies, earning billions in public contracts over a two-year span, as reported by the Washington Post. In that report, the Washington Post quoted Mashallah Shamsolvaezin of the Center for Scientific Research and Middle East Strategic Studies in Tehran, who said: "They [the Revolutionary Guard Corps] have become the main, most faithful caste, to protect the system of Islamic government. In exchange, wealth, power and respect are being transferred to them at an increasing rate." Thus, the intrinsic value of targeting the new sanctions in such a way as to strike at the core of the Revolutionary Guard Corps.

From Tehran, the head of Iran's atomic energy organization, Ali Akbar Salehi, dismissed the prospect of looming sanctions and predicted that such a move by the international community would ultimately backfire. Salehi said, "They won't prevail and by pursuing the passing of a new resolution they are discrediting themselves in public opinion." Now, with the sanctions a reality and not a theoretical measure, Iranian President Mahmoud Ahmadinejad adopted a dismissive tone. In an interview broadcast on Iran's ISNA news agency, he said: "I gave one of the [world powers] a message that the resolutions you issue are like a used handkerchief, which should be thrown in the dustbin. They are not capable of hurting Iranians." Clearly, Iran was trying to deliver the message that it would not be intimidated by the international community's punitive actions.

That being said, in mid-June 2010, both the <u>United States</u> and the European Union announced their own unilateral sanctions to be imposed on <u>Iran</u>. In the case of the <u>United States</u>, the new sanctions by the Treasury Department targeted Iran's nuclear and missile programs, by concentrating on the financial sector, the shipping industry and Islamic Revolutionary Guards Corps. The new sanctions imposed by the European Union included a ban on investments and technology transfers to Iran's key oil and gas industry. <u>Russia</u> responded by criticizing these separate sanctions efforts, despite its support for the new round of sanctions imposed by the United Nations, as discussed above. In an interview with the Wall Street Journal, Russian President Medvedev said, "We didn't agree to this when we discussed the joint resolution at the United Nations."

Iran prevents IAEA inspectors from entering the country

On June 21, 2010, Iran informed by the International Atomic Energy Agency (IAEA) that two of its inspectors would not be allowed to enter the country. Ali Akbar Salehi, the head of Iran's Atomic Energy Organization, explained that the action had been taken because the IAEA had published a report his country deemed to be "untruthful" in regards to Iran's nuclear activities. Salehi said, "If an inspector makes a report contrary to the standing fact... we have the right to place a protest as we did in regard to the report by two inspectors." Salehi did not specify exactly what portion of the IAEA report was regarded as inaccurate by Iran. That being said, general consensus that the issue at the core of the controversy probably involved Iran's claim at the start of the year that its scientists had carried out pyroprocessing experiments -- a process which potentially used to purify uranium for use in nuclear weapons. The IAEA responded to the claim by requesting further information from Iran, but by March 2010, Iran was reversing its initial claims and saying that it never conducted such activities. That scenario, clearly, left the IAEA somewhat suspicious of Iran's actual nuclear activities. That suspicion was further stoked when in May 2010, IAEA inspectors visited the site of the claimed pyroprocessing experiments and found that an electrochemical cell had been "removed," as disclosed in the IAEA report.

Iran's provocative moves:

On Aug. 22, 2010, <u>Iran</u> unveiled its newest addition to its military -- an unmanned bomber jet. While the Karrar drone was not expected to have a significant impact on the strategic balance of the Middle East, Iran's decision to procure the craft appeared to signify that country's desire to expand its conventional weapons capabilities. Not one to miss an opportunity to threaten geopolitical antagonists, Iranian President Mahmoud Ahmadinejad, who was addressing the country's annual Defense Industry Day ceremonies, described the Karrar drone as a "messenger of death for the enemies of humanity."

Only days later, <u>Iran</u> remained in the international spotlight when it announced that it had successfully test-fired an upgraded version of a short-range surface-to-surface missile. The new version of the Fateh-110 missile, which translates into "conqueror" in Farsi, has been equipped

with a guidance control system known for its accuracy. As well, its range has been increased as compared with earlier versions. According to Iranian Defense Minister Ahmad Vahidi, the solid-fuel Fateh-110 missile was developed domestically by Iran's Aerospace Industries Organization and held the potential of striking targets up to 120 miles away. On Iranian state television, Vahidi said, "Employing a highly accurate guidance and control system has enabled the missile to hit its targets with great precision." The upgraded missile was to be transferred to the possession of the Iranian military by September 2010.

While a short-range surface-to-surface missile was not evidence of a nuclear threat, it nonetheless recalled a report issued a year earlier by experts at the United Nations nuclear monitoring agency, the International Atomic Energy Agency (IAEA), which indicated their belief that Iran could have the ability to manufacture a nuclear bomb. In that report titled, "Possible Military Dimension of Iran's Nuclear Program," experts intimated that Iran could well be trying to develop a missile system capable of carrying an atomic warhead. That document concluded that while Iran was not yet capable of attaching nuclear warheads to its Shahab-3 medium-range missile, further research and development could lead to the production of a prototype system. To that end, the Shahab-3 missile -- with a range of up to 1,250 miles (2,000 kilometers) -- would place Israel within striking distance. Clearly, the upgraded Fateh-110 would not have comparable range; however, it was clear that Iran was intent on publicizing its growing military weapons capacity to the outside world. This was the case in September 2009 when Iran test-fired two short-range Shahab-3 ballistic missile and the surface-to-surface Sajjil. Once again, these unambiguous acts of defiance by Iran in 2010 were sure to raise the ire of the West.

Meanwhile, around the same period (August 2010), <u>Iran</u> announced it would commence building a new uranium enrichment plant in early 2011. The new facility would be only one of 10 new uranium enrichment facilities planned for construction in <u>Iran</u>. Ali Akbar Salehi, the head of Iran's nuclear program, said in an interview with Iranian state television that "studies on finding locations for the construction of 10 new sites are going through their final stages." He also confirmed that construction would commence on one of these sites "by the end of the current Iranian year (in March 2011), or shortly afterwards."

These moves have been part of Iran's insistence on pursuing a nuclear program in defiance of Western powers, who have accused Iran of having a nuclear weapons proliferation agenda. While Iran has denied these ambitions and insisted on a program for peaceful purposes, it has nonetheless violated international regulations by constructing a clandestine enrichment plant at Qom. The construction of the secret enrichment plan in Qom -- revealed in 2009 -- was in violation of the safeguard provisions set forth in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and effectively fueled global anxieties about Iran's true intent. In response, the United Nations, as well as the <u>United States</u> and European Union, have imposed sanctions against <u>Iran</u> in an effort to suppress that country's nuclear ambitions.

On Aug. 20, 2010, <u>Iran</u> launched its first nuclear reactor at the Bushehr nuclear power station in the southern part of the country. The plant, which took 35 years to construct due to a series of delays, was to be operated by <u>Russia</u>. Indeed, <u>Russia</u> was to be responsible for supplying nuclear fuel and removing the nuclear waste. Due to Russian involvement in the project, the opening ceremony of the Bushehr nuclear power station was witnessed by Iranian and Russian officials.

The Iranian government hailed the development as a victory over its enemies. However, because the power plan has taken more than three decades to construct, it was an older model with limited contribution to the national grid. As a result, despite the celebration surrounding the opening of the plant, which would begin producing electricity in four weeks from the launch date, the significance of the Bushehr power station was regarded as more symbolic than substantive. Moreover, the real issue within the international community has not been a matter of nuclear energy production, but fears that Iran seeks to build a nuclear weapon. Accordingly, Iran has been the target of four rounds of United Nations sanctions due to its uranium enrichment program, which was quite separate from this nuclear reactor project. That is to say, whereas the Bushehr nuclear power plant used uranium enriched by 3.5 percent, weapons-grade uranium must be enriched by more than 90 percent. Throughout, it has been Iran's uranium enrichment activities at levels higher than three percent that have sparked alarm bells across the West.

Nevertheless, as before, <u>Iran</u> appeared intent on defying the international community with the head of Iran's Atomic Energy Organization, Ali Akbar Salehi, saying that his country would continue uranium enrichment. To that end, a serious concern for the international community has been a pilot program to enrich uranium to 20 percent, which <u>Iran</u> contends is necessary for a medical research reactor. Clearly, this higher level of uranium enrichment has been a concern for Western powers more than Bushehr nuclear power station, sparking fears in <u>Israel</u>, which has a particularly hostile relationship with <u>Iran</u> and has suggested the notion of targeted military strikes against Iranian nuclear facilities.

Israel's options in dealing with Iran's nuclear program --

With Iran's nuclear moves dominating the geopolitical landscape, there was increasing speculation about Israel's own alternative options. Indeed, the one country in the Middle East most likely to feel threatened by a nuclearized <u>Iran</u> was <u>Israel</u>, given the clear antipathy expressed by the Iranian regime against the Jewish state of <u>Israel</u>. Speculation has abounded that <u>Israel</u> has been contemplating military strikes against Iranian nuclear facilities, not unlike the 1981 air strike <u>Israel</u> reportedly carried out against Saddam Hussein's nuclear reactor in Osiraq. That scenario has frequently been touted as a model of preventative military strikes to be used against looming nuclear threats.

But the landscape in 2010 was quite different from the situation almost three decades ago. Notably, in 1981, even though <u>Iraq</u> and <u>Iran</u> were embroiled in a war, Israeli F-16 jet fighters encountered little resistance as they carried out their mission. While there was limited anti-aircraft fire, there

were no air patrols of surface-to-air missiles to contend with. Clearly, three decades later, <u>Israel</u> was not likely to have such an easy field of action in <u>Iran</u>.

Then there has been the matter of whether Israel can achieve the same objective in 2010 as it did in 1981. Almost three decades ago, Israel was able to land such a blow on Iraq's nuclear facility that Saddam Hussein's regime was never able to build nuclear weapons. As of 2010, there was no such confidence that Iran's nuclear breakout capabilities would be curtailed in similar strikes. Of significant consideration has been the fact that Iran's multiple nuclear sites are dispersed with some in remote areas and others underground. The revelation about the clandestine Qom facility only bolsters the belief that there may be other such nuclear facilities across Iran. Indeed, Israeli Defense Minister Ehud Barak acknowledged during a parliamentary meeting that facilities such as the Qom site "cannot be destroyed through a conventional attack." Accordingly, there is no guarantee that air strikes could do more than setback Iran's nuclear ambitions a year or two.

Nevertheless, there were clear signs that the military option remained on the table, given the Netanyahu government's decisions to increase the defense budget, distribute gas masks to all citizens, and simulate a biological attack. But there were also signals of Israel's awareness that the military options may not yield optimal results. Accordingly, Israel has shown support for the notion of sanctions against Iran, although its call for crippling sanctions may not coincide with the new impetus by the international community for targeting the Iranian Revolutionary Guard Corps in its sanctions. The international community, including the Obama administration in the United States, has not been keen to punish the Iranian people for the regime's ills, and has had to balance reticent powers, such as Russia and China, to even entertain the notion of sanctions. Thusly, targeted sanctions against the Revolutionary Guard and clerical elite have gained support. But Israel believes that only crippling, broad-based sanctions will have a sufficiently strong effect to stoke internal fissures, and possibly spur the collapse of the clerical regime.

By August 2010, around the same period that <u>Iran</u> launched a nuclear reactor at Bushehr and announced its plans to start building new uranium enrichment plant in 2011, the government of the <u>United States</u> reportedly tried to assuage <u>Israel</u> on the nuclear threat posed by <u>Iran</u>. According to a report by the New York Times, the Obama administration conveyed evidence to Israeli counterparts showing that problems within Iran's nuclear program meant that it would take at least a year for that country to actually build a nuclear weapon. That timeline, it was believed, would decrease the possibility that <u>Israel</u> would soon carry out a pre-emptive strike against Iran's nuclear facilities.

"Soon," though, has been a relative consideration. According to Jeffrey Goldberg of the Atlantic Monthly, <u>Israel</u> was biding its time to see if the non-military options could yield positive results; however, it was nevertheless prepared to carry out unilateral strikes on Iran's nuclear facilities. To that end, Goldberg contended that, at this time, it was Israel's belief that strikes against Iran's nuclear sites could halt progress on that country's nuclear development program for several years.

That is to say, <u>Israel</u> now held the view that it could strike a blow at the nuclear breakout capability of <u>Iran</u>.

It should be noted that several strikes -- in the plural --would be needed to achieve such an end; among the likely targets would be the uranium-enrichment facility at Natanz, the formerly clandestine enrichment site at Qom, the nuclear-research center at Esfahan, and the Bushehr reactor. Undoubtedly, flying multiple jet fighters through foreign air space would present <u>Israel</u> with a constituently complicated proposition.

The logistics of such a military operation by <u>Israel</u> notwithstanding, the cost of such an offensive endeavor might be determined to be too high. Certainly, the likely effects were forecast to be manifold ranging as they do from geopolitical chaos to economic turbulence due to a potentially drastic spike in the price of oil. <u>Iran</u> and its allies could well retaliate by firing rockets at Israeli cities, which could effectively ignite a regional war. As well, extremist terrorist enclaves in the region, such as Hezbollah and Hamas, would have an accentuated rallying cry. The result might be an even more imperiled <u>Israel</u>.

Yet the question of peril has been at the top of Israel's agenda, given the belief that Iran may gain the technological knowledge to construct nuclear bombs within a relatively short period of time. It may be Israel's calculation that potentially deleterious consequences are worth the effort, given the existential stakes for the Jewish nation state. Those existential stakes were brought into high relief as a result of the vituperative threats uttered by Iran's leaders that Israel should be "wiped off the map."

Worth noting is the fact that a nuclearized <u>Iran</u> poses a threat not only to <u>Israel</u> but to other countries in the Middle East. Indeed, a nuclear-armed <u>Iran</u> would, itself, have a destabilizing effect across the Middle East, most obviously by potentially triggering a nuclear arms race in the region among other countries not willing to cede power to nuclearized <u>Iran</u>. But quite in contrast to the arms race of the Cold War, which actually functioned as a deterrent and managed to stabilize the international scene in some "realpolitik" sense, a modern arms race in a region known for suicide bombings could trigger catastrophic results.

For this reason, <u>Israel</u> may find some unlikely allies in its neighborhood in the form of certain powerful Arab countries, such as Sunni Muslim <u>Saudi Arabia</u>, which is not keen on the notion of a nuclearized Shi'a-dominated <u>Iran</u> in their backyard. <u>Israel</u> may also find there is a geopolitical benefit to resolving the Palestinian issue, thereby minimizing its field of enemies. But the very complexity of the Arab backyard may present yet another reason why <u>Israel</u> may decide that targeted strikes against Iran's nuclear facilities -- regardless of the risk -- are worth the effort. The smaller Arab states may be compelled to move from moderation and tacit pro-Western inclinations toward more hardline and pro-Iranian stances by virtue of the influence of a nuclearized <u>Iran</u>. That is to say, small Arab states may believe they have no choice but to throw their lot in with a nuclear <u>Iran</u> despite their past cooperation with the West. It was implausible that <u>Israel</u> -- and, indeed, the

West -- would look positively on the prospect of a politically-strengthened and nuclearized <u>Iran</u> standing strong in the heart of the Middle East.

Update --

With the prospect of strikes by <u>Israel</u> against Iran's nuclear facilities looming, on September 5, 2010, Iranian President Mahmoud Ahmadinejad warned that any attack against his country would mean the end of the Jewish State of <u>Israel</u>. During a visit to <u>Qatar</u>, Ahmadinejad said, "Any offensive against <u>Iran</u> means the annihilation of the Zionist entity." Expressing his antipathy for <u>Israel</u>, he continued, "Iran does not care much about this entity because it is on its way to decay." Ahmadinejad also appeared to dismiss the notion of an attack by either <u>Israel</u> or the <u>United States</u> on Iranian nuclear facilities in the first place, saying that those two countries, "know that <u>Iran</u> is ready and has the potential for a decisive and wide-scale response." But with an eye on shoring up support from smaller Arab countries that house <u>United States</u> military bases, Ahmadinejad said called for more cooperation between Muslim countries of the Middle East despite the sectarian schism between Shi'ites and Sunnis.

On September 23, 2010, delegates from the <u>United States</u>, <u>Canada</u>, <u>Australia</u>, <u>New Zealand</u>, <u>Costa</u> <u>Rica</u> and 27 European Union countries walked out in protest during Iranian President Mahmoud Ahmadinejad's address to the United Nations General Assembly. At issue was the Iranian president's statement that "some segments within the U.S. government" may have orchestrated the September 11, 2001 terror attacks in the <u>United States</u> as part of an American conspiracy to protect <u>Israel</u>.

Mark Kornblau, a spokesman for the <u>United States</u> Mission to the United Nations issued a statement asserting that the Iranian president "has yet again chosen to spout vile conspiracy theories and anti-Semitic slurs that are as abhorrent and delusional as they are predictable." The situation would not help efforts to bring <u>Iran</u> together with the six powers -- the <u>United States</u>, the <u>United Kingdom</u>, <u>China</u>, <u>Russia</u>, <u>France</u> and <u>Germany</u> -- for negotiations on the matter of Iran's controversial nuclear development program. British Deputy Prime Minister Nick Clegg highlighted the pall cast on the hopes for renewed negotiations by Ahmadinejad's comments saying: "An issue of grave global concern has been overshadowed by the bizarre, offensive and attention-grabbing pronouncements by President Ahmadinejad from this podium yesterday. His remarks were intended to distract attention from Iran's obligations and to generate media headlines. They deserve to do neither." Outside the United Nations compound in New York, thousands of demonstrators gathered to protest the presence of President Ahmadinejad there.

The controversy surrounding the multilateral walkout of Ahmadinejad's speech notwithstanding, the Iranian president hinted on September 24, 2010 that his country would consider ending uranium enrichment, if nuclear fuel could be sent to Tehran for a medical research reactor that produces medical isotopes for patients. He said, "We will consider halting uranium enrichment whenever nuclear fuel is provided to us." Ahmadinejad explained that <u>Iran</u> had no need to enrich

uranium at levels of three to 20 percent beyond medical research, but that his country was forced to do so out of necessity. Indeed, such levels of enrichment, while still not as high as that needed for weapons-grade development, have nonetheless alarmed the West. In an interview with the Associated Press, Ahmadinejad said, "We were not interested to carry out 20 percent enrichment. They (the U.S. and its allies) politicized the issue. We were forced to do it to support the (medical) patients." President Mahmoud Ahmadinejad also said that Iran was interested in setting a date to re-open talks with the aforementioned six powers. In this way, by the autumn of 2010, Iran was indicating that it was ready to return to the negotiating table for discussions with world powers pertaining to that country's controversial nuclear program.

At issue has been Iran's insistence on pursuing a nuclear program in defiance of Western countries, who have accused Iran of having a nuclear weapons proliferation agenda. While Iran has denied these ambitions and insisted that its nuclear program is for peaceful purposes, it has nonetheless violated international regulations by constructing a clandestine enrichment plant at Qom. The construction of the secret enrichment plan in Qom -- revealed in 2009 -- was in violation of the safeguard provisions set forth in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and effectively fueled global anxieties about Iran's true intent. In response, the United Nations, as well as the <u>United States</u> and European Union, have imposed sanctions against Iran in an effort to suppress that country's nuclear ambitions.

Now, there seemed to be some multilateral efforts to see the nuclear talks resumed with Catherine Ashton, the security and foreign affairs chief of the European Union, suggesting that fresh negotiations be held in Vienna "over three days in mid-November." Such a meeting would presumably take place with the participation of the <u>United States</u>, Britain, <u>China</u>, <u>France</u>, <u>Russia</u> and <u>Germany</u>. This announcement came after a meeting between Ashton and <u>United States</u> Secretary of State Hillary Clinton in <u>Belgium</u>. Referring to Iran's main nuclear diplomat, Darren Ennis, a spokesperson for Ashton, said: "Ashton hopes Mr. (Saeed) Jalili will respond positively and looks forward to constructively engaging with <u>Iran</u> next month." For his part, Jalili was reported to have welcomed Ashton's overture during an interview on Iranian state television. Jalili reportedly said, "We have always said talk for cooperation with <u>Iran</u> is the only suitable alternative for (the West)."

By October 29, 2010, Iran said that it was prepared to participate in talks dealing with its controversial nuclear program. According to Ashton, a letter received from Iran's chief nuclear negotiator, Jalili, made clear that negotiations could resume at a date after November 10, 2010. The announcement came at a time when the <u>United States</u> was reportedly forging a new fuel exchange deal (re: a proposed plan to send Iran's uranium abroad for processing and conversion into fuel rods for use in the research reactor). Indeed, <u>United States</u> Department of State spokesman, P.J. Crowley reportedly confirmed the reports that his country, in collaboration with European allies, were working on a new nuclear exchange proposal for Iran. A previous proposal, which was rejected by Iran, would have transported 2,650 pounds of uranium outside of Iran for

enrichment; this new proposal would significantly increased the amount of uranium to be enriched externally ultimately for use in a medical research reactor. Iran would also be asked to halt production of nuclear fuel at 20 percent enrichment levels; typically, higher enrichment levels denote weapons grade uranium and a cessation of nuclear fuel production at that level would indicate good faith toward Iran's claim that it has no nuclear weapons development agenda.

It was yet to be seen how Tehran would respond to these new conditions. Iran's willingness to return to the negotiating table could well suggest that the newest round of sanctions against <u>Iran</u> have had an effect on the country, effectively thrusting it into a position of flexibility. However, such presumed flexibility was not on display on Nov. 10, 2010 when Iranian President Ahmadinejad characterized his country's right to nuclear capabilities as non-negotiable. In a televised speech, he said, "We have repeatedly said that our (nuclear) rights are not negotiable ... We only hold talks to resolve international problems ... to help the establishment of peace." Diplomats from the European Union offered the most favorable interpretation of Ahmadinejad's statement, suggesting he was simply recapitulating Iran's expressed stance while not foreclosing negotiations on finding a resolution.

Around the same period, Iran's chief nuclear negotiator, Jalili, dispatched a letter to EU foreign affairs chief Ashton in which the dates November 23, 2010, and December 5, 2010, were mentioned in terms of scheduling the much-anticipated nuclear negotiations. With the November date passing, all eyes were on forthcoming nuclear negotiations to convene in December 2010. Meanwhile, on November 9, 2010, <u>United States</u> President Barack Obama renewed an existing freeze on Iranian government assets held in his country. That freeze has been in place since the <u>Iran</u> hostage crisis of 1979 and is subject to annual renewal.

By the start of December 2010, the International Atomic Energy Agency (IAEA) excoriated Iran for its non-compliance with international nuclear monitoring. The director of the IAEA, General Yukiya Amano, railed against Iran for failing to cooperate with IAEA inspectors. He said, "The agency needs Iran's cooperation in clarifying outstanding issues which give rise to concerns about possible military dimensions to its nuclear program." This particular statement appeared to bolster Western fears that Iran does indeed possess nuclear weapons development ambitions, its protestations to the contrary notwithstanding. Indeed, areport released in February 2010 by the IAEA suggested that Iran was already working on the development of a nuclear-armed missile.

With the nuclear negotiations looming, on December 2, 2010, the <u>United Kingdom</u>, <u>France</u>, and <u>Germany</u> issued a joint statement that read as follows: "There is no alternative: <u>Iran</u> must actively address the lack of confidence in the exclusively peaceful nature of its nuclear program." The statement noted that the aforementioned report on Iran's nuclear program by the IAEA "paints a very disturbing picture" of Tehran's actions. The statement continued of the IAEA report, "It again testifies that Iran continues down the path of non-compliance and confrontation." Accordingly, the <u>United Kingdom</u>, <u>France</u>, and <u>Germany</u> called on <u>Iran</u> to move off the "path of non-compliance and confrontation" and, instead, act in a productive manner at the much-anticipated multilateral

talks to be held in Geneva, Switzerland.

For its part, <u>Iran</u> agreed to meet with a representative of a six-party multilateral bloc [Catherine Ashton] but emphasized that it would not negotiate about its "nuclear rights." The reference to "nuclear rights" has been regarded by Western powers as a euphemism for Iran's nuclear weapons ambitions. Indeed, <u>Iran</u> has been steadfast on its insistence that it should not have to limit or curb uranium enrichment.

Multilateral nuclear negotiations were scheduled to begin on December 6, 2010 in Geneva, <u>Switzerland</u> with <u>Iran</u> present to discuss its controversial nuclear program with the major powers -- the <u>United States</u>, the <u>United Kingdom</u>, <u>France</u>, <u>Germany</u>, <u>Russia</u> and <u>China</u>. All six countries would like to see Iran suspend uranium enrichment in return for an incentives package.

To that end, the <u>United Kingdom</u>, <u>France</u>, <u>Germany</u> were hoping that the negotiations in Geneva would serve "to engage Iran into a phased approach of confidence building which should lead to meaningful negotiations." The <u>United States</u> envoy to the IAEA, Ambassador Glyn Davies, struck a similar tone saying that his aspirations were for "frank, constructive and meaningful" negotiations with Iran. He continued, "We would like to arrive at an early negotiated resolution of international concerns with Iran's nuclear program." Davies was also realistic about the difficulty of the goals at hand, noting, <u>Iran</u> nuclear program and uranium enrichment constituted "a problem that will not go away absent meaningful and concrete steps by <u>Iran</u>."

Perhaps indicating that the two sides were not viewing the agenda in quite the same way, Iran's ambassador to the IAEA, Ali Asghar Soltanieh, said that his country was ready for talks to resolve global and regional issues, described as "conflicts of the whole world." But dealing with "conflicts of the whole world" was hardly the stated goal of the nuclear negotiations and could indicate that Iran seeks to dilute the discussions at hand.

Another problem at hand has been Iran's skepticism about the intentions of the wider global community, manifest in a quasi-covert war against Iran. Of concern for Iran have been the assassinations of two Iranian nuclear scientists, along with the attempted murder of a third such professional. In addition, Iran's computer systems at the Bushehr nuclear reactor was subject to a computer virus, which was believed to have caused the temporary shutdown of the Natanz centrifuges in November 2010. In Iran, these incidences have been attributed to either Israel or the United States and was likely to fuel further intransigence by an infuriated Iran.

Such an end was not helped by the infamous "Wikileaks" revelations in which confidential government cables were publicized. Of note was the revelation that some Arab governments aligned with the <u>United States</u> actually encouraged the <u>United States</u> to carry out targeted strikes against Iran's nuclear facilities. While it would come as no surprise to find that <u>Israel</u> considers Iran's nuclear ambitions to be a threat, the revelation that Arab countries in the Middle East would find consensus with <u>Israel</u> on the matter of a nuclearized <u>Iran</u> could be seen as somewhat more

surprising. Nevertheless, as the Sunni-Shi'a schism escalates around the world, perhaps it is not so unlikely that Israel and Arab regimes might a shared anxiety about a nuclear-armed Iran in their collective backyard. The result of the "Wikileaks" revelations, though, was that smaller Arab countries in the Middle East might now seek to assuage infuriated Iran, effectively lessening the weight of global power against Iran's burgeoning nuclear program.

But another outcome of the "Wikileaks" revelations has been that the Obama administration in the <u>United States</u> expected its outreach to <u>Iran</u> to end in failure. The "Wikileaks" document deluge included evidence that the <u>United States</u> was quite prepared for Iran's intransigence and unwillingness to meet in the proverbial middle. Clearly, that outreach to <u>Iran</u> was for the benefit of other world powers, in the hopes that by exerting all diplomatic avenues, countries such as <u>France</u> and <u>Russia</u> would be more amenable to the idea of harsh sanctions against <u>Iran</u>. To that end, it would appear that the Obama administration was successful in applying the so-called "carrot and stick" approach to Iran's uranium enrichment activities, if its actual goal was the institution of a harsh sanctions regime. But success in actually curtailing Iran's uraniumactivities was yet to be determined. The talks set to commence in Geneva would be a step in the direction of progress, if the world powers are able to make progress on a fuel-swap deal for a Tehran medical research reactor.

On December 5, 2010 -- on the eve of the nuclear talks, <u>Iran</u> announced that it had made strides in its efforts to produce raw uranium. <u>Iran</u> said that it had not only produced raw or "yellowcake" uranium, but that it was ready for enrichment. According to Iran's nuclear chief, Salehi, the batch of domestically-produced yellowcake uranium from the Gachin mine would be transferred to the Isfahan nuclear conversion facility, where it can be enriched. Of course, enriched uranium at high levels is used for the production of nuclear bombs. By releasing this information ahead of the much-anticipated nuclear negotiations, <u>Iran</u> to staking out a defiant position on the global landscape. Clearly, <u>Iran</u> wanted the world to know that they had access to raw uranium despite the general view that it was running low on such stocks. In so doing, <u>Iran</u> was making to clear to the world that it was within its power to move forward with uranium enrichment. Was this move intended to bolster Iran's negotiating power? Or was it intended to provoke an international response? These are open questions yet to be determined as the wider global community closes ranks over the prospect of a nuclearized <u>Iran</u>.

At the close of the talks, <u>Iran</u> and the multilateral parties agreed to resume negotiations in January 2011 in the Turkish city of Istanbul.

On January 8, 2011, the Wall Street Journal reported that Iran's weapons development capacity may have been curtailed by the more stringent sanctions regime championed by the West and imposed by the United Nations Security Council. According to Israel's outgoing intelligence head, Meir Dagan, Iran was unlikely to be able to build a nuclear weapon until 2015. Israeli Deputy Prime Minister Moshe Yaalon was making a similar claim on Israeli Army Radio also that Iran was three years away from developing a nuclear warhead.

This stance was quite a departure from an earlier timeline by Israel that suggested Iran was close to being able to build a bomb, thus raising speculation about a potential strike by Israel on nuclear targets in Iran. Now, Israel's position appeared to be in line with the United States' claim that international sanctions have limited <u>Iran</u> from procuring materials needed for the building of a nuclear bomb. Of course, the outgoing Dagan also pointed to "covert activities" as being an additional reason for the revised timeline. In fact, officials across the world have noted that Iran's ability to deploy advanced centrifuge machines, which would be needed for the production of highly enriched uranium, has been stymied to some degree. That is not to say that concerns about Iran's nuclear ambitions have abated in any way. Both Israel and the United States have maintained the view that Iran actively seeks to produce nuclear weapons and that it has sufficient stockpiled low enriched uranium to build up to four nuclear bombs, assuming that further processing was possible. That being said, the revised timeline would suggest that Israel was unlikely to carry out targeted strikes on nuclear facilities in Iran in the near future. As well, the <u>United States</u> was highly likely to champion the idea of continuing, and even intensifying, the harsh sanctions\* imposed on Iran. Note that multilateral talks on Iran's nuclear program resumed in late January 2011 in Turkey.

\*The punitive sanctions imposed in June 2010 were regarded as the harshest set of measures to date. The main provisions included an arms embargo, which would prohibit <u>Iran</u> from purchasing heavy weapons, such as attack helicopters and missiles; stringent rules regarding financial transactions with Iranian banks; and a wider swath of Iranian individuals and companies to be subject to travel bans and asset freezes. In addition, a new system of cargo inspections would be established to detect and stop <u>Iran</u> from acquiring banned materials. This round of sanctions was intended to bypass affecting the lives of average Iranians while concentrating on the powerful Iranian Revolutionary Guard, which has emerged as a power center within that country, and which was believed to be the leading entity behind Iran's nuclear ambitions.

At the close of February 2011, the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), expressed concerns about the "possible military dimensions" of Iranian nuclear agenda. At issue was a report by the IAEA that reportedly included the following assessment: "Based on the agency's analysis of additional information since August 2008, including new information recently received, there are further concerns which the agency also needs to clarify with Iran." The IAEA then called on Iran to comply with the investigations into Iran's weapons experiments -- requirements not met by that country since 2008. The report also noted that Iran was not cooperating in the effort to assure the IAEA that all nuclear material in Iran was for only peaceful purposes. This has been the claim of Iran since the start of its nuclear development program, however, it cannot be verified without that country's cooperation in IAEA investigations. Clearly, such investigations were unable to be carried out. Of particular concern was the allegation that Iran was trying to develop nuclear payload for its missiles.

Yet even as these concerns by the United Nations were being expressed, Iran experienced a setback with its nuclear program when unspecified safety concerns compelled technicians to unload fuel rods from the nuclear power plant at Bushehr. Speculation arose as to whether or not the mysterious Stuxnet computer virus may have been to blame for this latest complication with Iran's nuclear development program. Stuxnet --a malicious computer virus believed to be developed either by the Israelis or the Americans -- already resulted in previous setbacks to Iran's overall nuclear program. Fot its part, Iran denied that Stuxnet was a factor. That being said, the plant at Bushehr has never been a concern for the IAEA since it was constructed by Russia under international approval and has been subject to the nuclear watchdog agency's supervision. That being said, it was clear that Iran was placed in an embarrassing position on the world stage, since the Iranian authorities have wasted few opportunities to tout its nuclear success at the Bushehr plant.

As reported by Iranian news, Ali Asghar Soltanieh -- Iran's s ambassador to the IAEA -- explained the situation as follows: "Upon a demand from <u>Russia</u>, which is responsible for completing the Bushehr nuclear power plant, fuel assemblies from the core of the reactor will be unloaded for a period of time to carry out tests and take technical measurements. "After the tests are conducted, (the fuel) will be placed in the core of the reactor once again."

By Feb. 28, 2011, Russia's nuclear energy shed further light on the situation in <u>Iran</u> by explaining that the order to remove fuel from the nuclear plant was made as a result of concerns that metal particles might be contaminating fuel assemblies.

May 2011 saw the emergence of a report by the United Nations watchdog nuclear agency, the International Atomic Energy Agency (IAEA), in which it was reported that Iran was continuing its efforts to build nuclear weapons, in defiance of United Nations sanctions. The IAEA asserted that Iran was stockpiling low-enriched uranium, pointing toward the fact that Iran's total output of low-enriched uranium since 2007 had reached 4.1 tons -- an increase from 3.6 tons earlier in the year, and indicating an amount that, if refined further, could potentially contribute to the development of at least two bombs. Throughout, Iran has claimed that its nuclear program is for civilian energy generating purposes, the actual evidence notwithstanding. The report by the IAEA, which was compiled ahead of a meeting of the IAEA board in June 2011, was expected to be delivered to the United Nations Security Council, where that body would have to consider how to respond to the nuclear developments in Iran. The key question to be addressed would be whether Iran would be regarded as meeting its international obligations in the context of nuclear development.

In mid-June 2011, as reported by the Associated Press, <u>Iran</u> was set to install advanced and efficient centrifuges -- appropriate for higher grade uranium enrichment -- at its new uranium enrichment site at Qom. That site at Qom had been constructed secretly, out of the eyes of the International Atomic Energy Agency (IAEA). Ultimately discovered by Western intelligence, revelations about the existence of the Qom site undermined Iran's claims that its nuclear ambitions

were peaceful. Iran's endeavors to produce raw or "yellowcake" uranium at the Gachin, ready for enrichment at the Isfahan conversion facility (publicized in late 2010), only served to further undermine Iran's claims. A February 2011 by the IAEA further deepened worries about Iran's nuclear ambitions as it noted Iran was trying to develop nuclear payload for its missiles. Indeed, making matters even more intense, Iranian Vice President Fereidoun Abbasi said in June 2011 that his country intended to increased its output of higher enriched uranium threefold in 2011, and that the entire nuclear enrichment program was to be moved to the clandestine facility at Qom. Of course, enriched uranium at high levels is used for the production of nuclear bombs. These moves seemed to highlight Iran continuing intransigence about its controversial nuclear program.

By late June 2011, the Iranian Revolutionary Guard tested 14 surface-to-surface missiles as part of its "Great Prophet 6" war games exercises, which were intended as a show of strength towards. Among the missiles fired nine Zelzal missiles, two Shahab-1s, two Shahab-2s and one upgraded Shahab-3 missile. It was not immediately known if any of the missiles tested were capable of carrying nuclear weaponry. According to the Iranian state media, the surface-to-surface missiles had a maximum range of 1,250 miles (2,000 kilometers). The head of the Iranian Revolutionary Guards' aerospace division, Commander Amir Ali Hajizadeh, made a point of noting that Iran was prepared to retaliate against potential attacks by hostile nations, such as the United States (U.S.) and Israel. Indeed, he emphasized the fact that American military bases were located well within the range of several of the tested missiles, and were therefore vulnerable targets. At issue for Iran have been suggestions from the U.S. and Israel that they would not foreclose military strikes on Iran if diplomatic overtures do not result in an end to that country's nuclear weapons development activity. For its part, the U.S. has noted that the prevailing United Nations Security Council Resolution 1929 levied against Iran prohibits that country from any activity related to ballistic missiles capable of carrying nuclear weapons.

In a related development, <u>Russia</u> decided to suspend the delivery of S-300 missiles to <u>Iran</u> after the U.S. and <u>Israel</u> conveyed concern that <u>Iran</u> could use the anti-aircraft missiles as a means to protect its nuclear facilities, which were under scrutiny.

Note that in mid-July 2011, Iran's foreign ministry announced that it was installing advanced models of centrifuges for the purpose of enriching uranium. Since the new centrifuges could significantly shorten the time needed to stockpile material used for both civilian and military purposes, the move aimed to accelerate Iran's nuclear development program and promised to raise alarm bells in the West. France quickly responded to the news by condemning Iran's action and casting it as "a clear provocation." France said that Iran's actions clearly undermined that country's claims of a peaceful civilian nuclear program and dispatched a statement which read as follows: " (It) clearly confirms the suspicions of the International Atomic Energy Agency (IAEA) and of the international community about the finality of a program with no credible civilian application." But for its part, Iran appeared undaunted, instead claiming that it had notified the IAEA of its moves to install new centrifuges. Iranian Foreign Ministry spokesman, Ramin Mehmanparast, said, "The

agency is aware that our peaceful nuclear activities are progressing ... the installment is a confirmation of the Islamic Republic's success in the nuclear field."

At the start of September 2011, the United Nations' nuclear watchdog agency expressed "growing concern" over Iran's controversial nuclear development agenda. At issue was the claim by the International Atomic Energy Agency (IAEA) that Iran shows signs of working on a clandestine nuclear weapons program. The IAEA said that its concerns were based on "extensive and comprehensive" information that had been provided by several countries. According to extracts of the report detailed by Agence France Presse, the evidence pointed towards the development of a nuclear payload for a missile. As well, the report indicated Iran's intent to enrich uranium at an underground bunker close to Qom. It should be noted that a nuclear facility at Qom was constructed secretly, out of the eyes of the IAEA some time prior. Ultimately discovered by Western intelligence, revelations about the existence of the Qom site undermined Iran's claims that its nuclear ambitions were peaceful.

Now in 2011, with these concerns mounting on the part of the IAEA, the nuclear watchdog agency's Director General Yukiya Amano had written to Iran's nuclear chief, Fereydoun Abbasi Davani, to remind that country that it should adhere to its international obligations. Director General Amano urged Iran to chart the course of prudence in order to establish its credibility in the eyes of the global community, which largely does not believe Iran's claim that its nuclear agenda is peaceful. Note that the the United Nations Security Council has imposed four rounds of sanctions on Iran due to its refusal to freeze its enrichment program.

In the autumn of 2011, the <u>United States</u> was looking to parlay the allegations (discussed below) that the Iranian Quds Force attempted to assassinate the Saudi ambassador into international action against Iran's nuclear development program. To this end, <u>United States</u> President Barack Obama pressured inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), to release classified intelligence information illuminating Iran's continuing efforts to develop nuclear weapons technology.

There have been some hints of the evidence against Iran available via the claims of IAEA director, Yukiya Amano, who suggested in September 2011 that Iran was working on nuclear triggers and warheads. According to the New York Times, insiders familiar with the findings of the classified IAEA report have intimated that Iran has made efforts to develop specific technologies related to the design and detonation of a nuclear device, including the mechanisms for creating detonators, the method for turning uranium into bomb fuel, and the formulas for generating neutrons to spur a chain reaction, and also casting conventional explosives in a shape that could set off a nuclear explosion.

Clearly, coming after the revelations about a disturbing assassination and terrorism plot linked to the Iranian Quds Force, the move to declassify the IAEA's report was oriented toward isolating Iran, now with accentuated political ammunition. Indeed, the <u>United States</u> aimed to argue the

point that <u>Iran</u> was a grave threat to global security, therefore, the need to halt work on Iran's suspected weapons program was imminent. To this end, Tommy Vietor, a spokesperson for the <u>National Security</u> Council, said: "The <u>United States</u> believes that a comprehensive assessment would be invaluable for the international community in its consideration of Iran's nuclear program and what to do about it."

Of course, one of the risks of disclosing the findings of the classified report was that <u>Iran</u> could move to eject IAEA inspectors from that country, effectively foreclosing one of the few avenues available to the international community to monitor Iran's nuclear activities.

Meanwhile, among the punitive measures being advocated by senior White House officials was a prohibition on financial transactions with Iran's central bank. Another punitive measure under consideration was the expansion of the prevailing ban on the purchase of petroleum products sold by Iranian companies under the control of the Islamic Revolutionary Guards Corps.

These options have not, in the past, gained traction due to objections by <u>China</u> among other Asian countries. In the case of <u>China</u>, as a significant buyer of Iranian oil, that country's energy interests could be affected. At the same time, key <u>United States</u> allies, such as <u>Japan</u> and South Korea, are also buyers of Iranian oil but additionally handle transactions via the Iranian Central Bank. Complicating the scenario even further, oil and financial sanctions carry with them the threat of spiking the price of oil at a time when the economies of the <u>United States</u>, the European Union, and several other major global players, were enduring sluggish growth.

By the start of November 2011, the Washington Post reported that Iran had received development assistance from experts from Russia, Pakistan, and North Korea to build a nuclear weapon. David Albright, a former official with the IAEA and the president of the Institute for Science and International Security, was reported to have said that while Iran may have halted its nuclear agenda in 2003 due to international pressure, nuclear weapons development research has since kicked into high gear. As stated by Albright in an interview with the Washington Post, "After 2003, money was made available for research in areas that sure look like nuclear weapons work but were hidden within civilian institutions."

These allegations were expected to be outlined more fully by the IAEA itself in a new report. Leaked information suggested that the IAEA report would register Iran's clandestine nuclear weapons development program, which includes computer models of nuclear warheads.

Indeed, on Nov. 8, 2011, United Nations weapons inspectors released information indicating a "credible" case that "Iran has carried out activities relevant to the development of a nuclear device" and arguing that such activities could well be ongoing. United Nations nuclear inspectors gave no estimate of how long it would be until Iran would be able to produce a nuclear weapon; however, they confirmed the aforementioned claim that Iran had created computer models of nuclear explosions in 2008 and 2009, and conducted experiments on nuclear triggers. The IAEA was

emphatic in noting that the research would only be used to develop a nuclear bomb trigger. In this way, the report, which was published on the Institute for Science and International Security's website, was deemed the harshest assessment by the IAEA of Iran's nuclear development program.

The IAEA then passed a resolution expressing "deep and increasing concern" about Iran's nuclear program, and demanded that <u>Iran</u> clarify outstanding questions related the country's nuclear capabilities. The resolution was adopted following a vote at the United Nations nuclear watchdog agency, with 32 votes in its favor and only <u>Cuba</u> and <u>Ecuador</u> voting against it. Iran's IAEA envoy, Ali Ashgar Soltanieh , dismissed the development and said the resolution would only strengthen Iran's resolve to go forward with its nuclear development. He said, "It will be business as usual... We will continue our work as before."

While <u>Iran</u> was not on the verge of a declaration of its nuclear breakout capability, clearly, these revelations would serve to reinvigorate the debate about what method could be used to stop <u>Iran</u> from accessing a nuclear weapon. Under consideration would be options ranging from sanctions, to sabotage and military action. Despite Israeli Prime Minister Benjamin Netanyahu's assertion that the report made clear the need for global action to stop <u>Iran</u> from developing nuclear weapons, <u>Russia</u> wasted no time in foreclosing the possibility of its support for fresh sanctions. With United Nations sanctions unlikely, on Nov. 21, 2011, the <u>United States</u>, the <u>United Kingdom</u>, and <u>Canada</u> slapped fresh sanctions on Iran's financial and energy sectors.

Iran has argued that its nuclear development program is strictly for civilian energy purposes, but which the West has insisted that Iran seeks nuclear weapons. Ahead of the aforementioned IAEA report, Iran rejected the already circulating charges. Indeed, Iran's Foreign Minister Ali-Akbar Salehi said the findings of the IAEA were "unfounded and baseless."

See below for latest developments related to Iran's nuclear development program and international relations.

### **Special Report:**

U.S uncovers plot by Iranian agents to assassinate Saudi envoy and bomb Saudi and Israeli embassies

#### Summary:

U.S. law enforcement and intelligence agencies uncovered a conspiracy plot by Iranian agents working on behalf of the elite Iranian Quds Force. The plot included plans to assassinate the Saudi Arabian ambassador to the <u>United States</u>, and to bomb the Saudi and Israeli embassies in Washington D.C. and Buenos Aires. The White House has promised to hold Tehran responsibility for its involvement in this elaborate plot of assassination and terrorism. Meanwhile, a connection

between the Iranian agents and Mexican drug cartels has been uncovered, effectively complicating the already-tangled web of complex geopolitics. The U.S. wasted no time in attempting in leveraging these allegations to isolate <u>Iran</u> and place pressure on that country's nucleardevelopment program.

In detail:

Federal law enforcement authorities and intelligence agencies in the <u>United States</u> have reportedly uncovered and foiled a plot by Iranian agents to assassinate the Saudi ambassador to the <u>United States</u>, Adel Al-Jubeir, and to bomb the embassies of <u>Saudi Arabia</u> and <u>Israel</u> in Washington D.C. <u>United States</u> officials indicated there were discussions about extending the bombing targets to the Saudi and Israeli embassies in Buenos Aires -- the capital of <u>Argentina</u>.

According to court documents filed in federal court in the Southern District of New York, the individuals accused of conspiring to carry out this plot were two men of Iranian origin -- Manssor Arbab Arbabsiar and Gholam Shakuri. One of the men, Arbabsiar, was a naturalized <u>United States</u> citizen holding passports from both the <u>United States</u> and <u>Iran</u>. He was arrested on Sept. 29, 2011, and was said to be in <u>United States</u> custody and cooperating with American authorities. Indeed, Arbabsiar confessed his involvement in the plot, according to media reports. The other man, Shakuri, was apparently still at large, presumably in <u>Iran</u> where he was reported to be a member of Iran's Quds Force -- -- an elite division of Iran's Islamic Revolutionary Guards Corps.

Both defendants were charged with conspiracy to murder a foreign official; conspiracy to use a weapon of mass destruction (explosives); and conspiracy to commit an act of international terrorism transcending national boundaries. Arbabsiar was further charged with an additional count of foreign travel and use of interstate and foreign commerce facilities in the commission of murder-for-hire. Arbabsiar was due to appear in a federal court in New York; if convicted of all charges, he would face life imprisonment.

In a news conference on Oct. 11, 2011, Attorney General Eric H. Holder Jr. said: "The criminal complaint unsealed today exposes a deadly plot directed by factions of the Iranian government to assassinate a foreign Ambassador on <u>United States</u> soil with explosives." He continued, "Through the diligent and coordinated efforts of our law enforcement and intelligence agencies, we were able to disrupt this plot before anyone was harmed. We will continue to investigate this matter vigorously and bring those who have violated any laws to justice."

Attorney General Holder explained that while payment for the operation had already been transferred via a New York bank, the conspiracy had not yet progressed to the point of the suspects acquiring explosives for the bombing aspect of the operation. Attorney General Holder also confirmed reports that Arbabsiar and Shakuri were connected to the Quds Force -- the elite division of Iran's Islamic Revolutionary Guards Corps, which has been accused of being responsible for operations in other countries, and which has been a major player in Iran's

controversial nuclear development program. Attorney General Holder additionally made it clear that the plot was "conceived" in <u>Iran</u> by the Quds force, effectively drawing a clear line of connection to Iran's power base.

Attorney General was unrestrained in his characterization of the plot, which he said had been orchestrated from the spring of 2011 to October 2011. He emphatically asserted that the conspiracy was "conceived, sponsored and directed by <u>Iran</u>," and warned that the White House would hold Tehran accountable for it alleged involvement in an elaborate plot of assassination and terrorism. It should be noted that <u>United States</u> officials were tying the plot to high levels of the Iranian government, albeit not directly to the Iranian president or ayatollah. It should also be noted that the <u>United States</u> Department of State has listed <u>Iran</u> as a "state sponsor" of terrorism since 1984; now in 2011, this latest revelation of an international conspiracy would no doubt reify that classification.

A Justice Department report detailed Arbabsiar's recruitment by senior officials in Iran's Quds Force, which reportedly funded and directed the elaborate assassination and terror plot. Extracts from that Justice Department report also indicated that Arbabsiar had gone so far as to discuss a Washington D.C. restaurant frequented by the Saudi ambassador and <u>United States</u> senators, as a possible venue for the target of the assassination. Those extracts suggested that high level Iranians were unconcerned about the additional collateral damage to American politicians or civilians in carrying out such an attack. As the trusted and long-serving envoy of Saudi Arabia's King Abdullah, the assassination of United States-educated Adel Al-Jubeir, along with potential deaths of <u>United States</u> citizens, would undoubtedly cause international furor.

There was an additional international trajectory, reminiscent of a Hollywood movie script, as the Iranian agents were trying to secure the assistance of Mexican drug cartels in carrying out the assassination element of the plot. Indeed, Arbabsiar was arrested as he attempted to travel to Mexico to meet with a Mexican drug cartel operative, allegedly to move forward with this plan. The Mexican informant was, in fact, working on behalf of the <u>United States</u> Drug Enforcement Agency. The involvement of Iranian agents, Mexican drug cartels, and terror targets on <u>United States</u> and Argentine soil, belonging to Israeli, and Saudi interests, effectively complicated the already-tangled web of complex geopolitics and international intrigue.

The mechanics of the plot notwithstanding, there would no doubt be questions about the motivation for the Iranian Quds Force to act against Saudi and Israeli interests on <u>United States</u> and Argentine soil. Of course, Iran's government has never restrained its expression of enmity for Israel; its antagonism towards <u>Saudi Arabia</u> is more opaque.

In fact, the Middle East has become the terrain of an ethno-sectarian power struggle between Sunni Islamic <u>Saudi Arabia</u> and Shi'a <u>Iran</u> in regional countries with mixed and complicated demographic mixtures of Sunnis and Shi'ites. According to <u>United States</u> authorities, Iranian-backed militias have been responsible for the upsurge in sectarian violence in post-invasion <u>Iraq</u>,

where Shi'a <u>Iran</u> hopes to extend its influence. <u>United States</u> authorities have also alleged that the Iranian Quds Force has been instrumental in attacking American troops in <u>Iraq</u>.

Likewise, in <u>Bahrain</u>, which has a similar Shi'a-Sunni demographic composition as <u>Iraq</u>, and which has seen its own episode of unrest in the so-called 2011 "Arab Spring," Iran's desire to extend its influence was apparent. Specifically, as Saudi Arabian troops aided the Bahraini government in cracking down on the predominantly Shi'a opposition in <u>Bahrain</u>, <u>Iran</u> was quick to condemn the presence of foreign forces there. The scenario was a clear manifestation of the prevailing power struggle between the two sectarian power houses of the region -- Sunni <u>Saudi Arabia</u> and Shi'a <u>Iran</u>. Thus, it was quite possible that this 2011 assassination and terror plot was another such manifestation of these tensions.

There was little doubt that the matter would be taken to the United Nations Security Council, where veto-wielding permanent seat holders, <u>China</u> and <u>Russia</u>, have been reluctant to take strong measures against <u>Iran</u> in regard to that country's controversial nuclear development program and its failure to abide with international conventions. Indeed, concurrence by <u>China</u> and <u>Russia</u> on the 2010 United Nations Security Council resolution against <u>Iran</u> was only reached due to Iran's unambiguous failure to comply with the standards imposed by the International Atomic Energy Agency (IAEA), and the revelations about clandestine nuclear sites. Now, in 2011, with news of this assassination and terrorism plot, and the implicating of the Iranian regime, heavy pressure would be placed on <u>China</u> and <u>Russia</u> to again act in concert with the broader international community.

At the diplomatic level, the Saudi embassy in the <u>United States</u> released a strong statement of appreciation for the <u>United States</u> government for uncovering and foiling the plot. As well, during a news conference on Oct. 11, 2011, <u>United States</u> Secretary of State Hillary Clinton delivered a vociferous warning to Tehran that her country would be working with the international community to isolate <u>Iran</u>, and to ensure that it would be held accountable for its actions in violation of international norms. Days later, <u>United States</u> President Barack Obama fortified his country's stance by confirming that <u>Iran</u> would pay a price for its involvement in this assassination and terrorism plot. "We're going to continue... to mobilize the international community to make sure that <u>Iran</u> is further and further isolated and pays a price for this kind of behavior," President Obama said. The <u>United States</u> leader stopped short of accusing the uppermost leadership echelon of the Iranian government of being involved in the alleged plot; however, he noted that even if Iranian Supreme Leader Ali Khamenei or President Mahmoud Ahmadinejad did not possess operational knowledge of the plot, "there has to be accountability with respect to anybody in the Iranian government engaging in this kind of activity."

For its part, the Iranian government has mocked any claims of its complicity in the conspiracy, suggesting that the entire situation had been a sensationalized scheme fabricated by the <u>United</u> <u>States</u>. It should be noted that the Revolutionary Guards holds control over Iran's nuclear

program, as well as being the over-arching authority at the helm of the Quds Force -- the very group believed to behind the assassination and terrorism plot discussed here.

## **Special Report**

Iran under isolation; relations with the West

As discussed here, due to revelations about Iran's nuclear development program, the International Atomic Energy Agency passed a resolution expressing "deep and increasing concern" about Iran's nuclear program, and demanded that Iran clarify outstanding questions related the country's nuclear capabilities. The resolution was adopted following a vote at the United Nations nuclear watchdog agency, with 32 votes inits favor and only Cuba and Ecuador voting against it. Iran's IAEA envoy, Ali Ashgar Soltanieh, dismissed the development and said the resolution would only strengthen Iran's resolve to go forward with its nuclear development. He said, "It will be business as usual... We will continue our work as before."

While <u>Iran</u> was not on the verge of a declaration of its nuclear breakout capability, clearly, these revelations would serve to reinvigorate the debate about what method could be used to stop <u>Iran</u> from accessing a nuclear weapon. Under consideration would be options ranging from sanctions, to sabotage and military action. Despite Israeli Prime Minister Benjamin Netanyahu's assertion that the report made clear the need for global action to stop <u>Iran</u> from developing nuclear weapons, <u>Russia</u> wasted no time in foreclosing the possibility of its support for fresh sanctions. With United Nations sanctions unlikely, on Nov. 21, 2011, the <u>United States</u>, the <u>United Kingdom</u>, and <u>Canada</u> slapped fresh sanctions on Iran's financial and energy sectors.

In addition to the IAEA resolution discussed above, <u>Iran</u> was also subject to further diplomatic pressure and went further down the road to global isolation when the United Nations General Assembly voted overwhelmingly in favor of a resolution condemning an alleged assassination plot targeting the Saudi ambassador to the <u>United States</u>. The resolution stopped short of directly accusing Tehran of the plot, but nonetheless demanded that <u>Iran</u> "comply with all of its obligations under international law" and "co-operate with states seeking to bring to justice all those who participated in the planning, sponsoring, organization and attempted execution of the plot."

With international pressure being intensified against <u>Iran</u>, the Iranian regime appeared to be reacting by lashing out at the Western world. With hostilities already high between <u>Iran</u> and the <u>United States</u>, Tehran appeared to be taking aim at the <u>United Kingdom</u>. To this end, by the close of November 2011, Iran's Guardian Council of the Constitution unanimously voted to reduce diplomatic ties with the <u>United Kingdom</u>. The change would downgrade diplomatic ties with the <u>United Kingdom</u> from the ambassador level to the level of charge d'affaires within a two-week timeframe. Ratification by the Guardian Council came after a vote in the Iranian Majlis or parliament, approving this move. Iranian radio reported that during the vote, several members of

parliament changed "death to Britain." <u>Iran</u> was reacting to pressure from Western countries, including the <u>United Kingdom</u>, to place greater political and economic pressure on <u>Iran</u>, and particularly, the Central Bank of <u>Iran</u>, in the wake of the aforementioned report by the IAEA.

In a further sign that Iran's relations with the countries of the West were on a downward slide, Nov. 29, 2011 saw militant students aligned with the hard line conservative government in Tehran storm the British embassy compound. This action appeared to be part of a violent demonstration against the government of the <u>United Kingdom</u>, which joined the <u>United States</u> in issuing new financial sanctions against <u>Iran</u>. The militant activists reportedly chanted, "death to England," vandalized the embassy offices, seized sensitive documents, briefly detained some diplomatic personnel, and burned the British flag in acts that constituted flagrant violations of diplomatic norms. A separate attack by militant students and activists on a British diplomatic compound in northern Tehran was also confirmed by the British Foreign Office. The scenario disturbingly recalled the shocking assault on the American Embassy in 1979 following Iran's Islamic Revolution.

Although Iran expressed "regret" over the attacks on the British embassy and secondary diplomatic compound, witnesses on the ground in Iran suggested that Iranian security forces did little to quickly end the outbreak of violence against a diplomatic interest. Indeed, police reportedly allowed the scene to play out for several hours before taking control of the situation. There were serious allegations mounting that the assault on the British embassy compounds had taken place with approval from Iranian authorities. Furthermore, speculation rested on the involvement of the regime-backed Basiji militia. For his part, British Prime Minister David Cameron said: "The attack on the British embassy in Tehran today was outrageous and indefensible." British authorities warned its citizens in Iran to remain indoors and await advice; they also warned of consequences for Iran in the offing, and summoned the Iranian charge d'affaires.

The <u>United Kingdom</u> on Nov. 30, 2011 officially downgraded its ties with <u>Iran</u>. The <u>United Kingdom</u> withdrew all its diplomats from <u>Iran</u>, closed its embassy in Tehran, urged its citizens to exit that country, and gave <u>Iran</u> 48 hours to remove all its staff from the Iranian diplomatic mission in London. Officials in the <u>United Kingdom</u> also went on the record to note that they believe the attacks on the British embassy in Tehran and the secondary compound were carried out with the tacit approval of Iran's leadership. British Foreign Secretary William Hague, asserted that there had been "some degree of regime consent" in the attacks on the embassy and the other diplomatic compound in Tehran. Dominick Chilcott, the newly-appointed British ambassador to <u>Iran</u>, said: "This was a state-supported activity." In an interview with BBC News, Ambassador Chilcott said that <u>Iran</u> was a country in which an attack on an embassy was conducted only "with the acquiescence and the support of the state." These moves collectively marked the worst deterioration of ties between the <u>United Kingdom</u> and <u>Iran</u> in decades.

The United Kingdom was backed by the 15-nation United Nations Security Council, which

condemned the attack "in the strongest terms." Separately, <u>United States</u> President Barack Obama called for the Iranian government to ensure those responsible faced justice. Germany's Foreign Minister Guido Westerwelle characterized the attacks on the British embassy compounds as "a violation of international law." French Foreign Minister Alain Juppe placed the blame on the Iranian government, saying: "The Iranian regime has shown what little consideration it has for international law."

Several European countries -- such as France, Germany, Italy and the Netherlands -- wasted no time in joining the Western thrust to diplomatically isolate Iran by recalling their own ambassadors from Tehran. France took a further step by withdrawing its embassy staff from Iran. French officials said the move was being made out of an abundance of caution, given the security risks in Iran to Western interests. France's calls for a ban on Iranian oil imports and a freeze on central bank assets was expected to heighten bilateral tensions, and effectively place France in Iran's firing line, along with the United Kingdom. Russia, which has often been accused by the West of being "soft" on Iran joined the condemnation of the attacks.

At home in <u>Iran</u>, militant activist students in that country were at the airport in Tehran, waiting to welcome the expelled Iranian diplomats from London, and chanting slogans, such as "Death to Britain." The returning diplomats, however, never had any direct encounters with the students at the airport.

The situation appeared to highlight cleavages in the Iranian leadership regarding the diplomatic farrago. For example, in an interview with Iran's state-run IRNA news agency, Grand Ayatollah Naser Makarem Shirazi said, "There is no doubt that Britain is one of the oldest enemies of Iran." He appeared to offer a slight rebuke to the militant activists who attacked the British embassy, adding: "Young revolutionaries should not go beyond the law." Meanwhile, the Iranian government targeted the United Kingdom for exacerbating tensions between that country and the West, as Iranian foreign ministry spokesman, Ramin Mehmanparast, said: "The British government is trying to extend to other European countries the problem between the two of us."

As the year 2011 drew to a close, bilateral relations between the <u>United States</u> and <u>Iran</u> -- already dismally bad -- sunk even lower as an American drone was reported to be in Iranian hands. The official account was that the American drone had been flying in -- or close to -- Iranian air space, and somehow crashed. The drone, with its sensitive intelligence information, was then taken by Iranian authorities. But a report by the Christian Science Monitor suggested that Iran's possession of the drone may not have been the result of an accidental crash. Instead, according to an Iranian engineer, the country hijacked the drone and was able to technically take control of the aircraft by jamming the control signals, ultimately forcing it into autopilot mode. The Iranians then vitiated the GPS tracking by reconfiguring the GPS coordinates, effectively "fooling" the drone into landing in Iran, rather than in Afghanistan, which was where it was programmed to land. The images of the American drone in Iran's possession depict an aircraft remarkably intact -- rather than being subject to crash -- thus bolstering the credibility of the report by the Christian Science

### Monitor.

Meanwhile, as discussed above, in December 2011, <u>Iran</u> claimed that it successfully test-fired a medium-range surface-to-air missile during military exercises in the Persian Gulf at the close of 2011. Mousavi also noted that further missile launches would be carried out in the near future as part of Iran's naval exercises in international waters close to the strategic Strait of Hormuz. On Jan. 2, 2012, a day after testing a medium-range missile, <u>Iran</u> reportedly test-fired long-range missiles in the Persian Gulf. This news served only to bolster Western fears that <u>Iran</u> has made important progress in its nuclear development, augmenting anxieties that Iran's ultimate ambition is to enrich uranium at the 90 per cent level necessary to create a nuclear bomb.

This development came as several Western countries indicated their to impose further sanctions on Iran's oil and financial sectors, to register discontent over that country's continued nuclear ambitions. On Dec. 31, 2011, President Barack Obama signed legislation authorizing a package ofsanctions Iran's central bank and financial sector. These new sanctions by the <u>United States</u> aimed to intensify the pressure on Iran's oil sales, most of which are processed by the central bank. Essentially, they would force multinational companies to choose whether to do business with <u>Iran</u> or the <u>United States</u>. Perhaps not surprisingly, the Iranian currency -- the rial -- slipped in value to a record low as a result of the news.

For its part, <u>Iran</u> has warned that it might retaliate against international pressure by closing the Strait of Hormuz through which a significant amount of oil is transported. Indeed, Iranian Vice President Mohammad Reza Rahimi promised that "not a drop of oil will pass through the Strait of Hormuz" if further sanctions were imposed. That being said, analysts have noted that such a drastic step by <u>Iran</u> might serve primarily to hurt the Iranian economy, and imperil relations with <u>Russia</u> and <u>China</u>. Accordingly, the threat was being regarded through the prism of skepticism. Moreover, <u>United States</u> Secretary of Defense Leon Panetta warned that a closure of the strait would yield consequences.

Iran was increasingly slipping into a state of isolation. <u>China</u> and <u>Russia</u> -- typically antagonists to the notion of increased pressure on that country -- seemed to be distancing themselves from <u>Iran</u>. <u>China</u> was reportedly seeking alternative sources of oil, while <u>Russia</u> wwas expressing "regret" over Tehran's decision to start work at the new Fordow uranium enrichment plant near Qom. <u>Russia</u> went further by saying that <u>Iran</u> should commence "serious negotiations ... without preconditions" or face the reality of consequences.

It should be noted that on Jan. 5, 2012, the <u>United States</u> (U.S.) Pentagon announced that the U.S. Navy rescued 13 Iranian fishermen being held by pirates in the Arabian Sea. According to the Pentagon, the U.S. Navy responded to a distress call from an Iranian fishing vessel, which had been boarded by pirates several weeks prior. The U.S. Navy was able to apprehend 15 suspected pirates on that fishing vessel and release the Iranian fishermen whom the Pentagon described as having been held hostage under harsh conditions. A spokesperson for the U.S. Navy said that after

the rescue of the Iranian fishermen, navy personnel went out of their way to treat the fishing crew "with kindness and respect."

The incident occurred at a time when tensions between <u>Iran</u> and the West were elevated. Several Western countries had recently indicated their intent to impose further sanctions on Iran's oil and financial sectors, for the purpose of registering discontent over that country's continued nuclear ambitions. <u>Iran</u> warned that it might retaliate against international pressure by closing the Strait of Hormuz through which a significant amount of oil is transported.

Only days after the U.S. Navy rescued the Iranian fishermen (as discussed here), the Iranian Revolutionary Court sentenced an American national of Iranian descent to death sentence for spying in behalf of the <u>United States</u> spy agency, the Central Intelligence Agency (CIA). The family of Amir Mirzai Hekmati said that he was in <u>Iran</u> to visit his grandparents; however, the Iranian authorities claimed that Hekmati was guilty of "co-operating with a hostile nation," "holding membership in the CIA," and "trying to implicate <u>Iran</u> in terrorism." For his part, Hekmati -- who had served in the Marines as an Arabic translator -- was shown on television admitting that he had been sent to <u>Iran</u> by the CIA and was tasked with infiltrate Iran's intelligence agencies. Of course, the <u>United States</u> Department of State has asserted that Hekmati's so-called confession was likely coerced and that the U.S. citizen had been falsely accused.

Hekmati would have the opportunity to appeal his sentence; it was yet to be seen if Iranian authorities were willing to damage already-hostile bilateral relations with the <u>United States</u> by executing a U.S. citizen. Such a move would not help <u>Iran</u> in the public relations game on the international scene, given the fact that the U.S. Navy had rescued the aforementioned Iranian fishermen from pirates.

As discussed above, Iran's controversial nuclear program returned to the international spotlight in January 2012 when a nuclear scientist working at Iran's Natanz uranium enrichment plant was killed in a car bomb attack. The magnetic bomb was reportedly attached to to the vehicle carrying the nuclear scientist by a motorcycle rider. Iranian officials wasted no time in blaming Israel for the death of Mostafa Ahmadi Roshan, which they said was quite similar to the killings of other Iranian nuclear scientists. There was no immediate response from Israeli officials as to this allegation. That being said, the French newspaper, Le Figaro, has reported that the Israeli Mossad has been training Iranian dissidents in Iraqi Kurdistan to destabilize the Iranian regime. There was no actual evidence that Israeli-trained Iranians were behind the assassination of Roshan in Tehran; however, Israeli Mossad's hand has been suspected in a number of targeted killings of Iranian nuclear scientists, effectively fueling speculation about a covert effort to undermine Iran's nuclear program. Meanwhile, <u>United States</u> Secretary of State Hillary Clinton vociferously denied her country's involvement in the incident.

As discussed above, the missile launches, the nuclear development news, the sanctions, the threats regarding the closure of the Strait of Hormuz, and the targeted assassination of an Iranian nuclear

scientist, collectively raised the stakes in a burgeoning confrontation between <u>Iran</u> and the wider international community. As January 2012 was coming to a close, attention was on the question of what form that confrontation would take.

## Special Report: Iran's nuclear program in global context

Nuclear development, assassination, and brinkmanship at Strait of Hormuz

At the close of 2011, according to reports via the state-run media, <u>Iran</u> successfully test-fired a medium-range surface-to-air missile during military exercises in the Persian Gulf. Iranian naval commander Mahmoud Mousavi lauded the operation, noting the missile was equipped with the "latest technology" and "intelligent systems." Mousavi also noted that further missile launches would be carried out in the near future as part of Iran's naval exercises in international waters close to the strategic Strait of Hormuz.

On Jan. 2, 2012 -- one day after testing a medium-range missile -- <u>Iran</u> reportedly test-fired longrange missiles in the Persian Gulf. Making good on his previously-made vow that <u>Iran</u> would continue this path, Mousavi said on behalf of the Iranian government, "We have test fired a longrange shore-to-sea missile called Qader, which managed to successfully destroy predetermined targets in the gulf."

This news by Mousavi was followed by a disclosure by the Iranian Atomic Energy Organization that its scientists "tested the first nuclear fuel rod produced from uranium ore deposits inside the country." As well, the IAEA was soon noting that uranium enrichment had begun at the Fordow underground site near Qom. Indeed, the uranium at the Fordow site was reportedly being enriched to 20 percent -- a distinctly higher level than the 3.5 percent needed for nuclear plants. These disclosures served only to bolster Western fears that Iran has made important progress in its nuclear development, augmenting anxieties that Iran's ultimate ambition is to enrich uranium at the 90 percent level necessary to create a nuclear bomb.

It should be noted that these revelations from Iran came after several Western countries indicated their intent to impose further sanctions on Iran's oil and financial sectors, for the purpose of registering discontent over that country's continued nuclear ambitions. Indeed, the United States wasted no time in taking action and on Dec. 31, 2011, President Barack Obama signed legislation authorizing a package of sanctions on Iran's central bank and financial sector. These new sanctions by the United States aimed to intensify the pressure on Iran's oil sales, most of which are processed by the central bank. Essentially, they would force multinational companies to choose whether to do business with Iran or the United States. Perhaps not surprisingly, the Iranian currency -- the rial -- slipped in value to a record low as a result of the news.

For its part, <u>Iran</u> has warned that it might retaliate against international pressure by closing the

Strait of Hormuz through which a significant amount of oil is transported. Indeed, Iranian Vice President Mohammad Reza Rahimi promised that "not a drop of oil will pass through the Strait of Hormuz" if further sanctions were imposed. That being said, analysts have noted that such a drastic step by Iran might serve primarily to hurt the Iranian economy, and imperil relations with Russia and China. Accordingly, the threat was being regarded with skepticism. Moreover, United States Secretary of Defense Leon Panetta warned that a closure of the strait would yield consequences. Specifically, Defense Secretary Panetta said the United States would "not tolerate" the blocking of the Strait of Hormuz, and warned that was a "red line" for his country, to which there would be a response.

Iran was increasingly slipping into a state of isolation. <u>China</u> and <u>Russia</u> -- typically antagonists to the notion of increased pressure on that country -- seemed to be distancing themselves from <u>Iran</u>. <u>China</u> was reportedly seeking alternative sources of oil, while <u>Russia</u> was expressing "regret" over Tehran's decision to start work at the new Fordow uranium enrichment plant near Qom. <u>Russia</u> went further by saying that <u>Iran</u> should commence "serious negotiations ... without preconditions" or face the reality of consequences.

Iran's controversial nuclear program continued to dominate the international landscape well into the second week of January 2012 when an apparent nuclear scientist working at Iran's Natanz uranium enrichment plant was killed in a car bomb attack. The magnetic bomb was reportedly attached to the vehicle carrying the nuclear scientist by a motorcycle rider. According to the Sharif University in Tehran, Roshan, a chemistry expert, graduated from that institution and was working as the deputy in charge of commerce at the Natanz site. The actual attack ensued outside the campus of Allameh Tabatai University, where Roshan was a lecturer.

Iranian officials wasted no time in blaming <u>Israel</u> for the death of Mostafa Ahmadi Roshan, which they said was quite similar to the killings of other Iranian nuclear scientists. Tehran province Gov. Safar Ali Bratloo said in an interview with the media, "The responsibility of this explosion falls on the Zionist regime. The method of this terrorist action is similar to previous actions that targeted Iran's nuclear scientists." Joining the chorus, Iran's First Vice President Mohammad-Reza Rahimi accused Israeli agents of being the perpetrators of Roshan's assassination.

There was no immediate response from Israeli officials as to this allegation. That being said, the French newspaper, Le Figaro, has reported that the Israeli Mossad has been training Iranian dissidents in Iraqi Kurdistan to destabilize the Iranian regime. There was no actual evidence that Israeli-trained Iranians were behind the assassination of Roshan in Tehran; however, Israeli Mossad's hand has been suspected in a number of targeted killings of Iranian nuclear scientists, effectively fueling speculation about a covert effort to undermine Iran's nuclear program. Moreover, Patrick Clawson of the Iran Security Initiative at the Washington Institute for Near East Policy noted that such covert efforts were preferable to a more direct military response. In an interview with the New York Times, he said, "Sabotage and assassination is the way to go, if you can do it. It doesn't provoke a nationalist reaction in Iran, which could strengthen the regime. And

it allows Iran to climb down if it decides the cost of pursuing a nuclear weapon is too high."

Meanwhile, <u>United States</u> Secretary of State Hillary Clinton was vociferously denying her country's involvement in the incident. During a media briefing, the United States' top diplomat said, "I want to categorically deny any <u>United States</u> involvement in any kind of act of violence inside <u>Iran</u>." But Secretary of State Clinton discussed other issues related to Iran's relationship with the wider world. She drew attention to Iran's recent missile launches and nuclear development activities, strongly demanding that <u>Iran</u> "end its provocative behavior, end its search for nuclear weapons, and rejoin the international community and be a productive member of it." Additionally, she discussed Iran's threat to close the critically-important Straits of Hormuz, saying, "It's part of the lifeline that keeps oil and gas moving around the world. And it's also important to speak as clearly as we can to the Iranians about the dangers of this kind of provocation."

According to the New York Times, the Obama administration in the <u>United States</u> reportedly dispatched a message via alternative communications channels to Iran's Supreme Leader Ayatollah Ali Khamenei warning him that the closure of the Strait of Hormuz would not be tolerated. In a separate report on CBS News, the <u>United States</u> Joint Chiefs of Staff Chairman General Martin Dempsey appeared to underline the potential response by his country, saying that the <u>United States</u> would "take action and re-open the strait." Of course, the general consensus was that the re-opening of the Strait of Hormuz could only be achieved by military means.

Recent Developments: Confrontation or Negotiation?

Clearly, the missile launch, the nuclear development news, the sanctions, the threats regarding the closure of the Strait of Hormuz, and the targeted assassination of an Iranian nuclear scientist, collectively raised the stakes in a burgeoning confrontation between <u>Iran</u> and the wider international community. As January 2012 was coming to a close, attention was on the question of what form that confrontation would take.

Going the route of "soft power" rather than military might, the West wasted no time in intensifying the sanctions regime against Iran in a bid to place pressure on the Islamic Republic's regime to curtail its controversial nuclear development moves. Specifically, the European Union was imposing a phased ban on oil purchases from Iran, while the <u>United States</u> was expanding its sanctions on Iran's banking sector.

According to a statement issued in <u>Belgium</u>, the countries of the European Union would not sign on to new oil contracts with <u>Iran</u> and would terminate any existing contracts by mid-2012. Since the European market has made up a full fifth of Iran's oil exports, this sweeping oil embargo would constitute a crushing blow. Making matters worse for <u>Iran</u> was the news that the European Union would also freeze the assets of the Iranian Central Bank and it would prohibit transactions involving Iranian diamonds, gold, and precious metals. Expressing marked disapproval for Tehran's lack of transparency regarding its nuclear program, British Prime Minister David Cameron, French President Nicolas Sarkozy, and German Chancellor Angela Merkel said that <u>Iran</u> had "failed to restore international confidence in the exclusively peaceful nature of its nuclear program."

Meanwhile, the United States' harsh sanctions regime against <u>Iran</u> would become even more targeted as it focused on the Bank Tejarat for its alleged role in (1) financing Iran's nuclear program, and (2) helping other banks evade international sanctions. In December 2011, <u>United States</u> President Barack Obama ordered a prohibition on any involvement with Iran's central bank. Now, a month later, the <u>United States</u> Treasury was asserting that the new sanctions against Bank Tejarat would target "one of Iran's few remaining access points to the international financial system."

Already diplomatically-isolated, <u>Iran</u> was now well on its way to being seriously financially isolated in the global marketplace. As noted by the <u>United States</u> Treasury Undersecretary for Terrorism David Cohen, "The new round of sanctions will deepen Iran's financial isolation, make its access to hard currency even more tenuous and further impair Iran's ability to finance its illicit nuclear program." Indeed, the rial -- Iran's currency -- was being deleteriously affected as it underwent a massive downward slide in value.

In apparent reaction to the measures by the <u>United States</u> and the European Union, Tehran again threatened to close the Strait of Hormuz.

The level of brinkmanship reached new heights as the <u>United States</u> Ambassador to NATO, Ivo Daalder, promised that his country and its allies would use any necessary measures to ensure that the crucial marine thoroughfare to the Persian Gulf remained open. In an interview with BBC News, Daalder said the Strait of Hormuz "needs to remain open and we need to maintain this as an international passageway. We will do what needs to be done to ensure that is the case." He continued, "Of this I am certain -- the international waterways that go through the Strait of Hormuz are to be sailed by international navies, including ours, the British and the French and any other navy that needs to go through the Gulf. And second, we will make sure that that happens under every circumstance."

Daalder did not foreclose the possibility of a diplomatic solution, saying that the countries of the West stood "ready at any time to sit down and have a serious conversation with [Iran] to resolve this [nuclear] issue with negotiations."

Just days after the war of words was being ratcheted upward, Iranian President Mahmoud Ahmadinejad declared that Tehran was prepared to return to negotiating table as regards its nuclear program. On Jan. 26, 2012, Ahmadinejad said he was open to the idea of reviving multilateral talks in order to show that <u>Iran</u> remained interested in dialogue. At the start of 2011, negotiations between <u>Iran</u> and a cadre of six nations (the five permanent members of the United

Nations Security Council -- the <u>United States</u>, the <u>United Kingdom</u>, <u>France</u>, <u>Russia</u> and China) as well as <u>Germany</u> -- ended in stalemate. Indeed, those talks were marked by Iran's refusal to engage in any meaningful dialogue regarding its nuclear program. Now, a year later, Ahmadinejad said on state-run Iranian television, "They have this excuse that <u>Iran</u> is dodging negotiations while it is not the case. Why should we run away from the negotiations?"

There was some suggestion that Iran's interest in a return to the negotiating table might be a sign that international pressure was taking a toll. That being said, Ahmadinejad's words could just as easily be interpreted as a symbolic gesture by a figure head intent on rallying national sentiment. To that end, Ahmadinejad suggested the West was responsible for the collapse of negotiations to date, saying. "It is the West that needs Iran and the Iranian nation will not lose from the sanctions. It is you who come up with excuses each time and issue resolutions on the verge of talks so that negotiations collapse."

Note that as January 2012 came to a close, inspectors from the IAEA arrived in <u>Iran</u> for a visit to determine the purpose of that country's nuclear development program. Yukiya Amano, the head of the IAEA, expressed hope that the "outstanding issues" regarding Iran's nuclear development would be resolved. Meanwhile, just before departing for <u>Iran</u>, IAEA Deputy Director General Herman Nackaerts said, "In particular we hope that <u>Iran</u> will engage with us on our concerns regarding the possible military dimensions of Iran's nuclear program." For its part, <u>Iran</u> said the inspection would finally prove that Iran's nuclear ambitions were peaceful.

## Update: International Pressure

As February 2012 began, <u>Israel</u> entered the Iranian nuclear fray. Israeli Defense Minister Ehud Barak indicated that if sanctions against <u>Iran</u> did not serve to curtail that country's nuclear development, then his country would be willing to consider military action against <u>Iran</u>, before it could become a global threat. Barak said, "Should sanctions fail to stop Iran's nuclear program, there will be a need to consider taking action." Barak continued, "There is widespread international belief that it is vital to prevent <u>Iran</u> from turning nuclear and that no option should be taken off the table." As regards the prospects of <u>Iran</u> "turning nuclear," Israel's director of military intelligence, Major General Aviv Kochavi warned that <u>Iran</u> was close to being able to produce nuclear bombs.

It should be noted that <u>United States</u> Defense Secretary Leon Panetta expressed the view that <u>Israel</u> could very well strike <u>Iran</u> in the spring of 2012 -- citing a timeline of April through June. Panetta was cited in an article written by the Washington Post columnist David Ignatius, which suggested that <u>Israel</u> sought to hit Iran's nuclear targets before that country entered a "zone of immunity" in the effort to build a nuclear bomb. The article noted that the <u>United States</u> was opposed to such an attack, noting that it would imperil an increasingly successful non-military effort to isolate <u>Iran</u>, including the imposition of a harsh international economic sanctions program. Indeed, the Obama administration in the <u>United States</u> was reportedly worried about the "unintended consequences" of military action by <u>Israel</u>.

For its part, <u>Iran</u> had already said it was undeterred by either sanctions or threats of military action. Iranian Oil Minister Rostam Qassemi said the country would continue with its nuclear agenda regardless of pressure from foreign countries. At a news conference, he said, "We will not give up our righteous stance." Qassemi also was unconcerned about the notion of oil embargoes, even threatening to cut oil exports to certain countries -- presumably ones participating in any pressuring actions against Tehran.

As well, Iranian Supreme Leader Ayatollah Khamenei had earlier claimed that <u>Iran</u> was actually benefiting from Western sanctions. He insisted that the sanctions were helping his country to grow domestically, and said that war would only hurt the <u>United States</u> and other Western countries. Moreover, Khamenei issued a disturbing warning that <u>Iran</u> had its own "threats to make, which will be made in its due time." It was not known if those future threats would be of a military nature although <u>Iran</u> began military drills on Feb. 5, 2012. At that time, Iran's military made clear that it would react quickly to any military attack from an external power on its interests.

By Feb. 6, 2012, <u>United States</u> President Barack Obama announced the imposition of new sanctions against Iran's banks, including its central bank, the Iranian government, and all other Iranian financial institutions. In a letter to Congress detailing his executive order, President Obama wrote: "I have determined that additional sanctions are warranted, particularly in light of the deceptive practices of the Central Bank of Iran and other Iranian banks to conceal transactions of sanctioned parties, the deficiencies in Iran's anti-money laundering regime and the weaknesses in its implementation, and the continuing and unacceptable risk posed to the international financial system by Iran's activities." As before, the <u>United States</u> was hoping that the even stricter sanctions regime would further isolate Iran.

President Obama also made it clear that the <u>United States</u> would stand in solidarity with <u>Israel</u> to prevent <u>Iran</u> from becoming a nuclear power. In an interview with the NBC news, President Obama said the <u>United States</u> and <u>Israel</u> would work "in lockstep" to deal with the Iranian nuclear issue. "I will say that we have closer military and intelligence consultation between our two countries than we've ever had." President Obama also emphasized that while his objective was to resolve the nuclear standoff diplomatically, he was not taking any options off the table.

Of course, as noted above, the <u>United States</u> has sought to discourage <u>Israel</u> from going down the military route. This stance was emphasized on Feb. 19, 2012 when Martin Dempsey, the chairman of the <u>United States</u> Joint Chiefs of Staff, said in an interview with CNN that his country viewed a military strike on Iran by Israel as "not prudent." Dempsey noted that <u>United States</u> officials were attempting to move <u>Israel</u> away from that path saying, "That's been our counsel to our allies, the Israelis." He continued, "I'm confident that they [the Irsaelis] understand our concerns that a strike at this point would be destabilizing and wouldn't achieve their long-term objectives." That said, Dempsey had no illusions about the effectiveness of this argument as he noted: "I wouldn't suggest, sitting here today, that we've persuaded them that our view is the

correct view. Nevertheless, Dempsey suggested that <u>Iran</u> was "a rational actor" and "the current path [re: diplomacy and sanctions] that we're on is the most prudent at this point."

The "soft power" of crippling sanctions has, in fact, been yielding results. According to a report by Reuters, <u>Iran</u> was finding it difficult to purchase staples such as rice and cooking oil, which are needed to feed its population. For example, Malaysian exporters of palm oil stopped sales to <u>Iran</u> because they could not receive payment. Likewise, there were reports that <u>Iran</u> had defaulted on payments for rice from <u>India</u> -- its main supplier. As well, shipments of maize from <u>Ukraine</u> had apparently been cut in half. Meanwhile, the price of basic food was exponentially escalating. Meanwhile, countries around the world that previously did business with <u>Iran</u>, such as South Korea, were looking for alternative sources of oil. As well, multinational corporations based in Europe were suspending deals with <u>Iran</u> due to the new European Union sanctions.

Perhaps more detrimental for <u>Iran</u> were obstacles in selling its oil and receiving payments for its oil exports. In places where <u>Iran</u> is still able to sell oil, it has been stymied from receipt of funds due to prevailing sanctions, especially those levied by the <u>United States</u>. And in another twist, if <u>Iran</u> cannot sell its typical 2.6 million barrels of oil a day, or, it it must sell those barrels at deep discounts, the decreased revenue will inevitably have a debilitating effect on the Iranian economy, adding to the possibility of social unrest.

These findings from international commodities traders, which were part of a Reuters investigation, indicated real disruptions to <u>Iran</u> and flew in the face of claims from Tehran that sanctions were having no effect.

Note that the Iranian regime on Feb. 19, 2012 said that it would halt oil sales to British and French companies, saying that it would instead sell oil to new customers. But with prevailing European Union sanctions set to go into effect, this news was unlikely to strongly affect <u>France</u>, which only bought three percent of is oil from Iran the previous year anyway, or the <u>United Kingdom</u>, which imported even less Iranian oil. As discussed here, it was <u>Iran</u> that was more likely to be affected negatively by curtailed oil sales.

Iran promises big nuclear announcement and possible military action

Note that on Feb. 11, 2012, during a rally marking the 33rd anniversary of the Islamic Revolution, Iranian President Mahmoud Ahmadinejad said his country would unveil "major achievements in the nuclear domain." He said, "Today, you see that the Iranian nation has become nuclear and can supply many of its demands. And God-willing, in next few days, the whole world will witness the inauguration of several major achievements in the nuclear domain." On a televised broadcast days later, the Iranian president declared that his country had developed "advanced nuclear centrifuges," and that scientists had inserted nuclear fuel rods into Tehran's reactor that were enriched to 20 percent. Ahmadinejad also defiantly made clear that Iran had no intention of halting its uranium enrichment program.

The West offered a symbolic yawn in response to Iran's nuclear announcement. <u>France</u> and the <u>United Kingdom</u> issued pro forma statements of "concern" while the <u>United States</u> Department of State spokeswoman, Victoria Nuland, dismissed the announcement as "not terribly new and not terribly impressive."

But on Feb. 21, 2012, <u>Iran</u> was now taking a belligerent tone as regards the prospects of military action with an Iranian military commander declaring that his country will take pre-emptive actions against enemies if its national interests are threatened. The deputy head of Iran's armed forces, Mohammad Hejazi, said in an interview with the Iranian Fars news agency, "Our strategy now is that if we feel our enemies want to endanger Iran's national interests, and want to decide to do that, we will act without waiting for their actions." Since Iran's leadership has a tendency to assert the country's ability to crush perceived enemies, it was difficult to determine if this statement should be regarded as the ratcheting up of rhetoric or a warning.

IAEA visit to Iran ends in failure; reports increased uranium enrichment

Note that in mid-February 2012, a delegation from the International Atomic Energy Agency (IAEA) had arrived in <u>Iran</u> for a second trip in less than a month to attend talks on the country's nuclear program. Officials from the international nuclear watchdog agency said that they hoped for a "constructive visit."

On Feb. 24, 2102, however, the IAEA concluded that <u>Iran</u> was not cooperative and that prevailing questions regarding the possible military dimension of the Iranian nuclear development program remained unanswered. Of particular concern was the fact that the IAEA was prohibited by the Iranian authorities from visiting the Parchin nuclear site, to the south of Tehran, where suspected military capability was being developed. Clearly, the refusal to allow IAEA delegates from entering the Parchin site would do nothing to alleviate suspicions about Iran's military nuclear ambitions.

Moreover, leaked elements from the IAEA report noted that <u>Iran</u> increased the number of centrifuges used to enrich uranium and intensified the production of uranium enriched to the higher level of 20 percent. Leaked information from that report also indicated that <u>Iran</u> stepped up its uranium enrichment at main nuclear plant at Natanz, as well as at the underground site of Fordo. It should be noted that the Fordo plant, which is constructed under a mountain, would be almost impossible to damage in a potential military strike by <u>Israel</u> or the <u>United States</u>.

Accordingly, the IAEA declared the following: "As <u>Iran</u> is not providing the necessary cooperation... the agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in <u>Iran</u>. The agency continues to have serious concerns regarding possible military dimensions to Iran's nuclear program."

Overall, the findings from the IAEA would likely serve only to underline existing suspicions by the West that <u>Iran</u> held ambitions to build a nuclear bomb.

For its part, <u>Iran</u> insisted that the country was, in fact, cooperating with the IAEA, while simultaneously defending Iran's right to a nuclear development program. <u>Iran</u> was also insisting -- as before -- that it was not pursuing a nuclear weapon. Speaking at the international Conference on Disarmament in Geneva, Foreign Minister Ali Akbar Salehi argued, "We do not see any glory, pride or power in the nuclear weapons -- quite the opposite... The production, possession, use, or threat of use of nuclear weapons is illegitimate, futile, harmful, dangerous and prohibited as a great sin." On the other side of the equation, the <u>United States</u> envoy at the conference, Laura Kennedy, responded saying Iran's expressed commitment to peaceful nuclear development stood "in sharp contrast" to its failure to comply with international obligations.

Editor's Update on Iranian Nuclear Issue:

As February 2012 drew to an end, the six parties involved in nuclear negotiations with <u>Iran</u> -- the <u>United States</u>, the <u>United Kingdom</u>, <u>France</u>, <u>Germany</u>, <u>Russia</u>, and <u>China</u> -- appeared to be ready to resume talks with Tehran. The talks stalled more than a year earlier and the return to the negotiating table was not being regarded with serious optimism. That being said, even without high hopes for a breakthrough, all six countries agreed that all peaceful avenues should be explored, in order to minimize the possibility of a new conflict in the Middle East.

In an interview with The Atlantic magazine published at the start of March 2012, President Obama issued a double warning -- to Iran and to Israel respectively. He said that he was not bluffing about a possible attack on Iran, if it builds a nuclear weapon, while also cautioning Israel that a premature attack on Iran would be more harmful than helpful to global security. As stated by the United States leader: "I think that the Israeli government recognizes that, as president of the United States, I don't bluff. I also don't, as a matter of sound policy, go around advertising exactly what our intentions are. But (both) governments recognize that when the United States says it is unacceptable for Iran to have a nuclear weapon, we mean what we say."

For his part, Israeli Prime Minister Benjamin Netanyahu seemed impatient about the path of diplomacy and sanctions, and emphasized his country's right to defend itself -- presumably in the form of targeted strikes against Iranian nuclear facilities. He said, "Israel must reserve the right to defend itself, and after all, that's the very purpose of the Jewish state: to restore to the Jewish people control over our destiny."

On March 5, 2012, in response to accusations by Republican rivals that he would allow <u>Iran</u> to become armed with nuclear bombs, <u>United States</u> President Obama cautioned against the rush the war. Addressing the American <u>Israel</u> Public Affairs Committee (AIPAC) lobbying group, the American president disparaged Republicans' pro-war [on Iran] rhetoric saying, "Already, there is too much loose talk of war." He continued, "Over the last few weeks, such talk has only benefited the Iranian government, by driving up the price of oil, which they depend on to fund their nuclear program. For the sake of Israel's security, America's security, and the peace and security of the

world, now is not the time for bluster." Outlining his own "soft power with a sharp edge" foreign policy, President Obama said, "Now is the time to let our increased pressure sink in, and to sustain the broad international coalition we have built. Now is the time to heed the timeless advice from Teddy Roosevelt -- speak softly; carry a big stick."

A day later at a press conference, President Obama made clear that his stance regarding Iran's nuclear program was not one of containment but rather one of prevention. He said, "We will not countenance Iran getting a nuclear weapon," the president told reporters. At the same time, the president was not willing to abandon the diplomatic track saying, "At this stage, it is my belief that we have a window of opportunity that this still can be resolved diplomatically."

On March 8, 2012, Iran's Ayatollah Khamenei appeared to welcome President Obama's observation that the "window" for diplomacy remained open. Iran's supreme leader characterized the American president's statement as follows: "These words are good words and are a sign of no longer being in delusion." Still, Khamenei criticized the sanctions regime being levied against Iran. The White House was undeterred from its path. White House Press Secretary Jay Carney said, "The president's policy towards Iran is focused in a very clear-eyed way on behavior rather than rhetoric... The pressure on Iran will continue. The ratcheting up of sanctions will continue."

It should also be noted that only a day before, a report by the Associated Press appeared to indicate that <u>Iran</u> was trying to clean up radioactive traces in the aftermath of possible tests of a nuclear weapons trigger. The report displayed satellite images of an Iranian military facility, with trucks and other vehicles at the site, quite possibly engaged in such clean up or sanitization activities. There were also references to claims by diplomats that crews at the Parchin military site could be trying to erase evidence of tests of an experimental neutron device used to set off nuclear explosions. Of course, a neutron initiator would only be used in the development of nuclear arms. At the same time, it was possible that radioactive traces could also be left by material other than a neutron initiator -- for example, uranium metal used as a substitute for testing purposes.

These findings came to light even as <u>Iran</u> indicated it would allow international inspectors to visit a key military base in Parchin, which the IAEA believes may be involved in a nuclear weapons program. The pictures could plausibly boost the theory that the Iranians were trying to hide evidence of their nuclear program in anticipation of that visit.

Note that in late March 2012, nuclear politics were at the forefront of the international purview when world leaders gathered at the Nuclear Security Summit.

There, <u>United States</u> President Barack Obama reiterated his call for "a world without nuclear weapons" and advanced his foreign policy agenda that advocates non-proliferation and the reduction of nuclear weapons through increased diplomacy.

In a speech to students at Hankuk University, President Obama said that the United States -- the

only nation to have ever used nuclear weapons -- was fully committed to reducing its stockpile of nuclear arms. President Obama also drew thunderous applause from the audience of students when he said that, as a father, he did not wish to see his daughters growing up in a world with nuclear threats. President Obama acknowledged his country's unique position in the world, but he noted that "serious sustained global effort" was needed to achieve his expressed hope for a nuclear weapons-free world.

The issue of nuclear proliferation has been at the forefront of the international purview given the ongoing concerns about North Korea's nuclear arsenal as well as Iran's nuclear ambitions. To that latter end, President Obama was expected to meet with Russia's outgoing President Dmitry Medvedev on the matter of Iran's nuclear program -- an issue that has not always seen progress due to divisions among countries with veto power on the United Nations Security Council. With an eye on working cooperatively with such countries, President Obama pledged to work with <u>Russia</u> and <u>China</u> at reducing the risk of nuclear terrorism.

President Obama addressed the issue of Iran's controversial nuclear development program, saying that time remained to resolve the deadlock through diplomacy. "But time is short," said President Obama. "Iran must act with the seriousness and sense of urgency that this moment demands," he continued.

For its part, <u>Iran</u> has insisted that it has the right to develop nuclear development for peaceful civilian purposes. On the other side of the equation, the West has asserted that <u>Iran</u> is seeking to build nuclear weapons via its clandestine nuclear arms development program. While <u>Iran</u> has been subject to sanctions as a result of its failure to fulfill its international obligations, international concurrence has not come easily due to objections from <u>China</u> and <u>Russia</u>. However, President Obama was making it clear that he intended to work with these two countries as he stated: "Today, I'll meet with the leaders of <u>Russia</u> and <u>China</u> as we work to achieve a resolution in which <u>Iran</u> fulfills its obligations."

As March 2012 drew to a close, President Obama was clearing the way to tighten sanctions against Iran. Suggesting that there was enough oil on the world market to allow countries to withstand the loss of some Iranian oil, President Obama moved to ramp up sanctions against Iran that would penalize foreign entities that purchase oil from Iran's central bank, which collects payment for most of the country's energy exports. This move was intended to pressure Iran to halt its nuclear program.

In April 2012, global concerns over the prospects of <u>Iran</u> developing a nuclear weapon tamped down to some degree. At issue was a claim by the head of the Israeli military that <u>Iran</u> was not yet committed to the path of developing nuclear weapons. In an interview with the Israeli newspaper, Haaretz, Chief of Staff Lieutenant General Benny Gantz said he did not believe <u>Iran</u> would necessarily develop nuclear weapons. He said Iran's Supreme Leader, Ayatollah Ali Khamenei, had not yet made a final decision whether to build a nuclear bomb.

While Gantz acknowledged that <u>Iran</u> was moving "step by step to the place where it will be able to decide whether to manufacture a nuclear bomb," he expressed the view that the Iranian regime "hasn't yet decided to go the extra mile." Gantz additionally said the following of Ayatollah Khamenei and the Iranian power brokers: "I don't think he will want to go the extra mile. I think the Iranian leadership is composed of very rational people." But Gantz also warned that a decision of some sort in the offing. He said, "Either <u>Iran</u> takes its nuclear program to a civilian footing only, or the world -- perhaps we too -- will have to do something. We're closer to the end of discussions than the middle."

This tempered view was a far cry from the rhetoric to date that <u>Iran</u> has been intent on a plan to develop weapons as part of its nuclear technology program. Those fears by leading members of the international community have only been accentuated by Iran's failure to abide by international agreements regarding the monitoring of its nuclear development activities. Indeed, in late 2011, the International Atomic Energy Agency (IAEA) published a report which noted the fact that it was unable to "provide credible assurance about the absence of undeclared nuclear material and activities in <u>Iran</u>." The IAEA report also warned that it continued to have "serious concerns regarding possible military dimensions to Iran's nuclear program."

More recently in February 2012, the IAEA concluded that Iran was not cooperative and that prevailing questions regarding the possible military dimension of the Iranian nuclear development program remained unanswered. Of particular concern was the fact that the IAEA was prohibited by the Iranian authorities from visiting the Parchin nuclear site, to the south of Tehran, where suspected military capability was being developed. Clearly, the refusal to allow IAEA delegates from entering the Parchin site would do nothing to alleviate suspicions about Iran's military nuclear ambitions. Moreover, leaked elements from the IAEA report noted that Iran increased the number of centrifuges used to enrich uranium and intensified the production of uranium enriched to the higher level of 20 percent. Leaked information from that report also indicated that Iran stepped up its uranium enrichment at main nuclear plant at Natanz, as well as at the underground site of Fordo. It should be noted that the Fordo plant, which is constructed under a mountain, would be almost impossible to damage in a potential military strike by Israel or the <u>United States</u>.

Accordingly, the IAEA declared the following: "As <u>Iran</u> is not providing the necessary cooperation... the agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in <u>Iran</u>. The agency continues to have serious concerns regarding possible military dimensions to Iran's nuclear program." Overall, the findings from the IAEA would likely serve only to underline existing suspicions by the West that <u>Iran</u> held ambitions to build a nuclear bomb.

To date, Iran's continued non-compliance with nuclear monitoring has led to the imposition of sanctions by the United Nations, as well as by individual countries including the <u>United States</u>, <u>Canada</u>, <u>Japan</u>, <u>Australia</u>, as well as the European Union. For his part, Israeli military chief Gantz

appeared to be of the mind that international pressure was yielding results.

Still, not everyone in <u>Israel</u> was of the same view. In an interview with CNN, Israeli Prime Minister Benjamin Netanyahu said that he would not want to bet "the security of the world on Iran's rational behavior." Moreover, Netanyahu made it clear that he was willing to take action against <u>Iran</u> to stop it obtaining a nuclear weapon. That being said, the nuanced differences between the words of Gantz and Netanyahu highlighted a growing divide in <u>Israel</u> between political leaders and military/intelligence specialists over the wisdom of attacking <u>Iran</u>. As such, the overall political and diplomatic climate had cooled from its previous level of heated turmoil.

It should be noted that around the same period (late April 2012), <u>Iran</u> made it clear that it would be returning to the negotiating table for a new round of talks with the U.N. nuclear watchdog agency, the IAEA. Talks were set for May 13-14, 2012, in <u>Austria</u>. Tehran said that its decision to resume talks with the IAEA "shows the peaceful nature of all of its nuclear activities, while showing that claims against <u>Iran</u> are baseless." A second round of talks involving the so-called "six powers" of the <u>United States</u>, <u>China</u>, <u>Russia</u>, Britain, <u>France</u> and <u>Germany</u> was scheduled to take place in Iraq; a first round had already occurred in April 2012 in <u>Turkey</u>.

In late May 2012, six world powers met in <u>Iraq</u> to discuss Iran's controversial nuclear program and agreed to continue talks in <u>Russia</u> a month later. At issue was the status of nuclear negotiations between <u>Iran</u> and the six party group composed of the <u>United States</u>, the <u>United Kingdom</u>, <u>France</u>, <u>Germany</u>, <u>Russia</u>, and <u>China</u>. The discussions were aimed at finding an agreement in which <u>Iran</u> would abandon its medium-level uranium enrichment program, while holding onto its peaceful nuclear program and reversing some of the damage yielded by international sanctions.

Iran's desire to end those crippling sanctions, in combination with the West's desire to see <u>Iran</u> end its nuclear development program, together created a political climate where negotiations were again attractive. Of course, there was only limited optimism that such talks would actually yield constructive results; however, there was enough of an incentive for all sides to re-enter the negotiating arena. Stated differently, even without high hopes for a breakthrough, the six countries agreed that all peaceful avenues should be explored, in order to minimize the possibility of a new conflict in the Middle East.

During these talks in <u>Iraq</u>, sources from the European Union said that although "significant differences" remained, there had been progress in forging common ground. The six world powers were reportedly offering <u>Iran</u> a deal aimed curbing uranium enrichment and allowing IAEA inspectors "in country" to verify that Iran's nuclear activity was indeed for peaceful purposes. The deal would include medical isotopes and co-operation on nuclear safety in exchange for the cessation of Iran's medium-enriched (20 percent) uranium enrichment program. Of course, even in the face of this offer, <u>Iran</u> was maintaining its right to uranium enrichment. Still, <u>Iran</u> was clearly seeking to end the international sanctions campaign -- led by the Obama administration in the

<u>United States</u> -- which has badly damaged the Iranian economy. While there was no immediate breakthrough, there was enough movement to necessitate scheduling further talks in mid-June 2012 in the Russian capital of Moscow.

At the start of June 2012, satellite imagery emerged showing the destruction of buildings and removal of soil at the Parchin military site in <u>Iran</u> -- a venue intended for monitoring by the United Nations nuclear watchdog agency. The Institute for Science and International Security (ISIS) posted the imagery on its website and came in the aftermath of a meeting between the International Atomic Energy Agency (IAEA) and Western diplomats regarding the possibility of a nuclear clean-up effort at Parchin. At a news conference, IAEA head, Yukio Amano, said: "The satellite imagery indicates that these activities include the use of water, demolishing of buildings, removing fences and moving soil." He expressed concern that such activities would negatively affect the IAEA's efforts to investigate the Parchin site.

The reports of Iran trying to clean up radioactive traces appeared to be reinforced by satellite imagery showing the destruction of buildings and removal of soil at Parchin. The revelations of apparent "sanitization" would likely reinforce doubts by the West that <u>Iran</u> has been acting in good faith as regards its nuclear program. They would also situate the Parchin military site at the core of the argument. <u>Iran</u> has insisted that Parchin is a conventional military complex; however, the West has argued that it is the site of experiments, possibly aimed at developing nuclear bombs.

These developments occurred ahead of a new round of nuclear talks between the United Nations nuclear watchdog agency, the IAEA, and Iran. These talks were intended to advance the development of a framework for cooperation with Iran, which Iranian authorities have said would be needed before allowing inspectors from the United Nations nuclear watchdog agency to visit Parchin. But on June 8, 2012, the IAEA said that negotiations in Austria ended without progress having been made. IAEA chief inspector Herman Nackaerts said the lack of progress at the talks in Vienna was "disappointing." Iran's ambassador to the IAEA Ali Ashghar Soltanieh, offered a more sanguine view saying: "We are ready to remove all ambiguities and prove to the world that our activities are exclusively for peaceful purposes and none of these allegations [of developing a nuclear bomb] are true." Of course, such declarations were unlikely to assuage the IAEA and the West, which would be more apt to view Iran's actions as illustrative of a country failing to act in good faith.

Meanwhile, a separate set of negotiations were being held with the participation of <u>Iran</u> and the socalled six powers -- the <u>United States</u>, the <u>United Kingdom</u>, <u>France</u>, <u>Germany</u>, <u>Russia</u>, and <u>China</u>. The six world powers were reportedly offering <u>Iran</u> a deal aimed curbing uranium enrichment and allowing IAEA inspectors "in country" to verify that Iran's nuclear activity was indeed for peaceful purposes. The deal would include medical isotopes and co-operation on nuclear safety in exchange for the cessation of Iran's medium-enriched (20 percent) uranium enrichment program and <u>Iran</u> relinquishing its stockpile of enriched uranium. The first round of negotiations between Iran and the six powers was held in May 2012. During those May 2012 negotiations, sources from the European Union said that although "significant differences" remained, there had been progress in forging common ground. Even in the face of this offer, Iran maintained its right to uranium enrichment. Still, Iran was clearly seeking to end the international sanctions campaign -- led by the Obama administration in the <u>United States</u> -- which has badly damaged the Iranian economy. While there was no immediate breakthrough, there was enough movement to necessitate scheduling further talks. Further negotiations were due to be held in the Russian capital of Moscow later in June 2012.

While talks to date have not yielded concrete results, Iran's desire to end the campaign of crippling international sanctions, in combination with the West's desire to see <u>Iran</u> end its nuclear development program, together created a political climate where negotiations could be attractive to all vested interests.

On June 18, 2012, after the most recent round of talks on Iran's nuclear program ended in the Russian capital city of Moscow without progress being made. According to Russian negotiators, the talks yielded no breakthrough since the differences between <u>Iran</u> and the six world powers remained irreconcilable. As reported by the Russian news agency, Interfax, Russian Deputy Foreign Minister Sergei Ryabkov said: "The main stumbling block is that the sides' positions are rather difficult and tough to reconcile."

According to Michael Mann, a spokesperson for the world powers, the discussions began in a positive manner with high hopes that <u>Iran</u> would seriously consider the proposals discussed above. But as before, <u>Iran</u> was demanding that the West lift its sanctions and that its "non-negotiable" right to enrich uranium be recognized.

Meanwhile, amidst the various rounds of negotiations, June 2012 saw the New York Times feature an excerpt of the book, "Confront and Conceal: Obama's Secret Wars and Surprising Use of American Power," by David Sanger, which detailed the United States' cyber war against <u>Iran</u>. Cyber war was the "smart power" option available to the <u>United States</u> and its allies in preventing <u>Iran</u> from developing nuclear weapons, in contrast to the "soft power" option of sanctions or the "hard power" alternatives such as military strikes.

The alleged cyber war against <u>Iran</u> dated back to the previous Bush administration in the <u>United</u> <u>States</u>, with the help of <u>Israel</u>, in developing an effort code-named Olympic Games. Under the succeeding Obama administration that cyber war program was preserved and even accelerated. Indeed, Sanger's book, which was based on anonymous American, European, and Israeli expert sources, suggested that the <u>United States</u> was being pushed into new and uncharted territory. As noted by Sanger, the cyber war program was credited with "achieving, with computer code, what until then could be accomplished only by bombing a country or sending in agents to plant explosives."

The computer worm project was actually implanted in a clandestine manner using undercover intelligence agents. It was intended to cause damage to Iranian centrifuges and reportedly accomplished that goal. However, President Obama ordered more sophisticated computer attacks on Iran's main nuclear enrichment facilities in an expanded program of cyber war -- even after aspects of the program, known as the Stuxnet computer virus, were accidentally leaked into the public purview in mid-2010 as a result of a programming error. Experts surmised that the cyber war program set back Iran's nuclear program up to two years. That being said, some sources suggest that Iran's enrichment levels are recovering, and thus could leave Iran with enough resources to yet develop nuclear weapons. Of course, the question remains an open one as to whether or not Iran is actively pursuing this path. Tehran's continued intransigence in cooperating with the IAEA has done little to assuage the doubts of the West.

## Special Note on Bulgarian bombing; Israel blames Iran and Hezbollah

On July 18, 2012, eight people died and more than 30 others were injured when a bomb exploded at the Burgas airport in <u>Bulgaria</u>. The victims included the Bulgarian bus driver and the suspected suicide bomber who carried out the attack. The bombing appeared to target a bus carrying Israeli tourists in the Black Sea region of <u>Bulgaria</u>. Significantly, the attack occurred on the 18th anniversary of a deadly attack on a Jewish community center in <u>Argentina</u>, raising the likelihood that the <u>Bulgaria</u> bombing was another instance of anti-Jewish terrorism by extremist elements.

Israeli Prime Minister Benjamin Netanyahu wasted little time in blaming Iran for the act of terrorism in a statement that read: "All the signs lead to Iran. Only in the past few months we have seen Iranian attempts to attack Israelis in Thailand, India, Georgia, Kenya, Cyprus and other places." He additionally promised retaliation, asserting in the statement, "Murderous Iranian terror continues to hit innocent people. This is an Iranian terror attack that is spreading throughout the entire world. Israel will react forcefully to Iranian terror." A day later, Israeli Defense Minister Ehud Barak expanded on Netanyahu's claim that Iran was behind the act of terrorism, explaining that the Lebanese Hezbollah was the direct perpetrator of the attack, but had been acting under the aegis of Iran. Netanyahu himself explained the connection using the following phrase: "Hezbollah, the long arm of Iran."

Analysts were suggesting that the terror attack in <u>Bulgaria</u> was likely another manifestation of the covert war between <u>Israel</u> and <u>Iran</u>. To that end, there were intimations that the <u>Bulgaria</u> bombing might have been a retaliatory attack for the series of targeted strikes against Iranian nuclear scientists.

For its part, <u>Iran</u> dismissed the accusation and expressed condemnation for "all terrorist acts." No statement, though, came from Hezbollah.

By July 20, 2012, <u>United States</u> officials were suggesting that the suicide bomber on the bus in <u>Bulgaria</u> was a member of Hezbollah. According to the New York Times, their sources did not wish to be identified as the investigation was under way, however, the suicide bomber was in <u>Bulgaria</u> on a mission to attack Israeli interests. The New York Times' unnamed sources also observed that Hezbollah was being guided and sponsored by <u>Iran</u> in this effort. Bulgarian Interior Minister Tsvetan Tsvetanov was on the record confirming that the suicide bomber had been "in country" for several days prior to the terror attack.

#### **Parliamentary Elections of 2012**

Parliamentary elections were set to be held in <u>Iran</u> on March 29, 2012. At stake were the 290 seats in the unicameral "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly). Member are elected by popular vote from single-seat constituencies to serve four-year terms; all candidates must be approved by the "Shura-e-Nigahban" (Council of Guardians).

The last elections for the Majlis (parliament) of Iran were held on March 14, 2008. The parties in contention for the available parliamentary seats were the Conservatives, the Reformists, the Independents, and other unnamed contenders. With the votes counted on election day, it was clear that the Conservatives would retain control of parliament, as expected. The Conservatives' strong showing was partially due to their performance in the Iranian capital of Tehran. However, it should be noted that not all the Conservatives were pro-Ahmadinejad; in fact, a significant number of them were viewed as critics of the president. Despite the fact that many of their candidates were disqualified by the Guardian Council, the Reformists also had some reason to celebrate since they enjoyed a modest increase in parliamentary representation. There were also some Independents who won representation in parliament. The main outcome of the election was the fact that President Ahmadinejad could be faced with a lack of cooperation in parliament. This was due to the parliamentary increase in the number of Reformists and critical Conservatives. Western powers criticized the election as neither free nor fair and criticized the decision to disqualify many Reformist candidates.

Ahead of the 2012 elections, and coming in the wake of the Arab Spring in the region, Iranian authorities were ensuring that no strong voices for the opposition would be able to advocate for change. Already, well-known opposition leader and activist, Mehdi Karroubi, who had come to the fore at the height of the reformist anti-government uprising, known as the "Green Revolution," following the contested presidential elections of 2009, had disappeared. It should be noted that the "Green Revolution" ended unsuccessfully with the deaths and incarceration of opposition activists, and a harsh crackdown by the theocratic and totalitarian Iranian authorities on dissent.

In 2011, according to the opposition website Kaleme, both Karroubi and the "Green Revolution" leader, Mir Hossein Mousavi, were taken to the Heshmatiyeh prison in the capital city of Tehran. They were respectively detained after calling on the Iranian people to once again take to the streets

in demonstrations. Clearly, in an effort to short-circuit any displays of anti-government dissent, the Iranian authorities wasted no time in incarcerating the two opposition icons, whom they have accused of treason and threatened with execution. Now, at the close of August 2011, Iranian and international human rights activists were expressing "extreme concern" over the welfare of Karroubi, who had been missing for as many as six weeks.

In an interview with CNN, Hadi Ghaemi, the director of the International Campaign for <u>Human</u> <u>Rights</u> in <u>Iran</u>, said: "We are extremely concerned for the health and well-being of Karroubi, who is 74 years old, and no one has heard from him for six weeks, not his wife, any family or associates." Ghaemi also expressed fear that Karroubu was being subject to coercive "brainwashing" while in custody.

Now in 2012 ahead of the parliamentary contests, Faezeh Hashemi, the daughter of former Iranian President Akbar Hashemi Rafsanjani who backed opposition leader Mousavi after the 2009 postelection uprising, was sentenced to six months in jail for propaganda against the state.

Meanwhile, former President Khatami said reformists would not bother to announce any candidates for the elections because "the conditions for the reformists to participate were not met." Khatami said that the conditions for reformists to participate in the elections would have to include the release of political prisoners and the establishment of a political transparent atmosphere. Clearly, neither of those two conditions had any hope of being actualized.

By the close of February 2012 -- just days ahead of Iran's parliamentary elections -- Iranian officials were urging voters to participate in the vote. The Iranian authorities argued that strong voter turnout would be a blow to Iran's enemies -- particularly those seeking to block Iran's pursuit of nuclear development. The call was a clear attempt to heighten national sentiment while excoriating the West. Of course, as discussed here, regardless of the level of voter turnout, the reality was that most of Iran's reformist opposition leaders were under arrest, and the reformist activists were not bothering to contest the elections anyway. Instead, voters would have a choice between a cadre aligned with President Ahmadinejad and those aligned with the supreme leader, Ayatollah Ali Khamenei. The vote would, therefore, be something of a ratification of the status quo, effectively explaining the Iranian regime's enthusiasm for the notion of voting in these elections.

By the first week of March 2012, the official election results were announced . In line with expectations, Iran's conservative hardliners won an overwhelming majority in the parliamentary elections. Of course, as noted here, the real election fight was between loyalists of Khamenei and stalwarts of Ahmadinejad. Given this context, the fact that Iran's conservative hardliners won an overwhelming majority in the parliamentary elections was a matter of interpretation. Just whose conservative hardliners had won the most seats? In fact, loyalists of Khamenei won as many as 70 percent of the seats at stake, effectively delivering the message that the reform movement was dormant in Iran, that President Ahmadinejad was to be regarded as a figurehead of sorts, and that

the real base of political power in Iran resided with the Supreme Leader -- Ayatollah Khamenei.

# Could Iran's upgraded ballistic missile and increased nuclear development spur an Israeli strike?

On Aug. 21, 2012, <u>Iran</u> unveiled an upgraded version of a short range surface-to-surface ballistic missile. Known as the Fateh-110, or Conqueror, it was intended to showcase Iran's military deterrence capabilities, according to Iranian President Mahmoud Ahmadinejad. The new ballistic missile reportedly enjoyed a more rapid launch time, greater longevity, and could be deployed during inclement weather conditions.

During the unveiling ceremony for the Fateh-110, President Ahmadinejad said: "We do not seek progress in the defense industry for conquest. We want it to defend ourselves, our territory, our existence. Secondly, we want it for defending human dignity."

The development in <u>Iran</u> would, no doubt, fuel speculation about Iran's controversial nuclear development program, its progress therein, and Israel's potential reaction to militarily thwart Iran's nuclear development. The conventional wisdom as of August 2012 was that <u>Israel</u> was seriously considering such action, although no final decision had yet been made. It was yet to be seen if the news of the new ballistic missile would influence Israeli powers as to their plan of action.

It should be noted the surface-to-surface Fateh-110 ballistic missile was not believed to possess the capability to launch a nuclear weapon, and thus was not to be regarded as part of the Iranian nuclear threat. Specifically, as reported by BBC News, Iranian ballistic missiles were not believed to be large enough for conveying conventional weapons and lacked the accuracy to hit targets with precision or reliability.

That being said, by the end of the month, the Iranian nuclear threat resurfaced with International Atomic Energy Agency's (IAEA) report that Iran had doubled its nuclear development capacity at the Fordo nuclear site. According to the IAEA, there were now more than double the number of enrichment centrifuges at Fordo although new equipment was not yet functional. The IAEA also said that Iran had "significantly hampered" its ability to inspect the Parchin military site, which the nuclear watchdog agency said had been "sanitized," presumably to obfuscate Iranian nuclear activities. Undoubtedly, this collective news would concern Israel, raising the specter of an Israeli strike on Iranian nuclear facilities. Of significance was the fact that Israeli Prime Minister Benjamin Netanyahu was set to address the United Nations General Assembly in September 2012 on the dangers of Iran's nuclear program.

# Israeli PM wants "red line" on <u>Iran</u> over nuclear threat; <u>Iran</u> threatens retaliation for

## possible attack

As September 2012 began, the Iranian nuclear threat resurfaced with International Atomic Energy Agency's (IAEA) report that Iran had doubled its nuclear development capacity at the Fordo nuclear site. According to the IAEA, there were now more than double the number of enrichment centrifuges at Fordo although new equipment was not yet functional. The IAEA also said that Iran had "significantly hampered" its ability to inspect the Parchin military site, which the nuclear watchdog agency said had been "sanitized," presumably to obfuscate Iranian nuclear activities. Undoubtedly, this collective news would concern Israel, raising the specter of an Israeli strike on Iranian nuclear facilities. Of significance was the fact that Israeli Prime Minister Benjamin Netanyahu was set to address the United Nations General Assembly in September 2012 on the dangers of Iran's nuclear program.

With that gathering of the United Nations General Assembly in New York in the offing, Israeli Prime Minister attempted to schedule a meeting with <u>United States</u> President Barack Obama. Media reports indicated that Netanyahu said that he was prepared to travel to Washington D.C. to meet with President Obama. The White House declined the meeting on the basis of the United States' leader schedule; it also drew attention to the fact that there were no bilateral meetings scheduled for the <u>United States</u> president with any other leaders. The White House also pointed to a meeting between Prime Minister Netanyahu with Secretary of State Hillary Clinton.

The White House further noted that there was ongoing contact between President Obama and Prime Minister Netanyahu over a number of security issues, including the nuclear threat posed by Iran. In statement, the White House confirmed that President Obama had just spoken with President Netanyahu for an hour on Sept. 11, 2012. The statement included the following assertions: "The two leaders discussed the threat posed by Iran's nuclear program, and our close cooperation on Iran and other security issues. President Obama and Prime Minister Netanyahu reaffirmed that they are united in their determination to prevent Iran from obtaining a nuclear weapon, and agreed to continue their close consultations going forward."

Nevertheless, Netanyahu's inability to secure a meeting with President Obama fueled speculation about poor relations between the two men. It was certainly possible that the White House was not in the mood to reward Netanyahu after he criticized the <u>United States</u> for not being tough enough on <u>Iran</u> over its nuclear program. During a news conference in Jerusalem with Bulgarian Prime Minister Boyko Borisov, Netanyahu spoke of of the international community's reluctance to sanction a military strike against Iran's nuclear facilities. He said, "The world tells Israel: wait, there's still time. And I say: wait for what? Wait until when?" He continued, "Those in the international community who refuse to put red lines before <u>Iran</u> don't have a moral right to place a red light before <u>Israel</u>." Prime Minister Netanyahu went on to characterize <u>Iran</u> as "the greatest threat to world peace." The level of rhetoric from the Israeli leader was so high that the Haaretz newspaper described Netanyahu's remarks as "an unprecedented verbal attack on the <u>United States</u>

## government."

By the close of September 2012, Israeli Prime Minister Netanyahu had addressed the United Nations General Assembly and declared that time was running out to halt Iran's push to acquire enough enriched uranium to develop a nuclear bomb. Using a crude visual and a red pen, Netanyahu again reiterated his demand that there be a "red line" draw as regards the Iranian nuclear threat.

Prime Minister Netanyahu charged that <u>Iran</u> might have sufficient material to create a nuclear bomb by the middle of 2013, thus requiring a clear message from the international community in the form of the "red line." Netanyahu said, "Red lines don't lead to war, red lines prevent war. Nothing could imperil the world more than a nuclear-armed <u>Iran</u>." He also dismissed the effectiveness of sanctions passed against <u>Iran</u>, saying that they had not curtailed Iran's nuclear program and asserting that "The Iranian nuclear calendar does not take time out."

It should be noted that the <u>United States</u> has generally taken the view that an aggressive sanctions regime was the best path to placing pressure on <u>Iran</u> to end its nuclear development program. As well, <u>United States</u> Secretary of State Hillary Clinton seemed to dismiss Netanyahu's call, saying instead that her country was not prepared to commit to drawing "red lines." In his own address to the United Nations General Assembly, President Barack Obama asserted that his country would "do what we must" to stop Tehran acquiring nuclear arms." But he also made it clear that while the <u>United States</u> has not foreclosed a military option against <u>Iran</u>, multinational negotiations and sanctions should be given time to work.

For its part, <u>Iran</u> responded to the Israeli prime minister's address by warning that it had the right to retaliate to any military strike on its territory or interests. Iran's deputy United Nations ambassador also said that his county possessed enough military might to defend itself and that it was not seeing nuclear weapons capability in the first place. Eshagh al-Habib said his country was "strong enough to defend itself and reserves its full right to retaliate with full force against any attack."

That being said, Iran's often-repeated claim that it had the right to a civilian nuclear program was itself subject to serious challenge. In mid-September 2012, the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), issued a stern rebuke of Iran's refusal to suspend uranium enrichment. Notably, the IAEA's resolution was proposed jointly by the <u>United States</u>, <u>China</u>, <u>Russia</u>, <u>Germany</u>, <u>France</u>, and the <u>United Kingdom</u> in a rare display of unity as regards the Iranian nuclear development issue. Meanwhile, IAEA Director General Yukiya Amano noted that despite a series of meetings with <u>Iran</u> throughout 2012 aimed at ensuring that the IAEA would be able to carry out its investigations, there had been no concrete results. Amano characterized the lack of progress as "frustrating."

## **Bilateral Talks with the United States?**

On Oct. 21, 2012, the New York Times reported that Iran had agreed to bilateral negotiations with the United States over its controversial nuclear development program. The New York Times, in its report, suggested that the talks might be held after the November 2012 general elections in the United States. But shortly after this news item broke in the public sphere, the Obama White House was denying key aspects of these claims, asserting instead that while it was, in principle, prepared to meet with Iran bilaterally, there was actually no such plan afoot.

Tommy Vietor, a spokesperson for the United States National Security Council, offered the following statement: "It's not true that the United States and Iran have agreed to one-on-one talks or any meeting after the American elections." He continued: "We continue to work... on a diplomatic solution and have said from the outset that we would be prepared to meet bilaterally." Vietor reiterated the Obama administration's stance, saying: "The president has made clear that he will prevent Iran from getting a nuclear weapon, and we will do what we must to achieve that. The onus is on the Iranians to do so, otherwise they will continue to face crippling sanctions and increased pressure."

This latter statement referred to the ongoing approach to dealing with Iran. With an eye on pressuring Iran, the United States, countries of the European Union, and other Western nation states have levied harsh sanctions on that country.

Meanwhile, in the period of early November 2012, possible goodwill between the two sides was likely strained when Iranian fighter jets shot at an unmanned United States drone carrying out routine surveillance mission over international waters. According to the Pentagon, two Iranian jets intercepted the Predator drone and fired "multiple rounds" in its direction. The Pentagon also made it clear that the drone was over international waters and never in Iranian air space. That being said, the shots from the Iranian jets ended in futility as the drone was guided back to base successfully. The Pentagon noted that the United States was undeterred from its intent to continue surveillance in the area. Speaking on behalf of the Pentagon, spokesperson George Little said: "The United States has communicated to the Iranians that we will continue to conduct surveillance flights over international waters over the Arabian Gulf."

## Is Iran suspending or increasing uranium enrichment?

With an eye on pressuring Iran, the United States, countries of the European Union, and other Western nation states have levied harsh sanctions on that country. The United States, in particular, has taken the view that an aggressive sanctions regime was the best path to placing pressure on Iran to end its nuclear development program. While United States President Barack Obama has not foreclosed the option of a military strike (either by the United States or Israel) on Iran's nuclear facilities, and he has made his determination to stop Iran from building a nuclear bomb clear, he has also been emphatic that the harsh sanctions regime be given a chance to work. In a September 2012 address to the United Nations General Assembly, President Barack Obama asserted that his country would "do what we must" to stop Tehran acquiring nuclear arms." But he also said that multinational negotiations and sanctions should be given time to work.

To that end, Iran was certainly suffering as a result of the crippling sanctions that included restrictions on banking, shipping, trade, insurance, as well as commodities and energy transactions. Together they have struck a blow on Iran's commercial ties to the outside world. One area of sanctions that has seen notable success has been the exhaustive ban by SWIFT -- an international financial clearinghouse -- which prohibits the transfer of Iranian funds. The SWIFT ban has affected access by ordinary Iranians to basic food items. At the same time, Iranians were being subject to inflated prices of cooking oil and other staples, as well as a precipitous decline of Iran's national currency, which itself led to domestic unrest. Meanwhile, customs data from around the world showed that Iranian oil exports and oil revenues had sharply decreased. The question, of course, was whether or not the burgeoning decimation of the Iranian economy would actually affect Tehran's behavior on the nuclear issue.

A possible indication of the answer to that latter question came on Nov. 3, 2102, when the Britishbased Guardian newspaper reported that Iran suspended its 20 percent uranium enrichment levels as a goodwill gesture ahead of possible talks with the United States. Higher levels of uranium enrichment was a precursor to weapons-grade uranium. The Guardian cited a report on the Al Arabiya website, which quoted Mohammad Hossein Asfari, a Iranian member of parliament, expressing hope that damaging sanctions would be lifted in return for this move. The report seemed to be on something of a collision course with a recent revelation that Iran had recently finished installing centrifuges for enriching uranium at its underground nuclear facility in Fordo. It should be noted that the Guardian soon published a clarification of its original story, noting that Asfari was misquoted and that Iran had, in fact, not already halted 20 percent uranium enrichment. Instead, Asfari was indicating Iran's willingness to stop enrichment at these higher levels if sanctions were lifted.

In President Obama's first news conference after winning re-election on Nov. 14, 2012, he dismissed the reports of talks with Iran, saying they were simply "not true."

In mid-2012, the very notion of a possible suspension of uranium enrichment by Iran was utterly blown away. A leaked report by the International Atomic Energy Agency (IAEA) indicated that Iran was ready to double output at its Fordo underground uranium enrichment facility. According to the United Nations nuclear watchdog agency, Iran could soon double the number of its operational centrifuges from 700 to 1,400. Inspectors from the IAEA who have monitored the Fordo facility, which is buried in a mountain close to the holy city of Qom, have noted that while

the uranium enrichment plant was not fully operational, it could well be ready in the space of only months. Moreover, increased production of 20 percent medium-enriched uranium would be possible. Medium enriched uranium (at 20 percent levels) can be used for conversion into fuel for Iran's medical research reactor; however, highly-enriched uranium at the 90 percent level would be needed for the development of nuclear weapons.

The main question for the IAEA -- and the global community -- involved the matter of how easy (or difficult ) it would be for Iran to increase its uranium enrichment activities in a manner that would allow for the development of a nuclear bomb. Further, what kind of timeline was at stake in achieving this end?

It should also be noted that this leaked report by the IAEA also indicated that "extensive activities" at the Parchin military site had ensued. The nuclear watchdog agency warned that Iran may have been trying to hide evidence of some sort of nuclear weapons experimentation. Accordingly, the IAEA concluded that it was "unable... to conclude that all nuclear material in Iran [was being used for] peaceful activities."

# Special Report on Iran's Nuclear Program (as of Spring 2013)

On Feb. 6, 2013, the United States tightened its financial sanctions against Iran, making it more difficult for that country to spend oil revenue. Iran has already been subject to harsh international sanctions due to its controversial nuclear development program, its clandestine nuclear development activities, and its lack of cooperation with nuclear inspectors at the International Atomic Energy Agency. It has additionally been subject to unilateral financial sanctions by the United States and other Western countries, in an effort to place pressure on Iran to relinquish its nuclear program, which most international powers believe is not intended for peaceful purposes but oriented towards nuclear weaponization. Existing financial sanctions were already having an effect on Iran's economy, making it difficult to procure basic goods, such as cooking oil and medical supplies, creating huge obstacles for Iran to do business with other countries, and contributing to a precipitous decline in the value of the Iranian currency, the rial.

On Feb. 7, 2013, Iran's Ayatollah Ali Khamenei rebuffed the notion of direct talks with the United States during an address that was published on the Internet. With an apparent reference to United States Vice President Joe Biden's suggestion of direct bilateral talks, followed by the tightening of sanctions, Khamenei said the United States was giving the appearance of being open to negotiations while simultaneously "pointing a gun at Iran." He further asserted that talks with the United States "would solve nothing." At issue were upcoming multilateral talks on Iran's nuclear program. Biden was suggesting parallel bilateral talks, saying that his country was prepared to hold direct negotiations with Iran "when the Iranian leadership, supreme leader, is serious." He continued, "That offer stands, but it must be real and tangible and there has to be an agenda that

they are prepared to speak to. We are not just prepared to do it for the exercise." Of course, on Feb. 7, 2013, with Khamenei's reaction on the record, it was apparent that the notion of bilateral talks was just an exercise in theory.

In the face of these developments, Iran continued to assert that its nuclear development program did not have a weapons dimension.

On Feb. 16, 2013, Iran's supreme leader, Ayatollah Seyyed Ali Khamenei, insisted that his country was not developing nuclear weapons. He also said that his preference would be the prohibition of nuclear weapons across the world. Still, Khamenei foreclosed the notion of global pressure on Iran and made it clear that if Iran wanted to manufacture a nuclear bomb, no other country would be able to stop the process. He said: "We believe that nuclear weapons must be obliterated, and we do not intend to make nuclear weapons, but if we had not had this belief and had decided to possess nuclear weapons, no power could have ever been able to stop us."

With a presidential election scheduled to be held in June 2013, there was no likelihood that the Iranian authorities would give way to the will of the international community. In fact, outgoing President Mahmoud Ahmadinejad gave voice to the domestic political climate in Iran when he said in a national address on state television: "On behalf of the Iranian nation, I say that whoever thinks that the Iranian nation would surrender to pressure is making a huge mistake and will take his wish to the grave."

Meanwhile, talks in mid-February 2013 involving United Nations inspectors yielded no progress. Inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), had traveled to Iran to try to reach an agreement aimed at allowing inspectors back into the country to continue their investigation into Iran's suspected nuclear weapons program. Of particular concern to IAEA inspectors has been the Parchin military base where explosives tests related to nuclear weaponry were suspected to have taken place. There were prevailing suspicions that Iran had "sanitized" the site to conceal evidence of clandestine activities. That being said, IAEA inspectors attempting to reinvigorate the nuclear investigation characterized their efforts with the Iranians as wholly unproductive. In a news conference, the chief United Nations inspector, Herman Nackaerts, said that he and his colleagues "could not finalize the document" aimed at resuming the inquiry, and that no new date had been set for further negotiations.

There was an emerging sense -- even from the West -- that the door was closing on a peaceful resolution to the challenge of the Iranian nuclear issue. According to a report by Reuters News, a Western diplomat accredited to the IAEA was on the record saying: "Despite its many commitments to do so, Iran has not negotiated in good faith. It appears that we now have to ask ourselves if this is still the right tactic."

The expressed admission by an IAEA-aligned diplomat of the failure of the negotiations progress

Iran

meant that non-military options were quickly dissipating. Without progress on the diplomatic front, and with Iran in a stalemate with the international community, the specter of military action loomed large. Israel has made it clear that it was willing to use force, if necessary, to prevent Iran from developing its suspected nuclear weapons program.

It should be noted that Iran has done little to reduce the anxiety of the Western world. First, the IAEA had already made it clear that engagement with Iran yielded absolutely no progress and that concerns related to Iran's nuclear program remained in tact. Second, Iran had denied IAEA inspectors from visiting the aforementioned Parchin site.

The case against Iran was further bolstered by the news that IAEA inspectors identified new centrifuges at Natanz -- Iran's main enrichment plant. As reported by Reuters News on Feb. 21, 2013, Iran was now installing advanced machines to refine uranium -- a development that could potentially accelerate the accumulation of materials used to develop a nuclear weapon.

The new model of centrifuges, known as the IR2m, was able to enrich uranium at rates two or three times faster than prior levels to date. Although the new model of centrifuges were not yet believed to be fully functional, Iran was already expanding its stockpile of higher grade uranium, moving gradually closer to the so-called "red line" identified by Israel as its final grounds for taking military action.

In a bit of encouraging news, the IAEA also reported that Iran resumed converting some of its 20 percent concentration uranium for use as reactor fuel in late 2012. That usage likely curtailed Iran's ability to develop a higher-grade uranium stockpile. It was possible that this information could cause Israel to delay military action against Iranian nuclear facilities. Nevertheless, in the third week of February 2013, Israel's Ambassador to the United States Micheal Oren reiterated his country's position that if no progress was made in the effort to stop Iran's nuclear development program, there was a high likelihood of a military gesture by mid-2013. Oren made these remarks during an interview on MSNBC's "Morning Joe" television show.

For its part, the Obama administration in the United States wasted no time in condemning Iran over the installation of the IR2m centrifuges at the main uranium enrichment plant of Natanz. As stated by United States Department of State spokesperson Victoria Nuland: "The installation of new advanced centrifuges would be a further escalation and a continuing violation of Iran's (U.N.) obligations. It would mark yet another provocative step."

At the end of February 2013, Iran attended multilateral talks in Kazakhstan with the so-called P5+1 group -- the United Nations Security Council permanent members of China, Russia, France, the United Kingdom, and the United States, plus plus Germany. According to Reuters News, Vincent Floreani, a spokesperson for France's Foreign Ministry, said the P5+1 countries were prepared to table a new offer for Iran, which could change the trajectory of the negotiations to date . He said, "We will make a new offer that will have significant new elements. The approach ... is

to begin gradually with confidence-building measures. We want a real exchange that will lead to concrete results." For its part, Iran was claiming that it looked forward to these talks. Iran's United Nations Ambassador Mohammad Khazaei said: "As the representative of the Islamic Republic, I announce that Iran is not essentially against negotiations. Iranians are a civilized nation and always favor dialogue and are opposed to war."

In the aftermath of the discussions in Kazakhstan, Saeed Jalili, Iran's chief negotiator, characterized the meeting in a positive tone, describing the aforementioned new offer from the P5+1 countries as "more realistic and positive" and "a little closer to Iran's position." According to the New York Times, the offer would require Iran end its program of uranium enrichment to 20 percent, export its stockpile of existing more highly enriched uranium, and close its Fordo enrichment facility. In return or these three actions, the P5+1 countries would offer Iran sanctions relief, including permission to resume trading of gold and precious metals, and permission to resuming limited petroleum trading and international banking.

At the end of these talks in Kazakhstan where the new offer was brought forward, all the parties reportedly agreed to a round of further discussions in April 2013. It was to be seen if these negotiation on the basis of the new proposal would prove fruitful or accentuate the prevailing perception that the door on a negotiated resolution was rapidly closing.

Pressure on Iran was mounting with the call from the head of the International Atomic Energy Agency (IAEA), Yukiya Amano, on March 4, 2013, saying that Iran should "proceed with a sense of urgency" and focus on achieving real and rapid results. Amano reiterated its stance that the IAEA "cannot conclude that all nuclear material in Iran is in peaceful activities." At issue was the IAEA's desire to inspect the Parchin military site where testing related to nuclear weapons development was believed to have taken place, but where access to IAEA inspectors has long been subject to denial by Iran.

On the same day, United States Vice President Joe Biden said that President Barack Obama was "not bluffing" about the United States' determination to prevent Iran from obtaining a nuclear weapon. In a speech in front of a major pro-Israeli lobbying group, he said, "We're not looking for war. We're ready to negotiate peacefully. But all options including military force are on the table. While that window is closing, we believe there is still time and space (for diplomacy)."

The main question for the IAEA, the United Nations Security Council, the P5+1 countries, Israel, and the global community at large, involved the matter of how easy (or difficult) it would be for Iran to increase its uranium enrichment activities in a manner that would allow for the development of a nuclear bomb. Further, what kind of timeline was at stake in achieving this end? Was United States Vice President Joe Biden's statement on Iran on March 4, 2013, pure bluster? Or was it a warning of sorts from Washington to Tehran?

These questions would likely be complicated by the announcement of new uranium discoveries in

Iran and the Iranians' declaration that it was expanding its nuclear development program. Iran said that it had found new uranium deposits and as many as 16 sites were deemed to be suitable for the construction of new power plants. Iran additionally said that the discovery of uranium deposits would multiply "the current amount of [uranium] resources," and thus facilitate the expansion of the country's nuclear development program.

By mid-March 2013, as United States President Barack Obama was preparing to embark on his first official visit to Israel as a sitting American head of state, the issue of Iran's nuclear development program was dominating the international geopolitical landscape. For some time, Israel has threatened strikes on suspected Iranian nuclear facilities, in the interests of national security. Indeed, Iran does not recognize the Jewish state of Israel and has issued repeated (often anti-Semitic) warnings to "wipe Israel off the map," essentially posing an existential threat to the Jewish State. While the United States has eschewed imprudent military action against Iran, it has nonetheless stood with Israel in asserting that it would take necessary action to prevent the Islamic Republic of Iran from ever producing a nuclear weapon.

Ahead of this visit to Israel, President Obama was signaling that Iran was yet some ways away from being able to produce a nuclear weapon. In a pre-visit interview with Channel 2 in Israeli, he said that Iran was "over a year or so" away from being able to develop a nuclear weapon. Still, President Obama said that he was not interested in leaving action against Iran for the last moment. He said, "We think that it would take over a year or so for Iran to actually develop a nuclear weapon but obviously we don't want to cut it too close." Describing the purpose of his meeting with Israeli Prime Minister Benjamin Netanyahu on the issue of Iran, President Obama said, "My message will be the same as before: if we can resolve it diplomatically, that's a more lasting solution. But if not, I continue to keep all options on the table." The United States leader did not foreclose military strikes against Iran's nuclear facilities, saying, "When I say that all options are on the table, all options are on the table and the United States obviously has significant capabilities."

Once "in country" in Israel, President Obama confirmed his stance on Iran, asserting the United States' resolve to prevent Iran from obtaining a nuclear weapon. Israeli Prime Minister Netanyahu underlined the United States president's commitment on this issue, saying he was "absolutely convinced that the president [Obama] is determined to prevent Iran from getting nuclear weapons. In a significant development, Netanyahu acknowledged that Obama's stated one year timeline on Iran's nuclear weapons development capacity was correct, although he noted that his [Netanyahu's] so-called "red line" involved the uranium enrichment aspect of weaponization and not the actual building of a nuclear weapon. Of course, both uranium enrichment and the manufacture of a bomb would be involved in nuclear weapons development. Accordingly, it seemed that President Obama and Prime Minister Netanyahu were respectively offering a sense of unanimity on the issue of Iran and its nuclear development program.

In April 2013, multilateral talks on Iran's nuclear development program concluded with no

resolution. Participants at the meetings included representatives from Iran, as well as the so-called P5+1 multilateral cadre consisting of the the five permanent members of the United Nations Security Council -- the United States, the United Kingdom, France, Russia, China, plus Germany.

The new round of meetings in Kazakhstan took place over the course of two days and were intended to reach a resolution on the matter of Iran's controversial nuclear development program, which the West believes is intended to ultimately produce nuclear weapons. Despite reports by the International Atomic Energy Agency (IAEA) that Iran has been non-cooperative on the status of its program, as well as the discovery of a clandestine nuclear development site, Iran rejects this claim and maintains that its nuclear agenda is for purely peaceful purposes.

On the table for discussion during the April 2013 round of multilateral talks was a deal that would require Iran to relinquish its most sensitive nuclear activities in exchange for the easing of harsh sanctions, which have been damaging to the Iranian economy. Yet even with this offer at stake, the meeting in Almaty ended without resolution and with world powers lamenting that the respective positions of Iran and the world powers remained "far apart" and that there had been " no breakthrough."

As noted by the foreign policy chief of the European Union, Catherine Ashton, "It became clear that the positions... remain far apart on the substance. We have therefore agreed that all sides will go back to [their] capitals to evaluate where we stand in the process." Striking a similar tone, Russian Deputy Foreign Minister Sergei Ryabkov said, "Unfortunately we were unable to achieve a breakthrough and are still on the threshold." There has been no time or venue established for further negotiations.

# Editor's Note

It should be noted that in mid-2012, a leaked report by the International Atomic Energy Agency (IAEA) indicated that Iran was ready to double output at its Fordo underground uranium enrichment facility. According to the United Nations nuclear watchdog agency, Iran could soon double the number of its operational centrifuges from 700 to 1,400. Inspectors from the IAEA who have monitored the Fordo facility, which is buried in a mountain close to the holy city of Qom, have noted that while the uranium enrichment plant was not fully operational, it could well be ready in the space of only months. Moreover, increased production of 20 percent medium-enriched uranium would be possible. Medium enriched uranium (at 20 percent levels) can be used for conversion into fuel for Iran's medical research reactor; however, highly-enriched uranium at the 90 percent level would be needed for the development of nuclear weapons.

It should also be noted that this leaked report by the IAEA also indicated that "extensive activities" at the Parchin military site had ensued. The nuclear watchdog agency warned that Iran may have been trying to hide evidence of some sort of nuclear weapons experimentation. Accordingly, the

IAEA concluded that it was "unable... to conclude that all nuclear material in Iran [was being used for] peaceful activities."

As noted here, attempts in 2013 to reinvigorate the inquiry into activities at Parchin yielded no progress. Moreover, Iran announced in February 2013 that it would be installing advanced machines to refine uranium at Natanz -- a development that could potentially accelerate the accumulation of materials used to develop a nuclear weapon. Together, this news only served to raise the stakes and increase the sense of anxiety over Iran's controversial nuclear development program.

## Special Report: Western sanctions against Iran taking a toll on economy

At the start of May 2013 -- ahead of the presidential election in Iran -- United States data sources indicated that crippling sanctions imposed by Western countries on Iran for its intransigence on its nuclear program were yielding results. At issue were a package of ever-increasingly harsh sanctions imposed since 2010 by the United States and European union on Iran's central bank and financial sector. The sanctions effectively functioned as a blockade on payments for oil exports by forcing trading countries to decide whether they wanted to do business with the likes of the United States or Iran.

Going back to 2012, a report by Reuters had noted that Iran was finding it difficult to purchase staples such as rice and cooking oil, which are needed to feed its population. For example, Malaysian exporters of palm oil stopped sales to Iran because they could not receive payment. Likewise, there were reports that Iran had defaulted on payments for rice from India -- its main supplier. As well, shipments of maize from Ukraine had apparently been cut in half. Meanwhile, the price of basic food was exponentially escalating. As well, countries around the world that had previously dobe business with Iran, such as South Korea, were looking for alternative sources of oil. In addition, multinational corporations based in Europe were suspending deals with Iran due to the new European Union sanctions.

Perhaps more detrimental for Iran were obstacles in selling its oil and receiving payments for its oil exports. In places where Iran is still able to sell oil, it has been stymied from receipt of funds due to prevailing sanctions, especially those levied by the United States. And in another twist, if Iran could not sell its typical 2.6 million barrels of oil a day, or, if its was forced to sell those barrels at deep discounts, the decreased revenue would inevitably have a debilitating effect on the Iranian economy, adding to the possibility of social unrest.

These findings from international commodities traders, which were part of a Reuters investigation, indicated real disruptions to Iran and flew in the face of claims from Tehran that sanctions were having no effect.

In May 2013, as noted above, United States data sources indicated that the crippling sanctions imposed by the United States and European Union countries on Iran were exacting a heavy toll. Indeed, these United States statistics showed Iranian oil exports tumbling to a 26-year low. The United States Department of Energy estimated that Iran's oil exports earned less than \$70 billion billion in 2012 -- a 27 percent decrease as compared with \$95 billion in 2011. As well, the International Energy Agency -- a watchdog entity -- estimated Iran lost more than \$40 billion in export revenues in 2012.

Still, according to the Financial Times, Iran was mitigating the effects of devolving oil exports via higher oil prices. As well, Iran was trying to circumvent the sanctions imposed by the United States and European union on Iran's central bank and financial sector by trading oil for goods.

Yet even with these moves, there were reports that Iran was storing an unusually large volume of oil in supertankers in the Persian Gulf. This was due to dwindling purchasers from Asian markets. As noted by the Financial Times, all expectations were that Iran would eventually have to cut its already low production, which would exacerbate its burgeoning economic crisis. With Iranians feeling the pain of the sanctions in the form of inflation, the sliding value of its currency (the rial), and high unemployment, and with a presidential election unlikely to provide any hope for substantial political change, the anxieties over public discontent were increasing.

## **Special Report**

A note on sanctions against Iran and the effects on the Iranian economy (some content repeated from section on sanctions above)--

As intimated above, Iran's nuclear program has been directly related to the country's economic woes. Indeed, the combination of poor economic stewardship by former President Ahmadinejad, in conjunction with the harsh financial sanctions regime imposed by the West (and led by the United States), was deeply damaging to the Iranian economy. Progress on nuclear negotiations could potentially lead to sanctions relief and thus, a much needed economic jolt for Iran.

At the start of May 2013 -- one month ahead of the presidential election in Iran -- United States data sources indicated that crippling sanctions imposed by Western countries on Iran for its intransigence on its nuclear program were yielding results. At issue were a package of ever-increasingly harsh sanctions imposed since 2010 by the United States and European union on Iran's central bank and financial sector. The sanctions effectively functioned as a blockade on payments for oil exports by forcing trading countries to decide whether they wanted to do business with the likes of the United States or Iran.

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## Primer on 2013 Iran's presidential election

A presidential election was set to be held in Iran on June 14, 2013.

In Iran, executive power actually lies with the supreme leader of the Islamic Revolution, as well as three oversight bodies: the Assembly of Experts, the Expediency Council, and the Council of Guardians. That being said, president functions as the head of government and is viewed as the "face of the nation" to the international community. Although Iranians vote in popular election for president, candidates to this post are approved by the upper echelons of executive government, the bodies of which are listed above.

In 2005, Mahmoud Ahmadinejad was elected as president by popular vote in the second round of elections; he claimed re-election win in 2009 under contested conditions. While Iran's government announced that Mahmoud Ahmadinejad won re-election on June 12, 2009, his main rival Mir-Hossein Mousavi claimed victory and accused the authorities of indulging in widespread fraud and vote rigging to deprive him of winning the presidency. The reformists in Iran as well as the international community largely condemned the election results. Mass protests in the form of the "Green Revolution" (to mark Mousavi's emblem) ensued but were eventually squashed violently by the government forces, with bloody results. Since that time, most of Iran's leading reformists have been jailed or detained, essentially suppressing the most effective elements of the reform movement in the country.

In 2013, Ahmadinejad was not eligible to contest the presidential election again. Instead, a new cadre of candidates would be on the ballot. The Interior Ministry in May 2013 released its official slate of approved candidates. In Iran, as noted above, although the presidential election is touted to be a popular contest, in fact, the candidates must be approved by the executive oversight bodies that hold the real reins of power in the country. This "approved" listing of presidential candidates included the following individual: Iran's nuclear negotiator Saeed Jalili, former nuclear negotiator Hassan Rouhani, Tehran Mayor Mohammad-Baqer Qalibaf, former Foreign Minister Ali-Akbar Velayati, former Oil and Telecommunications Minister Mohammad Gharazi, former senior military commander Mohsen Rezaei, senior lawmaker Gholam-Ali Haddad-Adel, and Mohammad-Reza Aref, who served as the former Iranian first vice president under the reformist President Mohammad Khatami. It should be noted that Jalili, Velayati, and Hadad-Adel were known to be stalwarts of the Iranian Supreme Leader, Ali Khamenei.

Conspicuously absent from the list or approved candidates was former moderate President Akbar Hashemi-Rafsanjani, who had announced his intention to contest the presidency, as well as Esfandiar Rahim-Mashaei, a top aide of President Mahmoud Ahmadinejad. These two omissions, in conjunction with the inclusion of Jalili, Velayati, and Haddad-Adel, made it clear that the Supreme Leader -- Ayatollah Ali Khamenei -- intended to continue to wield the real power in Iran.

Indeed, the ayatollah was making sure that the bench of presidential contenders was filled with his own supporters, while his possible rivals would be side-lined.

First, Ayatollah Ali Khamenei was ensuring that the reformists and moderates would have no outlet in this election by disqualifying Rafsanjani from the presidential race. Second, he was dispensing with the pro-Ahmadinejad wing, which had in recent years become a thorn in the side of the existing power brokers. Clearly, Ayatollah Ali Khamenei was making sure that conservatives and hard liners would maintain their hold over the affairs of Iran by suppressing the moderates and reformists who might be attracted to Rafsanjani, while neutering the Ahmadinejad wing, with whom it had become embroiled in an inconvenient and irritating power struggle.

Not one to stay silent on his exclusion from the presidential contest, Rafsanjani said he wanted to contest the election because he believed that religious principles were no longer effective governing policies in Iran and he urged economic liberalization, ameliorated relations with the international community, and the empowerment of Iran's elected bodies. According to the opposition website, Kaleme and Rah-e-Sabz, Rafsanjani also referenced the Guardians Council decision to exclude him from the final list of candidates , saying, "I think it is not possible to run the country worse than this, even if it had been planned in advance... I don't want to stoop to their propaganda and attacks, but their ignorance is worrying. Do they even understand what they're doing?"

His rhetoric appeared to have resonance as Zahra Mostafavi Khomeini, the daughter of Grand Ayatollah Ruhollah Khomeini (Iran's revolutionary leader) dispatched a letter to the current supreme leader, Khamenei, urging that Rafsanjani be approved as a candidate, and noting that his disqualification from the approved list of presidential candidates displayed "disrespect to the wishes of the people" and "great harm" to the regime.

Meanwhile, Iranian President Mahmoud Ahmadinejad addressed the disqualification of his ally, Esfandiar Rahim-Mashaei, by promising to take up the matter with the leadership of Ayatollah Khamenei. Ahmadinejad was on the record saying, "I will take up the issue with him (Khamenei) and pursue it to the last moment, and I hope the problem will be solved."

The international community entered the fray at the end of May 2013 when a cadre of independent human rights experts from the United Nations expressed their concerns over the disqualification of several candidates in the presidential election. Their concerns were not limited to the high profile cases of Rafsanjani and Mashaei, but also the disqualification of more than two dozen women who wanted to contest the presidential race. Ahmed Shaheed, a special rapporteur on human rights in Iran, was reported to have said: "This mass disqualification including that of women wishing to stand in the presidential elections is discriminatory and violates fundamental right to political participation, and runs contrary to the International Covenant on Civil and Political Rights, which Iran has ratified." Shaheed continued, "Any restrictions on this right must be based on objective and reasonable criteria without distinction of any kind, including race, gender, religion,

and political or other opinion."

Ahead of the elections, the candidates of the approved list participated in a series of high-controlled and state-administered debates. The economy emerged as a key issue with the candidates promising to move Iran past its economic difficulties sourced in serious sanctions levied by the West over Iran's nuclear program. As for that very nuclear program, there was some divergence from the candidates on this controversial issue.

Hardliner conservative Saeed Jalili, who has been Iran's nuclear negotiator, insisted on maintaining Iran's intransigent position during a debate. He said, "If our interests are at odds with (the demands) of some countries, we should defend our rights by resistance." He continued saying, "One of our discussions is that we do not accept the hegemonic power in the world and are in challenge with it. We are being challenged by a system which intends to forcefully rule the world."

Former Iranian Foreign Minister Ali-Akbar Velayati took a somewhat different perspective as he pointed out the failure of Jalili's brand of diplomacy in recent years. He said, "This is not diplomacy to sit face-to-face with the other side and to recite the same words...This is not diplomacy to read a statement before other countries." He continued, "The art of diplomacy is to preserve the country's nuclear right and, at the same time, we diminish sanctions." Velayati thus argued that Iran should have worked constructively with the international power brokers on the deal advanced by the P5+1 group (the five permanent members of the United Nations Security Council plus Germany) in the most recent round of nuclear talks in Kazakhstan.

Moderate candidate and former nuclear diplomat, Hassan Rouhani, also pointed to the failure of the current diplomatic track under Jalili and broadly called for "wisdom" and a more rational nuclear policy. He also suggested that Iran should consider the temporary suspension of its uranium enrichment program, due to the economic hardship endured under the West's sanctions regime.

Tehran's Mayor Mohammad-Bagher Qalibaf joined the chorus of critics over the incumbent executive branch's diplomatic efforts. Qalibaf said he intended to consider diplomatic overtures from the international community while preserving the interests and identity of the nation.

Gholam-Ali Haddad-Adel stood in line with Jalili's stance as defended Iran's defiance and placed the blame for the lack of diplomatic progress on the United States. He said, "The United States cannot stand political and cultural independence of Iran after the 1979 Islamic revolution."

Only days before the Iranian election was set to take place, reformist candidate, Mohammad-Reza Aref, withdrew from the presidential race and said that he was placing his support behind the moderate candidate, Hassan Rouhani. The move seemed to be aimed at ensuring that the reformist and moderate constituencies were not split between the two men, and indirectly giving a boost to the hardliners in the field. Instead, moderates and reformists were making a tactical decision to

consolidate their vote shares. The move was backed by former reformist President Mohammad Khatami and former President Akbar Hashemi Rafsanjani -- a quasi-moderate whose candidacy for the presidency was not approved by the Iranian authorities, as discussed above.

Earlier, the field was further depleted when apparent hardliner, Gholam Ali Haddad-Adel, withdrew his candidacy from the country presidential election. In his case, this move appeared aimed at ensuring he did not take votes away from fellow conservative, Saeed Jalili. He also was clear about indicating that Iranians' votes should not be cast according to personal preferences but, instead, be a reflection of the will of the country's leadership. Indeed, Haddad-Adel called on Iranian voters to "strictly observe" the guidance of Iran's Supreme Leader Ayatollah Ali Khamenei when they went to the polls to vote.

Meanwhile, a cadre of conservative clerics belonging to the Qom Seminary Scholars Association offered its endorsement too former Foreign Minister Ali Akbar Velayati.

It should be noted that Velayati was viewed as the frontrunner in the presidential race by many Iranian analysts due to his closeness to the Iranian political establishment.

Why is this election important?

For decades, Iran has had a conflict-ridden relationship with the countries of the West, and an overtly hostile relationship with the United States and its closest ally in the Middle East, Israel. Iran's more recent nuclear ambitions have served only to raise geopolitical tensions in the Middle East, with several Arab countries increasingly anxious about a future nuclear-armed Iran in their neighborhood. Even without much chance of a plausible reformist at the helm of Iran after this 2013 presidential contest, the Western world likely hopes that Ahmadinejad's successor might be more amenable to productive nuclear negotiations, with an eye ultimately on global security.

# Election Results:

On election day in Iran, turnout was reported to be very high and estimated to be around 80 percent. Representatives of all of the candidates issued a joint statement calling on their supporters to stay calm until the official results were known.

Early election results gave the moderate candidate, Rouhani, a significant lead in the Iranian election, with Qalibaf in second place, and the conservatives and hardliners like Jalili and Velayati trailing far behind. It was to be seen if this trend would hold when the vote count was complete. If no one candidate secured 50 percent of the vote share, a second round would take place a week later on June 21, 2013.

But several hours after the polls had closed and the long process of counting the votes was finally

Iran

complete, there was a shocking development on the Iranian political landscape. Not only had the lone moderate candidate in the field -- Rouhani -- manged to capture the most votes, he had also crossed the 50 percent threshold needed to avoid a second round and had won with an outright victory. The election results gave Rouhani 52 percent, Qalibaf 17 percent, Jalili 11 percent, and left the other candidates, including Velayati, even further behind.

In comparison to the votes secured by his fellow candidates, one could argue that Rouhani scored a landslide victory. The people of Iran were certainly treating it as such, with thousands of people taking to the streets of Tehran to celebrate Rouhani's election success. One report from the ground in Tehran, via Twitter, was as follows: "We are celebrating that we are free after eight years of Ahmadinejad." Other Twitter feeds reported the following messages from Iranians in the streets: "Bye, bye Ami!" and "Long live reform, long live Rouhani."

The interior ministry confirmed that Rouhani had won the presidency in a statement to the public. As declared by Interior Minister Mostafa Mohammad-Najjar: "Mr. Hassan Rohani ... got the absolute majority of votes and was elected as president."

The long process of vote counting in Election 2013 was a contrast to Election 2009 when results were announced in short order to the benefit of Ahmadinejad amidst accusations of fraud. In 2013, it seemed to be a sign of political progress that the Iranian establishment authorities acknowledged outright that Rouhani -- the candidate they had not endorsed -- had actually won the election. There were many Iranians who were now suggesting that Rouhani's upset victory, to some degree, "redeemed" Iran's political system, which was so badly tainted in the aftermath of the 2009 disputed presidential election. At the very least, the handling of these elections in 2013 placed a patina of legitimacy on Iran's damaged electoral system.

# **Special Report**

Rouhani inaugurated as Iranian president

Introduction:

On Aug. 4, 2013, Hassan Rouhani was inaugurated as the new president of Iran, succeeding outgoing Mahmoud Ahmadinejad. A former nuclear negotiator, Rouhani has been known as a moderate and has advocated both reform and an end to the international diplomatic isolation that has plagued Iran due to its controversial nuclear program.

Ahead of the formal swearing in ceremony. Rouhani said: "I have assumed this responsibility with the support of those people who want change, who want a better life, away from corruption, poverty and discrimination, people who want more respect and dignity, and hope in a secure

future." Then, in his first speech as president, Rouhani urged an end to the crippling sanctions that have damaged Iran's economy. It was to be seen how far Rouhani would be willing to go -- in terms of serious diplomatic engagement over its nuclear program --in order to lift Iran out of its state of international alienation.

Rouhani's victory and the policy agenda going forward --

In many senses, Rouhani's victory was a repudiation of the conservative and hardline base that controls most of the power in Iran. Rouhani's strong performance -- evidenced by his first round outright victory -- certainly suggested a popular rejection of the conservative and theocratic power base, despite the fact that Ayatollah Ali Hoseini Khamenei and his leadership cadre had tried to "stack" the proverbial deck of candidates with hardliner stalwarts. It was noteworthy that the candidates backed by the hardliners and conservatives were at the proverbial "back of the pack" and garnered the least amount of popular support. As well, Rouhani's election win made it clear that the reformist movement remained alive, despite the Iranian authorities' efforts to sideline well-known moderates, such as Akbar Hashemi Rafsanjani, and leaders of the 2009 "Green Revolution" reform movement, such as Mousavi and Karroubi. While Rouhani himself was no activist reformist, as a moderate, he was the only palatable option for voters with reformist inclinations.

Ultimately, Rouhani's victory illuminated the reality that the Iranian public was ready for an end to the policies that have yielded economic havoc and international isolation, and hungry for transformation. Of course, the desires of the public and the political elite were not necessarily in sync with one another.

For his part, Rouhani has promised "constructive interaction with the world" including measures aimed at assuaging the West over Iran's controversial nuclear program. A sharp critic of the belligerent tone taken by the outgoing presidency of Ahmadinejad, and the lack of diplomatic progress made in the previous eight years on the international front, Rouhani was reported to have said in a campaign speech: "We won't let the past eight years be continued. They brought sanctions for the country. Yet, they are proud of it. I'll pursue a policy of reconciliation and peace. We will also reconcile with the world."

It was to be seen if Rouhani would make good on this promise, and if Ayatollah Khamenei, the Guardians Council, and the rest of Iran's executive power base would actually allow the new president to pursue this path. As noted by Ali Vaez of the International Crisis Group, "Remember that Iran is governed by complex institutions and competing power centers that inherently favor continuity over radical change."

That being said, it was clear that Rouhani -- a mild-mannered moderate and former nuclear negotiator with fluency in several languages -- had a popular mandate for change. Perhaps his presidency would provide the Ayatollah Khamenei and the conservative clerics with an imprimatur

of sorts to soften their own stances, while claiming that Iran was simply following the natural democratic course. Stated differently, it was possible that Rouhani's clear presidential victory would offer him political latitude to make some progress in pursuing improved relations with the international community, especially on the nuclear development front. Progress on nuclear negotiations could lead to economic relief as economic and financial sanctions by the West have been deeply damaging to the Iranian economy. But no doubt the West was waiting to see what a Rouhani presidency would actually look like with the campaign rhetoric at an end, and the actual governing set to begin.

At the start of July 2013, Rouhani reiterated his commitment to engagement and cooperation with members of the international community. As reported by Iranian state media, Rouhani said: "Expanding ties with the neighboring countries and strengthening regional cooperation in order to maintain peace and provide the interests of the regional nations is one of the foreign policy priorities of Iran's 11th administration."

Note: Rouhani was set to be inaugurated into power as Iran's new president in August 2013.

On Aug. 3, 2013 -- one day ahead of the formal swearing in ceremony -- Iran's Supreme Leader Ayatollah Khamenei officially endorsed Rouhani as the country's president. Khamenei said he took satisfaction in the recent presidential elections as the manifestation of "religious democracy" and encouraged Rouhani to adhere to "religious values" in his role as president.

For his part, Rouhani took the bold step of saying that he rejected extremism of any kind, and reminded people that his moderate political orientation was compatible with Islam. During the endorsement ceremony, Rouhani also made note of the fact that the Iranian people voted for "change" in the presidential election and, as such, he was committed to fulfilling his campaign promises. To this end, he said: "I have assumed this responsibility with the support of those people who want change, who want a better life, away from corruption, poverty and discrimination, people who want more respect and dignity, and hope in a secure future."

Hassan Rouhani was formally inaugurated as the new president of Iran in August 2013, succeeding outgoing Mahmoud Ahmadinejad. Just ahead of his inauguration, Rouhani took the bold step of saying that he rejected extremism of any kind, and reminded people that his moderate political orientation was compatible with Islam. During the endorsement ceremony, Rouhani also made note of the fact that the Iranian people voted for "change" in the presidential election and, as such, he was committed to fulfilling his campaign promises. To this end, he said: "I have assumed this responsibility with the support of those people who want change, who want a better life, away from corruption, poverty and discrimination, people who want more respect and dignity, and hope in a secure future."

During his inauguration speech to parliament, Rouhani called on the countries of the West to drop

their sanctions against Iran and treat Tehran with respect. Rouhani said, "If you want an adequate response, you shouldn't speak the language of sanctions, you should speak the language of respect." Left unsaid was the fact that those sanctions had been levied due to Iran's lack of cooperation and transparency provided to United Nations nuclear inspectors trying to examine suspected nuclear sites in Iran.

Not surprisingly, the populist declaration was met with cheers from the members of parliament. But Rouhani did not abandon his moderate credentials. He also said his government would attempt to improve relations with the wider world, and build greater trust with the international community. Crucially, Rouhani declared, "In international interactions, my government will try to build mutual trust between Iran and the regional and global countries."

The United States wasted little time in issuing a response, saying Iran now had an opportunity to dispel the fears of the global world over its nuclear ambitions. The Obama White House said it would be a "willing partner" if Iran engaged seriously with the international community, and met its obligations regarding its nuclear program. As noted by White House Press Secretary Jay Carney: "Should this new government choose to engage substantively and seriously to meet its international obligations and find a peaceful solution to this issue, it will find a willing partner in the United States."

It was to be seen if Iran under Rouhani would actually move in the direction of productive engagement over its nuclear program following years of diplomatic impasse. On the other hand, it was also possible that Iran under Rouhani would spell continued diplomatic stalemate, minus the fiery Ahmadinejad-style rhetoric.

# **Special Report:**

Bombing at Iranian embassy in Beirut highlights increasing Sunni-Shi'a sectarian conflict in the Middle East

On Nov. 19, 2013, a double suicide bombing outside the Iranian embassy in the Lebanese capital of Beirut left more than 20 people dead and more than 140 others injured. The first bombing was carried out by a suicide attacker on a motorcycle, while the second was executed by a suicide bomber in a a four-wheel drive vehicle. Among the dead was the Iranian cultural attache, Sheikh Ibrahim Ansari, who had just assumed his diplomatic post a month prior.

Because Iran has been a well-known supporter of the Lebanese Shi'a Islamic extremist group, Hezbollah, which deployed fighters to Syria to help the government of Bashar al-Assad hang onto power against rebel forces, there were suggestions that this attack was a manifestation of spillover violence from the Syrian civil war. Certainly, the violence and bloodshed augured negatively for Lebanon as it pushed the country further into a state of turmoil. Noteworthy was the fact that it was the first since Lebanon's 1975-90 Civil War that an embassy had been targeted. Moreover, the brazen act of violence illustrated the ease with which Lebanon was being pulled into Syria's destructive orbit.

There was also a sectarian element to the attack as the Sunni Jihadist group, Abdullah Azzam Brigades, claimed responsibility for the violence at the Iranian embassy in Beirut. Via the Twitter account of the group's religious guide, Sheikh Sirajeddine Zuraiqat, Abdullah Azzam Brigades issued its formal claim of responsibility, declaring: "The Abdullah Azzam brigades - the Hussein bin Ali cells - may they please God - are behind the attack on the Iranian embassy in Beirut." The group, which is linked with the notorious terror enclave, al-Qaida, also said that the bombings were a "double martyrdom operation carried out by two heroes from the heroic Sunnis of Lebanon." The group threatened more attacks in Lebanon until Iran withdrew its forces from Syria, bolstering the view that a sectarian conflict that transcended borders was emerging in the Middle East.

In Lebanon, caretaker Prime Minister Najib Mikati condemned the violence, calling it "a cowardly terrorist act." Lebanese Parliamentary Speaker Nabih Berri -- a member of the Hezbollah faction in the Lebanese parliament -- warned that the terrorists behind the attack on the Iranian embassy were the people who attempted to assassinate him a year prior. He was quoted in Lebanon's Daily Star newspaper as saying, "Those who targeted the embassy [Tuesday] are the same team that threatened to assassinate me."

There was also a global outcry against the bombings, especially given the fact that a diplomatic post was the target. United Kingdom Foreign Secretary William Hague said: "The U.K. is strongly committed to supporting stability in Lebanon and seeing those responsible for this attack brought to justice." United States Secretary of State John Kerry said, "The United States knows too well the cost of terrorism directed at our own diplomats around the world, and our hearts go out to the Iranian people after this violent and unjustifiable attack."

At the start of January 2014, DNA tests confirmed that a man arrested in Lebanon was likely wanted in connection with the bombing of the Iranian Embassy in Beirut months earlier in November 2013. The man was identified as Majid al-Majid, the head of the Abdullah Azzam Brigades, which claimed responsibility for bombing. According to the Daily Star in Beirut, Majid had been captured by the Lebanese army and was on Saudi Arabia's list of 85 most wanted individuals for his links to the Islamist Jihadist terror enclave, al-Qaida.

## **Foreign Relations Note:**

Yemen turns into proxy war between Shi'a Iran and Sunni Saudi Arabia

Foreign Relations Note: Yemen turns into proxy war between Shi'a Iran and Sunni Saudi Arabia

On March 20, 2015, the notorious and blood-thirsty terror group, Islamic State (also known as Islamic State in the Levant or ISIL), carried out double deadly suicide bombings in the Yemeni capital of Sanaa, killing close to 140 people and injuring 300 others.

The terror group, Islamic State has held sway in large portions of Syria and Iraq and been responsible for some of the most barbaric acts of murder, slavery, abduction and abuse seen in recent history. While its aim to establish an ultra-hardline Sunni Islamic caliphate has concentrated on the Syria-Iraq region (known as the Levant), an attack earlier in the week in Tunisia, as well as recently announced alliances with other Islamist terror groups, such as Boko Haram in Nigeria, indicate an emerging global Jihadist agenda.

Already, Yemen has been dealing with exactly this threat of global Jihadism from al-Qaida in the Arabian Peninsula (AQAP) from within its own borders. But now, with large swaths of Yemen under the control of the Shi'ite Zaidi Houthis, and with the country fracturing, Islamic State was exploiting the power chasm by making Yemen a terror target. The fact that the suicide bombings ensued in Houthi-controlled Sanaa made clear that Islamic State was deliberately targeting the Shi'ite rebels, whom they consider to be apostates.

For their part, the Houthi rebel movement (also known as Zaidis due to their Shi'ite Zaidi beliefs) had been engaged in fierce gun battles with Yemeni armed forces in 2014, ultimately gaining control of the capital of Sanaa and forcing the resignation of President Abd-Rabbu Mansour Hadi, whose supporters were resisting the Houthis from their base in Yemen's second city of Aden.

In the backdrop of these developments was a spate of vicious attacks by the Yemen-based terror group, al-Qaida in the Arabian Peninsula (AQAP) as they railed against the perceived ascendancy of the Houthis. Angered by the political gains of the Houthis, the terror enclave, AQAP commenced a campaign of violence and bloodshed in response. These developments heralded an emerging power struggle between the Houthis and AQAP, with the people of Yemen likely to be the ultimate victims. The main question in the immediate future was if this fight between the Houthis and AQAP would be limited to a power struggle for influence in Yemen where President Hadi was being increasingly sidelined, or if it would metastacize into a civil war.

The developments in March 2015, marked by the entrance of Islamic State into the equation, served only to destabilize the Yemeni landscape even further. The situation was morphing into a geopolitical morass, with the advance of the Iranian-backed Houthis on the second city Aden, the decision by President Hadi to flee the presidential palace, and the commencement of air strikes by

## Saudi Arabia on Yemen.

Meanwhile, with Yemen embroiled in an escalating crisis, and as Western powers moved to distance themselves, regional powers were now signaling their entrance to the Yemeni landscape. Already, Shi'a Iran was being blamed for backing the Houthis. But soon Sunni Saudi Arabia was warning that it would intervene into Yemen to act as a countervailing power against Iran. Prince Saud Al Faisal promised to protect Yemen's sovereignty, saying, "We are against Iran's intervention in Yemen ... it is actually an act of aggression... We are keen on protecting Yemen's sovereignty, the legitimacy of Yemen represented by President Hadi." He continued, "We are ready to take the necessary measures if needed."

Saudi Arabia's possible intervention was welcomed by the internationally-recognized Hadi government of Yemen. President Hadi himself had called for the United Nations Security Council to authorize military intervention into Yemen. Also of note was a call by the Yemeni foreign minister, Riyadh Yaseen, for Arab neighbors to assist militarily to stop the advance being made by Houthi fighters. He said, "We have addressed both the [Gulf Cooperation Council] and the U.N. for the need of [imposing] a no-fly zone and banning the use of warplanes at the airports controlled by the Houthis." Of course, that intervention was aimed at stemming the advance of the Houthis and not necessarily at addressing the terror threats posed by al-Qaida in the Arabian Peninsula or Islamic State.

In the early hours of March 26, 2015, following the news the day before that President Hadi had fled the presidential palace in Aden, Saudi Arabia announced it had commenced air strikes in Yemen. In fact, Saudi Arabia said its military operation was being conducted in coordination with a coalition of several regional partner countries. The Saudi effort was aimed at stemming the Houthi tide and restoring the internationally-recognized "legitimate" Hadi government to the helm in Yemen. But with the Houthis -- a Zaidi Shi'ite rebel movement -- being backed by Iran, and with Sunni Saudi Arabia now entering the fray, Yemen was quickly turning into a sectarian and geopolitical proxy war.

Note that the United States soon announced that while it was not one of the partner countries carrying out air strikes in Yemen, it was nonetheless providing logistical and intelligence support to the Saudi-led operation in Yemen.

After only a few days of air strikes, the Saudi-led regional forces had not yet overpowered the Houthis; however, they were limiting movement of the Shi'ite Zaidi rebellion and were successfully imposing a naval blockade. As March 2015 was coming to a close, Saudi and Houthi fighters were embroiled in fierce fighting along the Saudi-Yemeni border. Fighting was also taking place in Aden between Houthi fighters and pro-Hadi loyalist forces.

At the start of April 2015, despite the air strikes by the Saudi-led coalition, the Houthis were

actually making gains on the southern port city of Aden -- the one time stronghold of President Hadi. With fighting increasing, a humanitarian crisis emerging, and the death toll increasing (almost 200 people were killed from late March through the first few days of April 2015 alone), several countries began the process of evacuating its citizens from Yemen, while the Red Cross was bringing in humanitarian aid supplies.

It should be noted that in an interview with the Arabic television channel al-Arabiya Hadath, Yemeni Foreign Minister Riyadh Yasseen sanctioned the intervention of Arab powers into Yemen, calling for an actual Arab regional force help restore the elected government of President Hadi to power in Yemen and save the country from its slippage into chaos. He said, "Yes, we are asking for that, and as soon as possible, in order to save our infrastructure and save Yemenis under siege in many cities."

Evidence of the Iranian-Saudi proxy war in Yemen was manifest in the second week of April 2015 when Iran called for the formation of a new Yemeni government, and even said it would be willing to offer its assistance in Yemen's political transition. The statement came at a time when the Iranian-backed Houthis advance on the city of Yemen. For its part, Saudi Arabia has been involved in air strikes on Yemen, with the intent aim of restoring President Hadi (who had taken refuge in the Saudi capital of Riyadh) to the helm of government. It was apparent that the two countries were not only a military collision course but also on a parallel political one.

Note that on April 14, 2015, the United Nations Security Council imposed an arms embargo on the Iran-backed Houthis. The resolution was overwhelmingly backed by security council members, although Russia abstained from the vote.

As the Yemeni conflict escalated, the United States dispatched an aircraft carrier, the USS Theodore Roosevelt, and a guided-missile cruiser, the USS Normandy, to the maritime waters close to Yemen. The general consensus was that the presence of the USS Theodore Roosevelt and the USS Normandy was for strategic reasons, and intended to ensure that the United States was positioned to take rapid action if the situation necessitated it. For its part, the United States Pentagon said that its presence in the Arabian Sea was not to intercept Iranian arms shipments to Yemen, but rather to "ensure the vital shipping lanes in the region remain open and safe."

In a surprise move on April 21, 2015, Saudi Arabia announced that it was ending its bombing campaign against the Houthis. Saudi authorities declared the joint alliance had achieved the military goals of the operation. An official statement read as follows: "Operation Decisive Storm has achieved its goals...(including) removing the threat to Saudi Arabia and neighboring countries, especially in terms of heavy weapons." The joint alliance would thus transition its efforts to a new mission called "Restoring Hope." The new operation would be aimed at counter-terrorism and security, and would look towards a political resolution in Yemen. Nevertheless, Saudi authorities warned that it reserved the right to go after the Houthis, with Saudi Brigadier General Ahmed

Asseri saying, "The coalition will continue to prevent the Houthi militias from moving or undertaking any operations inside Yemen."

Yemen's internationally-recognized leader, President Hadi, offered his thanks for the Saudi-led regional effort, saying, "I express the deepest gratitude and respect to our Arab and Muslim brothers and friends in this exceptional strategic alliance in my name and on behalf of the Yemeni people."

While Iran welcomed the end of "Operation Decisive Storm," the fact of the mater was that the fighting continued to plague Yemen, with around 1,000 people dying in the four week period from late March to the third week of April 2015. Indeed, Houthis and factions loyal to President Hadi continued to engage in battles across the country, while infrastructure was being destroyed, and food and aid supplies were being depleted. Accordingly, there was an increasing call for United Nations negotiations to resume, with an eye on finding a peaceful political solution to the conflict in Yemen.

For their part, the Houthis intimated that a diplomatic process was underway, and there was an attempt to forge an agreement that would bring an end to the fighting. But the Houthis were unsure whether the Saudi announcement regarding an end to "Operation Decisive Storm" was part of that agreement. Indeed, the news emerged on April 22, 2015 that even though an end to "Operation Decisive Storm" was over, Saudi-led strikes were still taking place in southern Yemen. It seemed that a mission remained in place to protect the port city of Aden from the Houthis. Saudi Arabian ambassador Adel al-Jubeir explained the situation, saying, "When the Houthis or their allies make aggressive moves there will be a response. The decision to calm matters now rests entirely with them."

Meanwhile, Iran was calling for "urgent humanitarian assistance" in Yemen, with Iran's foreign minister, Mohammad Javad Zarif stating via the social media outlet Twitter, "Positive developments in Yemen should be followed by urgent humanitarian assistance, intra-Yemeni dialogue and broad-based govt. Ready to help." Iranian President Hassan Rouhani was meanwhile urging negotiations and a peaceful end to the bloodshed in Yemen, as he said, "We believe that sustainable peace can prevail if military intervention is ceased and proper conditions are prepared for talks and dialogue among all political groups." The Houthis themselves were signaling an interest in a return to United Nations-brokered negotiations, along with an end to the Saudis' aerial bombardment campaign. Via the social media outlet Facebook, the Houthis' spokesperson, Mohammed Abdul-Salam, declared: "We call for -- after the complete cessation of the brutal aggression on Yemen and the total dismantling of the blockade on its people -- the resumption of political dialogue under the auspices of the United Nations."

As April 2015 came to a close, the marine waters surrounding Yemen saw some de-escalation when the aforementioned Iranian flotilla, which was believed to be carrying arms to the Houthis,

sailed past Yemen and to the north. The general consensus was that the presence of the USS Theodore Roosevelt and the USS Normandy in the area, may have had an effect. However, in a separate incident, Iranian forces fired warning shots and boarded a Marshall Islands-flagged cargo ship, the MV Maersk Tigris, with a Danish crew in the Strait of Hormuz. The vessel was reported to be following a normal commercial route between Saudi Arabia and the United Arab Emirates when the shots were fired, thus spurring the crew to issue a distress call that was picked by by United States forces. While Iranian authorities downplayed the incident, the United States Pentagon characterized the incident as a provocation.

In early May 2015, the hotspot in Yemen continued to be the southern city of Aden where Houthi fighters battled forces loyal to President Hadi, despite continued Saudi-led strikes. The fighting was quite fierce with more than 120 people killed on May 6, 2015, alone. Among the dead were people trying to flee the violence in a boat that was struck by shelling from Houthi fighters. The situation in Aden was quite dire with Houthis advancing in the historic district of al-Tawahi -- the location of the presidential palace.

Meanwhile, in the north, close to the border with Saudi Arabia, mortar and rocket fire killed five Saudi civilians, prompting retaliatory strikes by Saudi-led forces in that region.

By mid-May 2015, Saudi Arabia was reported to be sending a "strike force" to its own border zone with Yemen. The move came after fierce artilery clashes with Houthi rebels in the area and was intended to reinforce the zone. Also in mid-May 2015, Saudi Arabia was launching air strikes on Sanaa. One strike on a rocket base left 90 people dead and hundreds others injured. It should be noted that these strikes were ensuing weeks after Saudi Arabia announced that it was ending its bombing campaign in Yemen, known as "Operation Decisive Storm," and only days before a fresh ceasefire.

It was apparent that despite the intervention of regional forces, and occasional announcements of breakthroughs, the Yemeni landscape continued to be one marked by chaos and turmoil in the spring of 2015.

By the start of June 2015, regional coalition forces, led by Saudi Arabia, were striking Houthi targets in Yemen, with scores of people dying as a result. A significant number of the dead included women and children in their own homes in the rural north of Yemen, close to the border with Saudi Arabia, which has long been the center of the Houthi rebellion. Strikes were also taking pace elsewhere in Yemen -- in Sanaa, at Yemen's naval command base at the port city of Hodaida on the Red Sea, at a customs office in the northern province of Haradh, and even in the southern city of Aden.

Despite the fatal effects of the strikes on Houthi civilians, Saudi Arabia and its allies were resolute in their efforts to stabilize Yemen and return the country to a state of legal governance -- ideally

with President Hadi at the helm. In an interview with Reuters News, Khaled al-Attiyah, the foreign minister of Qatar, agued that the Saudi-led coalition strikes on the Houthis in Yemen had prevented the rebel movement from completely taking over the country. He said, "If there had not been (Operation) Decisive Storm, we would have seen the Houthis and Ali Abdullah Saleh's people all over Yemen. I think Decisive Storm ... has restored legitimacy in Yemen."

It would seem that Foreign Minister Khaled al-Attiyah's claims held some truth given the Houthis' interest in returning to the negotiating table. Indeed, in the immediate aftermath of this latest spate of strikes, the Houthis were signaling their willingness to participate in United Nations-sponsored peace talks in Switzerland set for June 14, 2015. Daifallah al-Shami, a member of the Shi'ite Zaidi leadership, said in an interview with Reuters News that the Houthi movement was ready to support "without preconditions the efforts of the United Nations to organize Yemeni-Yemeni dialogue." With rival groups, including those supportive of President Hadi and former President Saleh, also set to attend the peace talks, it seemed there was a genuine opportunity ahead to bring an end to the chaos rocking Yemen. South seccessionist factions, however, would not likely be in attendance and could function as the proverbial "fly in the ointment."

By mid-June 2015, there were fews signs that United Nations-sponsored talks in Switzerland would produce anything substantial, or that the warring sides were willing to make the hard compromises needed for peace and reconciliation. Of note was the fact that as the talks were convened, the Saudi-led Arab coalition was striking Houthi targets in the Yemeni capital of Sanaa. Also of note was the intransigence of the pro-Hadi wing and the Houthis respectively. While Ismail Ould Cheikh Ahmed - the United Nations envoy to Yemen -- cast the talks as an opportunity to end the conflict in Yemen, he nonetheless acknowledged that a massive gulf divided the two sides. He said, "All the parties are still barricaded behind their positions and continue to bet on war rather than a political settlement."

Indeed, there was no reason for either side to buy into the benefits of peace when the facts on the ground were as follows: 1. Despite an aggressive air campaign, the Saudi-led coalition had failed to dislodge the Houthis; and 2. Any peace agreement would likely be to the detriment of pro-Hadi forces in Yemen. For both sides, war offered a more promising path to power.

In July 2015, Saudi authorities announced a ceasefire after air strikes hit a residential area of the Red Sea town of Mokha, killing approximately 120 people and injuring as many as 150 others. Children were among the casualties, prompting the United Nations, Amnesty International, and Human Rights Watch to respectively warn the Saudi-led coalition that indiscriminate bombardment of populated areas was a violation of international law. It was not guaranteed that the Saudi-led coalition would heed this admonishment; however, the coalition did respond to a call by Yemeni President Hadi to halt the military activity long enough for humanitarian aid to be rendered. To this end, the cessation of the air campaign was to last for five days to allow emergency response teams to offer assistance and to deliver supplies to the victims.

Although attention was focused at this time on the ceasefire, the Saudi-led coalition targeting the Houthis in Yemen warned that it would, nevertheless, reserve the right to retaliate against any military activity taken by the Houthis. Of related significance was that the ceasefire did not bring a complete end to hostilities. Clashes erupted in the city of Taiz as a result of shelling by Shi'a Houthis rebels several districts. As well, fighting was reported the the north of the restive port city of Aden and in the provinces of Marib and Lahj.

In September 2015, with the sectarian conflict between Iranian-backed Houthis and the Saudibacked Hadi government forces still raging on, the landscape was complicated by the decision by Qatar to deploy 1,000 ground troops to Yemen. The move came ahead of a massive offensive operation by regional Sunni Arab forces against the Iranian-backed Houthis who continued to hold sway in the Yemeni capital city of Sanaa. Qatar was already part of the Saudi-led regional operation carrying out air strikes on Houthi-controlled regions of Yemen; however, its decision to deploy ground forces marked a notable shift in a campaign that has been stalled for several months, although some progress was made in driving Houthis and forces allied with former President Salleh from Aden.

In the same period, Saudi-led air strikes continued to pound Houthi targets in Yemen. The air battle actually increased in strength after a particularly deadly attack in the first part of September 2015 when a Houthi missile attack killed scores of Gulf Arab troops stationed to the east of Sanaa. In retaliation, the air strike campaign by Sunni Arab states on the capital intensified and deployments of troops were increased. These developments came ahead of an offensive operation discussed above, which was being billed as a "decisive battle to liberate Sanaa." Of course, Saudi ground forces were already "in country" and carrying out an offensive in the province of Marib, aimed at driving out the Houthis. The Sanaa offensive was to be understood as a continuation of that operation.

Meanwhile, even as plans for a final battle for Sanaa was in the works, the United Nations was planning to broker peace talks on the Yemeni crisis. But those plans hit a snag in mid-September 2015 when Yemen's government in exile, headed by President Hadi, said it would not participate unless the Houthis withdrew from the terrain it captured. Of note was the fact that Hadi and his stalwarts were simply articulating the need to make good on a provision already enshrined in the prevailing United Nations Resolution 2216.

A few days later, Yemen's exiled government modified its stance, saying it would join the United Nations-sponsored talks, but under the condition that the Houthis publicly accepted the terms of the United Nations resolution, which called for them to withdraw from the main cities of Yemen and recognize Hadias the elected president of the country. As noted by Yemeni government spokesperson Rajeh Badi in an interview with Reuters News, "If the Houthis are serious about sitting down for negotiations about implementing resolution 2216, they must publicly announce

their recognition of this resolution."

In the last week of September 2015, the capital city of Sanaa was the site of bloodshed and violence due to double suicide bombings at a mosque that left at least two dozen people dead and scores more seriously injured. Islamic State claimed responsibility for the attack at the al-Balili mosque, which ensued just as worshippers were celebrating the Eid al-Adha festival.

In the same period of late September 2015, the Red Sea port city of Mocha was struck by tragedy when suspected air strikes hit a wedding party, killing at least 130 people. The Saudi-led coalition operating in Yemen and charged with targeting the Houthi rebellion quickly dismissed any charges of culpability as follows: "There have been no air operations by the coalition in that area for three days. This is totally false news." Yet even as the Saudi-led coalition denied any responsibility for the incident, there were few other plausible explanations for a fatal air strikes in the area. It was unknown, however, as to whom was actually responsible for the deaths of more than 130 people at a wedding party. Not surprisingly, the United Nations expressed condemnation for the incident, noting that the air strikes were emblematic of "the disregard shown by all sides for human life" in Yemen.

On October 6, 2015, members of the Yemeni government were targeted in a terror attack on the Qasr hotel where they were staying in Aden. Prime Minister Khaled Bahah and members of his government escaped the double bombing at the hotel unharmed. But a series of attacks at two military installations housing coalition forces from the United Arab Emirates also took place on the same day with different results. The violence at the military outfits exacted a death toll as 15 progovernment and Saudi-led coalition forces were killed. While initial blame for the spate of attacks fell on the Houthis, the terror group, Islamic State, soon claimed responsibility. Clearly the Islamist terror group was taking advantage of the power vacuum created as a result of the power struggle between the Saudi-backed government and the Iranian-backed Houthis.

Meanwhile, also in late September 2015, President Hadi returned from exile in Saudi Arabia to his stronghold in the southern city of Aden. By the start of October 2015, President Hadi's government moved to sever its diplomatic ties with Iran. While there was no detailed explanation offered for the move, the general consensus was that the legitimate government of Yemen objected to Iran's backing of the Houthis, and viewed Iran's actions as overt acts of interference in its sovereign affairs. Of course, as discussed here, the fact remained that several countries, including a Gulf Arab alliance, were now intervening into the affairs of Yemen.

By October 2015, there was a glimmer of hope on the turmoil-etched Yemeni landscape as the Houthi rebels finally committed to the United Nations-brokered peace process, although it was not known if they officially accepted the terms of a prevailing United Nations resolution. In a letter, the Houthi leadership declared: "We, from our side along with other parties, commit to these seven points as one unified bundle. We welcome the UN call for all sides to return to the table of

dialogue." At issue was the seven-point Muscat peace plan that was forged in Oman and which stalled for some time, but was now being revived with the Houthis signing on to the deal.

Should the Houthis actually move forward by implementing the provisions of the Muscat agreement -- specifically, enacting a ceasefire, withdrawing from the cities, and accepting the return of the legitimate government to the capital city of Sanaa -- Yemen could well be backing away from the precipice of the crisis that has rocked the country for some time.

# **Special Report**

# P5+1 multilateral negotiations result in historic framework deal on Iran's nuclear program; agreement marks a significant achievement in diplomacy for the benefit of global security

# Summary:

The international community has been focused on aggressive multilateral negotiations between Iran and the P5+1 countries of the United States, the United Kingdom, France, Germany, Russia, and China, aimed at arriving at a landmark nuclear deal. At issue was the goal of forging an accord that would regulate Iran's nuclear program, its stockpile of enriched uranium, and curtail Iran's ability to develop a nuclear bomb. For Iran, the objectives were twofold. First, Iran hoped to prove that its nuclear development was for peaceful purposes and not aimed at weaponization, as charged by the West. Second, Iran was keen to end a painful international sanctions regime that has badly damaged Iran's economy.

Going back to January 2014, an interim Iranian nuclear deal went into force. Under the terms of that interim agreement, Iran began the process of diluting its stockpile of uranium enriched to 20 percent, with all such uranium expected to be eliminated within a six-month period. There were also provisions for inspections at the Arak heavy water reactor and the Fordo uranium enrichment site close to Qom. While the interim deal constituted only a first step in the diplomatic track, it was certainly a significant development in that process aimed at establishing an enduring accord. Indeed, it represented a sea change in Iran's relationship with the United States, which was actively evolving from one singularly marked by hostility to one of (albeit limited) engagement. Now, with a final nuclear deal at stake, it was to be seen if that engagement would be ultimately deemed productive.

At the end of March 2015, the P5+1 multilateral talks with Iran were set to end, with all eyes on a framework for a long-term agreement. But the negotiations were mired by various sticking points, prompting the parties to extend the negotiating process. Finally, in April 2015, after marathon talks, the P5+1 countries and Iran announced that the hard work of negotiations and diplomacy had yielded results, and that a framework agreement on Iran's nuclear program had been reached.

The agreement presaged a long-term deal, which would have to be made by the final "hard" deadline on June 30, 2015. The prevailing question continued to dominate: Could a final accord on Iran's nuclear program be forged? Nevertheless, the framework agreement marked a massive breakthrough in the realm of international diplomacy for the purpose of global security.

Political resistance from rival Republicans and skeptical Democrats in the United States Congress and from Iran itself could upend the deal. Nevertheless, new rounds of nuclear negotiations commenced later in the spring of 2015 with an eye on forging a sustainable final accord. That final agreement finally emerged on July 14, 2015, and, as expected, evoked passionate resistance from hardliners at home in Tehran, and in other capitals across the world, including Washington D.C.

Over the course of the rest of July 2015 and then through August 2015, the Obama administration in the United States was busy lobbying members of Congress to support the deal. The goal was to gain enough support to sustain the expected presidential veto on a so-called "disapproval resolution" being advanced by Republicans in the legislative chambers, with support from skeptical Democrats. Of course, the detrators of the deal were also doing their part to garner enough support to override the expected presidential veto. But by the start of September 2015, all signs posted to a political victory for President Obama and his administration's diplomatic efforts. Indeed, the Obama administration garnered enough Congressional support for the deal. Debate and voting on the "disapproval resolution" commenced in the second week of September 2015, with Democrats successfully blocking a vote in the Senate.

Note: Regardless of the political dimensions, the Iranian nuclear accord was being celebrated as a historic development in the realm of international diplomacy and global security.

See below for the major developments leading up to the deadline for a proposed landmark accord.

Background:

In September 2013, as the United Nations meeting of the General Assembly in New York was set to take place, there were plans afoot for a sideline meeting of the six world powers (generally known as P+5 composed of the permanent United Nations Security Council members -- the United States, the United Kingdom, France, Russia, and China -- as well as Germany) with Iranian Foreign Minister Javad Zarif. The main topic to be addressed would be re-engagement on the Iranian nuclear issue. The meeting, which would include United States Secretary of State John Kerry, would mark the highest level bilateral contact between the United States and Iran in three decades.

While the United States welcomed Iran's new tone and its interest in diplomacy, thanks to the election of the moderate Hassan Rouhani to the Iranian presidency, authorities in Washington D.C.

also made it clear that the proverbial ball "was firmly in Iran's court." Of course, of significanc was the fact that Rouhani, upon his election, said that he rejected extremism of any kind, reminded people that his moderate political orientation was compatible with Islam, and vowed to fulfill his campaign promises. At the top of that list was Rouhani's commitment to end the tough sanctions against Iran, which were imposed due to the West's conviction that the Iranian nuclear development program was not entirely for peaceful purposes, and included nuclear weaponization ambitions.

It should be noted that in his own address to the United Nations, President Rouhani excoriated the harsh sanctions regime that was imposed on Iran, characterizing the sanctions as "violent... pure and simple" He emphasized the fact that common people, rather than political elites, were the primary victims of the sanctions.

It was apparent that President Rouhani's speech at the United Nations was not a continuation of the international "charm offensive." Instead, it seemed that the speech was geared towards a domestic Iranian audience, intended to validate the economic suffering being suffered at home. That being said, Rouhani's admission regarding the damage done by the sanctions against Iran suggested that President Obama's "smart sanctions" policy was actually yielding results by forcing Iran from its former position of intransigence. As September 2013 came to a close, a remarkable shift on the geopolitical landscape occurred as United States President Obama and Iranian President Rouhani shared a historic call, marking the highest level direct contact between the leaders of two countries that have been in a state of enmity for decades.

By October 2013 and well into November 2013, landmark negotiations were under way to deal with Iran's controversial nuclear program and there were cautious hopes that an agreement might emerge. In November 2013, talks ended without an agreement although there was concurrence that negotiations should be pursued, with an eye on a deal in the future.

Economic Imperatives for Iran:

There were serious economic imperatives that could nudge Iran in the direction of productive negotiations. Due to the harsh international sanctions regime, Iran has had to overcome steep obstacles in selling its oil and receiving payments for its oil exports. In places where Iran was still able to sell oil, it has been stymied from receipt of funds due to prevailing sanctions, especially those levied by the United States. But if Iran was not able to sell its typical 2.6 million barrels of oil a day, or, if it was forced to sell those barrels at deep discounts, the decreased revenue inevitably had a debilitating effect on the Iranian economy, adding to the possibility of social unrest.

In 2013, United States data sources indicated that the crippling sanctions imposed by the Western countries on Iran were exacting a heavy toll. Indeed, these United States statistics showed Iranian oil exports tumbling to a 26-year low. The United States Department of Energy estimated that

Iran's oil exports earned less than \$70 billion billion in 2012 -- a 27 percent decrease as compared with \$95 billion in 2011. As well, the International Energy Agency -- a watchdog entity -- estimated Iran lost more than \$40 billion in export revenues in 2012.

While Iran was mitigating the effects of devolving oil exports via higher oil prices (at the time), and despite trying to circumvent the sanctions on Iran's central bank by trading oil for goods, there were reports that Iran was storing an unusually large volume of oil in supertankers in the Persian Gulf. This was due to dwindling purchasers from Asian markets. As noted by the Financial Times, all expectations were that Iran would eventually have to cut its already low production, which would exacerbate its burgeoning economic crisis. With Iranians feeling the pain of the sanctions in the form of inflation, the sliding value of its currency (the rial), and high unemployment, economic anxieties and public discontent characterized the socio-economic climate in Iran.

It was, thus, not surprising that the newly-inaugurated President Rouhani's first speech at the helm included a call for an end to the crippling sanctions against Iran. Of course, Rouhani had to be aware that those sanctions were not about to dissipate without diplomatic progress and measurable policy changes as regards Iran's nuclear program. It was to be seen how far Rouhani would be willing to go -- in terms of serious diplomatic engagement over its nuclear program --in order to lift Iran out of its dismal state of international alienation.

## Historic Diplomatic Shifts

The prospects for diplomacy -- or at least, for less hostile relations between Iran and the United States -- increased slightly in the third week of September 2013. In an interview with NBC News, Rouhani confirmed that United States President Barack Obama had sent him a letter after his election as Iranian president. President Rouhani characterized President Obama's letter in positive terms, saying to NBC journalist Ann Curry, "From my point of view, the tone of the letter was positive and constructive." Earlier, the White House said explained the correspondence with spokesperson Jay Carney saying that the United States was "ready to resolve the nuclear issue in a way that allows Iran to demonstrate that its nuclear program is for exclusively peaceful purposes."

It should be noted that during the interview with NBC News, Rouhani also said his administration would never develop nuclear weapons. Rouhani additionally dismissed speculation that he did not have the real political authority to substantively address the Iranian nuclear development issue by emphasizing that he possessed the full authority to forge a deal with the West.

As discussed here, by the second part of 2013, diplomatic engagement was under way, starting with the sideline meetings at the

United Nations General Assembly in New York between Iran and the six world powers (generally known as P+5 composed of the permanent United Nations Security Council members -- the

United States, the United Kingdom, France, Russia, and China -- as well as Germany).

Ahead of that landmark meeting, Iran seemed intent on softening its image on the world stage. In addition to the Iranian president signaling his interest in re-engaging in nuclear talks, Iranian authorities also pardoned and released 80 prisoners including leading opposition figures who have been persecuted and jailed in the aftermath of the disputed presidential election of 2009 that gave rise to the failed "Green Revolution."

After the meeting, more news stunned the world. Of note was the fact that President Obama had spoken directly to Iranian President Rouhani on the phone as the Iranian leader was en route to the airport in New York. The call could only be regarded as historic since it was the first direct contact between the leaders of the United States and Iran in almost 35 years. According to President Obama himself, the 10-15 minute discussion focused on Iran's nuclear program, and the conclusion reached was that there was a foundation for an agreement to be made. As stated by President Obama, "While there will surely be important obstacles to moving forward and success is by no means guaranteed, I believe we can reach a comprehensive solution."

For his part, President Rouhani appeared eager to move forward, saying he hoped to reach an agreement on his country's nuclear program within a six-month period. But perhaps more remarkable was President Rouhani's comments about his conversation with President Obama that he chose to share via Twitter. The Iranian leader tweeted: "In phone convo, President #Rouhani and President @BarackObama expressed their mutual political #will to rapidly solve the #nuclear issue." President Rouhani went further to note that he ended his call with President Obama by saying "Have a Nice Day!" to which President Obama responded by saying, "Thank you. Khodahafez." The word, "Khodahafez" is Persian for "May God be your Guardian."

This level of cultural respect and amity between the leaders of two nation states that have been in a state of enmity for more than three decades could only be regarded as stunning. Indeed, the fact that the Iranian president was apprising the world of his conversation with the leader of the free world -- Barack Obama -- via social media shocked even the CEO of Twitter himself. Dick Costolo issued the following observation, "I feel like I'm witnessing a tectonic shift in the geopolitical landscape reading @HassanRouhani tweets. Fascinating."

In the first week of October 2013, Iran's supreme leader, Ayatollah Ali Khamenei, endorsed the historic diplomatic progress made between his country and the United States. Via the Internet, Khamenei said: "We support the diplomatic initiative of the government and attach importance to its activities in this trip." However, Khamenei also expressed skepticism that actual progress could be made, adding, "We are pessimistic towards the Americans and do not put any trust in them." Nevertheless, the supreme leader's de facto endorsement bolstered the possibility -- however remote -- of bilateral progress and the possibility that a deal might, in fact, be reached on Iran's controversial nuclear program. Not all hardliners in Iran were as amenable to the new political

landscape as Rouhani was met by protesters chanting "Death to America" when he arrived in Tehran from his visit to the United States to attend the United Nations meeting of the General Assembly. Still, he was also greeted by supporters clearly pleased about the shift in tone in regards to relations with the United States.

## Demands of the West:

It should be noted that the P5+1 countries have called on Iran to stop its production and stockpiling of 20 percent enriched uranium (a capacity en route to the degree of enrichment needed to develop a nuclear weapon). They have also asked that Iran close its underground uranium enrichment facility at Fordo, close to the city of Qom, where most of the higher-grade enrichment is produced. Another demand entailed Iran ending its construction of a nuclear reactor in Arak. The United States was looking for verifiable evidence that Iran was taking action on such measures. Should these actions be taken, the P5+1 countries said they would entertain the possibility of easing the crippling sanctions regime that has terribly damaged Iran's economy. That being said, it is worth noting that without the pressure of this very crippling sanctions regime, it was hard to imagine that President Rouhani would have been elected to power in Iran in the first place, or that he would be engaging in diplomacy at all. As such, the success of the Obama administration's soft power approach of "smart sanctions" have to be acknowledged as the mean by which Iran was compelled to return to the diplomatic table.

Productive Negotiations but no deal (yet):

As intimated above in the section titled "Background", the first tranche of nuclear negotiations commenced in October 2013 in the spirit of cautious optimism. Iranian Deputy Foreign Minister Abbas Araqchi said, "We had very constructive, very good exchange of views, very serious. It was, I can say, very businesslike." However, Araqchi expressed caution as he added: "It's too soon to judge." Michael Mann, a spokesman for European Union foreign policy chief Catherine Ashton, appeared to back that version of the landscape as he said there was a sense of "cautious optimism." Mann later went further in suggesting that these were the first nuclear talks with Iran to go beyond the superficial level. He said, "For the first time, very detailed technical discussions continued." Likewise, Iranian Foreign Minister Javad Zarif and European Union foreign policy chief Catherine Ashton went so far as to issue a joint statement in which they characterized the talks as "substantive and forward-looking."

Israel showed little enthusiasm for the process with the government of that country releasing a statement that read as follows: "Iran will be judged by its actions and not its PowerPoint presentations. Until we see practical steps that prove Iran is decommissioning its military nuclear project, the international community must continue with the sanctions,"

A fresh round of negotiations ensued in November 2013. Iranian Foreign Minister Javad Zarif said

progress was being made, despite the "tough" nature of the talks taking place. In an interview with Reuters News, Zarif said, "The talks went well ... I'm hopeful that we can move forward. We are making progress, but it's tough." Meanwhile, Mann characterized the progress at the meetings as "good" but refrained from offering further details. Despite these encouraging statements by Zarif and Ashton, the meeting in Geneva ultimately ended without an agreement being forged on Iran's nuclear program. European Union foreign policy chief Catherine Ashton said, "A lot of concrete progress has been made, but some differences remain." Iranian Foreign Minister Javad Zarif took a measured tone in describing the failure to forge a deal when he said, "I think it was natural that when we started dealing with the details, there would be differences."

There were some suggestions, however, that it was not only the granularity of the details in the proposed deal that appeared to have derailed the negotiations process, but dissonance within the negotiations group itself. At issue, according to emerging media reports, was France's objection to the framework agreement. Specifically, France reportedly objected to the deal, believing that it would not do enough to curtail Iran's uranium enrichment. Another particular bone of contention was the heavy-water reactor being constructed close to the city of Arak that would be capable of produce plutonium. Of note was the fact that plutonium can be used as an alternate means (vis a vis uranium) to produce a nuclear bomb.

There were also some fissures between the United States and the European countries on the matter of what economic sanctions against Iran might be reversed as part of a proposal. Since the United States Congress initiated the harshest set of financial sanctions against Iran, and members of Congress were not in a mood to end them, United States President Barack Obama was looking towards a fairly circumscribed proposal involving Iranian funds frozen in overseas banks. Sanctions by the European Union could more easily be reversed -- but to do so precipitously could incur unwanted results, such as the challenge of reinstituting the sanctions if Iran did not fulfil its obligations in a future deal.

Taken together, the news at the time was that these unresolved issues complicated the conclusion of a deal. But it was soon revealed that there was a third -- and significant -- element that led to the end of negotiations in November 2013 without a conclusion. According to United States Secretary of State John Kerry, the central reason for the lack of an agreement was the fact that Iran had walked away from the deal on the table. This revelation seemed to supplement (perhaps even contradict) the conventional media reports that France's objections had derailed the deal-making process. In fact, Secretary of State John Kerry made clear that the deal on the proverbial table was approved by both France and the United States. In statements to journalists, Secretary of States top diplomat said, "The French signed off on it, we signed off on it, and everybody agreed it was a fair proposal....Iran couldn't take it at that particular moment; they weren't able to accept." Secretary of State John Kerry added that, given time, he had high hopes that the Iran and the P5+1 countries could "find an agreement that meets everyone's standards."

According to various sources, the main issue was not the Arak heavy-water reactor as had been suggested initially; indeed, the real sticking point was the same central source of controversy throughout the years: Iran's insistence on its right to enrich uranium.

Another round of talks was scheduled to be held later in 2013. Noteworthy was the fact that the new talks were of a lower level and would not involve foreign ministers. Still, the fact that the parties were willing to continue the negotiations suggested that there was an impetus to ultimately reach concurrence. For his part, Iran's top diplomat, Zarif, emphasized the positive aspect, saying: "What I was looking for was the political determination, willingness and good faith in order to end this. I think we're all on the same wavelength and that's important."

Of course, that "same wavelength" mentioned by Iranian Foreign Minister Zarif was cause for concern by Israel, with that country's prime minister, Benjamin Netanyahu, demanding that Iran relinquish all its uranium -- not just the uranium enriched to the 20 percent level discussed above -- and close the nuclear reactor at Arak. There was little likelihood that Iran would agree to a future deal involving the relinquishment of all its uranium, since such a move would foreclose any its leverage on the world stage.

That being said, the international power brokers were taking Israel's demands seriously. As stated by United States Secretary of State John Kerry, "There are very strong feelings about the consequences of our choices for our allies...We have enormous respect for those concerns." United States Secretary of State Kerry also dismissed Israeli Prime Minister Benjamin Netanyahu's excoriation of the proposed agreement as a "bad deal," saying instead, "We are confident that what we are doing can actually protect Israel more effectively and provide greater security."

IAEA report bolsters diplomatic track:

In a positive sign that the diplomatic track was not being abandoned, the International Atomic Energy Agency (IAEA) said it had actually reached an an agreement on cooperation with Iran aimed at resolving the concerns over its nuclear program. The head of the IAEA, Yukiya Amano, explained that the agreement facilitated inspections by the United Nations' nuclear watchdog group to visit the aforementioned Arak heavy-water reactor as well as the Gachin uranium mine.

Then, according to the quarterly IAEA report released in November 2013, Iran seemingly stopped expanding its uranium enrichment capacity in recent months and added no major components to its potential plutonium-producing reactor at Arak. Stated differently, Iran apparently "paused" its nuclear program for about three months.

The moves appeared to be geared towards bolstering the diplomatic track. As noted by Thomas Erdbrink, the Tehran bureau chief for the New York Times, via Twitter: "For past three months

Iran quietly essentially halted expansion and seriously slowed down production in nuclear program, unprecedented since '03."

Key findings of the report included the following: Minor work was done on Arak reactor and access to heavy water plant was granted for first time since 2011; production of enriched uranium was reduced; there were no new centrifuges in Fordo although there were four in Natanz.

Of course, despite these seemingly encouraging signs, there were also indications of Iranian intransigence. Indeed, the report made it clear that Iran was still forging ahead with some of its most controversial nuclear activity, such as the enrichment of uranium to fissile concentration of 20 percent -- the "problem" level on the precipice of weapons-grade material.

As such, Israeli Prime Minister Benjamin Netanyahu emphasized that he was "not impressed" by the so-called concessions by Iran. He said, "They've got enough facilities, enough centrifuges to develop and to complete the fissile material which is at the core of an atomic bomb."

Perhaps not surprisingly, there remained a call for Iran to take much more significant steps in assuaging the international community of its peaceful nuclear ambitions, including the suspension of uranium enrichment.

Accordingly, the report was reflective of the diplomatic landscape. From the point of view of Iran, it had made several concessions in the interest of finding a diplomatic solution; from the point of view of the West, the framework for agreement had to include the suspension of uranium enrichment.

Interim breakthrough deal forged on Iranian nuclear program:

A new round of talks in Geneva began at the end of November 2013. This time, hopes of an agreement were now more subdued due to the fact that the earlier negotiations had not ended as the diplomats had hoped. Moreover, foreign ministers from the P5+1 countries were not present as they had been in the previous round of negotiations. For the moment, at least, the talks would go forward at a "lower level" of diplomatic engagement, although the goal remained the same: to forge a comprehensive accord on Iran controversial nuclear program.

Presumably, progress was actually being made as United States Secretary of State John Kerry arrived in Geneva. The presence of the United States top diplomat hinted towards the possibility that negotiations were moving in a productive direction. According to Jen Psaki, the spokesperson for the United States Department of State, Kerry had traveled to Geneva to "help narrow the differences and move closer to an agreement." She also indicated that the immediate objective was to reach an agreement that would ensure a temporary freeze on Iran's nuclear program for a six-month period. That halt would effectively give negotiators more time to pursue a

comprehensive accord on Iran's controversial nuclear program and to ensure that Iran was not allowed to build a nuclear weapon.

Late in the evening on Nov. 23, 2013, Iran and the six world powers (the United States, the United Kingdom, France, Germany, Russia, and China) announced that an interim breakthrough deal had been forged on Iranian nuclear program. The announcement was made with great enthusiasm by the foreign ministers of all of the countries involved in the negotiations process. The landmark agreement would temporarily freeze Iran's nuclear activities, even rolling back certain elements, in return for circumscribed sanctions relief. The six-month halt would lay the foundation for a future accord by building confidence between sides who have little history of cooperation, and offering time to carry about the difficult task of drafting that agreement.

Baroness Catherine Ashton, the European Union foreign policy chief, noted that the accord included "reciprocal measures by both sides." She explained that the terms of the agreement would be coordinated by the International Atomic Energy Agency (IAEA).

The central provisions of the deal were as follows:

- Iran would curtail its nuclear activities for an initial six-month period

- Iran's uranium enrichment activities would be limited to levels below five percent purity -- the level needed to make a nuclear bomb

- Iran would neutralize its stockpile of near-20 percent enriched uranium (via dilution to less than five percent or conversion to a form that cannot be further enriched)

- Iran would refrain from installing further centrifuges used to enrich uranium

- Iran would ensure that at least half of the centrifuges at the Natanz and Fordo enrichment facilities were inoperable

- Iran would halt work on the construction of its heavy-water reactor at Arak and refrain from plutonium production there

- Iran would provide access to its nuclear facilities to international inspectors in order to verify that it was keeping its commitments

- In return for these moves, Iran would garner limited relief from sanctions and would not be subject to further sanctions for a period of six months

It should be noted that the sanctions relief included a suspension of restrictions on Iran's petrochemical exports and certain other sectors such as gold and precious metals, thus yielding \$1.5 billion in revenue. As well, \$4.2 billion from sales of Iranian oil would be allowed to be transferred in installments. Finally, there would be no new sanctions imposed on Iran for six months.

For his part, Iranian Foreign Minister Mohammad Javad Zarif said, "This is only a first step." He continued, "We need to start moving in the direction of restoring confidence, a direction in which

we have managed to move against in the past." Zarif also said the agreement presented an opportunity for the "removal of any doubts about the exclusively peaceful nature of Iran's nuclear program." Zarif was adamant that Iran had not relinquished its right to enrich uranium, albeit within a framework for usage that met the requirements of the deal at hand. He said, "We believe that the current agreement, the current plan of action as we call it, in two distinct places has a very clear reference to the fact that Iranian enrichment program will continue and will be a part of any agreement, now and in the future."

That latter issue could present a bone of contention since the United States emphasized that the deal forged in Geneva, in fact, held no reference to an Iranian right to enrich uranium. That being said, the fact of the matter was that this agreement was the first significant development in years on the issue of Iran's controversial nuclear program, which has periodically raised the specter of military actions.

Accordingly, United Kingdom Foreign Secretary William Hague said the agreement was "good news for the whole world." As well, French Foreign Minister Laurent Fabius said, "After years of blockages, the agreement in Geneva on Iran's nuclear program is an important step to preserving security and peace." Meanwhile United States Secretary of State John Kerry argued that the agreement would "make our partners in the region safer." He added, "It will make our ally, Israel, safer."

Israeli prime minister Benjamin Netanyahu had a very different view of the matter and angrily denounced the deal saying, "This is a bad agreement that gives Iran what it wanted: the partial lifting of sanctions while maintaining an essential part of its nuclear program." Netanyahu also said that Israel did not feel bound by the agreement, thus suggesting that his country might carry out its own unilateral action against Iran if it felt that action would be in the best interests of Israel.

Regardless of these threats by Israel, United States President Barack Obama welcomed the agreement, and emphasized that the terms of the deal included "substantial limitations which will help prevent Iran from building a nuclear weapon." As well, President Obama noted that Iran would be held to account on keeping the commitments set forth in the deal. In a news conference, the United States president noted that if Iran violated the terms of the agreement, "We will turn off the relief and ratchet up the pressure."

Obama and the Iranian deal --

While the deal constituted only a first step in the diplomatic track, it was certainly a significant step on the path towards rapprochement between the Islamic state of Iran and the West at large. Indeed, the accord represented a sea change in Iran's relationship with the United States in particular, which was actively evolving from one marked by hostility to one of engagement. It was to be seen if that engagement would be ultimately deemed productive. On the issue of engagement, it should be noted that the United States and Iran had been carrying out clandestine face-to-face meetings over the course of the year -- beginning prior to the election of President Rouhani. According to a report by the Associated Press, William Burns -- the United States Deputy Secretary of State -- and Jake Sullivan -- the senior foreign policy adviser to Vice President Joe Biden -- convened meetings with Iranian officials several times earlier in 2013, with some of their talks taking place in the country of Oman. These meetings, which were authorized by United States President Barack Obama, were kept hidden from United States allies, including Israel, until September 2013.

Of key importance was the realization that this agreement with Iran was not simply a sudden development resulting from marathon negotiating sessions only in the month of November 2013. Instead, the accord was the fruit of President Obama's vision of outreach to Iran, matched by time-consuming diplomacy, and marked by several key confidence-building steps aimed at dispelling the doubt, dissonance, suspicion, and even enmity that had, until this time, characterized United States-Iranian relations.

Indeed, the revelations about secret meetings with the Iranians gave weight to the view that Barack Obama had been serious when he advocated for direct negotiations with Iran back in 2008 during his campaign for the presidency of the United States. Barack Obama's outreach towards Iran was pilloried by hardline factions in the United States in 2008, although it was this policy of vigorous diplomacy that gained him support during the primary election process from a United States citizenry weary from wars already taking place at the time in Iraq an Afghanistan. Since becoming president, Barack Obama's "smart sanctions" approach to pressuring Iran was also subject to complaint and criticism from conservatives in the United States political sphere, who were calling for a military solution instead.

Ideological differences aside, there was no debating the fact that it was the Obama administration's imposition of "smart sanctions" that compelled Iran to come to the negotiating table in 2013. In fact, "smart sanctions" may have even driven the Iranian populace -- now tired of economic pressures such as inflation wrought by these punishing sanctions -- to select the most moderate of the presidential candidates in that country's 2013 election. Certainly, the election of Rouhani in Iran appeared to have acted as an imprimatur for diplomacy and engagement by the Iranian political establishment.

Indeed, it was abundantly clear that despite the disapproval and criticism from hardliners and conservatives in the United States and Iran respectively, the diplomatic track was -- for the moment -- yielding results. Of course, its ultimate success was yet to be determined. That success would be affected by the question of whether or not the United States Congress pushed forward new sanctions against Iran. While the Republican-led House of Representatives was likely to support such a move, the Democratic-led Senate was still considering the best course of action. All

expectations were that the Senate would likely wait for the passage of the six month period specified in the interim nuclear deal before moving forward with fresh sanctions.

For his part, President Barack Obama shot back at his hawkish critics who opposed the recently brokered nuclear deal with Iran, emphasizing that their rhetoric was good for politics but did little to advance national security.

President Obama also emphasized the fact that he made no secret of his foreign policy agenda during his time as Candidate Obama, noting that he was keeping his campaign promises to end the wars in Iraq and Afghanistan, and to engage with Iran for the purpose of ensuring that country was not able to manufacture a nuclear bomb. During a visit to California at the end of November 2013, he said, "When I first ran for president I said it was time for a new era of American leadership in the world, one that turned the page on a decade of war and began a new era of our engagement with the world." He continued, "As president and as commander in chief, I've done what I said."

The United States president had a particularly direct response to his critics at home regarding the Iranian deal, as he declared, "Huge challenges remain, but we cannot close the door on diplomacy, and we cannot rule out peaceful solutions to the world's problems. We cannot commit ourselves to an endless cycle of conflict... Tough talk and bluster may be the easy thing to do politically, but it's not the right thing for our security."

The president also emphasized the human cost of that "endless cycle of conflict." Speaking of his visits to the Walter Reed National Military Medical Center where injured soldiers were treated for their war wounds, President Obama said, "I spend too much time at Walter Reed looking at kids -- 22, 23, 24, 25 years old -- who've paid the kind of price that very few of us in this room can imagine on behalf of our freedom, not to say that I'm going to do every single thing that I can to try to resolve these issues without resorting to military conflict."

His words appeared to have found resonance with the American citizenry. Although he was suffering from low approval ratings -- as was the case for all United States politicians from the two main parties -- President Obama's foreign policy approach to dealing with Iran was earning him high marks. According to a Reuters/Ipsos poll, Americans were backing the Obama administration's Iran deal by 2-to-1 margin. As well, the polling data showed a war-weary American citizenry -- indeed, one mistrustful of the Iranians yet highly skeptical of further military action, even if the diplomatic track with Iran failed to yield positive results. According to the poll, if the Iranian deal on the table were to fail, close to 50 percent of people preferred the notion of increased sanctions against Iran, 31 percent favored greater diplomacy, and a paltry 20 percent favored military force against Iran. Stated differently, despite strong Republican support for a hardline approach to Iran, there was actually no public appetite for it.

That being said, for President Obama, there was also the question of political legacy. He could

potentially enter history as the president who crafted a landmark deal with Iran, paving the way for greater global security -- or -- he could be the president who allowed Iran to move further along the path to becoming a nuclear power in the world's most volatile region.

Date set for Iranian nuclear deal to go into force:

In January 2014, a date was set for the Iranian nuclear deal to go into force. On Jan. 20, 2014, Iran would begin the process of diluting its stockpile of uranium enriched to 20 percent, with all such uranium expected to be eliminated within a six-month period. As well, there would be provisions for monthly inspections at the Arak heavy water reactor, and daily access made available to nuclear inspectors to the Fordo uranium enrichment site near the holy city of Qom.

United States President Barack Obama applauded the news of a "go-forward" date but also acknowledged that further effort was needed to forge a long-term deal. He warned that fresh sanctions would be afoot if Iran violated the terms of the deal. In a statement, President Obama said "Beginning 20 January, Iran will for the first time start eliminating its stockpile of higher levels of enriched uranium and dismantling some of the infrastructure that makes such enrichment possible...Meanwhile, we will continue to vigorously enforce the broader sanctions regime, and if Iran fails to meet its commitments we will move to increase our sanctions." Of course, it should be noted that the very deal could be thwarted by the effort of the United States Congress, which was preparing to impose additional sanctions. For his part, President Obama made it clear that he would veto any legislation that advanced fresh new sanctions during the period when there were ongoing negotiations with the Iranians.

United States Secretary of State John Kerry echoed President Obama's sentiments, as he lauded the implementation of the nuclear agreement with Iran as a significant step, while also noting the difficulties in forging a longer-term deal. Secretary of State Kerry warned the next phase of negotiating a long-term nuclear agreement presented a "far greater challenge." He said, "The negotiations will be very difficult but they are the best chance that we have to be able to resolve this critical national security issue peacefully and durably."

Developments related to the interim nuclear deal in 2014:

On Jan. 20, 2014, the landmark nuclear deal went into effect with Iran starting the process of curbing uranium enrichment. To this end, the IAEA confirmed that Iran had ceased enriching uranium above five percent purity mark at both the Nantaz and Fordo facilities. Meanwhile, the Iranian media was reporting that the centrifuges used for enrichment at the Natanz plant were disconnected. As he announced this very process at Natanz, the head of Iran's Atomic Energy Organization, Ali Akbar Salehi, said "The sanctions iceberg against Iran is melting." In exchange, the United States and the European Union would respond with limited sanctions relief. Casting the commencement of the agreement in positive light, Catherine Ashcroft, the European Union's

foreign policy head, said, "This is an important day in our pursuit of ensuring that Iran has an exclusively peaceful nuclear program." A day later on Jan. 21, 2014, the IAEA said that the first round of inspections went well and, as such, there was a need to double the size of the inspection team used to monitor nuclear activity.

Moving forward to February 2014, the attention was on the negotiations aimed at finding a permanent resolution to Iran's controversial nuclear program. For the West, that hypothetical agreement would delineate the parameters of an acceptable nuclear program for Iran and alleviate their suspicions about Iran's ambitions to build a nuclear bomb. For its part, Iran has consistently insisted that its nuclear program is for peaceful purposes only; however, Iran has had a poor record of cooperating with the IAEA, and its secretive activities at clandestine nuclear facilities have only added to the West's anxieties.

As the P5+1 countries met in February 2014, the Iranian foreign minister acknowledged that forging an agreement would be difficult, but he also expressed optimism that a permanent deal was possible. Iranian Foreign Minister Mohammad Javad Zarif said, "If all sides enter the talks with the political will, we will be able to reach positive results. But it will take time." The United States was more restrained about its stance, indicating that the negotiations had a 50 percent chance of success -- and failure.

Overall, the fact that Iran was actively involved in the diplomatic track represented a sea change, Indeed, Iran's relationship with the United States was actively evolving from one marked by hostility to one of engagement. It was to be seen if that engagement would be ultimately deemed productive.

The IAEA noted at the start of March 2014 that although much work remained, Iran was nonetheless meeting its obligations to reduce its nuclear stockpile as required by the prevailing nuclear deal. Of particular note was the dilution of its stock of higher-enriched uranium to a lower fissile concentration that would be unsuitable for making an atomic bomb. Yukiya Amano, the head of the IAEA, said that Iran had made enough progress to warrant receipt of a March 1, 2014, installment of funds previously blocked by sanctions (the total in this case would be about \$450 million).

At the same time, the West continued to pressure Iran to address its suspicions over the design and manufacture of an atomic bomb -- activity Iran has insisted was not occurring. The United States warned that Iran would have to satisfy the West's doubts on this matter if they were to forge a final settlement over Tehran's nuclear program. As noted by the United States' ambassador to the IAEA, Joseph Macmanus, "It is a central element to this negotiation, and all parties recognize that." Iran has shown some willingness in this regard, having agreed to provide answers in regard to the development of fast-acting detonators with both military and civilian applications. The West, however, has cautioned that more effort must be expended by Iran.

Multilateral talks in March 2014 were marked by a willingness to negotiate, juxtaposed against tensions due to disagreements on the future of the Arak heavy water reactor that could potentially produce plutonium for the manufacture of atomic bombs. Another source of contention centered on the level of uranium enrichment to be conducted in Iran. There were no resolutions forged on these matters and the two sides simply agreed to meet again in April 2014.

Meanwhile, as the March 2014 talks were taking place, revelations emerged about Iran's continued purchase of prohibited components links with the country's nuclear program. According to Vann Van Diepen, the Principal Deputy Assistant Secretary of State for International Security and Non-Proliferation, said Iran was still forming front companies that were being used to conceal their nuclear procurement activities. In an interview with Reuters News, Van Diepen said, "They still continue very actively trying to procure items for their nuclear program and missile program and other programs." He added, "We continue to see them very actively setting up and operating through front companies, falsifying documentation, engaging in multiple levels of trans-shipment ... to put more apparent distance between where the item originally came from and where it is ultimately going." While the purchase of such components do not violate the recent breakthrough nuclear agreement (discussed directly above), they were nonetheless in contravention of the 2006 United Nations embargo that bans other countries from providing Iran with materials and supplies needed for a nuclear and missile development program. Iran had no comment in response to these allegations.

In April 2014, the world's nuclear watchdog group -- the International Atomic Energy Agency (IAEA) -- announced that Iran had "reduced its stockpile of higher enriched uranium by half, in keeping with a prevailing nuclear agreement aimed at easing the harsh sanctions regime against Iran. To be specific, Iran diluted half of its higher enriched uranium reserves to a fissile levels unsuitable for nuclear proliferation. As well, Iran has continued to convert the other half of its stockpile of 20 percent enriched uranium into oxide for making reactor fuel.

On the other side of the equation, the IAEA made note of the fact that the commissioning of a facility intended to transpose lower enriched uranium into oxide powder had been delayed. Of concern here was the fact that without such a facility in effect, Iran would be stockpiling greater quantities of low enriched uranium. According to the IAEA, Iran has said that it still intends to convert the uranium, irrespective of the plans for the construction of this particular plant.

These developments overall showed that Iran was making good on its promise to abide by its commitments enshrined in the deal. In return, Iran was incrementally gaining access to some of its previously frozen overseas funds. Indeed, the United States Department of State soon announced that it was moving to release as much as \$450 million in blocked assets in response to the IAEA assessment. As well, there were reports that Japan has made two more payments totaling \$1 billion to Iran for crude oil imports.

At the start of July 2014, United States Deputy Secretary of State Bill Burns was expected to participate in multilateral negotiations in the Austrian capital of Vienna aimed at finalizing a long-term nuclear deal by July 20, 2014. Burns' participation indicated the possibility of bilateral negotiations between the United States and Iran on matters beyond the nuclear politics, quite possibly touching upon the security crisis rocking Iraq at the hands of Sunni extremist terrorists.

With an eye on facilitating a productive path, it was soon announced that United States Secretary of State John Kerry, along with the foreign ministers from the United Kingdom, France, Germany, Russia and China, would be joining the negotiating table. The presence of the six foreign ministers from the P5+1 nation states was not necessarily a sign that a long-term deal to resolve concerns over Iran's nuclear could be reached by the July 20, 2014, deadline. Instead, the conventional wisdom remained that an extension of the existing deal was likely necessary, but to even reach that point, the distance between negotiating positions had to be narrowed. The participation of the top diplomats from the P5+1 nation states was more than likely aimed at narrowing that gap.

By July 14, 2014, following the conclusion of this round of nuclear talks in Vienna, United States Secretary of State John Kerry made clear that if Iran wanted to secure a long-term agreement with the world powers and bring an end to damaging sanctions, it would have to reduce its capacity to make nuclear fuel. In an address to the media, Secretary of State Kerry said, "We have made it crystal clear that the 19,000 (nuclear centrifuges) that are currently part of their program is too many."

For its part, Iran was attempting to advance an alternative path with Iranian Foreign Minister Mohammad Javad Zarif suggesting that Iran might keep its enrichment program at existing levels for a few years (essentially an extended "pause"), while also holding onto the 19,000 centrifugs it had installed for an industrial-scale uranium enrichment program. However, the P5+1 countries were not as interested in that type of concession as they were seeking to ensure that Iran simply did not pursue nuclear fuel needed for the manufacturing of a nuclear bomb. In fact, as noted by United States Secretary of State John Kerry, the very notion that Iran would be able to keep all of its existing centrifuges was simply "out of the question."

While it was not clear that there would be a meeting of the minds on the actual path forward, both sides seemed earnest in their efforts to advance the negotiations with Kerry saying, "It is clear we still have more work to do and our team will continue to work very hard to try to reach a comprehensive agreement that resolves the international community's concern." He added, "There are more issues to work through and more provisions to nail down to ensure that Iran's program can always remain exclusively peaceful." Zarif's comments echoed a similar tone as Kerry's as the Iranian foreign minister saying, "I see an inclination on the part of our negotiating partners that they believe more time may be useful and necessary."

As expected, on July 18, 2014, it was announced that the deadline for reaching a deal on Iran's nuclear program would be extended for four months until November 2014. The extension would provide all parties with more time to engage in nuclear negotiations, with the goal of achieving a final deal by Nov. 24, 2014. A joint statement issued by the European Union foreign policy chief, Catherine Ashton, and Iran's Foreign Minister Mohammad Javad Zarif, read as follows: "There are still significant gaps on some core issues which will require more time and effort."

During the four-month extension period, most sanctions against Iran would remain in place; however, Iran would be permitted to access an additional \$2.8 billion of its frozen assets. United States Secretary of State John Kerry said that in exchange for the access to these funds, Iran would continue to use its most problematic stores of uranium (those enriched to a level of 20 percent) for a research reactor that is used to make medical isotopes. Kerry also addressed the contentious issues requiring more negotiations as he said, "There are very real gaps on issues such as enrichment capacity at the Natanz enrichment facility. This issue is an absolutely critical component of any potential comprehensive agreement. We have much more work to do in this area, and in others as well."

NOTE: As of 2015, a final agreement had been forged, as discussed below.

2015 Update on Nuclear Negotiations:

As of March 2015, despite a diplomatic contretemps between the United States and Israel over multilateral nuclear negotiations with Iran, the diplomatic process was ongoing.

That contretempts reached new heights on March 3, 2015, when Israeli Prime Minister Benjamin Netanyahu went to Capitol Hill in the United States to give an address to Congress. In that speech, he warned that the nuclear deal being negotiated by global powers and Iran in Geneva, Switzerland, would actually herald a nuclearized Iran. To this end, he said, "This deal doesn't block Iran's path to the bomb, it paves Iran's path to the bomb." Disparaging the efforts being carried out by United States Secretary of State John Kerry and his counterparts from the United Kingdom, France, Germany, Russia and China, Netanyahu said: "We've been told that no deal is better than a bad deal. Well this is a bad deal, a very bad deal."

Not surprisingly, the Israeli leader had harsh words regarding Iran, reminding the chamber -- and the worlds -- that "Iran's regime is as radical as ever, the ideology is deeply rooted in militant Islam... it will always be an enemy of U.S." He also noted that the Iranian imprint was growing in the Middle East, as it meddled in the affairs of countries such as Iraq and Yemen, while backing Lebanon-based Hezbollah. To this end, Nentanyahu said that Iran was on a "march of conquest, subjugation and terror."

Netanyahu's speech, despite the boycott by as many as 60 Democrats, was well-received by the

Republican-dominated Congress. Indeed, Republicans in Congress made a point to giving the Israeli leader a far warmer reception, with more boisterous applause than had been conveyed to President Barack Obama at the State of the Union less than two months earlier.

For its part, the White House blasted the Israeli prime minister's address as being filled by rhetoric and short of good ideas. As noted by President Obama himself after the Netanyahu visit to Capitol Hill, "On the core issue, which is how to prevent Iran from obtaining a nuclear weapon which would make it far more dangerous, the prime minister [Netanyahu] did not offer any viable alternatives."

Nevertheless, the fact of the matter was that Netanyahu's address was a political success that would likely help him with hardline voters at home, while currying favor with hardliners across party lines in the United States. Of course, it was more difficult to ascern whether the Netanyahu speech was necessarily in the best interests of the United States.

The reality was that without an agreement of some sort, Iran would likely move forward with the pursuit of its nuclear program, which could potentially involve bomb production. Indeed, it was only the interim nuclear deal (set to expire in mid-2015), which created the space for nuclear negotiations to take place, that had brought any halt to Iranian nuclear activities. Before the interim agreement was forged, despite the imposition of harsh sanctions, Iran would be free to resume unfettered nuclear activities.

Of note was the fact that President Obama and Prime Minister Netanyahu have viewed the Iranian nuclear problem differently. For President Obama, the imperative has always been the same: To prevent Iran from producing a nuclear bomb. But for Prime Minister Netanyahu, the objective has been to prevent Iran from having nuclear capability. While the two respective goals overlap, they must be understood distinctly.

A good deal for President Obama would be one in which Iran's nuclear program is curtailed, regulated, and monitored to the extent that its breakout time for creating a bomb would be lengthy and difficult. No deal would likely be acceptable to Prime Minister Netanyahu, who was determined to see Iran's nuclear capability ended in totality, and all of its nuclearfacilities dismantled. Short of military action, it was difficult to see how Netanyahu's goals would be accomplished. But even military strikes would be risky since multiple sites -- from the uranium enrichment plants at Natanz and Fordo, to the heavy-water plutonium reactor at Arak, not to mention an array of laboratories and mines at stake.

Of significance was the fact that the very case by Israel (at least, as conveyed by Netanyahu) was being tarred by questions of credibility. At issue was the release of a cache of confidential intelligence documents that appeared to contradict Netanyahu's claims about Iran being imminently positioned to manufacture a nuclear bomb. Leaked cables -- reportedly from South African intelligence. but which were shared with certain news outlets -- indicated that in an address before the United Nations in 2012, the Israeli leader misrepresented Iran's progress on nuclear development, and even contradicted Israel's own Mossad secret service to make that claim.

Going back to 2012, Netanyahu famously stood before the United Nations General Assembly with a cartoon depiction of a bomb with a red line and declared that Iran would be positioned to build a nuclear weapons the following year. As such, he demanded global action to prevent Iran from achieving that end. Now, however, in 2015, the leaked documents, which were shared with Al-Jazeera and published by The Guardian newspaper, included conclusions from Israel's own Mossad intelligence agency that Iran was "not performing the activity necessary to produce weapons." The Mossad briefing did note that Iran appeared to be moving in a direction "which will reduce the time required to produce weapons." However, the Mossad briefing also asserted that Iran "does not appear to be ready" to enrich uranium to the higher levels necessary for nuclear weapons. (The manufacture of a nuclear bomb would require enrichment of 90 percent.)

It should be noted that in response to the revelations ensconced in these leaked documents, the Israeli government said there was little difference in Netanyahu's claims as compared with Mossad's findings. Both agreed that Iran was indeed seeking to manufacture a nuclear bomb.

Regardless of Iran's actual intent or the actual timeline at stake, the difficult diplomatic work of trying to forge an agreement that would prevent Iran from producing a nuclear weapon was ongoing.

It should be noted that in the aftermath of the Netanyahu speech, United States Secretary of State John Kerry warned that simply demanding Iran's capitulation was unlikely to compel that country to voluntarily halt its nuclear development program. Kerry's remarks intimated criticism for the muscular language emitted by the Israeli leader, which were heavy on rhetoric but unlikely to achieve actual results. Instead, Secretary of State Kerry noted that the diplomatic path presented a serious path forward. He said, "No one has presented a more viable, lasting alternative for how you actually prevent Iran from getting a nuclear weapon. So folks, simply demanding that Iran capitulate is not a plan. And nor would any of our P5+1 partners support us in that position." At the same time, Secretary of State Kerry made clear that the while the hard work of diplomacy was yielding results, there remained "significant gaps and important choices that need to be made" by Iran.

In Iran, President Hassan Rouhani emphasized his country's position. Rouhani indicated that Iran was prepared to subject itself to greater scrutiny, in order to satisfy the international community's concerns about nuclear weapons production. But at the same time, he reiterated Iran's long-standing stance that it was entitled to nuclear development. Rouhani said, "If the basis of these negotiations is for increased transparency, we will accept greater transparency. But if the

negotiations are trying to prevent the people of Iran from their inalienable right, in other words advancement in science and technology, it is very natural that Iran will not accept such an understanding or agreement."

Of course, concerns about Iranian nuclear development, and a potential nuclear deal, extended not only to Israel but also to the Sunni Arab world. Of note was the ever-increasing sectarian divide between Shi'ites and Sunnis in the Middle East since the invasion of Iraq in 2003, and the Arab Spring in 2011. With this schism only deepening, Sunni countries, such as Saudi Arabia, were increasingly concerned about an ascendant Shi'ite Iran. Indeed, Iran already had its imprint in the Syria-Lebanon area due to tacit support of Hezbollah, and had tightened its alliance with Iraq in the post-Saddam Hussein era, and was now believed to be clandestinely backing the Shi'ite Zaidi rebellion (known as the Houthi rebellion) in Yemen. The notion of a nuclearized Iran, already with its tentacles stretching across the region, was not regarded positively by several Arab countries. Accordingly, Secretary of State Kerry traveled to Saudi Arabia to calm the anxieties of several Sunni Arab countries, including Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and Saudi Arabia itself, regarding a potential Iranian nuclear deal.

Speaking to this issue, Secretary of State Kerry said, "For all the objections that any country has to Iranian activities in the region, and believe me, we have objections and others in the world have objections, the first step is to prevent Iran from acquiring a nuclear weapon." At stake was the goal of reaching the "right deal," which Kerry said would "close off any paths that Iran could have towards fissile material for a weapon."

To that end, the diplomatic track was continuing and the latest round of multilateral talks -involving the United States, the United Kingdom, France, Germany, Russia, and China -appeared to be making progress, with all eyes on late March 2015 as a possible timeline for a deal, with the details ironed out and solidified by a mid-2015 deadline.

United States Secretary of State John Kerry indicated that the negotiations were productive, saying to the media: "We made progress." His Iranian counterpart, Foreign Minister Mohammad Javad Zarif, said they were forging "a better understanding" at the negotiating table.

The comprehensive pact appeared to be geared towards constraining Iran's nuclear breakout capability, and restricting Iran's nuclear activities for a 10-year period, with an easing of restrictions on nuclear development after that time. Under consideration was a plan to deal with most of Iran's enriched uranium externally, or to convert it to a form that would not be easily used in weapons development. Overall, there would be strict curbs on Iranian nuclear development for a decade, particularly with regard to the handling of enriched uranium and the number of centrifuges at stake. But there would also be "rewards" of sorts for Iranian compliance and cooperation in the form of gradually eased restrictions and the lifting of sanctions. The United Nations' nuclear watchdog agency, the International Atomic Energy Agency, would play a central role in any

proposed deal, and would have the primary responsibility of monitoring Iran's compliance and cooperation.

In the second week of March 2015, in the wake of the controversial Netanyahu address to Congress, 47 Republican senators published an open letter to Iran. The signatories to that document sought to instruct the Iranian government about United States constitutional law, which they suggested the Iranians might not "fully understand." The letter, which was spearheaded by freshman Republican Senator Tom Cotton of Arkansas, made the claim that any nuclear deal that might emerge from the negotiations in Switzerland would be "nothing more than an executive agreement between President Obama and Ayatollah Khamenei," and thus require congressional approval while being subject to revocation by a future president. To this end, the letter included the following sentence: "The next president could revoke such an executive agreement at any time."

It was difficult to interpret the missive as anything other than a transparent attempt to undermine President Barack Obama's leadership in the realm of foreign policy. Indeed, editorials from more than 22 cities across the country excoriated the 47 Republican senators for their action, which they characterized as a reckless and partisan stunt. Some newspaper boards even argued that by dispatching that missive, te 47 Republican senators were marching the country down the road of war. Almost all the editorials vociferously criticized the 47 Republican senators for betraying the national interests of the United States, whose constitution, accords broad authority to the president to conduct foreign policy.

From the Senate, Minority Leader Harry Reid -- the top Democrat in the upper chamber -minced no words as he declared: "Let's be clear: Republicans are undermining our commander in chief while empowering the ayatollahs." Former Secretary of State Hillary Clinton, who was expected to seek the Democratic nomination for president in 2016, entered the fray, saying that the letter's signatories could only be motivated by one of the following two rationales. She said, "There appear to be two logical answers. Either these senators were trying to be helpful to the Iranians or harmful to the commander-in-chief in the midst of high-stakes international diplomacy. Either answer does discredit to the letter's signatories." White House spokesperson, Josh Earnest, said the letter was intended to undermine diplomacy and could spur a "rush to war, or at least the rush to the military option."

For his part, President Barack Obama responded to the infamous letter by accusing the 47 Republican senators of "interfering" in nuclear negotiations -- an arena typically reserved for the executive branch of government. He also sardonically noted that the 47 signatories constituted an "unusual coalition" with Iran's hard-line religious leaders, who have also opposed the nuclear negotiations. As noted by President Obama: "I think it's somewhat ironic to see some members of Congress wanting to make common cause with the hardliners in Iran. It's an unusual coalition." Vice President Joe Biden -- a former Senator himself and the official president of the upper

chamber -- was more vituperative in his condemnation. Vice President Biden said that the letter from the 47 Republicans was "beneath the dignity of an institution I revere." He added, "In 36 years in the United States Senate, I cannot recall another instance in which Senators wrote directly to advise another country -- much less a longtime foreign adversary -- that the president does not have the constitutional authority to reach a meaningful understanding with them,"

Of significance was the reaction by the Iranian Foreign Minister, Dr. Javad Zarif, who dismissed the letter as a "propaganda ploy." Zarif said, "In our view, this letter has no legal value and is mostly a propaganda ploy. It is very interesting that while negotiations are still in progress and while no agreement has been reached, some political pressure groups are so afraid even of the prospect of an agreement that they resort to unconventional methods, unprecedented in diplomatic history. This indicates that like Netanyahu, who considers peace as an existential threat, some are opposed to any agreement, regardless of its content."

Educated in the United States himself, the Iranian foreign minister did not shy away from showing his own constitutional chops, intimating that the Republican Senators who signed onto the letter may not been fully conversant with the United States Constitution. To this end, Zarif said, "A change of administration does not in any way relieve the next administration from international obligations undertaken by its predecessor in a possible agreement about Iran's peaceful nuclear program." Zarif also noted that a move by a future president to dismantle a yet-to-be-achieved nuclear agreement would be in contravention to international jurisprudence, saying, "I wish to enlighten the authors that if the next administration revokes any agreement with the stroke of a pen, as they boast, it will have simply committed a blatant violation of international law."

To be sure, the letter from the 47 Republican senators emphasized the view that any deal would have to be ratified by the upper house of the Congress. However, both Iranian Foreign Minister Zarif and United States Secretary of State John Kerry pointed out that the vast majority of international agreements forged in recent decades have been executive measures and not treaties requiring ratification by the Senate.

Moreover, any deal emerging from the nuclear talk would be neither a bilateral agreement nor a conventional treaty between nation state. Instead, it would be a multilateral accord, forged by the P5+1 countries, including all permanent members of the United Nations Security Council. The accord would likely activated as a Joint Comprehensive Plan of Action, then sealed under the aegis of the United Nations Security Council, and thus would in fact not be subject to modification by Congress. In this regard, it would be follow on the heels of United Nations Security Council Resolutions 1696, 1737, 1747, 1803, 1835, and 1929 that have also dealt with Iran's nuclear program. Neither a Republican-controlled Senate nor a future president would be positioned to unilaterally reverse the terms of a potential accord of this sort.

Congress, with its power of the purse, could certainly place certain limits on President Obama or

any future president as regards sanctions to be levied upon Iran (or any other country). However, Congress cannot summarily override international obligations forged in a multilateral frame, and which would be structured as an international measure, without being in flagrant breach of international law.

Beyond the legal perils at stake, there were political perils to consider. The fact of the matter was that any post-Obama president would be placed in a precarious position within the world community for violating an agreement reached and understood as a matter of international consensus.

Meanwhile, there were rumblings in regards to violations of domestic law when some observers noted that the letter to Iran could be regarded as a violation of the 18th century Logan Act. To be precise, the Logan Act prohibits any "Private correspondence with foreign governments" and reads; "Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined under this title or imprisoned not more than three years, or both." In truth, it was unlikely that a law dating back to 1799 would be used to prosecute the 47 senators; however, its discussion has only added to the level of scandal and drama surrounding a potential landmark multilateral agreement on Iran's nuclear program.

Returning to the issue of the prevailing nuclear negotiations -- the fact of the matter was that nuclear talks continued in Switzerland in the third week of March 2015. The principal parties acknowledged that progress was being made, particularly with regard to technical provisions. Ali Akbar Salehi, the head of Iran's Atomic Energy Organization, expressed delight over his productive meetings with United States Energy Secretary Earnest Moniz, saying, "We have made progress on technical issues. One or two issues remain and need to be discussed." For his part, Secretary of State Kerry said, "We're pushing some tough issues but we made progress."

However, other Western representatives had a different view. A State Department official told Reuters News, "We are pretty far away. There are a lot of issues that still need to be resolved. The Iranians must make substantial concessions." Moreover, as reported by Reuters News, an anonymous European negotiator said: "Contrary to what the Iranians are saying with regard to 90 percent of an accord being done, that's not correct. We are not close to an agreement."

Clearly, another round of talks was anticipated to resolve a slate of remaining issues. Of note was the West's insistence that Iran's nuclear activities be curtailed and its nuclear breakout time be circumscribed to one year. Stated differently, an arrangement had to be made whereby Iran would need a full year to garner enough fissile material (either high enriched uranium or plutonium before

it could produce a nuclear weapon. On the agenda for discussion was a plan to limit the number of enrichment centrifuges Iran would be allowed to keep; other considerations included limits of the size of uranium stockpiles.

Note that on March 21, 2015, Iranian President Hassan Rouhani indicated that progress was being made in nuclear talks, setting the stage for a final deal. He was quoted by Iranian state media as saying. "There is nothing that cannot be resolved." Iran's Ayatollah Ali Khamenei, however, emitted a very different tone from that of Iran's more moderate president, Rouhani. In reference to President Obama's Persian Nowruz message to the Iranian people, in which the United State leader said a deal on Iran's nuclear program presented "an historic opportunity to resolve this issue peacefully," Ayatollah Khamenei said that his country should not submit to the demands of the global powers. Khamenei noted, "Basically, what he [Obama] says in his message is that you must accept the terms we dictate in the nuclear talks so that jobs, investment, and economic activities will blossom in your country... this view will never lead to any conclusions for us." In many senses, Obama and Rouhani were in similar positions -- both were pragmatic presidents, both were eager to improve bilateral relations between their countries, while meeting global security goals, yet both men were also politically at odds with the conservative and hardline elements in their own countries.

Days later, the landscape for negotiations could only be understood as uncertain. The various sides appeared to be deadlocked over certain sticking points. France was looking for more stringent restrictions on the Iranians -- a position by France that was at odds with the other P5+1 countries. Also at issue was the fact that France was not keen on the notion of a quick suspension to United Nations sanctions against Iran -- a demand being made by the Iranians. Meanwhile, the United States was advocating that restrictions on Iranian nuclear work should be in place for at least 10 years, while France was looking for a 15 year timeline, along with 10 years of rigorous IAEA monitoring. Other contentions centered on Iran's demand that it be allowed unfettered research and development of advanced centrifuges, which are used to enrich uranium for use in nuclear reactors, and ultimately are linked with weapons production.

Negotiations in mid-March 2015 abruptly ended when the Iranian delegation announced they were returning to Tehran because President Hassan Rouhani's 90-year-old mother had died. The break in negotiations was not being regarded as problematic; instead, all sides seemed to agree that talks would resume at the end of March 2015.

The fact of the matter was that significant issues remained unresolved with Iran and the P5+1 countries far apart in some regards. Still, the consequences of not reaching a deal would likely destablize the world; as such, the impetus for forging an agreement was strong and all expectations were that the March 2015 deadline would be extended again to give the negotiations process further time and space. For all the players, the March 30, 2015, deadline to reach a political framework agreement was not one to be held in stone. Instead, they were looking at the June 30,

2015, deadline for a final deal as being more pertinent.

Broken negotiations or breakthrough deal?

At the end of March 2015, the P5+1 multilateral talks with Iran were set to end, with all eyes on a framework for a long term agreement. But the negotiations were mired by various sticking points, prompting the parties to extend the negotiating process.

At issue were freshly emerging objections by Iran to the notion that it would ship its enriched uranium out of the country, where it would be unavailable for potential weaponization purposes. Since a potential Iranian nuclear deal has -- for years -- rested on this provision, Iran's insistence that its enriched uranium reside in Iranian possession could be an unresolvable obstacle in the negotiations process. Meanwhile, the other unresolved issues (discussed above) -- from the pace of lifting sanctions to strict monitoring restrictions --continued to pose challenges. One Iranian negotiator, Majid Takhteravanchi, signaled some intransigence as he said in an interview with the Iranian Fars news agency that the lifting of sanctions on Iranian terms was essential. He said, "There will be no agreement if the sanctions issue cannot be resolved. This issue is very important for us."

Still, the P5+1 parties agreed to continue the conversation. As noted by United States Secretary of State John Kerry, "There still remain some difficult issues. We are working very hard to work those through." Russian Foreign Minister Sergei Lavrov sounded an optimistic note, saying that the chance of resolving the issues was high. He said, "The chances are high. They are probably not 100 percent but you can never be 100 percent certain of anything. The odds are quite doable if none of the parties raise the stakes at the last minute." Of course, the Iranians' objections to the removal of its enriched uranium could well be regarded as "raising the stakes at the last minute."

Lengthy and difficult talks continued at the Beau-Rivage Ralace hotel in the Swiss city of Lausanne. The March 31, 2015, "soft" or self-imposed deadline actually passed, with all parties set on extending the negotiations. All eyes were now focused on the first week of April 2015 as a new target date to forge consensus on the structure of a final accord.

On April 2, 2015, after marathon talks in Switzerland, the P5+1 countries and Iran issued a joint statement announcing that the hard work of negotiations and diplomacy had yielded results, and that a historic framework agreement on Iran's nuclear program had been reached. As stated by the European Union foreign policy chief, Federica Mogherini, "We have reached solutions on key parameters of a joint comprehensive plan of action."

The terms of the agreement would ensure that a longer time horizon -- of one year -- needed by Iran to enrich enough uranium for one nuclear weapon. This breakout period of one year would be held in place for a decade. Of note was the fact that Iran's existing breakout time was estimated

to be only two months.

The agreement would reduce the number of installed centrifuges from around the 19,000 Iran currently has in its possession to 6,000; all the centrifuges would be the less efficient first-generation IR-1 enrichment models while newer-model centrifuges would be out of commission. Of those 6,000 centrifuges, about 5,000 would be allowed to enrich uranium for 10 years. The remaining centrifuges would be moved to storage and controlled by the United Nations' nuclear watchdog group, the International Atomic Energy Agency (IAEA).

The joint comprehensive plan of action would also ensure that Iran's actual stockpile of uranium would be reduced from 10,000 kilograms of low-enriched uranium to 300 kilograms along a 15-year time horizon. As well, Iran would cease construction on new uranium enrichment facilities for a 15-year period.

Also central to the joint comprehensive plan of action were provisions to curtail Iran's enrichment facilities to the Natanz nuclear site, and convert the nuclear facilities at Fordo and Arak for purely research purposes.

According to a fact sheet from the Government of the United States, Iran would gain sanctions relief only if it "verifiably abides by its commitments." That sanctions relief would apply to those nuclear-related measures introduced by the United States and the European Union and not include sanctions related to terrorism and human rights abuses. There would be a "snap back" measure so that the sanctions could be re-imposed if Iran was not compliant with the provisions of the deal.

Also at stake would be prevailing United Nations Security Council resolutions on Iran's nuclear activities. A new resolution would be introduced that would hold in place certain key provisions relevant to "sensitive" nuclear activities, while also addressing the new measures outlined above.

A rigorous program of verification would remain in place to corroborate Iran's adherence to the terms of the agreement and to ensure that Iran meets its obligations. For example, Iran would have to provide the IAEA with unfettered access to its nuclear facilities, uranium mines, and centrifuge storage facilities, ensuring the IAEA inspectors could investigate any suspicious sites or covert activities.

In an interview with Radio Free Europe, Kelsey Davenport, the director for Nonproliferation Policy at the Arms Control Association, explained that the non-proliferation parameters of the agreement were "very strong." Davenport said, "This deal effectively blocks Iran's pathways to a weapon using both uranium and plutonium, and it puts in place stringent monitoring and verification to ensure that any deviation from the agreement or any covert program will be immediately detected."

Mark Fitzpatrick, the director of the Nonproliferation and Disarmament Program at the International Institute for Strategic Studies, came to a similar conclusion. In his interview with Radio Free Europe that the agreement would result in a rigid nuclear verification regime. Fitzpatrick explained that under the verification infrastructure, violations of the agreement at any point along the "supply chain" would be easy to discern. He said, "It would be detected very quickly if Iran were to use any of its declared facilities. If Iran were to try to hide something, that would also very likely be detected because this deal -- the parameters -- include a lot of verification measures that go beyond the normal IAEA monitoring."

The successful framework agreement reached on April 2, 2015, marked a massive breakthrough in the realm of international diplomacy for the purpose of global security.

The agreement presaged a long-term deal, which would have to be made by the final "hard" deadline on June 30, 2015. The prevailing question continued to dominate: Can a final accord on Iran's nuclear program be forged? The answer to that question remained the same at the time of writing: It was yet to be determined if the nuclear negotiations would actually end in a viable and enduring deal.

# **Political Complications:**

In the initial aftermath of the framework announcement, Iranian President Hassan Rouhani vowed that his country would abide by the terms of the agreement, saying in a national address, "The world must know that we do not intend to cheat." He warned of consequences if the partner states did not do their own part, saying, "If the other side acts on its promises, Iran will abide by its promises. If, however, they one day decide to follow a different path, our nation too will be always free to make [another] choice."

On the other side of the Atlantic, United States President Barack Obama was set to embark on a political campaign of sorts, as he hoped to persuade skeptical members of Congress that the Iranian nuclear deal was the best way of ensuring Iran did not develop a nuclear weapon. But he was immediately stymied by Israeli Prime Minister Benjamin Netanyahu who concluded that the deal needed additional measures included, such as a "clear and unambiguous Iranian recognition of Israel's right to exist."

The Obama administration, though, noted that the purpose of the agreement was carefully circumscribed to deal with preventing Iran from gaining a nuclear weapon. President Obama himself entered the equation, insisting that the framework agreement would be good for global security, as it would "cut off every pathway that Iran could take to develop a nuclear weapon." He added, "We will be able to resolve one of the greatest threats to our security and to do so peacefully." It was to be seen if Obama would gain concurrence in the United States Congress, or, if hardliners would be able to cull together a veto-proof majority to force the president of the

United States to seek Congressional approval of the deal.

An additional complication was emanating from Iran itself, as that country demanded immediate sanctions relief as part of the agreement. To be precise, Iran's supreme leader, Ayatollah Ali Khamenei, said that not only would all sanctions have to be lifted on the day any deal is signed, but that military sites would be not be open to international nuclear inspectors. Clearly, immediate sanctions relief was not part of the blueprint unveiled on April 2, 2015, while a rigorous program of verification stood as the bulwark of the very deal. As such, the Ayatollah's statements raised questions as to whether or not a viable agreement was actually on the table.

Another challenge was presented in the form of Russia's decision to lift a ban on missile deliveries to Iran while commencing an oil-for-goods exchange. These moves were being met with concern from the Obama White House in the United States. For Russia, though, it was evident that the plan was to immediately reap economic benefits from the cessation of sanctions against Iran. United States Secretary of State John Kerry was expected to bring up the subject for discussion with his Russian counterpart, Sergei Lavrov.

Secretary of State Kerry, meanwhile, had his hands full at home in the United States, as he lobbied members of Congress to hold off on any legislation that might curtail his abilities to forge a solid final nuclear deal by the June 30, 2015, deadline mentioned above. At issue was the fact that hardliners in Congress have been eager to enter the realm of foreign relations, and force any deal signed by the president to be subject to review by the legislative branch of government. While Congress' hand could not stop the president from signing onto the deal being negotiated, the president would still have to gain cooperation from Congress to modify the sanctions regime against Iran. President Obama has made clear that he would veto moves intended to blunt or undermine the ability of his administration to negotiate a final deal with the Iranians.

The reality, however, was that President Obama could well be could be faced with a veto-proof super majority of bipartisan senators, who could conceivably impact his administration's negotiations. As such, Secretary of State Kerry, along with reasury Secretary Jack Lew and Energy Secretary Ernest Moniz, were eager to assure Republicans and Democrats of the substance of the agreement, and gain their cooperation in allowig him more time to finalize an acceptable nuclear deal with Iran. Ahead of these key meetings with legislators, Kerry said, "We hope Congress will listen carefully ... but also give us some space so we will be able to complete a very difficult task."

Note that on April 14, 2015, the Senate Foreign Relations Committee crafted a compromise bill that include a modest review period of 30 days for a final Iran nuclear deal. The bill would also specify that sanctions relief would be dependent on an end to Iran's support for terrorism, but it would do so in more malleable language. It seemed that the committee was hoping to avoid a showdown with the executive branch of government. President Obama made it known that he

would support the compromise legislation in this new form. According to White House spokesperson Josh Earnest, the president was "not thrilled" with the bill; however, he concluded that the new proposal was a more acceptable measure. It was conceivable that the White House could change its stance if objectionable amendments were attached to the compromise bill. The bill passed by the committee and would be taken up by the full Senate.

Meanwhile, the negotiations process was ongoing, with a new round of talks between Iran and the P5+1 powers resuming in the last week of April 2015. United States Secretary of State John Kerry acknowledged that serious differences remained between Iran and the global powers, but added that they were nonetheless closer than ever to forging a sustainable agreement with Iran. Secretary of State Kerry said, "We are, in fact, closer than ever to the good, comprehensive deal that we have been seeking, and if we can get there, the entire world will be safer." He added, "If finalized and implemented, (an agreement) will close off all of Iran's possible pathways to the nuclear material required for a nuclear weapon and give the international community the confidence that it needs to know that Iran's nuclear program is indeed exclusively peaceful."

At the start of May 2015, those negotiations concluded, with emphasis on key sticking points -namely the re-imposition of United Nations sanctions, should Iran violate the agreement, and the potential purchase of nuclear technology' known as a "procurement channel." The sanctions issue was being regarded as a particularly challenging one, with concerns centering on crafting parameters that would allow for the automatic re-imposition of United Nations sanctions (referred to as"snapback" provision), thus by-passing the potential hazard of a veto by either China or Russia. Western negotiators have made it clear that without the implementation of a snapback mechanism, there would be no final Iranian nuclear deal. Meanwhile, the procurement channel issue was being taken seriously, given the United Kingdom's report to the United Nations on a spurious Iranian nuclear procurement network, which was linked with two blacklisted companies.

A fresh round of negotiations commenced in Austria in mid-May 2015.

Recent Nuclear Negotiations Developments

As May 2015 came to a close, the six P5-1 international powers were able to reach an agreement aimed at restoring United Nations sanctions if Iran was found to be in non-compliance a complex issue as intimated just above.

Under the agreement, suspected breaches by Iran would be addressed by a dispute-resolution panel. As well, with the International Atomic Energy Agency (IAEA) monitoring Iran's nuclear program, IAEA reports would be used to assess compliance. If Iran was found to be in violation of the terms of the deal, then United Nations sanctions would effectively be "snapped" back into place.

The "snapback" provision meant that a significant hurdle had been crossed in reaching a comprehensive nuclear deal with Iran. Still, Iran had to concur with this measure for the deal to go forward, and Iran was itself suggesting that it would immediately resume its nuclear activities if the six P5-1 international powers did not meet their own obligations under the terms of the deal.

Moving forward, there was more diplomatic work to be done regarding access to sensitive Iranian military sites in order to verify Iran's compliance with the new nuclear development parameters. Of particular concern was the matter of the inspection of non-nuclear sites and military installations in Iran, presumably to ensure no clandestine nuclear operations were taking place in violation of the terms of any future permanent agreement. Iran has been cold to the idea of inspections to such facilities while France has threatened to block any

final nuclear settlement without a provision for that type of intrusive inspections regime.

The start of June 2015 was marked by the resumption of negotiations between the six P5-1 international powers and the Iranian delegation in Austria. Of note was the absence of United States Secretary of State John Kerry as he recovered from a broken leg; however, the talks went on with United States negotiator Wendy Sherman representing the interests of her country.

The June 30, 2015, deadline loomed ahead for a final and sustainable agreement to be reached on Iran's nuclear program. The challenge of the task was aptly described by Iran's deputy Foreign Minister Abbas Araqchi, who was quoted as saying in an interview with Iranian media, "There has been progress but still we have a difficult way ahead of us."

By mid-June 2015, all reports from Vienna in Austria were that the nuclear talks between the delegations from Iran and the six P5-1 international powers had stalled and, as such, the deadline for the final agreement might have to be pushed past June 30, 2015. Indeed, with only days to go until that deadline, it was announced that nuclear negotiations between Iran and the six P5-1 international powers would extend beyond June 30, 2015. There were reports that Iranian Foreign Minister Mohammed Javad Zarif was heading home to Tehran -- quite likely for discussions with the government in Iran regarding the difficult final status issues, such as access to IAEA nuclear monitors and the timing of sanctions relief.

At the start of July 2015, Iran and the six P5-1 international powers remained deadlocked and a breakthrough had not been made in the negotiations process. However, representatives from the various delegations noted that progress was being made, and that the "bones" of a final agreement were slowly taking shape. As indicated above, particular sticking points included the matter of sanctions relief and the inspections and monitoring of Iranian compliance. That latter issue took on greater relevance when Iran's Ayatollah Ali Khamenei declared that there would be no sustained freeze of sensitive nuclear development, and that military sites would not be open to inspectors. This absolutist stance by Iran's Supreme Leader could potentially upend the deal that so many diplomats had worked diligently to forge.

Still, the diplomatic work continued with all parties suggesting that a final agreement might be advanced by a new deadline of July 7, 2015. In an interview with the media, United States Secretary of State John Kerry indicated that a deal was possible in that timeframe as he said, "If hard choices get made in the next couple of days and made quickly, we could get agreement this week." But Kerry also acknowledged that negotiations had not yet yielded breakthrough results on the key technical issues, as he added that Iran and the six P5-1 international powers were "not where we need to be on several of the most difficult issues." If no progress was made with Iran on those matters, then the United States was ready to walk away -- regardless of the herculean effort to date in the negotiating arena. That deadline of June 7, 2015 was extended yet again and negotiations were set to continue with negotiators looking for a final deal. The new goal was to reach a nuclear agreement by mid-July 2015.

In the days leading up to the middle of July 2015, Iran accused the West of complicating the negotiations process by introducing new demands, while countries of the West warned that progress was now slow and difficult. There were also reports of loud arguments between Iranian Foreign Minister Zarif and United States Secretary of State Kerry. For his part, Secretary of State Kerry was signaling that he would be prepared to walk away from the negotiating table as he said, "We can't wait forever. If the tough decisions don't get made, we are absolutely prepared to call an end to this." On the other side of the equation, Iran responded bitterly with Iranian Envoy Ali Akbar Velayati referring to Kerry's statement as "part of America's psychological warfare against Iran."

But by July 12, 2015, tensions were calming and there were reports that the foundations of an agreement were emerging. To this end, Secretary of State Kerry suggested progress was being made as he said, "I think we're getting to some real decisions." French Foreign Minister Laurent Fabius offered a similar mesage as he said: "I hope we are finally entering the final phase of these marathon negotiations. I believe it."

In the early hours of July 14, 2015, reported were emerging that a final deal was in the works. some elements of the final deal were being leaked in the public sphere. Those elements of the nuclear draft included provisions for the United Nations inspectors to have access to all suspicious Iranian nuclear sites, including military compounds. The agreement would also have to be adopted by the United Nations Security Council in the form of a resolution, and then the the work on limiting and regulating Iran's nuclear activities, as well as the measured related to sanctions relief, would be put into effect in 2016.

Final Iran Nuclear Deal Reached:

On July 14, 2015, Iran and the so-called P5+1 world powers officially reached a historic accord on Iran's controversial nuclear program. The accord was formally announced in the Austrian capital

Iran

of Vienna where the final slate of difficult negotiations had taken place. As presaged in the previous sections of this report, the agreement would limit Iran's nuclear activity and development, essentially preventing the production of a nuclear bomb. The agreement was also aimed at extending Iran's nuclear weapons "breakout" time from its current timeline of a month to a year. The deal was not intended to address issues related to state-sponsorship of terrorism or human rights abuses. In exchange, the West would lift its international oil and financial sanctions imposed on Iran.

In a separate but related development, Iran and the the International Atomic Energy Agency (IAEA) -- the world's nuclear watchdog entity -- said they had signed a roadmap to resolve outstanding issues. Already, under the aegis of the 2013 interim temporary accord, the IAEA verified that Iran had eliminated its known stockpiles of 20 percent enriched uranium. This 20 percent grade uranium can be used (1) to produce medical isotopes and (2) to fuel research reactors, but (3) it can also be purified to weapons-grade levels. The IAEA has already verified that Iran met this demand dating back to 2013.

Central elements of the final deal were as follows -

- Iran would reduce its enriched-uranium stockpile by 98 percent

- Iran would retain a reduced number of uranium centrifuges (5060 in total) for a ten-year period
- Iran would be limited to refining uranium at only a five percent enrichment level for a fifteenyear period

( this level is consistent for usage at a nuclear power plant and is well short of weaponization levels )

- Iran will allow IAEA monitors to inspect facilities under review for suspicious activity for up to 25 years

(Iran does not have to submit to inspections but if it refuses it will be subject to an arbitration panel and possible judgement that it is in violation)

- Iran would be granted gradual/phased in sanctions relief, essentially allowing Iran to finally export its oil

- Iran would be granted access to more than \$100 billion in frozen assets pending the implementation of nuclear curbs

- The prevailing United Nations arms embargo on Iran would remain in place for five years
- The prevailing ballistic missiles embargo on Iran would remain in place for eight years

\_ Iran would be prohibited from designing warheads or conducting experiments on nuclear weapons-related technology

The complete implementation of the provisions of the deal would be contingent on Iran's commitment to meeting its obligations to curtail its nuclear program and satisfy the world's concerns over the possible military dimensions of its nuclear development activity. To this end, a breach of the terms of the accord by Iran would generate a "snapback" provision, essentially

snapping highly punitive sanctions back into place.

United States President Barack Obama touted the agreement as a good one, noting the following: "This deal meets every single one of the bottom lines that we established when we achieved a framework this spring. Every pathway to a nuclear weapon is cut off, and the inspection and transparency regime necessary to verify that objective will be put in place." President Obama also noted that the deal would make the world "safer and more secure." He additionally addressed his critics saying that the terms of thee agreement provided for a rigorous verification regime. He added, "This deal is not built on trust -- it is built on verification." Furthermore, the president emphasized that there would be immediate consequences if Iran was found to be in violation of the terms of the agreement, as he said, "If Iran violates the deal, all these sanctions will snap back into place."

For his part, Iranian President Hassan Rouhani hailed the accord, saying that the prayers of Iranians had "come true." Rouhani -- who was being celebrated in the streets of Tehran as a hero - said the deal opened a "new chapter" in Iran's relationship with the rest of the international community. But the Iranian leader was also realistic in his assessment of the agreement, noting that it was "not perfect," but that it was the "best achievement possible that could be reached."

United Nations Secretary-General Ban Ki-moon championed the pact finalized in Vienna, casting it to be "historic," and paid tribute to the onerous and difficult work of diplomacy, which he said was a "testament to the value of dialogue." The United Nations chief conveyed his hopes that the deal would contribute to "a greater mutual understanding and cooperation on the many serious security challenges in the Middle East."

A similar view came from Federica Mogherini, the European Union foreign policy chief, as she expressed satisfaction with the final accord. She said, "This is a sign of hope for the entire world. And we all know this is very much needed in these times."

Even with the formal announcement of this historic nuclear agreement, the process was not over. There would have to be a vote at the United Nations Security Council. As well, the deal would still have to find concurrence in the capital cities of Tehran, Washington D.C., London, Paris, Berlin, Moscow, and Beijing where it would face the challenges of hardline domestic politics.

Hinting towards the Republicans' opposition would have to any agreement forged by the Obama administration in the United States, Senate Majority Leader Mitch McConnell said in an interview with Fox News, "I think it's going to be a very hard sell, if it's completed, in Congress. We already know it's going to leave Iran as a threshold nuclear state." Upon hearing the announcement of the landmark deal, and before actually reading the details of the agreement, Republican Speaker of the House of Representatives, John Boehner, denounced the deal, declaring that it would only "embolden" Iran. He said, "Instead of stopping the spread of nuclear weapons in the Middle East,

this deal is likely to fuel a nuclear arms race around the world." But perhaps the most vituperative feedback came from Senator Tom Cotton of Arkansas who pugnaciously suggested military consequences for Iran as follows: "Iran is an anti-American, terrorism-sponsoring outlaw regime. Iran should have faced a simple choice: they dismantle their nuclear program entirely, or they face economic devastation and military destruction of their nuclear facilities."

Clearly, Republicans in the United States Congress, helped by certain factions of Democrats, would do their part to resist, curtail, and even halt the United States' participation in the agreement. To this end, under a special arrangement made with the president, they would have 60 days to consider the Iranian agreement in Congress and either sanction or reject it.

Note: Because the Iranian nuclear deal was not a formal treaty between the United States and Iran, there was actually no need for a ratification vote by two-thirds of the Senate. However, in the interests of some degree of national consensus on so sensitive a subject as Iran's nuclear ambitions, the United States Congress and President Obama agreed to an arrangement by which legislators would be allowed to either approve or reject the agreement by a simple majority. Since Republicans controlled both Houses of Congress, it was highly likely they would be successful in their efforts to defeat the accord. However, President Obama would himself have the opportunity to veto any legislation passed in Congress that aimed to kill the deal. Warning Republicans and their Democratic allies of this course of action, President Obama said, "So I will veto any legislation that prevents the successful implementation of this deal. We do not have to accept an inevitable spiral into conflict. And we certainly shouldn't seek it. And precisely because the stakes are so high this is not the time for politics or posturing. Tough talk from Washington does not solve problems."

In Iran, despite the positive reception by pro-Rouhani and other moderate elements, the agreement was guaranteed to spark the antagonism of hardliners and conservatives. As expected, Iranian hardliners and conservatives immediately launched their opposition campaign to the nuclear deal, with even Supreme Leader Ayatollah Ali Khamenei warning that some of the world powers that signed on to the agreement were "untrustworthy." In this way, there was no guarantee that Iran's Supreme Leader Khamenei would "bless" the deal.

In the United States, there was a parallel process of opposition and acrimony unfolding as hardliners and conservatives warned that Iran would find ways to cheat and violate the terms of the agreement. Of particular concern to United States lawmakers was the provision allowing Iran 24 days before allowing nuclear inspectors into suspect Iranian military sites, with many of them complaining that the length of time would allow Iran to cover its tracks were it to carry out clandestine nuclear activities at these sites. However, nuclear experts have noted that current technology would be able to detect traces of sustances used for nuclear development activities, making it impossible for Iran to actually hide any "bad behavior." As noted by the head of the International Atomic Energy Agency, Yukiya Amano: "We are confident we can detect any

diversion or misuse of nuclear material in a timely manner."

There were also objections to the lifting of sanctions and access to frozen assets, which could be used to fund rogue actors across the world. However, even if the United States held in place its own unilateral sanctions against Iran, the other world powers were eager to end the sanctions regime against Iran. Thus, the United States would be left isolated in its effort to keep the sanctions pressure on Iran.

In Israel, which has been adamantly against an agreement with Israel, the response was rapid and bitter. Israeli Prime Minister Benjamin Netanyahu cast the deal as a "stunning historic mistake." He also noted that sanctions relief would provide Iran with "hundreds of billions of dollars with which it can fuel its terror machine and its expansion and aggression throughout the Middle East and across the globe." Netanyahu also made clear that Israel had no intention of abiding with the agreement -- regardless of its eventual enshrinement as a United Nations Security Council Resolution -- as he warned, ""We will always defend ourselves."

But the objective arbiters of the agreement expressed cautious optimism over the successful negotiations process. Yukiya Amano, the head of the International Atomic Energy Agency (IAEA) -- the world's nucear watchdog entity -- said that the landmark nuclear agreement constituted a "significant step forward," and noted that now the IAEA would be better positioned to "make an assessment of issues relating to possible military dimensions to Iran's nuclear program by the end of 2015."

As well, the conservative publication, The Economist, made the following conclusion: "The concern of critics of Barack Obama, both in Washington and beyond, was that the president's perceived desperation to burnish his legacy with an historic deal would result in dangerous compromises surrendered at the last minute to the wily Iranians. However, that was never likely (Iran's need for a deal has always been much greater than America's) and it is not borne out by the details of what has appears to have been agreed... But judged by more pragmatic standards, the deal, while not perfect, appears much better than any of the plausible alternatives."

Ellie Geranmayeh, a policy fellow at the European Council of Foreign Relations, gave the agreement fulsome praise, declaring, "This is probably going to go down in history as one of the biggest diplomatic successes of the century."

It should be noted that nuclear nonproliferation experts have largely endorsed this agreement. As reported by Max Fisher at Vox.com regarding an interview with Aaron Stein, a nuclear nonproliferation expert at the Royal United Services Institute, the Iranian nuclear deal "exceeds in all areas." Under this agreement, according to Stein, if Iran were to attempt to build a bomb, "the likelihood of getting caught is near 100 percent." He added, "It makes the possibility of Iran developing a nuclear weapon in the next 25 years extremely remote." Stein explained his

assessment further as follows: " I think the U.S. hand is actually strengthened in this, to be honest with you. A full accounting of where everything is [gleaned from invasive inspections and monitoring] is a wonderful targeting mechanism for the Pentagon. If we know where all of their stuff is, you can make far more accurate, detailed maps about where to put a cruise missile. Iran knows what it's doing going into this. They know the consequences if they screw up here, and the provisions are very tight, the inspection regime is very robust. The likelihood of getting caught is near 100 percent. The consequences are far more than just having your sites bombed. It's that they will have reneged on the agreement that basically the whole world supports, except for the Republicans and the Israelis and the Saudis."

United Nations Security Council lifts sanctions on Iran:

Going forward, the United Nations Security Council would have to adopt a resolution that would lift international sanctions related to Iran's nuclear program. Of course, as has been discussed here, the sanctions would be subject to the so-called "snapback" provision and could be reimposed if Iran was deemed to be in violation of the new accord. A vote at the United Nations Security Council ws expected to occur early as the third week in July 2015. To that end, United States Ambassador to the United Nations, Samantha Power, said she would submit the draft resolution on behalf of the P5+1 world powers and the European Union, which would then be taken up for a vote. That vote on a resolution endorsing the agreement was set to take place during the following week. Since the veto-wielding permanent members of the United Nations Security Council were all parties to the negotiations, there was no doubt that the resolution would be adopted.

Indeed, on July 20, 2015, the United Nations Security Council unanimously approved a resolution endorsing the Iranian nuclear deal, thus clearing the path for sanctions imposed since 2006 to be lifted. The United Nations Security Council also enshrined its nuclear watchdog agency, the International Atomic Energy Agency, with the authority to "undertake the necessary verification and monitoring of Iran's nuclear commitments."

Other measures would have to be undertaken by various governments. Primarily, Iran's parliament would have to review and ratify the agreement, which was reported to have been "blessed" by Supreme Leader Ayatollah Ali Khamenei. At the start of September 2015, Khamenei returned to the political purview in Iran to say that he favored a parliamentary vote on its nuclear deal. To this end, Khamenei said, "Parliament should not be sidelined on the nuclear deal issue ... I am not saying lawmakers should ratify or reject the deal. It is up to them to decide." While Khamenei has neither opposed nor endorsed the agreement, his praise of the diplomatic process has been interpreted by some observers as a tacit blessing of sorts. It was to be seen if an actual vote would ensue in the Iranian Majlis, however, President Rouhani's government had not yet even advanced legislation for members of parliament to consider.

A similar process would have to ensue in the United States where the Republican-led Congress would have 60 days to review and ratify the agreement, but where it was more likely to be rejected. The fight in the United States would be to secure enough votes to maintain a presidential veto.

Note on Political Landscape in the United States --

As discussed above, if the United States Congress was able to disapprove of the Iranian nuclear deal, President Obama would enact his veto authority. The main question would be whether or not there was enough support in Congress to override a presidential veto. (In the Senate and the House of Representatives, there would have to be a 2/3 super-majority in each of the two chambers to vitiate a presidential veto.) Of note was the fact that even a vote to "disapprove" of the nuclear deal by the United States Congress would do little to actually upend the agreement since a United Nations Security Council resolution had already approved it in the realm of international jurisprudence.

Assuming the United States president's veto would be enough to halt Republicans' objections to the deal, there would be few options left for hardline conservatives determined to kill any agreement with Iran. One of the remaining courses of action for Republicans would be for them to capture the White House in 2016. Then, with a new administration at the helm in 2017, the new president could conceivably begin the process of scapping the accord and re-imposing sanctions against Iran. But that would be a unilateral pathway unlikely to gain support from the other P5+1 countries, whose diplomats also worked hard to forge this pact, and who were not eager to see military engagement with Iran. Moreover, by 2017, most of the pressing sanctions would have been removed anyway, and the re-imposition of them promised to be a herculean task. As noted by the chairman of the Senate Foreign Relations Committee, Republican Senator Bob Corker, "The next president can start from scratch. What would have happened, though, is the international sanctions process would have been totally dismantled."

In the six weeks following the decision by the United Nations Security Council to lift its sanctions against Iran, groups hostile to the Iranian nuclear agreement launched an aggressive and expensive advertising campaign intent on securing enough support to kill the deal. As well, Israeli Prime Minister of Israel Benjamin Netanyahu repeated his dire warnings of geopolitical calamity sure to visit the Middle East were the deal to go forward. But even as these forces placed their own pressure on lawmakers in the United States, the Obama administration was busy are work trying to rally support for the deal in Congress. The main argument from the White House was that the agreement accomplished its objective of preventing Iran from obtaining a nuclear weapon. As stated by President Obama himself, the agreement eliminates "every pathway to a nuclear weapon" for Iran.

With most of the Democratic representatives in the lower chamber in relatively safe seats, and

since many of them already shared the president's internationalist foreign policy, there was a sense of confidence that House Minority Leader Nancy Pelosi would be able to bring together enough Democratic votes to deny the House Republicans the 2/3 majority needed to uphold a disapproval measure. The real action was in the Senate where some Democrats, such as Senator Charles Schumer of New York, and Senator Robert Menendez of New Jersey, had already signalled their skepticism regarding the Iranian nuclear deal, and as exepected, ultimately opted to vote to disapprove of the accord. Since a total of 34 votes would be needed to deny the Republican-led Senate their 2/3 majority, the job of gaining support for President Obama's Iran agenda would be difficult, and the final tally was expected to be tight.

But on Sept. 2, 2015, President Obama secured the support of 34 Democratic senators regarding the Iranian deal, effectively foreclosing any sgnificant action from the Republicans to stymie the United States' full participation in the landmark Iranian nuclear curtailment deal. Most of the senators expressed similar sentiment, noting that no deal was perfect, that the Iranians were not be trusted, but that the Joint Comprehensive Plan of Action (the legislative title for the Iranian nuclear deal as it is discussed and debated in the Congress) was the best available option to prevent Iran from obtaining a nuclear bomb. As noted by United States Secretary of State John Kerry, who did the strenuous work of vigorous diplomacy to make the deal a reality, "The benefits of this agreement far outweigh any potential drawbacks."

The disapproval resolution related to the Joint Comprehensive Plan of Action would be on the legislative agenda for debate when members of Congress returned to the Capitol in Washington D.C. after the August recess on Sept. 8, 2015. A vote was expected later in the month when the resolution would be presumably be passed, and then be subject to a presidential veto.

On the United States political landscape, there remained a small possibility in the Senate that the disapproval resolution would not even be voted on if Democrats in the upper chamber were able to hold together 41 votes to sustain a filibuster, thus preventing a vote of cloture cutting off debate. In such a case, the bill would not be able to be brought to the floor for a full vote and President Obama would not have to use his veto power. While all expectations were that there would, in fact, be a full vote where the bill would be approved, the landscape changed on Sept. 8, 2015, when the Democratic tally was complete. On that day, it was clear that 42 senators had opted to support the deal -- more than the 34 needed to sustain a veto but also more than the 41 needed to filibuster the bill from even going to a vote on the floor of the Senate. Still to be determined was the matter of whether or not at least 41 senators would be willing to go down the filibuster path.

That question was answered on Sept. 10, 2015, when Democrats in the Senate delivered a major victory to President Obama by successfully holding together 42 votes to filibuster the disapproval resolution, thus denying a vote on the legislation. All 42 Democratic senators who had expressed support for the nuclear agreement stood in solidarity on the procedural vote after several hours of debate, effectively preventing the bill from even going to a vote, and thus insulating the president

from having to exercise his veto authority.

Meanwhile, in the House of Representatives, the Republican leadership was trying to alter its political calculus related to the disapproval resoluton by dividing it up into three separate bills, in the hopes that it would delay -- if not outright stop -- the nuclear deal from going into effect. Now, one measure centered on the claim that President Obama did not comply with the Iran nuclear review act; a second measure was a motion of approval of the nuclear deal; the third measure sought to prevent President Obama from waiving sanctions against Iran. All three pieces of legislation were cleared for debate, where they were expected to pass due to the fact that Republicans controlled the lower chamber. However, the fate of the Iranian nuclear deal was no longer in doubt given the outcome in the Senate.

The political victory for President Obama at home in the United States ensured that the nuclear deal would go into force -- irrespective of the objections from Republicans and a handful of Democrats in Congress, and certainly despite the disapprobation of Israel. Democratic Senator Schumer of New York, who was part of the four-vote Democratic contingent parting ways with the president conceded that the Obama administration had secured a political victory as he declared: "Regardless of how one feels about the agreement, fair-minded Americans should acknowledge the president's strong achievements in combating and containing Iran."

International Dimensions:

The Iranian nuclear deal certainly had support in Europe where the leaders of the United States' allied countries -- the United Kingdom, France, and Germany -- expressed support for it. In fact, United Kingdom Prime Minister David Cameron, French President François Hollande, and German Chancellor Angela Merkel wrote a joint opinion editorial titled "Why we support the Iran deal," which was published in the Washington Post on Sept. 10, 2015.

In that piece, the three Western world leaders acknowledged the difficulty of the negotiations process, noting, "The long history of fruitless nuclear talks with Iran did not give strong grounds for optimism." But they also noted that their efforts ended in success, as they declared, "Nevertheless, two years of tough, detailed negotiation have produced an agreement that closes off all possible routes to an Iranian nuclear weapon in return for phased relief from nuclear-related sanctions."

Cameron, Hollande, and Merkel repeated what United States Secretary of State John Kerry has long argued -- that the agreement was not based on blind trust. To this end, they wrote: "This is not an agreement based on trust or on any assumption about how Iran may look in 10 or 15 years. It is based on detailed, tightly written controls that are verifiable and long-lasting. Iran will have strong incentives not to cheat: The near certainty of getting caught and the consequences that would follow would make this a losing option." As such, Cameron, Hollande, and Merkel reached the following conclusion: "We fully support this agreement because it achieves the goals we had set ourselves. It deals with the uranium enrichment route to a bomb by requiring Iran to reduce by 98 percent its stockpile of enriched uranium; to lower by two-thirds the number of its centrifuges; to limit uranium enrichment levels; and to stop using the deep Fordow site for enrichment. It closes the plutonium route through changes to the Arak reactor so that it does not produce weapons-grade plutonium. And it ensures the IAEA enhanced access not only to Iran's nuclear facilities and the entire nuclear fuel cycle but also, where needed, to any undeclared site."

### Political legacies:

Meanwhile, regardless of the political machinations as well as the political posturing, this landmark accord was being celebrated as a historic development in the realm of international diplomacy and global security. For good of for ill, the re-integration of Iran into the global community would inevitably shift the geopolitical dynamics in the Middle East. Moreover, both President Rouhani in Iran and President Obama in the United States had made history with this landmark nuclear accord by moving their two countries from a state of decades-old enmity, charting the path of diplomacy, and traversing along the difficult road of re-engagement. These efforts would surely define their respective political legacies. Whether or not this nuclear agreement would stand the test of time and survive hardline domestic politics at home in Iran and the United States was to be determined, but Rouhani and Obama could take heart in the fact that they had respectively honored their election promises to pursue a peaceful resolution to the Iranian nuclear issue.

### **Foreign Relations Note**

Saudi Arabia breaks off ties with Iran after executing prominent Shi'a cleric

Ties between Shi'a Iran and Sunni Saudi Arabia reached a new low at the start of 2016 due to Saudi Arabia's execution of a prominent Shi'a cleric. Sheikh Nimr al-Nimr was one of 47 individuals executed by Saudi Arabia for terrorism offenses. Iranian authorities were vociferous in noting that far from being a terrorist, Sheikh Nimr was simply a peaceful martyr expressive in his opposition to Saudi Arabia's ruling regime. Indeed, Sheikh Nimr could not be properly understood as a supporter of Iran's hardline leadership since he had actually sought to distance himself from expressly pro-Iranian and anti-American stances. In many respects, he a political independent of sorts.

To this end, Iran's Ayatollah Ali Khamenei made clear that Sheikh Nimr al-Nimr had been executed precisely for his political views as he declared via the social media outlet, Twitter, "This oppressed scholar had neither invited people to armed movement, nor was involved in covert

plots." The Iranian leader added, "The only act of #SheikhNimr was outspoken criticism." For these reasons, Ayatollah Ali Khamenei vowed that retribution in the form of "divine revenge" would be upon Saudi Arabia, noting via Twitter that the "unfairly spilled blood of oppressed martyr #SheikhNimr will affect rapidly & divine revenge will seize Saudi politicians."

Anger in Iran did not stem only from the highest echelon of power. Indeed, protesters stormed the Saudi embassy in Tehran on Jan. 2, 2016, setting the building ablaze before being repelled by security personnel. A day later on Jan. 3, 2015, hundreds of angry protesters had gathered outside the diplomatic compound. Protests were also erupting outside of Iran. Of note was a burst of demonstrations in Saudi Arabia's Eastern Province, which was home to a marginalized population of Shia Muslims, as well as the eruption of protests across the world from Indian-administered Kashmir to Iraq and Bahrain. In fact, Iraq's top Shi'a cleric, Ayatollah Ali al-Sistani condemned the execution of Sheikh Nimr, casting it as an act of "unjust aggression." Moreover, in the days following the execution of the cleric, protests and unrest broke out if Sheikh Nimr's own home district of Qatif in the oil-producing Eastern Province of Saudi Arabia, where angry supporters railed about the injustice of his fate.

While Iranian commentators in the media have condemned the execution of Sheikh Nimr and predicted that it could cause the collapse of the Saudi regime, the actual Saudi regime at home has dismissed any criticism of its actions. In fact, the Saudi government has insisted that it had the right to enforce the law, which included exacting punishment, while also registering its anger over Iran's "blatant interference" in its internal affairs.

In truth, the move by Saudi Arabia, coupled with Iran's angry reaction was most likely to fuel the existing sectarian hostility between the two countries, as they attempt to gain political ascendancy in the region. During the course of the previous year, sectarian hostilities between Shi'a Iran and Sunni Saudi Arabia were playing out on proxy terrain in Yemen, with Iran supporting the Shi'ite Zaidi Houthi movement, and with Saudi Arabia supporting the Hadi government forces -- both of which were on a collision course. The two countries also have not seen eye to eye on the Syrian civil war. The execution of a Shi'a cleric by Saudi Arabia, though, would bring the antagonism between Iran and Saudi Arabia into more direct light, with possible deleterious consequences to come across the region. Hassan Nasrallah, the leader of the extremist Shi'a Hezbollah movement, referred to this very possibility as he accused the Saudi ruling regime of seeking to ignite a war between Sunni and Shia Muslims across the globe.

Given this dire possibility, there were questions as to why Saudi Arabia would even bother to go forward with the executions and thus accentuate Shi'a-Sunni sectarian antagonism. The answer was, very likely, a matter of political expediency on the domestic scene. While Saudi Arabia was home to a Sunni majority and Shi'a minority population, it is largely reliant on the Sunni Wahhabist population for support. As a result, taking a harsh stand against the Shi'ite population has been part of a clear strategy to manipulate the sectarian division in Saudi kingdom and shore up conservative Sunni support for the benefit of the House of Saud.

Perhaps with this goal in mind, Saudi Arabia was interested in leveraging sectarian divisions regionally as well. To this end, signs of devolving relations came with the decision by Saudi Arabia to cut diplomatic ties with Iran on Jan. 3, 2016. The decision came in the aftermath of the storming of the Saudi embassy in Tehran. Saudi Foreign Minister Adel al-Jubeir said that all his country's diplomats would be recalled from Iran while Iranian diplomats would be given 48 hours to depart Saudi Arabia. As well, Foreign Minister Jubeir said trade links with Iran would be severed and air traffic links halted, however, Iranian pilgrims seeking to travel to holy sites in Mecca and Medina would be permitted into Saudi Arabia. Foreign Minister Jubeir said Saudi Arabia would not allow would Iran to undermine its right to security, and accused Iran of "planting terrorist cells in the region." He added, "Iran's history is full of negative interference and hostility in Arab issues, and it is always accompanied by destruction."

For its part, Iran reacted by accusing Saudi Arabia of "continuing the policy of increasing tension and clashes in the region." A spokesperson for the Iranian Foreign Ministry, Hossein Jaber Ansari, said: "Saudi Arabia sees not only its interests but also its existence in pursuing crises and confrontations and attempts to resolve its internal problems by exporting them to the outside."

It should be noted that Bahrain, Djibouti, and Sudan joined Saudi Arabia in severing ties with Iran, while United Arab Emirates downgraded its ties and diplomatic staff. Kuwait, Qatar, and Comoros also joined this group of Arab countries as it recalled its ambassador from Iran.

In view of the strident rhetoric adopted by the respective governments of Iran and Saudi Arabia, governments in the Europe and the United States were urging restraint and diplomacy to resolve the broadening imbroglio. Meanwhile, the United Nations Security Council issued a statement in which it condemned the attack on the Saudi embassy in Tehran. Of note was the fact that no reference in the statement was made to the execution of the cleric.

At the end of the first week of January 2016, the situation grew more tense when Iran accused Saudi Arabia of attacking its embassy in Yemen in an air strike. Iranian state media claimed that the Saudi air strike deliberately targeted the Iranian embassy in the Yemeni capital of Sanaa. Other reports indicated that the air strikes had actually hit targets in the region of the embassy and not the diplomatic mission at all. Nevertheless, the spokesperson for the Iranian Foreign Ministry made the position of the Iranian government clear as he declared: "Saudi Arabia is responsible for the damage to the embassy building and the injury to some of its staff." Accordingly, Iran's government severed all commercial ties with Saudi Arabia as a result. For its part, the Saudi-led coalition operating in Yemen said that it had targeted rebel missile launchers, which may have used abandoned diplomatic compounds.

Concerned that the growing animosity between Iran and Saudi Arabia could deleteriously affect the

global effort against the terror enclave, Islamic State, Iraq -- with its majority Shi'a and minority Sunni population base -- entered the fray and offered to mediate the diplomatic fracas. To this end, Iraqi Prime Minister Haidar al-Abadi dispatched Foreign Minister Ibrahim al-Jaafari to Iran to try to quell the tensions. As a new conference. Jaafari said, "We have solid relations with the Islamic Republic and also we have relations with our Arab brothers and therefore we cannot stay silent in this crisis."

#### **Special Report on Iran:**

- Diplomacy credited for quick return by Iran of U.S. sailors; treatment of sailors in propaganda video raises eyebrows

- Diplomacy credited for release of five U.S. citizens from Iran; seven Iranians in U.S. released as part of prisoner swap

- Iran sanctions lifted thanks to P5+1 landmark nuclear deal; U.S. imposes new sanctions on Iran

Diplomacy credited for quick return by Iran of U.S. sailors; treatment of sailors in propaganda video raises eyebrows

On Jan. 12, 2016, 10 United States sailors were detained by Iranian Revolutionary Guards after an incursion into Iranian marine territory. According to reports, one of the two patrol vessels on a training mission between Bahrain and Kuwait developed mechanical troubles and, as a result, they strayed into Iran's waters. The crew was then held at an Iranian naval base on Farsi Island. The development spurred some degree of panic in the United States about the fate of the sailors, given the fact that in 2007, 15 sailors from the United Kingdom were detained in a disputed area between Iranian and Iraqi territory and held for weeks.

Soon, however, there were reports that thanks to a recent opening of the diplomatic channels, United States Secretary of State John Kerry was in contact with his Iranian counterpart, Foreign Minister Javad Zarif and that discussions were afoot to arrange the release of the sailors.

Of significance was the fact that Iranian General Ali Fadavi cast the United States' sailors as having committed "unprofessional" acts. He made clear that the United States vessel had violated Iranian sovereignty by entering Iranian waters; however, he indicated that the sailors would soon be released. As noted by Fadavi, "Mr. Zarif [Iran's foreign minister] had a firm stance, saying that they were in our territorial waters and should not have been, and saying that they [the US] should apologize. This has been done and it will not take long, and the naval force, according to its hierarchy, will act immediately upon the orders it receives." As promised, the sailors were released in the early hours of Jan. 13, 2016 although the United States made clear that Secretary of State John Kerry did not issue an apology.

For its part, Iran released videotaped footage showing the United States sailors being held at gunpoint by the Iranian Revolutionary Guards. The video also included footage of one sailor offering an apology for straying into Iranian waters. While there were strong criticisms of Iran for indulging in what could only be understood as propaganda formation, the general consensus was that such action was to be expected from the Iranian Revolutionary Guards, which was known to be one of the most hardline elements of the Iranian governing structure.

It should be noted that the naval incident occurred at a time when a controversial Iranian nuclear deal was set to be implemented. At issue was the lifting of punitive sanctions against Iran for its nuclear program. With that goal in mind, along with an open channel of communication between United States Secretary of State Kerry and Iran's Foreign Minister Zarif, it was perhaps not surprising that the matter was quickly resolved and the sailors were released. Indeed, according to State Department spokesperson, John Kirby, the foundation of diplomacy set during the nuclear negotiations is precisely why the United States sailors were freed from Iranian custody in less than 24 hours.

Diplomacy credited for release of five U.S. citizens from Iran; seven Iranians in U.S. released as part of prisoner swap

On Jan. 17, 2016, five United States citizens were released from the notorious Evin prison in Iran. Among the released individuals were Jason Rezaian, a reporter for the Washington Post; Amir Hekmati, a United States marine; Saeed Abedini, a Christian pastor; Matthew Trevithic, a student, and a fifth individual identified as Nosratollah Khosravi-Roodsari. Rezaian and Hekmati were imprisoned for charges related to espionage; Abedini was jailed for church activities in people's homes while he was in Iran to set up an orphanage. The charges related to the arrests of Trevithick and Khosravi-Roodsari were unknown, although Trevithick was in Iran to attend university and learn the Farsi language. The freedom for four of the five Americans was achieved after secret negotiations between the United States and Iran, and was part of a prisoner swap deal that also involved amnesty for seven Iranians jailed in the United States. The release of the fifth American -- Trevithick -- was not part of the prisoner swap.

On the other side of the equation, the seven Iranians were identified by Iranian media as Nader Modanlo, Bahram Mechanic, Khosrow Afghani, Arash Ghahreman, Tooraj Faridi, Nima Golestaneh and Ali Saboun. All seven were detained and either charged or convicted in the United States due to their violations of prevailing sanctions.

As with the rapid resolution to the naval incident discussed above, the opening of the channels of communication and the diplomatic process were credited for the prisoner swap. That being said, the diplomatic negotations aimed at returning the United States citizens home had been going on for some time and without public discussion of the matter. If fact, detractors of the Obama administration on the Republican side of the political aisle have long decried the controversial

Iranian nuclear deal by drawing attention to the fact that Rezaian, the Washington Post correspondent, remained in jail in Iran. They argued that the United States should never have signed onto the nuclear deal with the likes of Rezaian in Iranian custody. Unknown to them, however, was the fact that the Obama administration was steadfastly pursuing the release of the Americans during private negotiations.

Indeed, the determination of the Obama administration was supported by reports from some of the released prisoners up until the moments prior to their departure from Iran. Of note was the fact that Iranian authorities tried to prevent Rezaian's wife, Yeganeh Salehi, and his mother, Mary Rezaian, from boarding the flight intended to evacuate the Americans; however, representatives from the United States Department of State issued a hardline stance saying that the prisoner swap would be called off if Rezaian's wife and mother were not allowed to join him on the Swiss aircraft.

Ultimately, four of the former prisoners -- Rezaian, Abedini, and Hekmati, Trevithick, as well as Rezaian's wife and mother, boarded the Swiss aircraft and departed Iran and landed in Geneva, Switzerland. Nosratollah Khosravi-Roodsari, for unknown reasons, opted to remain in Iran. From Switzerland, three of the four prisoners -- Rezaian, Abedini, and Hekmati -- were transported to the Landstuhl army base in Germany for medical review. Trevithick returned home to Massachussetts in the United States and was immediately reunited with his family.

For his part, Rezaian -- the most well known of the prisoners in Iran -- confirmed that he was in good health. In a report by his employer, the Washington Post, he was reported to have said, "I want people to know that physically I'm feeling good. I know people are eager to hear from me but I want to process this for some time." In a moment of levity, Rezaian added that he was doing "a hell of a lot better than I was 48 hours ago." Abedini issued a statement thanking President Obama, his administration, and the State Department for their efforts in securing his release, which read as follows: "I am thankful for our president and all of the hard work by the White House and State Department in making this happen." Hekmati, who was met in Germany by his United States Congressional Representative, Dan Kildee -- a Democrat from Michigan -- used Kildee's Twitter feed to issue the following statement: "Dear Mr. President: Thank you for making my freedom and reunion wth my family possible. I am humbled that you were personally involved in my case and proud to have you as my president."

Editor's Note: Even as amidst the celebration of the release of five Americans from Iranian custody, it is essential to keep in mind that there remains no shortage of people unjustly imprisoned across the world. Of note, is the disturbing number of journalists in prison who have done nothing other than report the news. The Committee to Protect Journalists reports that close to 200 journalists are in jail across the globe. See this report for more information: https://www.cpj.org/imprisoned/2015.php

Iran sanctions lifted thanks to P+1 landmark nuclear deal; U.S. imposes new sanctions on Iran

On Jan. 17, 2016, following talk in Vienna, Austria, in keeping with a landmark nuclear deal negotiated between Iran and the so-called P5+1 countries, international sanctions on Iran were lifted. The official lifting of the sanctions was announced in a joint news conference by the European Union foreign policy chief Federica Mogherini and Iranian Foreign Minister Javad Zarif. Mogherini's statement included the declaration that Iran had "fulfilled its commitment."

It should be noted that the announcement was made after the international nuclear watchdog entity, the International Atomic Energy Agency (IAEA) reported that Itan had complied with the dictated terms of the nuclear agreement, which were intended to ensure that Iran would not develop a nuclear weapon.

A recapitulation of the central elements set forth in the nuclear deal, which was formalized in July 2015 via a resolution in the United Nations Security Council, is as follows:

- Iran would reduce its enriched-uranium stockpile by 98 percent

- Iran would retain a reduced number of uranium centrifuges (5060 in total) for a ten-year period

- Iran would be limited to refining uranium at only a five percent enrichment level for a fifteenyear period

( this level is consistent for usage at a nuclear power plant and is well short of weaponization levels )

- Iran will allow IAEA monitors to inspect facilities under review for suspicious activity for up to 25 years

(Iran does not have to submit to inspections but if it refuses it will be subject to an arbitration panel and possible judgement that it is in violation)

- Iran would be granted gradual/phased in sanctions relief, essentially allowing Iran to finally export its oil

- Iran would be granted access to more than \$100 billion in frozen assets pending the implementation of nuclear curbs

- The prevailing United Nations arms embargo on Iran would remain in place for five years
- The prevailing ballistic missiles embargo on Iran would remain in place for eight years

\_ Iran would be prohibited from designing warheads or conducting experiments on nuclear weapons-related technology

Via the social media outlet, Twitter, Iranian President Hassan Rouhani praised the development with the following Tweet: "I thank God for this blessing and bow to the greatness of the patient nation of Iran." For his part, President Barack Obama hailed the move, saying, "This is a good day because once again we are seeing what's possible through strong American diplomacy. These things are a reminder of what we can achieve when we lead with strength and with wisdom." Detractors in Iran and United States respectively had a very different view of the situation. In Iran

Iran, hardliners have long argued that the Iranian government should not be in negotiations with the United States, and sign on to a deal whose terms would be dictated externally.

In the United States, conservatives have argued that the nuclear deal would result in Iran -- a state sponsor of terrorism -- to have access to frozen funds and re-entry to the international markets. However, the counterpoint argument in both Iran and the United States has been that while the agreement would hardly result in the normalization of relations between the two countries, there was now a diplomatic channel open that was not available for decades prior. Moreover, as noted by advocates of global security, the deal was the only viable way to reduce the threat of a nuclear-armed Iran. This sentiment was clear articulated by United States Secretary of State John Kerry, who said, "Today, as a result of the actions taken since last July, the United States, our friends and allies in the Middle East, in the entire world are safer because the threat of a nuclear weapon has been reduced."

United Nations sanctions against Iran were automatically ended, but with the formal announcement by Mogherini and Zarif, along with the certification of Iranian compliance by the IAEA, the European Union ceased its economic and financial sanctions regime against Iran, while the United States lifted its litany of commercial and financial sanctions that had been levied against Iran.

With the sanctions thus lifted, Iran was effectively "open for business" with billions dollars of assets now unfrozen, and with its oil now available to be sold on the international market. Indeed, Iran immediately acted to increase its oil ouput, while international companies commenced the process of returning to Iran to pursue business deals. However, not all the new was positive for Iran. By Jan. 18, 2016, the United States had imposed fresh sanctions on approximately a dozen companies and individuals for their involvement in Iran's ballistic missile program. At issue was a the fact that in October 2015, Iran had conducted a precision-guided ballistic missile test, in violation of a prevailing United Nations prohibition. As noted by Adam Szubin, the United States acting under-secretary for terrorism and financial intelligence, "Iran's ballistic missile programme poses a significant threat to regional and global security, and it will continue to be subject to international sanctions."

Editor's Note: Regardless of the political machinations as well as the political posturing in both Iran and United States respectively, this landmark accord was being celebrated as a historic development in the realm of international diplomacy and global security. For good of for ill, the reintegration of Iran into the global community would inevitably shift the geopolitical dynamics in the Middle East. Moreover, both President Hassan Rouhani in Iran and President Barack Obama in the United States had made history with this landmark nuclear accord by moving their two countries from a state of decades-old enmity, charting the path of diplomacy, and traversing along the difficult road of re-engagement. These efforts would surely define their respective political legacies. Whether or not this nuclear agreement would stand the test of time and survive hardline domestic politics at home in Iran and the United States was to be determined, but Rouhani and Obama could take heart in the fact that they had respectively honored their election promises to pursue a peaceful resolution to the Iranian nuclear issue.

### Primer on 2016 parliamentary elections in Iran

Parliamentary elections were set to be held in Iran on Feb. 26, 2016. The previous parliamentary elections in Iran were held in 2012. At stake in these elections would be the composition of the unicameral "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly), with its 290 seats. In that legislative body, members are elected by popular vote from single-seat constituencies to serve four-year terms. It should be noted that all candidates for parliament must be approved by the "Shura-e-Nigahban" (Council of Guardians).

It should be noted that formal political parties are a relatively new phenomenon in Iran. That being said, political candidates, regardless of party or bloc affiliation, can roughly be divided into two camps -- hardline conservatives and reformists respectively. In the 2016 parliamentary elections, the Iranian election authorities (mostly controlled by the Council of Guardians) had rejected the candidacies of as many as 60 percent of the applicants, with the vast majority of those individuals being regarded as reformists.

Former Iranian President Akbar Hashemi Rafsanjani expressed disapproval over the disqualification of so many reformist candidates, but went further in condemning the authority of the Council of Guardians as follows: "Who decided you are qualified to judge the others? Who gave you the right to take all the guns, have all the Friday prayer platform and run state television?" This statement was regarded as an overt challenge and reflective of a deepening conflict between hardliners and reformists in Iran.

In the second week of February 2016, the Guardians Council reversed its ban on as many as 1,500 candidates. Of course, it was unknown as to whether or not a significant portion of those 1,500 candidates were actually reformers. It was also unknown if the change in policy was motivated in any way by the growing political chasm between hardliners and reformists. The new listing was being dispatched to the country's Interior Ministry.

By election day on Feb. 26, 2016, it was apparent that a good many of the candidates who benefited from the ban reversal were reformists and moderates. This was due to the fact that they actually won many seats in parliament, as the counting of the ballots went on, with hardliners actually losing ground. Official results were not immediately available; however, a tally by Reuters News suggested that conservatives won about 40 percent of seats, reformists took about 30 percent, independents garnered 17 percent, and 13 percent would likely be subject to run-off votes. Overall, the trend was away from hardline control over the legislative body. This trend thus indicated that Iran was charting a new political path - a view echoed in an editorial written in

the newspaper, Mardomsalari, which declared: "This election can be a turning point in the history of the Islamic Republic."

Another significant outcome of these elections was the fact that both President Hassan Rouhani and former President Akbar Hashemi Rafsanjani --two known reformists -- were leading the race for membership in the Assembly of Experts, which plays an influential role in determining Iran's foreign policy. Clearly, this result revitalized the likelihood that Iran would honor its commitment with regard to the multilateral denuclearization agreement intended to prevent Iran from developing a nuclear weapon.

-- March 2016

Written by Dr. Denise Youngblood Coleman.

General sources used in all Country Reviews are available in the Bibliography.

Supplementary sources used to compose body of entry for "Iran Country Review - <u>Political</u> <u>Conditions</u>" : New York Times; BBC News; Washington Post; Reuters; NTIS News; <u>United States</u> National Intelligence Estimate; Government of Iran; Government of United States; United Nations; International Atomic Energy Agency.

Specific sources used to compose "Primer on 2009 Presidential Election" : BBC News, ABC News, NBC News, CNN, Reuters, Agence France Presse, Associated Press, New York Times, al-Jazeera, al-Arabiya, Harvard School of Journalism's Tehran Bureau, National Iranian American Committee, and the Brookings Institute.

### **Political Risk Index**

# Political Risk Index

The **Political Risk Index** is a proprietary index measuring the level of risk posed to governments, corporations, and investors, based on a myriad of political and economic factors. The <u>Political Risk</u>

Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on varied criteria\* including the following consideration: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the highest political risk, while a score of 10 marks the lowest political risk. Stated differently, countries with the lowest scores pose the greatest political risk. A score of 0 marks the most dire level of political risk and an ultimate nadir, while a score of 10 marks the lowest possible level of political risk, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater risk.

| Country     | Assessment |
|-------------|------------|
|             |            |
| Afghanistan | 2          |
| Albania     | 4          |
| Algeria     | 6          |
| Andorra     | 9          |
| Angola      | 4          |
| Antigua     | 8          |
| Argentina   | 4          |
| Armenia     | 4-5        |
| Australia   | 9.5        |

| Austria            | 9.5   |
|--------------------|-------|
| Azerbaijan         | 4     |
| Bahamas            | 8.5   |
| Bahrain            | 6     |
| Bangladesh         | 3.5   |
| Barbados           | 8.5-9 |
| Belarus            | 3     |
| Belgium            | 9     |
| Belize             | 8     |
| Benin              | 5     |
| Bhutan             | 5     |
| Bolivia            | 5     |
| Bosnia-Herzegovina | 4     |
| Botswana           | 7     |
| Brazil             | 7     |
| Brunei             | 7     |
| Bulgaria           | 6     |
| Burkina Faso       | 4     |

| Burma (Myanmar)          | 4.5 |
|--------------------------|-----|
| Burundi                  | 3   |
| Cambodia                 | 4   |
| Cameroon                 | 5   |
| Canada                   | 9.5 |
| Cape Verde               | 6   |
| Central African Republic | 3   |
| Chad                     | 4   |
| Chile                    | 9   |
| China                    | 7   |
| China: Hong Kong         | 8   |
| China: Taiwan            | 8   |
| Colombia                 | 7   |
| Comoros                  | 5   |
| Congo DRC                | 3   |
| Congo RC                 | 4   |
| Costa Rica               | 8   |
| Cote d'Ivoire            | 4.5 |

| Croatia            | 7     |
|--------------------|-------|
|                    | ,     |
| Cuba               | 4-4.5 |
| Cyprus             | 5     |
| Czech Republic     | 8     |
| Denmark            | 9.5   |
| Djibouti           | 4.5   |
| Dominica           | 7     |
| Dominican Republic | 6     |
| East Timor         | 5     |
| Ecuador            | 6     |
| Egypt              | 5     |
| El Salvador        | 7     |
| Equatorial Guinea  | 4     |
| Eritrea            | 3     |
| Estonia            | 8     |
| Ethiopia           | 4     |
| Fiji               | 5     |
| Finland            | 9     |
|                    |       |

| Fr.YugoslavRep.Macedonia | 5     |
|--------------------------|-------|
| France                   | 9     |
| Gabon                    | 5     |
| Gambia                   | 4     |
| Georgia                  | 5     |
| Germany                  | 9.5   |
| Ghana                    | 6     |
| Greece                   | 4.5-5 |
| Grenada                  | 8     |
| Guatemala                | 6     |
| Guinea                   | 3.5   |
| Guinea-Bissau            | 3.5   |
| Guyana                   | 4.5   |
| Haiti                    | 3.5   |
| Holy See (Vatican)       | 9     |
| Honduras                 | 4.5-5 |
| Hungary                  | 7     |
| Iceland                  | 8.5-9 |

| India        | 7.5-8 |
|--------------|-------|
| Indonesia    | 6     |
| Iran         | 3.5-4 |
| Iraq         | 2.5-3 |
| Ireland      | 8-8.5 |
| Israel       | 8     |
| Italy        | 7.5   |
| Jamaica      | 6.5-7 |
| Japan        | 9     |
| Jordan       | 6.5   |
| Kazakhstan   | 6     |
| Kenya        | 5     |
| Kiribati     | 7     |
| Korea, North | 1     |
| Korea, South | 8     |
| Kosovo       | 4     |
| Kuwait       | 7     |
| Kyrgyzstan   | 4.5   |

| Laos             | 4.5   |
|------------------|-------|
| Latvia           | 7     |
| Lebanon          | 5.5   |
| Lesotho          | 6     |
| Liberia          | 3.5   |
| Libya            | 2     |
| Liechtenstein    | 9     |
| Lithuania        | 7.5   |
| Luxembourg       | 9     |
| Madagascar       | 4     |
| Malawi           | 4     |
| Malaysia         | 8     |
| Maldives         | 4.5   |
| Mali             | 4     |
| Malta            | 8     |
| Marshall Islands | 6     |
| Mauritania       | 4.5-5 |
| Mauritius        | 7     |

| 6.5   |
|-------|
| 7     |
| 5     |
| 9     |
| 5     |
| 6     |
| 6.5   |
| 4.5-5 |
| 6.5-7 |
| 6     |
| 4     |
| 9.5   |
| 9.5   |
| 5     |
| 4     |
| 4.5   |
| 9.5   |
| 7     |
|       |

| Pakistan                     | 3.5   |
|------------------------------|-------|
| Palau                        | 7     |
| Panama                       | 7.5   |
| Papua New Guinea             | 5     |
| Paraguay                     | 6.5-7 |
| Peru                         | 7     |
| Philippines                  | 6     |
| Poland                       | 8     |
| Portugal                     | 7.5   |
| Qatar                        | 7.5   |
| Romania                      | 5.5   |
| Russia                       | 5.5   |
| Rwanda                       | 5     |
| Saint Kitts and Nevis        | 8     |
| Saint Lucia                  | 8     |
| Saint Vincent and Grenadines | 8     |
| Samoa                        | 7     |
| San Marino                   | 9     |

| Sao Tome and Principe      | 5.5 |
|----------------------------|-----|
| Saudi Arabia               | 6   |
| Senegal                    | 6   |
| Serbia                     | 5   |
| Seychelles                 | 7   |
| Sierra Leone               | 4.5 |
| Singapore                  | 9   |
| Slovak Republic (Slovakia) | 8   |
| Slovenia                   | 8   |
| Solomon Islands            | 6   |
| Somalia                    | 2   |
| South Africa               | 7   |
| Spain                      | 7.5 |
| Sri Lanka                  | 5   |
| Sudan                      | 3.5 |
| Suriname                   | 5   |
| Swaziland                  | 5   |
| Sweden                     | 9.5 |
|                            |     |

| Switzerland          | 9.5   |
|----------------------|-------|
| Syria                | 2     |
| Tajikistan           | 4.5   |
| Tanzania             | 6     |
| Thailand             | 6.5   |
| Togo                 | 4.5   |
| Tonga                | 7     |
| Trinidad and Tobago  | 8     |
| Tunisia              | 6     |
| Turkey               | 7     |
| Turkmenistan         | 4.5   |
| Tuvalu               | 7     |
| Uganda               | 6     |
| Ukraine              | 3.5-4 |
| United Arab Emirates | 7     |
| United Kingdom       | 9     |
| United States        | 9.5   |
| Uruguay              | 8     |

| Uzbekistan | 4   |
|------------|-----|
| Vanuatu    | 7   |
| Venezuela  | 4   |
| Vietnam    | 5   |
| Yemen      | 3   |
| Zambia     | 4.5 |
| Zimbabwe   | 3   |

# \*Methodology

The <u>Political Risk Index</u> is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. political stability (record of peaceful transitions of power, ability of government to stay in office and carry out policies as a result of productive executive-legislative relationship, perhaps with popular support vis a vis risk of government collapse)

2. political representation (right of suffrage, free and fair elections, multi-party participation, and influence of foreign powers)

3. democratic accountability (record of respect for political rights, human rights, and civil liberties, backed by constitutional protections)

4. freedom of expression (media freedom and freedom of expression, right to dissent or express political opposition, backed by constitutional protections)

5. security and crime (the degree to which a country has security mechanisms that ensures safety of citizens and ensures law and order, without resorting to extra-judicial measures)

6. risk of conflict (the presence of conflict; record of coups or civil disturbances; threat of war; threats posed by internal or external tensions; threat or record of terrorism or insurgencies)

7. human development (quality of life; access to education; socio-economic conditions; systemic concern for the status of women and children)

8. jurisprudence and regulatory transparency (the impartiality of the legal system, the degree of transparency within the regulatory system of a country and the durability of that structure)

9. economic conditions (economic stability, investment climate, degree of nationalization of industries, property rights, labor force development)

10. corruption ( the degree of corruption in a country and/or efforts by the government to address graft and other irregularities)

# Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world.

North Korea, Afghanistan, Somalia, and Zimbabwe -- retain their low rankings.

Several Middle Eastern and North African countries, such as <u>Tunisia</u>, <u>Egypt</u>, <u>Libya</u>, <u>Syria</u>, <u>Iraq</u> and <u>Yemen</u> were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. The worst downgrades affected <u>Syria</u> where civil war is at play, along with the rampage of terror being carried out by Islamist terrorists who have also seized control over part of Syrian territory. <u>Iraq</u> has been further downgraded due to the rampage of Islamist terrorists and their takeover of wide swaths of Iraqi territory. <u>Libya</u> has also been downgraded further due to its slippage into failed state status; at issue in <u>Libya</u> have been an ongoing power struggle between rival militias. <u>Yemen</u> continues to hold steady with a poor ranking due to continued unrest at the hands of Houthi rebels, secessinionists, al-Qaida in the Arabian Peninsula, and Islamic State. Its landscape has been further complicated by the fact that it is now the site of a proxy war between <u>Iran</u> and <u>Saudi</u> <u>Arabia</u>. Conversely, <u>Tunisia</u> and <u>Egypt</u> have seen slight upgrades as these countries stabilize.

In Africa, <u>Zimbabwe</u> continues to be one of the bleak spots of the world with the Mugabe regime effectively destroying the country's once vibrant economy, and miring <u>Zimbabwe</u> with an exceedingly high rate of inflation, debilitating unemployment, devolving public services, and critical food shortages; rampant crime and political oppression round out the landscape. <u>Somalia</u> also sports a poor ranking due to the continuing influence of the terror group, al-Shabab, which was not operating across the border in <u>Kenya</u>. On the upside, <u>Nigeria</u>, which was ineffectively dealing with the threat posed by the terror group, Boko Haram, was making some strides on the national

security front with its new president at the helm. <u>Mali</u> was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. But the <u>Central African Republic</u> was downgraded due to the takeover of the government by Muslim Seleka rebels and a continued state of lawlessness in that country. South <u>Sudan</u> -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. <u>Burkina Faso</u>, <u>Burundi</u> and <u>Guinea</u> have been downgraded due to political unrest, with <u>Guinea</u> also having to deal with the burgeoning Ebola crisis.

In Europe, <u>Ukraine</u> was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. <u>Russia</u> was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Strains on the infrastructure of southern and eastern European countries, such as <u>Serbia</u>, <u>Croatia</u>, and <u>Hungary</u>, due to an influx of refugees was expected to pose social and economic challenges, and slight downgrades were made accordingly. So too, a corruption crisis for the Romanian prime minister has affected the ranking of that country. Meanwhile, the rankings for <u>Spain</u>, <u>Portugal</u>, <u>Ireland</u>, and <u>Italy</u> were maintained due to debt woes and the concomitant effect on the euro zone. <u>Greece</u>, another euro zone nation, was earlier downgraded due to its sovereign debt crisis; however, no further downgrade was added since the country was able to successfully forge a bailout rescue deal with creditor institutions. Cyprus' exposure to Greek banks yielded a downgrade in its case.

In Asia, <u>Nepal</u> was downgraded in response to continuous political instability and a constitutional crisis that prevails well after landmark elections were held. Both <u>India</u> and China retain their rankings; <u>India</u> holds a slightly higher ranking than <u>China</u> due to its record of democratic representation and accountability. Increasing violence and political instability in <u>Pakistan</u> resulted in a downgrade for this country's already low rating. Meanwhile, <u>Singapore</u> retained its strong rankings due to its continued effective stewardship of the economy and political stability.

In the Americas, ongoing political and economic woes, as well as crime and corruption have affected the rankings for Mexico, Guatemala, and Brazil. Argentina was downgraded due to its default on debt following the failure of talks with bond holders. Venezuela was downgraded due to its mix of market unfriendly policies and political oppression. For the moment, the <u>United States</u> maintains a strong ranking along with <u>Canada</u>, and most of the English-speaking countries of the Caribbean; however, a renewed debt ceiling crisis could cause the <u>United States</u> to be downgraded in a future edition. Finally, a small but significant upgrade was attributed to <u>Cuba</u> due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

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# **Political Stability**

# **Political Stability**

The **Political Stability Index** is a proprietary index measuring a country's level of stability, standard of good governance, record of constitutional order, respect for human rights, and overall strength of democracy. The <u>Political Stability</u>Index is calculated using an established methodology\* by CountryWatch's Editor-in-Chief and is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability and an ultimate nadir, while a score of 10 marks the highest level of political stability possible, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater stability.

| Country     | Assessment |
|-------------|------------|
|             |            |
| Afghanistan | 2          |
| Albania     | 4.5-5      |
| Algeria     | 5          |
|             |            |

| Andorra    | 9.5   |
|------------|-------|
| Angola     | 4.5-5 |
| Antigua    | 8.5-9 |
| Argentina  | 7     |
| Armenia    | 5.5   |
| Australia  | 9.5   |
| Austria    | 9.5   |
| Azerbaijan | 5     |
| Bahamas    | 9     |
| Bahrain    | 6     |
| Bangladesh | 4.5   |
| Barbados   | 9     |
| Belarus    | 4     |
| Belgium    | 9     |
| Belize     | 8     |
| Benin      | 5     |
| Bhutan     | 5     |
| Bolivia    | 6     |
|            |       |

| Bosnia-Herzegovina       | 5     |
|--------------------------|-------|
| Botswana                 | 8.5   |
| Brazil                   | 7     |
| Brunei                   | 8     |
| Bulgaria                 | 7.5   |
| Burkina Faso             | 4     |
| Burma (Myanmar)          | 4.5   |
| Burundi                  | 4     |
| Cambodia                 | 4.5-5 |
| Cameroon                 | 6     |
| Canada                   | 9.5   |
| Cape Verde               | 6     |
| Central African Republic | 3     |
| Chad                     | 4.5   |
| Chile                    | 9     |
| China                    | 7     |
| China: Hong Kong         | 8     |
| China: Taiwan            | 8     |

| Colombia           | 7.5   |
|--------------------|-------|
| Comoros            | 5     |
| Congo DRC          | 3     |
| Congo RC           | 5     |
| Costa Rica         | 9.5   |
| Cote d'Ivoire      | 3.5   |
| Croatia            | 7.5   |
| Cuba               | 4.5   |
| Cyprus             | 8     |
| Czech Republic     | 8.5   |
| Denmark            | 9.5   |
| Djibouti           | 5     |
| Dominica           | 8.5   |
| Dominican Republic | 7     |
| East Timor         | 5     |
| Ecuador            | 7     |
| Egypt              | 4.5-5 |
| El Salvador        | 7.5-8 |

| Equatorial Guinea        | 4.5   |
|--------------------------|-------|
| Eritrea                  | 4     |
| Estonia                  | 9     |
| Ethiopia                 | 4.5   |
| Fiji                     | 5     |
| Finland                  | 9     |
| Fr.YugoslavRep.Macedonia | 6.5   |
| France                   | 9     |
| Gabon                    | 5     |
| Gambia                   | 4.5   |
| Georgia                  | 5     |
| Germany                  | 9.5   |
| Ghana                    | 7     |
| Greece                   | 6     |
| Grenada                  | 8.5   |
| Guatemala                | 7     |
| Guinea                   | 3.5-4 |
| Guinea-Bissau            | 4     |

| Guyana             | 6     |
|--------------------|-------|
| Haiti              | 3.5-4 |
| Holy See (Vatican) | 9.5   |
| Honduras           | 6     |
| Hungary            | 7.5   |
| Iceland            | 9     |
| India              | 8     |
| Indonesia          | 7     |
| Iran               | 3.5   |
| Iraq               | 2.5   |
| Ireland            | 9.5   |
| Israel             | 8     |
| Italy              | 8.5-9 |
| Jamaica            | 8     |
| Japan              | 9     |
| Jordan             | 6     |
| Kazakhstan         | 6     |
| Kenya              | 5     |

| Kiribati      | 8     |
|---------------|-------|
| Korea, North  | 2     |
| Korea, South  | 8.5   |
| Kosovo        | 5.5   |
| Kuwait        | 7     |
| Kyrgyzstan    | 5     |
| Laos          | 5     |
| Latvia        | 8.5   |
| Lebanon       | 5.5   |
| Lesotho       | 5     |
| Liberia       | 3.5-4 |
| Libya         | 2     |
| Liechtenstein | 9     |
| Lithuania     | 9     |
| Luxembourg    | 9.5   |
| Madagascar    | 4     |
| Malawi        | 5     |
| Malaysia      | 8     |

| Mali             |       |
|------------------|-------|
| ivian            | 4.5-5 |
| Malta            | 9     |
| Marshall Islands | 8     |
| Mauritania       | 6     |
| Mauritius        | 8     |
| Mexico           | 6.5-7 |
| Micronesia       | 8     |
| Moldova          | 5.5   |
| Monaco           | 9.5   |
| Mongolia         | 6.5-7 |
| Montenegro       | 8     |
| Morocco          | 7     |
| Mozambique       | 5     |
| Namibia          | 8.5   |
| Nauru            | 8     |
| Nepal            | 4.5   |
| Netherlands      | 9.5   |

| New Zealand      | 9.5 |
|------------------|-----|
| Nicaragua        | 6   |
| Niger            | 4.5 |
| Nigeria          | 4.5 |
| Norway           | 9.5 |
| Oman             | 7   |
| Pakistan         | 3   |
| Palau            | 8   |
| Panama           | 8.5 |
| Papua New Guinea | 6   |
| Paraguay         | 8   |
| Peru             | 7.5 |
| Philippines      | 6   |
| Poland           | 9   |
| Portugal         | 9   |
| Qatar            | 7   |
| Romania          | 7   |
| Russia           | 6   |
|                  |     |

| 9<br>9 |
|--------|
| 9      |
|        |
| 9      |
| 8      |
| 9.5    |
| 7      |
| 6      |
| 7.5    |
| 6.5    |
| 8      |
| 4.5    |
| 9.5    |
| 8.5    |
| 9      |
| 6.5-7  |
| 2      |
| 7.5    |
|        |

| Spain               | 9   |
|---------------------|-----|
| Sri Lanka           | 5   |
| Sudan               | 3   |
| Suriname            | 5   |
| Swaziland           | 5   |
| Sweden              | 9.5 |
| Switzerland         | 9.5 |
| Syria               | 2   |
| Tajikistan          | 4.5 |
| Tanzania            | 6   |
| Thailand            | 6   |
| Togo                | 5   |
| Tonga               | 7   |
| Trinidad and Tobago | 8   |
| Tunisia             | 5   |
| Turkey              | 7.5 |
| Turkmenistan        | 5   |
| Tuvalu              | 8.5 |

| Uganda               | 6     |
|----------------------|-------|
| Ukraine              | 3.5-4 |
| United Arab Emirates | 7     |
| United Kingdom       | 9     |
| United States        | 9     |
| Uruguay              | 8.5   |
| Uzbekistan           | 4     |
| Vanuatu              | 8.5   |
| Venezuela            | 4.5-5 |
| Vietnam              | 4.5   |
| Yemen                | 2.5   |
| Zambia               | 5     |
| Zimbabwe             | 3     |

# \*Methodology

The Political Stability Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. record of peaceful transitions of power (free and fair elections; adherence to political accords)

2. record of democratic representation, presence of instruments of democracy; systemic accountability

3. respect for human rights; respect for civil rights

4. strength of the system of jurisprudence, adherence to constitutional order, and good governance

5. ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse (i.e. government stability versus a country being deemed "ungovernable")

6. threat of coups, insurgencies, and insurrection

7. level of unchecked crime and corruption

8. risk of terrorism and other threats to national security

9. relationship with regional powers and international community; record of bilateral or multilateral cooperation

10. degree of economic strife (i.e. economic and financial challenges)

#### Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world. The usual suspects -- North Korea, Afghanistan, and Somalia -- retain their low rankings. The reclusive and ultra-dictatorial North Korean regime, which has terrified the world with its nuclear threats, has exhibited internal instability. Of note was a cut-throat purge of hundreds of high ranking officials deemed to be a threat to Kim Jung-un. Despite their attempts to recover from years of lawlessness, war, and warlordism, both Afghanistan and Somalia continue to be beset by terrorism and turmoil. In Afghanistan, while international forces have seen success in the effort against the terror group, al-Qaida, the other Islamist extremist group, the Taliban, continues to carry out a vicious insurgency using terrorism. In Somalia, while the government attempts to do the nation's business, the terror group, al-Shabab continues to make its presence known not only in Somalia, but across the border into Kenya with devastating results/ Also in this category is Iraq, which continues to be rocked by horrific violence and terrorism at the hands of Islamic State, which has taken over wide swaths of Iraqi territory.

Syria, <u>Libya</u>, and <u>Yemen</u> have been added to this unfortunate echelon of the world's most politically unstable countries. <u>Syria</u> has been mired by the twin hazards of 1. a civil war as rebels oppose the Assad regime; and 2. the rampage of terror being carried out by Islamic State, which also seized control over vast portions of Syrian territory. Meanwhile, the post-Qaddhafi landscape of <u>Libya</u> has devolved into chaos as rival militias battle for control -- the elected government of the

country notwithstanding. Rounding out this grim triad is <u>Yemen</u>, which was dealing with a Houthi rebellion, secesionists in the south, as well as the threat of terrorism from al-Qaida in the Arabian Peninsula as well as Islamic State, while also being the site of a proxy war between Shi'a <u>Iran</u> and Sunni <u>Saudi Arabia</u>.

Meanwhile, several Middle Eastern and North African countries, such as <u>Tunisia</u>, <u>Egypt</u>, and <u>Bahrain</u> were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. All three of these countries have stabilized in recent years and have been upgraded accordingly. In <u>Bahrain</u>, the landscape had calmed. In <u>Egypt</u>, the secular military-backed government has generated criticism for its crackdown on the Muslim Brotherhood; however, the country had ratified the presidency via democratic elections and were on track to hold parliamentary elections as the country moved along the path of democratization. Perhaps the most impressive story was coming out of <u>Tunisia</u> -- the country whose Jasmine Revolution sparked the entire Arab Spring -- and where after a few years of strife, a new progressive constitution was passed into law and a secular government had been elected to power. <u>Tunisia</u>, <u>Egypt</u>, and <u>Bahrain</u> have seen slight upgrades as these countries stabilize.

In Africa, the <u>Central African Republic</u> was downgraded the previous year due to the takeover of the government by Muslim Seleka rebels. Although the country has been trying to emerge from this crisis, the fact of the matter was that it was difficult to halt the precipitous decline into lawlessness in that country. Zimbabwe has maintained its consistently poor ranking due to the dictatorial regime of Mugabe, who continues to hold a tight grip on power, intimidates the opposition, squashes dissent, and oppresses the white farmer population of the country. Moving in a slightly improved direction is Nigeria, which has sported abysmal ratings due to the government's fecklessness in dealing with the threat posed by the Islamist terror group, Boko Haram. Under its newly-elected government, there appears to be more of a concerted effort to make national security a priority action item. Mali was also slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Political instability has visited <u>Burkina Faso</u> and <u>Burundi</u> as the leaders of those countries attempted to side-step constitutional limits to hold onto power. In Burundi, an attempted coup ensued but quelled, and the president won a (questionable) new term in office; unrest has since punctuated the landscape. In Burkina Faso, the political climate has turned stormy as a result of a successful coup that ended the rule of the president, and then a putsch against the transitional government. These two African countries have been downgraded as a result.

It should be noted that the African country of South <u>Sudan</u> -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. <u>Guinea</u> has endured poor rankings throughout, but was slightly downgraded further over fears of social unrest and the Ebola heath crisis.

In Europe, <u>Ukraine</u> was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. <u>Russia</u> was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. <u>Serbia</u> and <u>Albania</u> were slightly downgraded due to eruptions of unrest, while <u>Romania</u> was slightly downgraded on the basis of corruption charges against the prime minister. <u>Spain, Portugal, Ireland, and Italy</u> were downgraded due to debt woes and the concomitant effect on the euro zone. <u>Greece</u>, another euro zone nation, was downgraded the previous year due to its sovereign debt crisis; however, the country successfully forged a rescue deal with international creditors and stayed within the Euro zone. Greek voters rewarded the hitherto unknown upstart party at the polls for these efforts. As a result, <u>Greece</u> was actually upgraded slightly as it proved to the world that it could endure the political and economic storms. Meanwhile, <u>Germany, France, Switzerland</u>, the <u>United Kingdom</u>, the <u>Netherlands</u>, and the Scandinavian countries continue to post impressive ranking consistent with these countries' strong records of democracy, freedom, and peaceful transfers of power.

In Asia, <u>Nepal</u> was downgraded in response to continuous political instability well after landmark elections that prevails today. <u>Cambodia</u> was very slighly downgraded due to post-election instability that has resulted in occasional flares of violence. Despite the "trifecta of tragedy" in Japan in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both India and China retain their rankings; India holds a slightly higher ranking than <u>China</u> due to its record of democratic representation and accountability. Increasing violence and political instability in <u>Pakistan</u> resulted in a downgrade for this country's already low rating.

In the Americas, <u>Haiti</u> retained its downgraded status due to ongoing political and economic woes. <u>Mexico</u> was downgraded due to its alarming rate of crime. <u>Guatemala</u> was downgraded due to charges of corruption, the arrest of the president, and uncertainty over the outcome of elections. <u>Brazil</u> was downgraded due to the corruption charges erupting on the political landscape, the stalling of the economy, and the increasingly loud calls for the impeachment of President Rousseff. <u>Argentina</u> was downgraded due to its default on debt following the failure of talks with bond holders. <u>Venezuela</u> was downgraded due to the fact that the country's post-Chavez government is every bit as autocratic and nationalistic, but even more inclined to oppress its political opponents. <u>Colombia</u> was upgraded slightly due to efforts aimed at securing a peace deal with the FARC insurgents. A small but significant upgrade was attributed to <u>Cuba</u> due to its recent pro-business reforms and its normalization of ties with the Unitd States. Meanwhile, the <u>United States</u>, <u>Canada</u>, <u>Costa Rica</u>, <u>Panama</u>, and most of the English-speaking countries of the Caribbean retain their strong rankings due to their records of stability and peaceful transfers of power.

In the Pacific, <u>Fiji</u> was upgraded due to its return to constitutional order and democracy with the holding of the first elections in eight years.

In Oceania, <u>Maldives</u> has been slightly downgraded due to the government's continued and rather relentless persecution of the country's former pro-democracy leader - former President Nasheed.

Source:

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2015

# **Freedom Rankings**

Freedom Rankings

#### Freedom in the World

Editor's Note: This ranking by Freedom House quantifies political freedom and civil liberties into a single combined index on each sovereign country's level of freedom and liberty. The initials "PR" and "CL" stand for Political Rights and Civil Liberties, respectively. The number 1 represents the most free countries and the number 7 represents the least free. Several countries fall in the continuum in between. The freedom ratings reflect an overall judgment based on survey results.

| Country     | PR  | CL | Freedom Status | Trend<br>Arrow |
|-------------|-----|----|----------------|----------------|
| Afghanistan | 6 ? | 6  | Not Free       |                |

| Albania*             | 3   | 3 | Partly Free |
|----------------------|-----|---|-------------|
| Algeria              | 6   | 5 | Not Free    |
| Andorra*             | 1   | 1 | Free        |
| Angola               | 6   | 5 | Not Free    |
| Antigua and Barbuda* | 3 ? | 2 | Free        |
| Argentina*           | 2   | 2 | Free        |
| Armenia              | 6   | 4 | Partly Free |
| Australia*           | 1   | 1 | Free        |
| Austria*             | 1   | 1 | Free        |
| Azerbaijan           | 6   | 5 | Not Free    |
| Bahamas*             | 1   | 1 | Free        |
| Bahrain              | 6 ? | 5 | Not Free?   |
| Bangladesh*          | 3 ? | 4 | Partly Free |
| Barbados*            | 1   | 1 | Free        |
| Belarus              | 7   | 6 | Not Free    |
| Belgium*             | 1   | 1 | Free        |
| Belize*              | 1   | 2 | Free        |
| Benin*               | 2   | 2 | Free        |

| Bhutan                   | 4   | 5 | Partly Free |   |
|--------------------------|-----|---|-------------|---|
| Bolivia*                 | 3   | 3 | Partly Free |   |
| Bosnia-Herzegovina*      | 4   | 3 | Partly Free |   |
| Botswana*                | 3 ? | 2 | Free        |   |
| Brazil*                  | 2   | 2 | Free        |   |
| Brunei                   | 6   | 5 | Not Free    |   |
| Bulgaria*                | 2   | 2 | Free        |   |
| Burkina Faso             | 5   | 3 | Partly Free |   |
| Burma                    | 7   | 7 | Not Free    |   |
| Burundi*                 | 4   | 5 | Partly Free | ↑ |
| Cambodia                 | 6   | 5 | Not Free    | Ψ |
| Cameroon                 | 6   | 6 | Not Free    |   |
| Canada*                  | 1   | 1 | Free        |   |
| Cape Verde*              | 1   | 1 | Free        |   |
| Central African Republic | 5   | 5 | Partly Free |   |
| Chad                     | 7   | 6 | Not Free    |   |
| Chile*                   | 1   | 1 | Free        |   |
| China                    | 7   | 6 | Not Free    |   |

| Colombia*            | 3   | 4 | Partly Free |              |
|----------------------|-----|---|-------------|--------------|
| Comoros*             | 3   | 4 | Partly Free |              |
| Congo (Brazzaville ) | 6   | 5 | Not Free    | $\Downarrow$ |
| Congo (Kinshasa)     | 6   | 6 | Not Free    | $\Downarrow$ |
| Costa Rica*          | 1   | 1 | Free        |              |
| Cote d'Ivoire        | 6   | 5 | Not Free    |              |
| Croatia*             | 1 ? | 2 | Free        |              |
| Cuba                 | 7   | 6 | Not Free    |              |
| Cyprus*              | 1   | 1 | Free        |              |
| Czech Republic*      | 1   | 1 | Free        |              |
| Denmark*             | 1   | 1 | Free        |              |
| Djibouti             | 5   | 5 | Partly Free |              |
| Dominica*            | 1   | 1 | Free        |              |
| Dominican Republic*  | 2   | 2 | Free        | $\Downarrow$ |
| East Timor*          | 3   | 4 | Partly Free |              |
| Ecuador*             | 3   | 3 | Partly Free |              |
| Egypt                | 6   | 5 | Not Free    |              |
| El Salvador*         | 2   | 3 | Free        |              |

| Equatorial Guinea | 7   | 7   | Not Free    |   |
|-------------------|-----|-----|-------------|---|
| Eritrea           | 7   | 7 ? | Not Free    |   |
| Estonia*          | 1   | 1   | Free        |   |
| Ethiopia          | 5   | 5   | Partly Free | ψ |
| Fiji              | 6   | 4   | Partly Free |   |
| Finland*          | 1   | 1   | Free        |   |
| France*           | 1   | 1   | Free        |   |
| Gabon             | 6   | 5 ? | Not Free?   |   |
| The Gambia        | 5   | 5 ? | Partly Free |   |
| Georgia           | 4   | 4   | Partly Free |   |
| Germany*          | 1   | 1   | Free        |   |
| Ghana*            | 1   | 2   | Free        |   |
| Greece*           | 1   | 2   | Free        |   |
| Grenada*          | 1   | 2   | Free        |   |
| Guatemala*        | 4 ? | 4   | Partly Free |   |
| Guinea            | 7   | 6 ? | Not Free    |   |
| Guinea-Bissau*    | 4   | 4   | Partly Free |   |
| Guyana*           | 2   | 3   | Free        |   |

|     |  | Partly Free                             |   |
|-----|--|---|---|
| 4 ? | 4 ?  | Partly Free                             |   |
| 1   | 1  | Free                                    |   |
| 1   | 1  | Free                                    |   |
| 2   | 3  | Free                                    |   |
| 2   | 3  | Free                                    |   |
| 6   | 6  | Not Free                                | $\Downarrow$  |
| 5 ? | 6  | Not Free                                |   |
| 1   | 1  | Free                                    |   |
| 1   | 2  | Free                                    |   |
| 1   | 2  | Free                                    |   |
| 2   | 3  | Free                                    |   |
| 1   | 2  | Free                                    |   |
| 6 ? | 5  | Not Free?                               |   |
| 6   | 5  | Not Free                                | ₩   |
| 4   | 4 ?  | Partly Free                             |   |
| 1   | 1  | Free                                    |   |
| 5 ? | 4 ?  | Partly Free ?                           |   |
|     | $ \begin{array}{c} 1\\ 1\\ 2\\ 2\\ 6\\ 5?\\ 1\\ 1\\ 1\\ 2\\ 1\\ 6?\\ 6\\ 4\\ 1\\ 1 \end{array} $ | 1111112323665?6111212123123126?56544?11 | 1       1       Free         1       1       Free         2       3       Free         2       3       Free         2       3       Free         6       6       Not Free         5?       6       Not Free         1       1       Free         1       2       Free         6       5       Not Free ?         6       5       Not Free         4       4?       Partly Free         1       1       Free |

| Kuwait         | 4   | 4   | Partly Free   |   |
|----------------|-----|-----|---------------|---|
| Kyrgyzstan     | 6 ? | 5 ? | Not Free?     |   |
| Laos           | 7   | 6   | Not Free      |   |
| Latvia*        | 2   | 1   | Free          |   |
| Lebanon        | 5   | 3 ? | Partly Free   |   |
| Lesotho*       | 3 ? | 3   | Partly Free ? |   |
| Liberia*       | 3   | 4   | Partly Free   |   |
| Libya          | 7   | 7   | Not Free      |   |
| Liechtenstein* | 1   | 1   | Free          |   |
| Lithuania*     | 1   | 1   | Free          |   |
| Luxembourg*    | 1   | 1   | Free          |   |
| Macedonia*     | 3   | 3   | Partly Free   | 介 |
| Madagascar     | 6 ? | 4 ? | Partly Free   |   |
| Malawi*        | 3 ? | 4   | Partly Free   |   |
| Malaysia       | 4   | 4   | Partly Free   |   |
| Maldives*      | 3 ? | 4   | Partly Free   |   |
| Mali*          | 2   | 3   | Free          |   |
| Malta*         | 1   | 1   | Free          | ψ |

|     | 1   | Free                               |  |
|-----|---|------------------------------------|--|
| 6   | 5   | Not Free                           |  |
| 1   | 2   | Free                               |  |
| 2   | 3   | Free                               |  |
| 1   | 1   | Free                               |  |
| 3 ? | 4   | Partly Free                        |  |
| 2   | 1   | Free                               |  |
| 2   | 2   | Free                               | ſſ   |
| 3   | 2 ?   | Free ?                             |  |
| 5   | 4   | Partly Free                        | ψ  |
| 4 ? | 3   | Partly Free                        |  |
| 2   | 2   | Free                               |  |
| 1   | 1   | Free                               |  |
| 4   | 4   | Partly Free                        |  |
| 1   | 1   | Free                               |  |
| 1   | 1   | Free                               |  |
| 4   | 4 ?   | Partly Free                        |  |
| 5 ? | 4   | Partly Free                        |  |
|     | 1<br>2<br>1<br>3?<br>2<br>2<br>3<br>5<br>4?<br>2<br>3<br>5<br>4?<br>2<br>1<br>4?<br>2<br>1<br>1<br>4<br>1<br>1<br>4 | 1223113?4212232?544?3221144111144? | 1       2       Free         2       3       Free         1       1       Free         3?       4       Partly Free         2       1       Free         2       1       Free         2       1       Free         2       1       Free         3       2?       Free         3       2?       Free ?         3       2?       Free ?         5       4       Partly Free         4?       3       Partly Free         1       1       Free         4       4?       Partly Free         4       4?       Partly Free |

| Nigeria                | 5 | 4 | Partly Free | $\downarrow$ |
|------------------------|---|---|-------------|--------------|
| North Korea            | 7 | 7 | Not Free    | $\Downarrow$ |
| Norway*                | 1 | 1 | Free        |              |
| Oman                   | 6 | 5 | Not Free    |              |
| Pakistan               | 4 | 5 | Partly Free |              |
| Palau*                 | 1 | 1 | Free        |              |
| Panama*                | 1 | 2 | Free        |              |
| Papua New Guinea*      | 4 | 3 | Partly Free |              |
| Paraguay*              | 3 | 3 | Partly Free |              |
| Peru*                  | 2 | 3 | Free        |              |
| Philippines            | 4 | 3 | Partly Free | ₩            |
| Poland*                | 1 | 1 | Free        |              |
| Portugal*              | 1 | 1 | Free        |              |
| Qatar                  | 6 | 5 | Not Free    |              |
| Romania*               | 2 | 2 | Free        |              |
| Russia                 | 6 | 5 | Not Free    | ₩            |
| Rwanda                 | 6 | 5 | Not Free    |              |
| Saint Kitts and Nevis* | 1 | 1 | Free        |              |

| Saint Lucia*                     | 1   | 1 | Free        |   |
|----------------------------------|-----|---|-------------|---|
| Saint Vincent and<br>Grenadines* | 2   | 1 | Free        |   |
| Samoa*                           | 2   | 2 | Free        |   |
| San Marino*                      | 1   | 1 | Free        |   |
| Sao Tome and Principe*           | 2   | 2 | Free        |   |
| Saudi Arabia                     | 7   | 6 | Not Free    |   |
| Senegal*                         | 3   | 3 | Partly Free |   |
| Serbia*                          | 2 ? | 2 | Free        |   |
| Seychelles*                      | 3   | 3 | Partly Free |   |
| Sierra Leone*                    | 3   | 3 | Partly Free |   |
| Singapore                        | 5   | 4 | Partly Free |   |
| Slovakia*                        | 1   | 1 | Free        | ţ |
| Slovenia*                        | 1   | 1 | Free        |   |
| Solomon Islands                  | 4   | 3 | Partly Free |   |
| Somalia                          | 7   | 7 | Not Free    |   |
| South Africa*                    | 2   | 2 | Free        |   |
| South Korea*                     | 1   | 2 | Free        |   |
| Spain*                           | 1   | 1 | Free        |   |

| Sri Lanka*           | 4   | 4   | Partly Free |   |
|----------------------|-----|-----|-------------|---|
| Sudan                | 7   | 7   | Not Free    |   |
| Suriname*            | 2   | 2   | Free        |   |
| Swaziland            | 7   | 5   | Not Free    |   |
| Sweden*              | 1   | 1   | Free        |   |
| Switzerland*         | 1   | 1   | Free        | ₩ |
| Syria                | 7   | 6   | Not Free    |   |
| Taiwan*              | 1 ? | 2 ? | Free        |   |
| Tajikistan           | 6   | 5   | Not Free    |   |
| Tanzania             | 4   | 3   | Partly Free |   |
| Thailand             | 5   | 4   | Partly Free |   |
| Togo                 | 5   | 4 ? | Partly Free |   |
| Tonga                | 5   | 3   | Partly Free |   |
| Trinidad and Tobago* | 2   | 2   | Free        |   |
| Tunisia              | 7   | 5   | Not Free    |   |
| Turkey*              | 3   | 3   | Partly Free | Ψ |
| Turkmenistan         | 7   | 7   | Not Free    |   |
| Tuvalu*              | 1   | 1   | Free        |   |

| Uganda               | 5   | 4   | Partly Free |   |
|----------------------|-----|-----|-------------|---|
| Ukraine*             | 3   | 2   | Free        |   |
| United Arab Emirates | 6   | 5   | Not Free    |   |
| United Kingdom*      | 1   | 1   | Free        |   |
| United States*       | 1   | 1   | Free        |   |
| Uruguay*             | 1   | 1   | Free        |   |
| Uzbekistan           | 7   | 7   | Not Free    |   |
| Vanuatu*             | 2   | 2   | Free        |   |
| Venezuela            | 5 ? | 4   | Partly Free |   |
| Vietnam              | 7   | 5   | Not Free    | ψ |
| Yemen                | 6 ? | 5   | Not Free ?  |   |
| Zambia*              | 3   | 4 ? | Partly Free |   |
| Zimbabwe             | 6 ? | 6   | Not Free    |   |

## Methodology:

PR and CL stand for political rights and civil liberties, respectively; 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

? ? up or down indicates a change in political rights, civil liberties, or status since the last survey.  $\uparrow \quad \Downarrow$  up or down indicates a trend of positive or negative changes that took place but that were not sufficient to result in a change in political rights or civil liberties ratings of 1-7.

\* indicates a country's status as an electoral democracy.

#### Source:

This data is derived from the latest edition of Freedom House's Freedom in the World 2010 edition.

Available at URL: <u>http://www.freedomhouse.org</u>

Updated:

Reviewed in 2015

# **Human Rights**

## **Overview of Human Rights in Iran**

The Islamic Republic of Iran is a constitutional theocratic republic. Respect for human rights in Iran is not a top priority for the regime in power.

In November 2004, the United Nations General Assembly passed a resolution condemning the human rights situation in Iran. The resolution cited Iran's failure to comply with international standards in the administration of justice, the absence of due process of law, the refusal to provide fair and public hearings and right to counsel, and forms of systemic discrimination. Instead of improving, Iran's already poor human rights record has worsened in the months since this statement was released.

Abuses such as extra-judicial executions, rape, torture, stoning, flogging, harsh prison conditions, and incommunicado detention are committed by members of the security forces and members of the government.

Citizens of Iran have limited options available to them in expressing opposition to the government. Indeed, at the political level, the government controls the selection of candidates for elections. As well, the government uses torture and ill-treatment to punish those who dissent, and it also uses the judiciary to punish dissent and obstruct progress in the area of human rights.

Privacy rights as well as the freedoms of press, speech, religion, assembly, and association are also limited by the government. Official corruption and lack of government transparency further exacerbate the situation.

Violence, as well as legal and societal discrimination against homosexuals and ethnic minorities, are widespread.

Trafficking in persons and child labor are other human rights concerns in the region.

The government continues to restrict the work of human rights groups and often denies entry to the United Nations Special Representative for Iran of the Commission on Human Rights (UNSR) into Iran.

Note: The contested elections of 2009 illuminated a disturbing level of human rights violations, abuse of basic rights and freedoms, and increased autocracy, as delineated in the "Political Conditions" of this Country Review.

# Human Development Index (HDI) Rank:

See full listing of the Human Development Index located in the Social Overview of this report for this country's current rank.

## Human Poverty Index Rank:

36th out of 103

## **Gini Index:**

43.0

# Life Expectancy at Birth (years):

70.86 years

# **Unemployment Rate:**

11.2%

# Population living on \$1 a day (%):

<2%

# Population living on \$2 a day (%):

7.3%

## **Population living beneath the Poverty Line (%):**

40%

## **Internally Displaced People:**

N/A

Note- Over one million refugees from Iraq and Afghanistan are currently seeking asylum in Iran

#### Total Crime Rate (%):

N/A

# Health Expenditure (% of GDP):

Public: 2.9%

# % of GDP Spent on Education:

4.9%

#### Human Rights Conventions Party to:

• International Convention on the Prevention and Punishment and Punishment of the Crime of Genocide

- International Convention on the Elimination of All Forms of Racial Discrimination
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Conventions on the Rights of the Child
- Convention relating to the Status of Refugees
- Rome Statute of the International Criminal Court (Signed but not yet ratified)

\*Human Development Index (HDI) is a composite index that measures the level of well-being in 177 nations in the world. It uses factors such as poverty, literacy, life-expectancy, education, gross domestic product, and purchasing power parity to assess the average achievements in each nation. It has been used in the United Nation's Human Development Report since 1993.

\*Human Poverty Index Ranking is based on certain indicators used to calculate the Human Poverty Index. Probability at birth of not surviving to age 40, adult literacy rate, population without sustainable access to an improved water source, and population below income poverty line are the indicators assessed in this measure.

\*The Gini Index measures inequality based on the distribution of family income or consumption. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual).

\*The calculation of the total crime rate is the % of the total population which has been effected by property crime, robbery, sexual assault, assault, or bribery (corruption) related occurrences.

# **Government Functions**

## Constitution

The December 1979 Iranian constitution defines the political, economic and social order of the Islamic republic. It declares that Shi'a Islam of the Jaafari sect is Iran's official religion. Secular and religious leaders, as well as councils, govern the country. Frequently, the duties of secular and religious officials overlap. In 1989, the constitution was revised to expand powers of the presidency and eliminate the prime ministership

# **Executive Authority**

The Rahbar-e Moazam" (supreme leader), is a "Wali Faqih" (religious leader) or, in the absence of a single leader, a three- or five-man council of religious leaders. The constitution stipulates that this national religious leader (or council) is to be chosen from the clerical establishment on the basis of qualifications and the 'high esteem of the Iranian Muslim population.' The leader is chosen by the "Majlis-e Khobregan" (Council of Experts)-a group of clerics. The Council of Experts was first constituted on Dec. 10, 1982, to designate a successor to then "Wali Faqih" (religous leader), the Ayatollah Khomeini. Conservatives and hard-liners dominate the current Council of Experts.

The supreme leader (or council) is the head of state and commander-in-chief of the armed forces; the supreme leader (or council) appoints the highest judicial authorities; all must be religious jurists. The leader (or council) also appoints the six religious members of the "Shura-e-Nigahban" (Council of Guardians). The six lay members, all lawyers, are first named by the High Council of the Judiciary and then approved by the "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly).

The Council of Guardians certifies the competence of candidates for the presidency and the assembly and oversees all elections.

The president of the republic is the head of government and is elected by universal suffrage to a four-year term by an absolute majority of votes and supervises the affairs of the executive branch. The president appoints and supervises the Council of Ministers (members of the cabinet), coordinates government decisions, and selects government policies to be placed before the assembly. (Note: In 1989, the constitution was amended to expand the power of the president and to eliminate the role of the prime minister.)

# **Legislative Authority**

The "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly) consists of 290 members directly elected to a four-year term. The Council of Guardians reviews all legislation from the assembly. While the council's six lay members vote only on limited questions of the constitutionality of legislation, the six religious members consider all bills for conformity to Islamic principles.

In February 1988, the "Shura-ye Tashkhis-e Maslahat-e Nezam" (Committee to Determine the Expediency of the Islamic Order, or Council for Expediency) was established, which resolves legislative issues on which the Islamic Consultative Assembly and the Council of Guardians fail to reach an agreement. Since 1989, it has been used to advise the national religious leader on matters of national policy as well. It is composed of the heads of the three branches of government, the clerical members of the Council of Guardians, and members appointed by the national religious leader for three-year terms. Cabinet members and "Majlis-e-Shura e Eslami" committee chairs may also serve as temporary members when issues under their jurisdictions are considered.

# **Judicial Authority**

The legal system is based on Shari'a law. Judicial authority is constitutionally vested in the Supreme Court and the four-member High Council of the Judiciary, two groups with overlapping responsibilities, but one head. Together, they are responsible for supervising the enforcement of all laws and for establishing judicial and legal policies.

# **Government Structure**

#### Name:

conventional long form: Islamic Republic of Iran (Jomhuri-ye Eslami-ye Iran) conventional short form: Iran (Iran) former: Persia

**Type:** Theocratic republic

#### **Executive Branch:**

"Rahbar-e Moazam" (Supreme Leader), "Wali Faqih" (Religious Leader and functional chief of state):

Leader of the Islamic Revolution Ayatollah Ali Hoseini-Khamenei (since June 4, 1989); appointed for life by the "Majlis-e Khobregan" (Council of Experts)

Note:

Also considered part of the Executive branch of government are three oversight bodies: 1) Assembly of Experts (referenced above), a popularly elected body of 86 religious scholars constitutionally charged with determining the succession of the Supreme Leader, reviewing his performance, and deposing him if deemed necessary; 2) Expediency Council or Council for the Discernment of Expediency is a policy advisory and implementation board consisting of permanent and temporary members representing all major government factions, some of whom are appointed by the Supreme Leader; the Council exerts supervisory authority over the executive, judicial, and legislative branches and resolves legislative issues on which the Majles and the Council of Guardians disagree; 3) Council of Guardians or Council of Guardians of the Constitution is a 12-member board of clerics and jurists serving six-year terms that determines whether proposed legislation is both constitutional and faithful to Islamic law; the Council also vets candidates for suitability and supervises national elections

#### Head of government:

President Hassan Rouhani (since 2013) won the 2013 presidential election to succeed outgoing President Mahmoud Ahmadinejad; see "Primer" below for information related to 2013 election.

### Primer on 2013 Presidential Election:

A presidential election was set to be held in Iran on June 14, 2013.

In Iran, executive power actually lies with the supreme leader of the Islamic Revolution, as well as three oversight bodies: the Assembly of Experts, the Expediency Council, and the Council of Guardians. That being said, president functions as the head of government and is viewed as the "face of the nation" to the international community. Although Iranians vote in popular election for president, candidates to this post are approved by the upper echelons of executive government, the bodies of which are listed above.

In 2005, Mahmoud Ahmadinejad was elected as president by popular vote in the second round of elections; he claimed re-election win in 2009 under contested conditions. While Iran's government announced that Mahmoud Ahmadinejad won re-election on June 12, 2009, his main rival Mir-Hossein Mousavi claimed victory and accused the authorities of indulging in widespread fraud and vote rigging to deprive him of winning the presidency. The reformists in Iran as well as the international community largely condemned the election results. Mass protests in the form of the "Green Revolution" (to mark Mousavi's emblem) ensued but were eventually squashed violently by the government forces, with bloody results. Since that time, most of Iran's leading reformists have been jailed or detained, essentially suppressing the most effective elements of the reform movement in the country.

In 2013, Ahmadinejad was not eligible to contest the presidential election again. Instead, a new cadre of candidates would be on the ballot. The Interior Ministry in May 2013 released its official slate of approved candidates. In Iran, as noted above, although the presidential election is touted to be a popular contest, in fact, the candidates must be approved by the executive oversight bodies that hold the real reins of power in the country. This "approved" listing of presidential candidates included the following individual: Iran's nuclear negotiator Saeed Jalili, former nuclear negotiator Hassan Rouhani, Tehran Mayor Mohammad-Baqer Qalibaf, former Foreign Minister Ali-Akbar Velayati, former Oil and Telecommunications Minister Mohammad Gharazi, former senior military commander Mohsen Rezaei, senior lawmaker Gholam-Ali Haddad-Adel, and Mohammad-Reza Aref, who served as the former Iranian first vice president under the reformist President Mohammad Khatami. It should be noted that Jalili, Velayati, and Hadad-Adel were known to be stalwarts of the Iranian Supreme Leader, Ali Khamenei.

Conspicuously absent from the list or approved candidates was former moderate President Akbar Hashemi-Rafsanjani, who had announced his intention to contest the presidency, as well as Esfandiar Rahim-Mashaei, a top aide of President Mahmoud Ahmadinejad. These two omissions, in conjunction with the inclusion of Jalili, Velayati, and Haddad-Adel, made it clear that the Supreme Leader -- Ayatollah Ali Khamenei -- intended to continue to wield the real power in Iran. Indeed, the ayatollah was making sure that the bench of presidential contenders was filled with his

own supporters, while his possible rivals would be side-lined.

First, Ayatollah Ali Khamenei was ensuring that the reformists and moderates would have no outlet in this election by disqualifying Rafsanjani from the presidential race. Second, he was dispensing with the pro-Ahmadinejad wing, which had in recent years become a thorn in the side of the existing power brokers. Clearly, Ayatollah Ali Khamenei was making sure that conservatives and hard liners would maintain their hold over the affairs of Iran by suppressing the moderates and reformists who might be attracted to Rafsanjani, while neutering the Ahmadinejad wing, with whom it had become embroiled in an inconvenient and irritating power struggle.

Not one to stay silent on his exclusion from the presidential contest, Rafsanjani said that he wanted to contest the election because he believed that religious principles were no longer effective governing policies in Iran and he urged economic liberalization, ameliorated relations with the international community, and the empowerment of Iran's elected bodies. According to the opposition website, Kaleme and Rah-e-Sabz, Rafsanjani also referenced the Guardians Council decision to exclude him from the final list of candidates , saying, "I think it is not possible to run the country worse than this, even if it had been planned in advance... I don't want to stoop to their propaganda and attacks, but their ignorance is worrying. Do they even understand what they're doing?"

His rhetoric appeared to have resonance as Zahra Mostafavi Khomeini, the daughter of Grand Ayatollah Ruhollah Khomeini (Iran's revolutionary leader) dispatched a letter to the current supreme leader, Khamenei, urging that Rafsanjani be approved as a candidate, and noting that his disqualification from the approved list of presidential candidates displayed "disrespect to the wishes of the people" and "great harm" to the regime.

Meanwhile, Iranian President Mahmoud Ahmadinejad addressed the disqualification of his ally, Esfandiar Rahim-Mashaei, by promising to take up the matter with the leadership of Ayatollah Khamenei. Ahmadinejad was on the record saying, "I will take up the issue with him (Khamenei) and pursue it to the last moment, and I hope the problem will be solved."

The international community entered the fray at the end of May 2013 when a cadre of independent human rights experts from the United Nations expressed their concerns over the disqualification of several candidates in the presidential election. Their concerns were not limited to the high profile cases of Rafsanjani and Mashaei, but also the disqualification of more than two dozen women who wanted to contest the presidential race. Ahmed Shaheed, a special rapporteur on human rights in Iran, was reported to have said: "This mass disqualification including that of women wishing to stand in the presidential elections is discriminatory and violates fundamental right to political participation, and runs contrary to the International Covenant on Civil and Political Rights, which Iran has ratified." Shaheed continued, "Any restrictions on this right must be based on objective and reasonable criteria without distinction of any kind, including race, gender, religion,

and political or other opinion."

Ahead of the elections, the candidates of the approved list participated in a series of high-controlled and state-administered debates. The economy emerged as a key issue with the candidates promising to move Iran past its economic difficulties sourced in serious sanctions levied by the West over Iran's nuclear program. As for that very nuclear program, there was some divergence from the candidates on this controversial issue.

Hardliner conservative Saeed Jalili, who has been Iran's nuclear negotiator, insisted on maintaining Iran's intransigent position during a debate. He said, "If our interests are at odds with (the demands) of some countries, we should defend our rights by resistance." He continued saying, "One of our discussions is that we do not accept the hegemonic power in the world and are in challenge with it. We are being challenged by a system which intends to forcefully rule the world."

Former Iranian Foreign Minister Ali-Akbar Velayati took a somewhat different perspective as he pointed out the failure of Jalili's brand of diplomacy in recent years. He said, "This is not diplomacy to sit face-to-face with the other side and to recite the same words...This is not diplomacy to read a statement before other countries." He continued, "The art of diplomacy is to preserve the country's nuclear right and, at the same time, we diminish sanctions." Velayati thus argued that Iran should have worked constructively with the international power brokers on the deal advanced by the P5+1 group (the five permanent members of the United Nations Security Council plus Germany) in the most recent round of nuclear talks in Kazakhstan.

Moderate candidate and former nuclear diplomat, Hassan Rouhani, also pointed to the failure of the current diplomatic track under Jalili and broadly called for "wisdom" and a more rational nuclear policy. He also suggested that Iran should consider the temporary suspension of its uranium enrichment program, due to the economic hardship endured under the West's sanctions regime.

Tehran's Mayor Mohammad-Bagher Qalibaf joined the chorus of critics over the incumbent executive branch's diplomatic efforts. Qalibaf said he intended to consider diplomatic overtures from the international community while preserving the interests and identity of the nation.

Gholam-Ali Haddad-Adel stood in line with Jalili's stance as defended Iran's defiance and placed the blame for the lack of diplomatic progress on the United States. He said, "The United States cannot stand political and cultural independence of Iran after the 1979 Islamic revolution."

Only days before the Iranian election was set to take place, reformist candidate, Mohammad-Reza Aref, withdrew from the presidential race and said that he was placing his support behind the moderate candidate, Hassan Rouhani. The move seemed to be aimed at ensuring that the reformist and moderate constituencies were not split between the two men, and indirectly giving a boost to the hardliners in the field. Instead, moderates and reformists were making a tactical decision to

consolidate their vote shares. The move was backed by former reformist President Mohammad Khatami and former President Akbar Hashemi Rafsanjani -- a quasi-moderate whose candidacy for the presidency was not approved by the Iranian authorities, as discussed above.

Earlier, the field was further depleted when apparent hardliner, Gholam Ali Haddad-Adel, withdrew his candidacy from the country presidential election. In his case, this move appeared aimed at ensuring he did not take votes away from fellow conservative, Saeed Jalili. He also was clear about indicating that Iranians' votes should not be cast according to personal preferences but, instead, be a reflection of the will of the country's leadership. Indeed, Haddad-Adel called on Iranian voters to "strictly observe" the guidance of Iran's Supreme Leader Ayatollah Ali Khamenei when they went to the polls to vote.

Meanwhile, a cadre of conservative clerics belonging to the Qom Seminary Scholars Association offered its endorsement too former Foreign Minister Ali Akbar Velayati.

It should be noted that Velayati was viewed as the front-runner in the presidential race by many Iranian analysts due to his closeness to the Iranian political establishment.

Why is this election important?

For decades, Iran has had a conflict-ridden relationship with the countries of the West, and an overtly hostile relationship with the United States and its closest ally in the Middle East, Israel. Iran's more recent nuclear ambitions have served only to raise geopolitical tensions in the Middle East, with several Arab countries increasingly anxious about a future nuclear-armed Iran in their neighborhood. Even without much chance of a plausible reformist at the helm of Iran after this 2013 presidential contest, the Western world likely hopes that Ahmadinejad's successor might be more amenable to productive nuclear negotiations, with an eye ultimately on global security.

# Election Results:

On election day in Iran, turnout was reported to be very high and estimated to be around 80 percent. Representatives of all of the candidates issued a joint statement calling on their supporters to stay calm until the official results were known.

Early election results gave the moderate candidate, Rouhani, a significant lead in the Iranian election, with Qalibaf in second place, and the conservatives and hardliners like Jalili and Velayati trailing far behind. It was to be seen if this trend would hold when the vote count was complete. If no one candidate secured 50 percent of the vote share, a second round would take place a week later on June 21, 2013.

But several hours after the polls had closed and the long process of counting the votes was finally

Iran

complete, there was a shocking development on the Iranian political landscape. Not only had the lone moderate candidate in the field -- Rouhani -- manged to capture the most votes, he had also crossed the 50 percent threshold needed to avoid a second round and had won with an outright victory. The election results gave Rouhani 52 percent, Qalibaf 17 percent, Jalili 11 percent, and left the other candidates, including Velayati, even further behind.

In comparison to the votes secured by his fellow candidates, one could argue that Rouhani scored a landslide victory. The people of Iran were certainly treating it as such, with thousands of people taking to the streets of Tehran to celebrate Rouhani's election success. One report from the ground in Tehran, via Twitter, was as follows: "We are celebrating that we are free after eight years of Ahmadinejad." Other Twitter feeds reported the following messages from Iranians in the streets: "Bye, bye Ami!" and "Long live reform, long live Rouhani."

The interior ministry confirmed that Rouhani had won the presidency in a statement to the public. As declared by Interior Minister Mostafa Mohammad-Najjar: "Mr. Hassan Rohani ... got the absolute majority of votes and was elected as president."

The long process of vote counting in Election 2013 was a contrast to Election 2009 when results were announced in short order to the benefit of Ahmadinejad amidst accusations of fraud. In 2013, it seemed to be a sign of political progress that the Iranian establishment authorities acknowledged outright that Rouhani -- the candidate they had not endorsed -- had actually won the election. There were many Iranians who were now suggesting that Rouhani's upset victory, to some degree, "redeemed" Iran's political system, which was so badly tainted in the aftermath of the 2009 disputed presidential election. At the very least, the handling of these elections in 2013 placed a patina of legitimacy on Iran's damaged electoral system.

In many senses, Rouhani's victory was a repudiation of the conservative and hardline base that controls most of the power in Iran. Rouhani's strong performance -- evidenced by his first round outright victory -- certainly suggested a popular rejection of the conservative and theocratic power base, despite the fact that Ayatollah Khamenei and his leadership cadre had tried to "stack" the proverbial deck of candidates with hardliner stalwarts. It was noteworthy that the candidates backed by the hardliners and conservatives were at the proverbial "back of the pack" and garnered the least amount of popular support. As well, Rouhani's election win made it clear that the reformist movement remained alive, despite the Iranian authorities' efforts to sideline well-known moderates, such as Rafsanjani, and leaders of the 2009 "Green Revolution" reform movement, such as Mousavi and Karroubi. Furthermore, Rouhani's victory illuminated the reality that the Iranian public was ready for an end to the policies that have yielded economic havoc and international isolation, and hungry for transformation. Of course, the desires of the public and the political elite were not necessarily in sync with one another.

For his part, Rouhani has promised "constructive interaction with the world" including measures

aimed at assuaging the West over Iran's controversial nuclear program. A sharp critic of the belligerent tone taken by the outgoing presidency of Ahmadinejad, and the lack of diplomatic progress made in the previous eight years on the international front, Rouhani was reported to have said in a campaign speech: "We won't let the past eight years be continued. They brought sanctions for the country. Yet, they are proud of it. I'll pursue a policy of reconciliation and peace. We will also reconcile with the world."

It was to be seen if Rouhani would make good on this promise, and if Ayatollah Khamenei, the Guardians Council, and the rest of Iran's executive power base would actually allow the new president to pursue this path. As noted by Ali Vaez of the International Crisis Group, "Remember that Iran is governed by complex institutions and competing power centers that inherently favor continuity over radical change."

That being said, it was clear that Rouhani -- a mild-mannered moderate and former nuclear negotiator with fluency in several languages -- had a popular mandate for change. Perhaps his presidency will provide the Ayatollah Khamenei and the conservative clerics with an imprimatur of sorts to soften their own stances, while claiming that Iran was simply following the natural democratic course. Stated differently, it was possible that Rouhani's clear presidential victory would offer him political latitude to make some progress in pursuing improved relations with the international community, especially on the nuclear development front. Progress on nuclear negotiations could lead to economic relief as economic and financial sanctions by the West have been deeply damaging to the Iranian economy. But no doubt the West was waiting to see what a Rouhani presidency would actually look like with the campaign rhetoric at an end, and the actual governing set to begin.

Note: Rouhani was inaugurated into power as Iran's new president in August 2013.

## Cabinet:

Council of Ministers; selected by the president with the approval of the "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly)

#### **Legislative Branch:**

Unicameral "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly):

290 members; elected by popular vote from single-seat constituencies to serve four-year terms; all candidates must be approved by the "Shura-e-Nigahban" (Council of Guardians)

Note:

The "Shura-e-Nigahban" (Council of Guardians) has twelve members, six religious members appointed by the Leader of the Islamic Revolution (Religious Leader or Council) and six lay members, all lawyers, named by the High Council of the Judiciary and then approved by the

"Majlis-e-Shura e Eslami." The Council of Guardians has the authority to approve all candidates for the presidency and the assembly; oversee all elections; and review all legislation coming from the Islamic Consultative Assembly for constitutionality and conformity to Islamic principles.

The "Shura-ye Tashkhis-e Maslahat-e Nezam" (Committee to Determine the Expediency of the Islamic Order, or Council for Expediency) resolves legislative issues on which the Islamic Consultative Assembly and the Council of Guardians fail to reach an agreement. It also advises the national religious leader on matters of national policy.

## Primer on 2016 parliamentary elections in Iran:

Parliamentary elections were set to be held in Iran on Feb. 26, 2016. The previous parliamentary elections in Iran were held in 2012. At stake in these elections would be the composition of the unicameral "Majlis-e-Shura e Eslami" (Islamic Consultative Assembly), with its 290 seats. In that legislative body, members are elected by popular vote from single-seat constituencies to serve four-year terms. It should be noted that all candidates for parliament must be approved by the "Shura-e-Nigahban" (Council of Guardians).

It should be noted that formal political parties are a relatively new phenomenon in Iran. That being said, political candidates, regardless of party or bloc affiliation, can roughly be divided into two camps -- hardline conservatives and reformists respectively. In the 2016 parliamentary elections, the Iranian election authorities (mostly controlled by the Council of Guardians) had rejected the candidacies of as many as 60 percent of the applicants, with the vast majority of those individuals being regarded as reformists.

Former Iranian President Akbar Hashemi Rafsanjani expressed disapproval over the disqualification of so many reformist candidates, but went further in condemning the authority of the Council of Guardians as follows: "Who decided you are qualified to judge the others? Who gave you the right to take all the guns, have all the Friday prayer platform and run state television?" This statement was regarded as an overt challenge and reflective of a deepening conflict between hardliners and reformists in Iran.

In the second week of February 2016, the Guardians Council reversed its ban on as many as 1,500 candidates. Of course, it was unknown as to whether or not a significant portion of those 1,500 candidates were actually reformers. It was also unknown if the change in policy was motivated in any way by the growing political chasm between hardliners and reformists. The new listing was being dispatched to the country's Interior Ministry.

By election day on Feb. 26, 2016, it was apparent that a good many of the candidates who benefited from the ban reversal were reformists and moderates. This was due to the fact that they actually won many seats in parliament, as the counting of the ballots went on, with hardliners actually losing ground. Official results were not immediately available; however, a tally by Reuters

News suggested that conservatives won about 40 percent of seats, reformists took about 30 percent, independents garnered 17 percent, and 13 percent would likely be subject to run-off votes. Overall, the trend was away from hardline control over the legislative body. This trend thus indicated that Iran was charting a new political path - a view echoed in an editorial written in the newspaper, Mardomsalari, which declared: "This election can be a turning point in the history of the Islamic Republic."

Another significant outcome of these elections was the fact that both President Hassan Rouhani and former President Akbar Hashemi Rafsanjani --two known reformists -- were leading the race for membership in the Assembly of Experts, which plays an influential role in determining Iran's foreign policy. Clearly, this result revitalized the likelihood that Iran would honor its commitment with regard to the multilateral denuclearization agreement intended to prevent Iran from developing a nuclear weapon.

#### **Judicial Branch:**

Supreme Court; there is also a special clerical court, a revolutionary court, and a special administrative court

#### **Constitution:**

Dec. 23, 1979; revised in 1989 to expand the powers of the presidency and eliminate the position of prime minister.

## Legal System:

The constitution codifies Islamic principles of government.

#### **Administrative Divisions:**

31 provinces (ostanha, singular - ostan); Alborz, Ardabil, Azarbayjan-e Gharbi (West Azerbaijan), Azarbayjan-e Sharqi (East Azerbaijan), Bushehr, Chahar Mahal va Bakhtiari, Esfahan, Fars, Gilan, Golestan, Hamadan, Hormozgan, Ilam, Kerman, Kermanshah, Khorasan-e Jonubi (South Khorasan), Khorasan-e Razavi (Razavi Khorasan), Khorasan-e Shomali (North Khorasan), Khuzestan, Kohgiluyeh va Bowyer Ahmad, Kordestan, Lorestan, Markazi, Mazandaran, Qazvin, Qom, Semnan, Sistan va Baluchestan, Tehran, Yazd, Zanjan

#### **Political Parties:**

<u>Note:</u> Formal political parties are a relatively new phenomenon in Iran and most conservatives still prefer to work through political pressure groups rather than parties; often political parties or coalitions are formed prior to elections and disbanded soon thereafter; a loose pro-reform coalition called the 2nd Khordad Front, which includes political parties as well as less formal groups and organizations, achieved considerable success in elections for the sixth Majles in early 2000; groups in the coalition included the Islamic Iran Participation Front (IIPF), Executives of Construction Party (Kargozaran), Solidarity Party, Islamic Labor Party, Mardom Salari, Mojahedin of the Islamic Revolution Organization (MIRO), and Militant Clerics Society (MCS; Ruhaniyun); the coalition participated in the seventh Majles elections in early 2004 but boycotted them after 80 incumbent reformists were disqualified; following his defeat in the 2005 presidential elections, former MCS Secretary General and sixth Majles Speaker Mehdi KARUBI formed the National Trust Party; a new conservative group, Islamic Iran Developers Coalition (Abadgaran), took a leading position in the new Majles after winning a majority of the seats in February 2004; ahead of the 2008 Majles elections, traditional and hardline conservatives attempted to close ranks under the United Front of Principlists and the Broad Popular Coalition of Principlists; several reformist groups, such as the MIRO and the IIPF, also came together as a reformist coalition in advance of the 2008 Majles elections; the IIPF has repeatedly complained that the overwhelming majority of its candidates were unfairly disqualified from the 2008 elections

## **Pressure Groups:**

<u>Groups that generally support the Islamic Republic:</u> Ansar-e Hizballah Followers of the Line of the Imam and the Leader Islamic Coalition Party (Motalefeh) Islamic Engineers Society Tehran Militant Clergy Association (MCA; Ruhaniyat)

<u>Active pro-reform student group:</u> Office of Strengthening Unity (OSU)

Opposition groups: Freedom Movement of Iran Green Path movement [Mehdi KARUBI, Mir-Hosein MUSAVI] Marz-e Por Gohar National Front various ethnic and monarchist organizations

Armed political groups repressed by the government: Democratic Party of Iranian Kurdistan (KDPI) Harekat-e Ansar-e Iran (splinter faction of Jundallah) Jaysh l-Adl (formerly known as Jundallah) Komala Mojahedin-e Khalq Organization (MEK or MKO) People's Fedayeen People's Free Life Party of Kurdistan (PJAK)

#### Suffrage:

18 years of age; universal

## **Contact Information:**

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Interest Section of the Islamic Republic of Iran The Embassy of Pakistan 2209 Wisconsin Ave., N.W. Washington D.C. 20007 Tel: (202) 965-4990 / Fax: (202) 965-1073

Internet Addresses: The President's Office: <u>http://www.president.ir/</u> The Parliament: <u>http://www.majlis.ir/</u> The Ministry of Foreign Affairs: <u>http://www.mfa.gov.ir/</u>

# **Principal Government Officials**

## **Government of Iran**

Supreme Leader Ali Hoseini-KHAMENEI, Ayatollah Hasan Fereidun RUHANI, Hojjat ol-Eslam Pres. Sec. of the Cabinet Mohsen HAJI-MIRZAIE Head, Presidential Office Mohammad NAHAVANDIAN Head, Management and Planning Organization Mohammad Bager NOBAKHT First Vice Pres. Eshaq JAHANGIRI Vice Pres. for Executive Affairs Mohammad SHARIAT-MADARI Vice Pres. for Legal Affairs Elham AMINZADEH Vice Pres. for Parliamentary Affairs Majid ANSARI, Hojjat ol-Eslam Vice Pres. for Science & Technology Sorena SATARI-Khavas Vice Pres. for Women's & Family Affairs Shahindokht MOLAVERDI Vice Pres. & Head, Atomic Energy Organization of Iran Ali Akbar SALEHI Vice Pres. & Head, Cultural Heritage, Handicrafts, & Tourism Organization Masud **SOLTANIFAR** Vice Pres. & Head, Environmental Protection Organization Masumeh EBTEKAR Vice Pres. & Head, Martyrs & War Veterans Affairs Foundation Mohammad Ali SHAHIDI, Hojjat ol-Eslam Min. of Agricultural Jihad Mohammad HOJJATI Min. of Communication & Information Technology Mahmud VAEZI-Jazai Min. of Culture & Islamic Guidance Ali JANATI Min. of Defense & Armed Forces Logistics Hosein DEHQAN Min. of Economic Affairs & Finance Ali TAYEB-NIA Min. of Education Ali Asgar FANI Hamid CHITCHIAN Min. of Energy Mohammad Javad ZARIF-Khonsari Min. of Foreign Affairs Min. of Health, Treatment, & Medical Education Hasan QAZIZADEH-Hashemi Min. of Industry, Mining, & Trade Mohammad Reza NEMATZADEH Min. of Intelligence & Security Mahmud ALAVI-Tabar, Hojjat ol-Eslam Min. of Interior Abdolreza Rahmani-FAZLI Min. of Justice Mostafa PUR-MOHAMMADI, Hojjat ol-Eslam Min. of Labor, Cooperatives, & Social Welfare Ali RABIEI Min. of Petroleum Bijan Namdar-ZANGANEH Min. of Roads & Urban Development Abbas Ahmad AKHUNDI Min. of Science, Research, & Technology Mohammad FARHADI Min. of Sports & Youth Mahmud GUDARZI Governor, Central Bank of Iran Valiollah SEIF Permanent Representative to the UN, New York Qolam Ali KHOSHRU

-- as of 2015

## **Leader Biography**

# Leader Biography

#### **President of Iran**

Introduction:

On Aug. 4, 2013, Hassan Rouhani was inaugurated as the new president of Iran, succeeding outgoing Mahmoud Ahmadinejad. A former nuclear negotiator, Rouhani has been known as a moderate and has advocated both reform and an end to the international diplomatic isolation that has plagued Iran due to its controversial nuclear program.

Ahead of the formal swearing in ceremony. Rouhani said: "I have assumed this responsibility with the support of those people who want change, who want a better life, away from corruption, poverty and discrimination, people who want more respect and dignity, and hope in a secure future." Then, in his first speech as president, Rouhani urged an end to the crippling sanctions that have damaged Iran's economy. It was to be seen how far Rouhani would be willing to go -- in terms of serious diplomatic engagement over its nuclear program --in order to lift Iran out of its state of international alienation.

Rouhani's victory and the policy agenda going forward --

In many senses, Rouhani's victory was a repudiation of the conservative and hardline base that controls most of the power in Iran. Rouhani's strong performance -- evidenced by his first round outright victory -- certainly suggested a popular rejection of the conservative and theocratic power

base, despite the fact that Ayatollah Ali Hoseini Khamenei and his leadership cadre had tried to "stack" the proverbial deck of candidates with hardliner stalwarts. It was noteworthy that the candidates backed by the hardliners and conservatives were at the proverbial "back of the pack" and garnered the least amount of popular support. As well, Rouhani's election win made it clear that the reformist movement remained alive, despite the Iranian authorities' efforts to sideline wellknown moderates, such as Akbar Hashemi Rafsanjani, and leaders of the 2009 "Green Revolution" reform movement, such as Mousavi and Karroubi. While Rouhani himself was no activist reformist, as a moderate, he was the only palatable option for voters with reformist inclinations.

Ultimately, Rouhani's victory illuminated the reality that the Iranian public was ready for an end to the policies that have yielded economic havoc and international isolation, and hungry for transformation. Of course, the desires of the public and the political elite were not necessarily in sync with one another.

For his part, Rouhani has promised "constructive interaction with the world" including measures aimed at assuaging the West over Iran's controversial nuclear program. A sharp critic of the belligerent tone taken by the outgoing presidency of Ahmadinejad, and the lack of diplomatic progress made in the previous eight years on the international front, Rouhani was reported to have said in a campaign speech: "We won't let the past eight years be continued. They brought sanctions for the country. Yet, they are proud of it. I'll pursue a policy of reconciliation and peace. We will also reconcile with the world."

It was to be seen if Rouhani would make good on this promise, and if Ayatollah Khamenei, the Guardians Council, and the rest of Iran's executive power base would actually allow the new president to pursue this path. As noted by Ali Vaez of the International Crisis Group, "Remember that Iran is governed by complex institutions and competing power centers that inherently favor continuity over radical change."

That being said, it was clear that Rouhani -- a mild-mannered moderate and former nuclear negotiator with fluency in several languages -- had a popular mandate for change. Perhaps his

Iran

presidency would provide the Ayatollah Khamenei and the conservative clerics with an imprimatur of sorts to soften their own stances, while claiming that Iran was simply following the natural democratic course. Stated differently, it was possible that Rouhani's clear presidential victory would offer him political latitude to make some progress in pursuing improved relations with the international community, especially on the nuclear development front. Progress on nuclear negotiations could lead to economic relief as economic and financial sanctions by the West have been deeply damaging to the Iranian economy. But no doubt the West was waiting to see what a Rouhani presidency would actually look like with the campaign rhetoric at an end, and the actual governing set to begin.

At the start of July 2013, Rouhani reiterated his commitment to engagement and cooperation with members of the international community. As reported by Iranian state media, Rouhani said: "Expanding ties with the neighboring countries and strengthening regional cooperation in order to maintain peace and provide the interests of the regional nations is one of the foreign policy priorities of Iran's 11th administration."

Note: Rouhani was set to be inaugurated into power as Iran's new president in August 2013.

Rouhani becomes the president of Iran

On Aug. 3, 2013 -- one day ahead of the formal swearing in ceremony -- Iran's Supreme Leader Ayatollah Khamenei officially endorsed Rouhani as the country's president. Khamenei said that he took satisfaction in the recent presidential elections as the manifestation of "religious democracy" and encouraged Rouhani to adhere to "religious values" in his role as president.

For his part, Rouhani took the bold step of saying that he rejected extremism of any kind, and reminded people that his moderate political orientation was compatible with Islam. During the endorsement ceremony, Rouhani also made note of the fact that the Iranian people voted for "change" in the presidential election and, as such, he was committed to fulfilling his campaign promises. To this end, he said: "I have assumed this responsibility with the support of those people

who want change, who want a better life, away from corruption, poverty and discrimination, people who want more respect and dignity, and hope in a secure future."

On Aug. 4, 2013, Hassan Rouhani was formally inaugurated as the new president of Iran, succeeding outgoing Mahmoud Ahmadinejad. During his inauguration speech to parliament, Rouhani called on the countries of the West to drop their sanctions against Iran and treat Tehran with respect. Rouhani said, "If you want an adequate response, you shouldn't speak the language of sanctions, you should speak the language of respect." Left unsaid was the fact that those sanctions had been levied due to Iran's lack of cooperation and transparency provided to United Nations nuclear inspectors trying to examine suspected nuclear sites in Iran.

Not surprisingly, the populist declaration was met with cheers from the members of parliament. But Rouhani did not abandon his moderate credentials. He also said his government would attempt to improve relations with the wider world, and build greater trust with the international community. Crucially, Rouhani declared, "In international interactions, my government will try to build mutual trust between Iran and the regional and global countries."

The United States wasted little time in issuing a response, saying Iran now had an opportunity to dispel the fears of the global world over its nuclear ambitions. The Obama White House said it would be a "willing partner" if Iran engaged seriously with the international community, and met its obligations regarding its nuclear program. As noted by White House Press Secretary Jay Carney: "Should this new government choose to engage substantively and seriously to meet its international obligations and find a peaceful solution to this issue, it will find a willing partner in the United States."

It was to be seen if Iran under Rouhani would actually move in the direction of productive engagement over its nuclear program following years of diplomatic impasse. On the other hand, it was also possible that Iran under Rouhani would spell continued diplomatic stalemate, minus the fiery Ahmadinejad-style rhetoric.

# **Foreign Relations**

# **General Relations**

Ayatollah Khomeini's revolutionary regime initiated sharp changes from the foreign policy pursued by the Shah, particularly in reversing the country's orientation toward the West. In broad terms, Iran's foreign policy was based on eliminating outside influence in the region; exporting the Islamic revolution; supporting Muslim political movements abroad; and increasing diplomatic contacts with developing countries. Foreign relations, however, were frequently contradictory due to Iran's oscillation between pragmatic and ideological concerns.

The reformist President Khatami, who came to power in mid-1997, has attempted to improve Iran's relations with other states and has achieved some success. In particular, ambassador-level relations have been re-established with the United Kingdom, although the United Kingdom's alliance with the United States in the war on terror has recently hindered diplomatic relations between Iran and the United Kingdom. In March 1999, President Khatami met with Pope John Paul II at the Vatican; he was one of the senior most Islamic leaders to have met with the Pope. It was hoped that if the fragmented Iranian regime played its cards cohesively and courageously, the reformists in Iran could benefit from a rare window of opportunity to gain more friends in the international community. Such an end was not to be realized very quickly, though.

Since coming to power as president, Mahmoud Ahmadinejad has reversed Iran's diplomatic status in the global community. Ahmadinejad's tirades against Israel, peppered with denials of the holocaust, as well as his championing of a nuclear program, have served to strain Iran's relations with traditional allies, such as Russia, while exacerbating already-poor relations with traditional antagonists, such as the United States. Meanwhile, Ahmadinejad's controversial positions have offended and repelled many other members of the global community.

Editor's Note:

Since early 2009, it was yet to be seen how the nuclear issue and the broader matter of foreign relations between Iran and other countries would be handled given the new balance of power in the United States. United States Secretary of State Hillary Clinton, as the top diplomat for the new

Obama administration, has signaled the possibility of talks with Iran. However, as of 2012, bilateral relations between the United States and Iran have not improved and little progress has been made on the issue of Iran's nuclear program.

## **Regional Relations**

Iran's regional goals are dominated by wanting to establish a leadership role, curtail the presence of the United States (U.S.) and other outside powers, and build trade ties. In the Middle East, Iran's only significant ally has been Syria.

Iran's relations with many of its Arab neighbors have been strained by Iranian attempts to spread its Islamic revolution. In 1981, Iran supported a plot to overthrow the Bahraini government. In 1983, Iran expressed support for Shiites who bombed Western embassies in Kuwait, and in 1987, Iranian pilgrims rioted during the "Hajj" (pilgrimage) in Mecca, Saudi Arabia. Nations with strong fundamentalist movements, such as Egypt and Algeria, also distrust Iran. In 1991, Iran declared its neutrality in the Iraqi-Kuwait conflict and, at the same time, used the conflict to improve relations with Egypt, Tunisia, Jordan and the Gulf States.

Iran has no diplomatic relations with Israel, and does not support the Middle East peace process in its current form. Ayatollah Khamenei has repeatedly called for the dismantlement of the Zionist regime, and the repatriation of all Palestinian refugees to their homeland. Iran backs several hard-line forces in the Arab world, such as Hezbollah, Hamas, the Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command.

In January 2002, Israeli authorities intercepted 50 tons of weapons on the Karine-A, a ship allegedly en route from Iran to the Palestinian Authority. Israeli Prime Minister Ariel Sharon claimed that had the shipment actually arrived at its intended destination, the tide of the Israeli-Palestinian conflict could have significantly turned in favor of the Palestinians. Iran has vehemently condemned the Israeli offensive in 2002 and even called for a symbolic oil embargo against the U.S. and Israel as the conflict escalated in April 2002. Although Iran halted oil exports temporarily, it found little support from its regional neighbors.

Throughout, Iran has made incendiary comments about Israel's right to exist. Such language took on far stronger tones since Mahmoud Ahmadinejad became Iran's president. Indeed, the Iranian president has consistently challenged Israel's right to exist and called for the Jewish state to be removed from the map. As such, Iran's burgeoning nuclear program sparked red flags for Israel and the countries of the West. Indeed, such a program could threaten the very existence of Israel.

With diplomatic efforts failing (as discussed below and as discussed in the "Political Conditions," speculation arose in late 2007 and into 2008 about the possibility of an Israeli strike on Iranian

nuclear facility targets. Such an end promised to plunge the region into chaos.

Nevertheless by July 2009, United States Vice-President Joe Biden said in an interview with ABC News that has the Obama administration would not stop Israel from striking Iranian nuclear facilities. Biden said that the United States would not "dictate to another sovereign nation what they can and cannot do." Meanwhile, Israeli Prime Minister Benjamin Netanyahu has suggested that his country would deal with the nuclear threat posed by Iran, if the government in Tehran was unwilling to enter negotiations. For its part, Iran has said that it would guarantee a strong response if its facilities were attacked by Israel.

At the beginning of November 2009, the Israeli navy intercepted a ship and seized the 300 tons of arms it was transporting aboard. According to Israeli intelligence, the arms were tracked for 2,500 miles and originated from Iran's port of Bandar Abbas. The port has been known to be a base of the Islamic Revolutionary Guards Corps and has been linked with Hezbollah. Israeli, Lebanese and Cypriot sources also asserted that the arms had been shipped from Bandar Abbas on an Iranian cargo ship called the Visea, which was itself owned by the state-run Islamic Republic of Iran Shipping Lines. The Visea reported sailed in the Arabian Sea, moved north up the Red Sea, then traveled via the Suez Canal before docking in the Egyptian port of Damietta. There, 36 containers were offloaded; within them were 3,000 Katyusha rockets, as well as a significant number of hand grenades, artillery shells and other ammunition. After remaining at Damietta for a week, the containers were then transferred to a German-owned vessel called the Francop, which flew an Antiguan flag. That ship was ultimately destined for the Syrian port of Latakia. Israel said that the ship's crew and German owners were unaware that the weapons were hidden behind other cargo.

Israel has alleged that the arms were to be moved from Syria over land and ultimately delivered to Hezbollah. Israel has thusly argued that this was the latest evidence that Iran has been arming Hezbollah and Hamas -- the two extremist groups that have been responsible for rocket attacks from the Palestinian territory of Gaza into Israeli territory. But there have also been reports that Israel was emphasizing the Iranian arms connection to Hezbollah and Hamas in order to deflect attention from a scathing United Nations report, which accusing both Israel and Hamas of committing war crimes during a conflict in Gaza less than a year earlier. Meanwhile, both Iran and Syria have denied the transportation of arms, as alleged by Israel.

See "Political Conditions" for further details about poor relations between these two countries.

Over the last few years, Iran has improved formerly hostile relations with Gulf Arab countries, and pursued a policy of gradual rapprochement in regional relations. In 1998, the two countries formed a joint ministerial committee, and signed numerous agreements. In April 2001, Saudi Arabia and Iran signed a security cooperation pact, and issued a joint communiqué declaring that the two countries are the foremost nations in the region to bear common responsibility in solving regional issues. The Saudi rapprochement toward Iran has come in defiance of American pressure.

Algeria and Iran reestablished relations during the United Nations (U.N.) Millennium Summit in December 2000. Relations had been broken off after Iran criticized Algeria for canceling the 1993 parliamentary elections where Islamic parties were believed to have gained a substantial majority. Morocco and Iran have also strengthened bilateral ties, and Morocco's prime minister visited Iran in January 2001.

Syria allied itself with the Iranians in their war with Iraq. Damascus cultivated close ties with Tehran under the rule of Hafez al-Assad, and this relationship continues under the current rule of his son, Bashar al-Assad. Syria and Iran share similar views on the Middle East peace process and support for Hezbollah in Lebanon, a country where Syria is the main foreign broker. Both Syria and Iran have taken reconciliatory steps towards the former enemy, Iraq.

Tension between Iran and Iraq escalated in September 1980, when Iraq invaded Iran. Much of the dispute focused on sovereignty over the waterway between the two countries, the Shatt al-Arab, although underlying causes included each state's desire for the overthrow of the other's government. Iran demanded the withdrawal of Iraqi troops from Iranian territory, as well as the return to the status quo for the Shatt al-Arab, as established under the 1975 Algiers Agreement signed by Iraq and Iran. After eight punishing years of war, in July 1988, Iran agreed to United Nations Security Council Resolution 598, which called for a cease-fire. The cease-fire was implemented on Aug. 20, 1988; neither state made any real gains in the war. Iran has worked to improve the hostile relationship with Iraq, as well as other Gulf Arab states.

Since August 2000, Iran released prisoners of war from the Iran-Iraq war, and the two countries also exchanged bodies of soldiers. Thave been a number of attempts from both Tehran and Baghdad to reestablish ties. Nevertheless, relations remain tense between the two countries. The closeness of United States forces in Iraq in a time following the invasion of that country in 2003 has hardly helped to thaw bilateral relations between the neighbors.

Still, with a predominantly Shi'a majority coming to power in Iraq following the ousting of Saddam Hussein's regime there, Iran has actively courted a closer relationship with its neighbor.

Indeed, in 2007, Iran's ambassador to Iraq, Hassan Kazemi Qumi, delineated the details of a plan to strongly expand his country's economic and military ties with Iraq. He noted that Iran was prepared to offer its neighbor military training, equipment and advisory staff in order to bolster Iraq's efforts in "the security fight." As well, Qumi said that Iran was ready to bear greater responsibility as regards Iraq's economic reconstruction. Qumi's remarks were made in an interview at the Iranian embassy in Baghdad, which was published by the New York Times. Iran's desire to intensify ties with Iraq was not met positively by the United States.

Iraqi Prime Minister Nouri Maliki visited Tehran in early June 2008 and met with Iranian

President Mahmoud Ahmadinejad as well as Foreign Minister Manouchehr Mottaki. The Iraqi leader offered assuances that his country would not be used to launch attacks against Iran. The Iranian state-controlled media reported Maliki as saying, "We will not allow Iraq to become a platform for harming the security of Iran and neighbors." Maliki also reportedly said, "A stable Iraq will be a benefit to the security of the region and the world." On the other side of the equation, Ahmadinejad promised to assist with Iraq's security. Trade and economic issues also factored highly during the meeting.

In the background of these developments has been the fact that the United States and Iraq were in the process of discussing the provisions of a treaty on the future of the United States military in Iraq. While the Iranian leader did not directly discuss this issue during talks with his Iraqi counterpart, President Ahmadinejad presented an oblique reference to United States' influence in Iraq saying, "Iraq must reach a certain level of stability so that its enemies are not able to impose their influence."

Thus, the meeting in Tehran was likely to have repercussions for Iraq-United States relations, given the already acrimonious nature of the relationship between its neighbor, Iran, and its ally, the United States. In addition to the possibility of a continued United States military presence in Iraq, the United States has also accused Iran of supporting militants in Iraq. Furthermore, the United States has been the leading voice against Iran's burgeoning nuclear program. These issues have caused the already-poor bilateral relations between Iran and the United States to devolve into even more hostile territory. As such, Iraq has stood in the awkward position of being an ally of the United States, while also strengthening its bonds with its Shi'a Muslim neighbor in the post-Saddam Hussein era.

Iran has been locked in a territorial conflict with the United Arab Emirates over three islands (Abu Mussa, Greater and Lesser Tunbs) since 1971, when British colonial forces withdrew from the region. Iran currently controls the strategically located and potentially oil-rich islands. A committee consisting of the foreign ministers of Saudi Arabia, Qatar and Oman was set up in July 1999 in order to mediate the conflict but has achieved little as Iran refuses third party intervention. In December 2000, the Gulf Cooperation Council, or GCC, angered Iran by issuing a communique backing the UAE claim. The GCC encourage the two countries to solve the conflict peacefully and to refer the dispute to the International Court of Justice at The Hague. In August 2001, a high-level Iranian delegation visited the UAE in order to discuss the disputed islands and other bilateral issues. While no solution emerged, the overall climate between the two countries is positive, and both parties have committed themselves to a peaceful solution to the dispute.

Iran had never formally recognized the Taliban regime of neighboring Afghanistan, and relations with the Sunni regime were hostile. In 1998, 11 Iranian diplomats were killed when Taliban forces captured the city of Mazar-e Sharif. The border between the two countries has been volatile. Iran hosts an estimated two million Afghan refugees at a large economic and social cost. Iran is a major

transit route for drugs smuggled to the West from Afghanistan and Pakistan, and also has a large domestic drug-problem with an estimated two million drug-addicts. Over the last two decades, around 3,000 Iranian soldiers have been killed in actions to curb the drug smuggling. Iran had loathed the Taliban for its extremist version of Islam and welcomed the replacement of the Taliban regime. A more stable Afghanistan would hopefully calm the border between the two countries, stop the flow of refugees and reduce drug-trafficking.

Iran has a high stake in the securing stability in Afghan and voiced its own view on how the Afghan interim government should be set up. Iran is uneasy about a Western influence in its neighboring country especially if the influence is drawn from the United States.

Although Iran did not support the bombing campaign in Afghanistan it did lend support to the post-Taliban government. Iran was a constructive diplomatic player in the Bonn Accord and United Nations Secretary General Kofi Annan highly commended Iran for its role. In early 2002, Iran pledged over \$500 million over the next five years for the reconstruction of Afghanistan and it still continues to maintain its support for the people of Afghanistan.

In 2007, Afghan President Hamid Karzai was in the United States to meet with President George W. Bush. The meeting was regarded as a "strategy session" regarding the resurgent Taliban and al-Qaida in Aghanistan. However, in the background of that objective was the issue of Iran. Whereas the United States expressed anxiety about Iran possible involvement in the supply of weapons to the Taliban, Afghanistan has cast Iraq as an ally in its causes. To that end, Karzai was reported to have characterized Iran as "a supporter of Afghanistan, in the peace process that we have and the fight against terror."

On October 18, 2009, a suicide bombing left at least 35 people dead and another 30 injured in Iran. Among the dead were five senior officers of Iran's elite Revolutionary Guard Corps, including Nour Ali Shoushtari -- the deputy head of the Revolutionary Guard Corps' ground forces -- who was mediating talks between Iranian Shi'ites and Sunnis in Sarbaaz in south-eastern Sistan-Baluchistan. That area of Sistan-Baluchistan has been predominantly inhabited by the Baluchi ethnic group -- a Sunni Muslim minority in Shi'a-ruled Iran.

While some voices in Iran at first placed the blame on the United States for the attack, Iran later accused Pakistan of being behind the suicide bombing. Indeed, President Mahmoud Ahmadinejad said that Pakistani agents were behind the violence and demanded that the Pakistani government arrest those responsible. Emerging reports have suggested that the Sunni resistance group, Jundullah, might have carried out the attack. However, the Pakistani foreign office has denied claims by Iran that Jundullah's leader was in Pakistan.

## **Other Significant Relations**

# Relations with Russia and the Newly Independent States

Iran maintains regular diplomatic and commercial relations with Russia and the other newly independent states of the former Soviet Union. Both Iran and Russia feel they have important national interests at stake in Central Asia and the Trans-Caucasus. Under a secret agreement from 1995, Russia was banned from selling destabilizing weapons and high technology to Iran. In November 2000, Russia announced that it no longer would observe the agreement. The Iranian and Russian defense ministers met in December 2000, and held serious discussions on security related issues. Tehran is believed to have been offered access to military hardware worth around \$7 billion over the next three to five years. The meeting was the first visit by a Russian defense minister since the 1979 Iranian revolution. Russian sales of military equipment and technology and the close relationship between the two countries is perceived as threatening in the Gulf, as well as by America's European allies.

Ongoing negotiations over dividing water, oil and gas rights in the Caspian Sea has led to controversy between Iran, Russia, Azerbaijan, Kazakhstan and Turkmenistan. They all seek to gain access to the area holding billions of dollars worth of oil. Iran has also been angered by Russian naval war games staged in the northern part of the Caspian Sea.

In early 2005, the nuclear issue took center stage as Iran and Russia signed an agreement by which Moscow would supply fuel for Iran's new nuclear reactor in Bushehr. Under the terms of the agreement, Iran must return spent nuclear fuel rods from the reactor, which had been designed and built by Russia. This condition was implemented in response to growing anxiety by the United States, Israel and others about Iran's nuclear ambitions.

Against the backdrop of this development was a meeting in Slovakia between Russian President Vladimir Putin and United States President George W. Bush in which both leaders agreed that Iran should not develop nuclear weapons. Russia, however, refused to acquiesce to United States's pressure to completely halt cooperation with Iran on nuclear power.

Two years later, there was little progress on the issue, with the United States growing more impatient with Iran's refusal to end its nuclear ambitions, and with Russia disinclined to take as strong a stand with Iran as the United States would have liked.

In 2007, Russian President Vladimir Putin was set to travel to Iran to attend a summit of the leaders of Caspian Sea countries despite of reports of a possible assassination plot against him there. Russian media reported that suicide bombers were planning to kill the Russian head of state during his visit to the Iranian capital of Tehran. Some Russian sources acknowledged that the threats likely contained some degree of reliability. However, the Iranian Foreign Ministry said that there was no basis in fact to the reports. Nevertheless, during a news conference in Germany,

Putin dismissed rumors that he might cancel his visit amidst the threats saying, "Of course I'm going." That said, the Russian leader's arrival in Iran for was delayed by one day to October 16, 2007.

Putin also confirmed that the issue of Iran's controversial nuclear program would be on the agenda for discussion. To that end, he urged a peaceful resolution to the matter and called for patience on the part pf the international community in resolving the dispute. He noted that threatening Iran would be futile since Iran and its people were not scared.

Putin would be the first Russian leader to visit Iran since Stalin visited that country during the Soviet era in 1943.

See below under "Editor's Update" for latest details related to relations with Russia.

# Relations with Europe

Relations with Western European nations have alternated between improvements and setbacks. French-Iranian relations were badly strained by the sale of French arms to Iraq. Since the war, relations have improved commercially but have periodically been worsened by Iranian-sponsored terrorist acts committed in France.

In 1989, Ayatollah Khomeini issued a "fatwa" (edict) imposing the death sentence on Salman Rushdie for comments made about Islam in his book, "The Satanic Verses." This resulted in a worsening of relations between Iran and United Kingdom (U.K.) and aneventual end to diplomatic relations between the two countries. It was not until September 1990 that the U.K. government made a statement saying that, indeed, the book by Salman Rushdie had insulted Muslims, and that the British government had no desire to insult either Islam or Iran. Consequently, diplomatic relations between the two states were re-opened, but only at the level of charge d'affaires.

In 1993, talks took place between the U.K. and Iran to discuss the possibility of raising diplomatic relations to ambassadorial level, but in April 1994, relations again deteriorated when the British government claimed Iran had links to the Irish Republican Army. In 1997, talks began again in earnest between the European Community, the U.K. and Iran to try and come to a compromise about the fatwa against Rushdie, but no settlement was reached.

In September 1998, however, the U.K. and Iran agreed to exchange ambassadors. This breakthrough in relations was largely due to Iran's rescinding of the \$2.5 million dollar reward for Salman Rushdie and its assertion that, while it could not revoke the fatwa, it would not actively pursue it. (Iran cannot revoke the fatwa, because only the Ayatollah Khomeini has the authority to do so, and he has since passed away.) However, in February 2002, Iran rejected David Reddaway, who had been nominated as the new British Ambassador to Iran. Later, Richard John Dalton was

#### named to that post.

On Aug. 21, 2003, Iranian diplomat Hade Soleimanpour was arrested in the U.K. -- prompting Iran to temporarily recall its ambassador to Britain, Morteza Sarmadi. Soleimanpour's extradition was being sought by Argentina in connection with the bombing of a Jewish center in Buenos Aires in 1994, when he was Iranian ambassador there. The blast killed 85 people. Iranian president Mohammad Khatami demanded Soleimanpour's release and an apology from Britain.

The dispute further strained relations between the two countries. In September 2003, British Embassy officials protested to the Iranian government over a shooting incident outside their embassy in Tehran. The embassy had closed the week before when six shots were fired into the building. Meanwhile British officials called the shootings a failure of Iran's duty under the Vienna Conventions on diplomatic missions.

Around the same time as the criticism from the IAEA arose in 2004, according to Iran's Revolutionary Guards, three navy vessels from the United Kingdom entered Iranian territorial waters located close to the Iraqi border without permission. The Iranian Foreign Ministry in Tehran said the vessels were seized and that eight of the sailors on board were arrested. For its part, the United Kingdom's Ministry of Defense in London confirmed it had lost contact with three patrol vessels in the area but it did not confirm the identities of the persons arrested by the Iranian authorities. Diplomats from the United Kingdom were in contact with Iranian officials for the purpose of resolving the matter.

In 2007, this issue re-emerged when 15 members of the British Navy were captured by members of Iranian forces. The incident occurred when the British Navy personnel boarded a vessel just off the coast of Iraq on the basis of suspected smuggling activities. The servicemen from the HMS Cornwall were apparently seized by gunpoint by Iran's Revolutionary Guard. British Foreign Secretary Margaret Beckett demanded both the immediate and safe return of the servicemen, as well as a "full explanation" from Iran about its actions.

The Iranian government subsequently said that the British Navy had illegally entered Iranian waters. However, the British government countered this claim saying that its Navy personnel were conducting routine patrols in Iraqi waters. To this end, British Prime Minister Tony Blair said, "It simply is not true that they went into Iranian territorial waters and I hope the Iranian government understands how fundamental an issue this is for us." Blair also characterized the detention of the 15 members of the Royal Navy as "unjustified and wrong."

It was yet to be seen how Iran would react, given the fact that the diplomatic climate abroad, as well as the political climate at home, were not particularly favorable in March 2007. First, new sanctions were being imposed by the United Nations (U.N.) Security Council on Iran in regard to its nuclear program. As well, students at home were reacting to the government's claims about the

Royal Navy personnel entry into Iranian waters by calling for them to face trial.

Days later, Iranian authorities published excerpts of letters by Leading Seaman Faye Turney -- one of the Royal Navy personnel captured. In the letters, Turney allegedly wrote that she was sorry that she and her fellow Royal Navy servicemen entered Iranian waters. On March 28, 2007, Iranian state television showed an interview with Turney in which she said, "Obviously we trespassed" into Iranian waters. Nevertheless, Iran said that Turney would be released within days.

British officials responded saying that they expected that Turney had been forced to express such a position, and they did not believe the letters or interview statements were willingly offered. As well, Prime Minister Blair told the House of Commons that the time had come to "ratchet up" pressure on Iran. Earlier, Blair warned of a "different phase" in diplomatic efforts if current initiatives to free the 15 crew members failed. Meanwhile, the Royal Navy offered Global Positioning Systems (GPS) evidence making clear that the 15 crew members, who were functioning under a United Nations mandate, were 1.7 nautical miles inside Iraqi waters when they were seized.

On March 29, 2007, following a request by the United Kingdom (U.K.), the United Nations Security Council issued a statement conveying "grave concern" for the capture of the British Navy personnel by Iran, and calling on Iran to ensure that the U.K. received consular access.

For its part, Iran released video footage depicting the 15 British crew members being seized in what it has claimed to be Iranian waters. Iran also announced that it was freezing the scheduled release of Leading Seaman Turney on the basis of the U.K.'s supposed "incorrect attitude."

A day later, Iranian state television aired an interview with a second British Royal Navy serviceman, Nathan Summers. In that footage, Summer apologized for "trespassing" in Iranian waters. Prime Minister Blair disparaged the footage, saying that the exploitation of the British crew would serve only to "enhance people's sense of disgust with Iran."

On the diplomatic front, Iran sent a formal note to the U.K. in which it condemned the Royal Navy's "illegal act" and called for guarantees that such trespassing would not be repeated. Meanwhile, the European Union expressed "unconditional support" for the position of the U.K. and urged the "immediate and unconditional release" of the 15 Royal Navy personnel.

On April 1, 2007, two other Royal Navy servicemen were shown on Iranian state television. Captain Chris Ayre and Lieutenant Felix Carman were respectively shown in front of an Iranian map of the Gulf. Ayre noted that the Iranian maps depicted the area in which he and his associates were captured as Iranian territorial waters. He said, "Approximately about ten o'clock in the morning we were seized - apparently at this point here from their maps on the GPS they've shown us - which is inside Iranian territorial waters." Carman expressed understanding for the Iranian perspective about the "intrusion."

On the ground in Iran, hard-line students hurled rockets and firecrackers into the compound housing the British embassy, presumably to protest the brewing dissention between the two countries. As well, about 200 students took to the streets to demonstrate against the alleged trespassing by the British Navy personnel into Iranian waters.

On the other side of the equation, the British Foreign Office decried the televised footage and characterized it as both "a charade" and "unacceptable." The statement by the British Foreign Office included the following assertion: "It is completely unacceptable for these pictures to be shown on television, given the potential to cause distress to their families."

A day later, the climate appeared to have calmed somewhat, despite the airing of new footage of the 15 who had been detained. Iran noted that a shift from the U.K. could help to resolve the crisis, and in so doing refined its hard-line tone. Meanwhile, the U.K. Defense Secretary Des Browne said that diplomatic efforts to end the crisis were ongoing, and that London and Tehran were engaging in "direct bilateral communication."

On April 4, 2007, Iranian President Mahmoud Ahmandinejad held a media conference in Tehran. At that media event, which was held to present medals of honor to the Republican Guard who had detained the British crew members, he also announced that the British Navy servicemen would be given amnesty and released. He intimated that the decision was gesture of goodwill to the British, and that it was being offered in honor of two upcoming events -- the birthday of the Islamic Prophet Mohammed and the Christian celebration of Easter. Iranian state television showed Ahmadinejad greeting the 15 servicemen in what appeared to be a climate of amity. Some analysts characterized the display as being "a piece of theater." Regardless, British Prime Minister Tony Blair reacted to the news saying that the release of the 15 Britons would be "a profound relief" to the crew and their families.

On the diplomatic front, the Iranian leader said that no concessions or deals had been made with the British government to secure the release of the 15 servicemen, although the U.K. made it clear that such an incident would not be repeated. Meanwhile, the British prime minister did not offer either an apology to Iran for the alleged intrusion into Iranian waters, or thanks for the release of the British Navy personnel. However, Blair addressed the Iranian people saying, "We bear you no ill will. On the contrary, we respect Iran as an ancient civilisation, as a nation with a proud and dignified history. The disagreements we have with your government we wish to resolve peacefully through dialogue. I hope - as I've always hoped - that in the future we are able to do so."

Bilateral relations between London and Tehran have remained strained over human rights, nuclear proliferation as well as policies regarding the Middle East. Relations took a particularly negative turn since the post-election crackdown in 2009, as discussed in the "Political Conditions" of this

review.

Meanwhile, relations with Germany suffered a severe setback in 1997 when a German court ruled that senior Iranian officials were involved in the murder of Iranian Kurdish dissident exiles at a restaurant in Berlin in 1992. Later in 1997, a German businessman, Helmut Hofer, was arrested and initially sentenced to death for an alleged affair with an Iranian Muslim woman. Hofer was released in January 2000, and in July President Khatami went on a three-day trip to Germany. Khatami's visit was the first of an Iranian head of state to Germany since 1967. The visit was hoped to improve relations and trade with Europe, as well as Iran's image in the West.

European nations generally have not agreed with United States in considering Iran as part of the "Axis of Evil," as designated by United States President George W. Bush. The European Union has been nurturing relations with Iran believing that, aside from economic and political gains from such a relationship, Iran is an important player in the fight against global terrorism. The United States does not necessarily share this view and the development of nuclear abilities by Iran in recent years has done nothing to build Iran's standing with the West.

From 2004 to the present, the issue of nuclear development was at the forefront of relations between Europe and Iran. In particular, the European Union has tried to strike the balance in negotiations with Iran whereby the country's need for nuclear energy is respected, while at the same time, the development of nuclear weaponry is discouraged.

In September 2007, French Foreign Minister Bernard Kouchner said that the world should prepare for war over the Iran's atomic activities. In a media interview, Kouchner observed that while negotiations with Iran should be fully exhausted before embarking on a new course, the world should be ready for a worst case scenario if such talks were ultimately unsuccessful. To this end, he warned, "We have to prepare for the worst, and the worst is war." He also noted that Iran armed with nuclear weapons would present "a real danger for the whole world."

Signaling that France had taken a position in the debate over Iran burgeoning nuclear program, Kouchner said that many French companies had been asked not to do business with Iraq. Making clear that no prohibitions had been established, the French Foreign Minister noted that French enterprises have been advised not to do so. As well, he made clear that France was in favor of European Union sanctions against Iran.

French President Sarkozy had earlier characterized war with Iran as "catastrophic" and French Prime Minister Fillon noted that all avenues would be exhausted in resolving the matter diplomatically.

See "Editor's Note" below for latest developments related to Iran's controversial nuclear program and the international community's reaction.

# Relations with Japan and China

Iran also cooperates closely with Japan, a large oil importer. In November 2000, the two countries signed a deal allowing Japan priority-bidding rights to develop Iran's largest oil field, the Azadeban oil field in southwestern Iran.

Sino-Iranian relations have gradually been strengthened since the 1979 revolution. Iran and China have signed cooperation agreements in the fields of culture, economy, trade, transportation, energy and telecommunications.

# Relations with the United States

On Nov. 4, 1979, militant Iranian students occupied the American embassy in Tehran with the support of Ayatollah Khomeini. For 444 days, 52 Americans were held hostage. On April 7, 1980, the United States (U.S.) broke diplomatic relations with Iran, and on April 24, 1981, the Swiss government assumed representation of U.S. interests in Tehran.

The Pakistani government represented Iranian interests in the United States. In accordance with the Algiers declaration of Jan. 20, 1981, the Iran-U.S. Claims Tribunal (located in The Hague, Netherlands) was established for the purpose of handling claims of U.S. nationals against Iran and of Iranian nationals against the United States. U.S. contact with Iran through The Hague covers only legal matters.

In 1996 the U.S. Congress passed the Iran Libya Sanctions Act. The act gives the U.S. president discretionary power to impose sanctions on any individual or company anywhere in the world that invests more than \$20 million or more in an Iranian or Libyan oil or gas project.

Commercial relations between Iran and the United States consist mainly of Iranian purchases of food and manufactured products. In 1999 the U.S. allowed import of Iranian caviar, pistachios and carpets. The U.S. government prohibits the export of military and dual-use items to Iran as well as items forbidden under anti-terrorism legislation; it prohibits all imports from Iran. In August 2000 Iranian and American legislators met for the first time in what was the highest level meeting between the two countries since 1979.

Iranian officials expressed optimism regarding the new Republican administration, due to its close ties to the oil industry. Iranian leaders hoped for a reversal of U.S. policies towards the country and stated that they were willing to adjust their policy towards the U.S. in return. Iran is in need of foreign investment, and would welcome American, as well as other foreign businesses. While it was widely expected that the Bush administration would ease the sanctions on Iran, this has not happened. On June 20, 2001, the U.S. Congress voted to extend ILSA for a second five-year

period. The vote reflected continued skepticism toward Iran based on the country's continued support of terrorism (the U.S. State Department labeled Iran as the world's "most active state-sponsor of terrorism in 2000"), Iran's presumed capability to develop weapons of mass destruction, its vocal opposition to the current form of the Middle East peace process, and support for the latest Palestinian Intifada.

Iran strongly condemned the attacks on New York and Washington D.C. on Sept. 11, 2001, but has not joined the U.S.-led coalition against terrorism. Iran strongly criticized the bombing of Afghanistan, and in an interview with CNN on November 12, President Khatami said that the "roots of terrorism must be examined before it can be stopped," and urged the U.S to examine its policies.

After President Bush's declaration of Iran as part of an "Axis of Evil" in January 2002, it appears highly unlikely that diplomatic relations will improve under the Bush administration. Bush's accusation not only shocked and offended Iran, it shocked much of the world, and many countries involved in the fight against terrorism do not support the United States' claims.

While the U.S. has verbally extended an invitation for diplomatic talks between the two countries, Iran has officially expressed strong resistance to the idea. While there are some in the reformist camps who would still welcome a breakthrough in diplomatic dialogue, Iranian hardliners are adamant in their position. In May 2002, the Iranian Justice Department went as far as to declare it illegal for newspapers to print articles supporting the idea of U.S.-Iranian talks. In that same month, the U.S. Department of State accused Iran as being the world's most active sponsor of terrorism.

By September 2003, the U.S. declared that Iran had clearly violated its United Nations nuclear safeguards obligations. However, the U.S. did say it was willing "to give Iran a last chance to stop its evasions." Iran continued to deny its uranium enrichment activities are part of an illegal weapons program. Meanwhile, the United Nations' International Atomic Energy Agency (IAEA) was considering setting an October deadline for Iran to fully comply with its obligations under the international nuclear non-proliferation treaty (NPT.)

By late 2005 and into 2007, the nuclear issue had found no resolution. Indeed, United States Secretary of State Condoleezza Rice applied harsh words toward Iran's nuclear development while Iranian officials continued to defend Iran's right to develop nuclear power for peaceful -- and if necessary -- defensive purposes.

In early 2007, as noted above Iran's ambassador to Iraq, Hassan Kazemi Qumi, delineated the details of a plan to strongly expand his country's economic and military ties with Iraq. The Iranian ambassador also addressed the detainment of Iranians by United States forces in Iraq, acknowledging that they were, indeed, security officials. Qumi explained that the Iranian security

officials were in Iraq to meet with counterparts in the context of a bilateral agreement to resolve security. As such, he argued that the Iranians should never have been detained in the first place. Additionally, Qumi dismissed United States' claims that Iranians were involved in the orchestration of attacks against Iraqi and American forces.

For its part, however, the United States has maintained the view that there is a mountain of evidence pointing toward Iran's support for militants inside Iraq, even providing bombs and weaponry. United States President George W. Bush warned that his country's forces would "respond firmly" in response to Iran's alleged activities in Iraq. Bush also said, "It makes sense that if somebody is trying to harm our troops or stop us from achieving our goal, or killing innocent citizens in Iraq, that we will stop them," His words appeared to be evidence of the growing and very public standoff between Washington and Tehran. Bush additionally responded to the Iranian ambassador's plan to expand ties with Iraq with skepticism.

To date, the government of Iraq has expressed dismay that it has been caught in the metaphoric cross-fire of hostilities between Iran and the United States. As such, Iraqi Prime Minister Maliki called on both parties to deal with their hostilities outside of Iraq. To this end, he said, "We have told the Iranians and the Americans, 'We know that you have a problem with each other, but we are asking you, please solve your problems outside Iraq.'"

September 23, 2007 saw Iranian President Mahmoud Ahmadinejad arrive in the United States to attend the meeting of the United Nations General Assembly, and also to speak at a forum at Columbia University. Ahmadinejad's visit was met with protests, most especially by opponents of his speaking engagement at Columbia University. He had originally intended to lay a wreath at the site of the September 11, 2001 terror attack in New York, however, police cited security concerns in denying that request.

In a television interview on the American network CBS for the show, "60 Minutes," the Iranian president took a measured tone and said that his country was not building nuclear weaponry. To that end, President Ahmadinejad said, "Well, you have to appreciate we don't need a nuclear bomb. We don't need that. What need do we have for a bomb?" He continued, "In political relations right now, the nuclear bomb is of no use. If it was useful it would have prevented the downfall of the Soviet Union." President Ahmadinejad also noted that Iran was not embarking on a path to war with the United States, saying, "It's wrong to think that Iran and the U.S. are walking toward war. Who says so? Why should we go to war? There is no war in the offing."

These assertions were a departure from President Ahmadinejad's announcement several days prior in which he harshly issued a warning to any countries considering military attacks against Iran. Indeed, an Iranian air force official noted that if, in a worse case scenario, Iran was attacked by Israel, it had the capacity to respond with air and missile raids. On the other side of the equation, the Bush administration in the United States repeatedly noted that although it intended to deal with Iran diplomatically, all possible options remained on the proverbial table. Meanwhile, the head of United States Central Command, Admiral William Fallon, observed that the emotional rhetoric was not productive. In an interview with al-Jazeera television, he said, "This constant drum beat of conflict is what strikes me, which is not helpful and not useful."

Iran and the United States have enjoyed poor relations over the years, and bilateral relations were at an all-time low over the United States' opposition to Iran's nuclear ambitions. Adding to the tensions were the accusations by the United States that Iran was assisting Shi'ite militias in Iraq. These allegations were disputed by the Iranian government, which assured its Iraqi counterpart that no such actions were ongoing.

The United States (U.S.) Pentagon said on January 7, 2008 that five Iranian boats threatened five U.S. navy ships in the Strait of Hormuz, which has functioned as a major oil transportation route. The Pentagon said that the Iranian vessels approached and threatened to blow up the U.S. ships in what the U.S. said were international waters. When those U.S. ships prepared to open fire, the Iranian vessels -- believed to belong to the Revolutionary Guard -- withdrew. The U.S. authorities said that Iran's "provocative actions" could very well "lead to a dangerous incident in the future." For its part, Iran dismissed the incident as routine saying that the matter was resolved once both sides were able to identify one another. In 2007, a similar incident resulted in the detainment of 15 British sailors for two weeks.

Years after deeming Iran to be part of the "axis of evil," the United States' Bush administration in July 2008 offered no denial of reports that it would establish a diplomatic presence in Iran. According to the British newspaper, the Guardian, the United States was set to open an interests section in the Iranian capital of Tehran. Since the hostage crisis of 1979, the United States has not had a diplomatic presence in Iran.

The United States Department of State released a statement by Secretary of State Condoleezza Rice, which noted that while the United States was not changing its policy in regard to the Iranian government, it was interested in outreach to ordinary Iranians.

That said, the United States was slated to convene talks with Iran in Geneva. It would be the first time in three decades that a high ranking American diplomat would be involved in such a meeting with Iranian counterparts. At that meeting, the United States reinforced its position on Iran's nuclear program, noting that Iranian obstinacy on the matter would lead to a heightened sanctions regime.

Relations between the two countries took a more difficult track following the post-election crackdown, as discussed in the "Political Conditions" of this review.

Then, in July 2009, United States Vice-President Joe Biden said in an interview with ABC News that has the Obama administration would not stop Israel from striking Iranian nuclear facilities. Biden said that the United States would not "dictate to another sovereign nation what they can and cannot do." Biden also said that President Barack Obama's overture of engagement with Iran remained on the table. That offer for talks would end at the close of 2009. Meanwhile, Israeli Prime Minister Benjamin Netanyahu has suggested that his country would deal with the nuclear threat posed by Iran, if the government in Tehran was unwilling to enter negotiations. For its part, Iran has said that it would guarantee a strong response if its facilities were attacked by Israel.

In an interview with the American television station, NBC News, in September 2011, Iranian President Mahmoud Ahmadinejad said that two American hikers jailed for spying in Iran would soon be released. In a separate interview with the Washington Post, President Ahmadinehad explained that the release would be permitted as "a humanitarian gesture."

The hikers -- Shane Bauer and Joshua Fattal -- have been in Iranian custdy since their arrest in 2009, and were sentenced to prison for eight years in mid-2011. That harsh sentences for the two Americans raised already-poor relations between Iran and the United States, especially since the Obama administration has strenuously denied that Bauer and Fattal were involved in any intelligence activities. A third hiker, Sara Shourd, was arrested along with Bauer and Fattal, but was released in September 2010 on medical and humanitarian grounds. Now a year later, the Iranian authorities were indicating that the two men could also be released after paying bail of \$500,000 each.

In response to the news, United states Secretary of State Hillary Clinton said that she was encouraged and noted, "We hope we will see a positive outcome from what appears to be a decision by the [Iranian] government." The decision to release the two Americans came ahead of a visit by President Ahmadinejad to the United States for a meeting of the United Nations General Assembly on Sept. 22, 2011.

On Nov. 24, 2011, according to the state-run IRNA news agency, Iran announced it had broken up an American spy network and that 12 individuals had been arrested. Iranian officials claimed that the 12 individuals were "spies" working on behalf of the United States Central Intelligence Agency (CIA) to undermine the country's military and its nuclear program. No information was available about the identity or nationality of the dozen so-called agents. Parviz Sorouri, an influential member of the National Security and Foreign Policy Committee in the Iranian parliament, was reported to have said that the agents were working cooperatively with Israel's Mossad. He was quoted in international media having said, "The US and Zionist regime's espionage apparatuses were trying to use regional intelligence services, both inside and outside Iran, in order to deal a strong blow to our country. Fortunately, these steps failed due to the quick measures taken by Intelligence Ministry officials." Iranian officials have further alleged that the United States has recruited spies from diplomatic missions in Turkey, the United Arab Emirates, and Malaysia. See "Editor's Note" below for latest developments related to Iran's nuclear program and engagement with the international community on this matter.

## **Editor's Note on the Nuclear Issue**

In early August 2008, only a day after the United States and the United Kingdom warned that Iran would face a heightened sanctions regime if it did not respond positively to prevailing proposals on how to deal with its controversial nuclear program, the government of Iran offered an ambiguous response to the European Union (EU).

At issue was a "freeze for freeze" offer put forth a week earlier by EU foreign policy chief Javier Solana that Iran halt its uranium enrichment program, while international powers would refrain from imposing further economic sanctions. A deadline was set for a response by Iran, which Iranian chief nuclear negotiator Saeed Jalili said his country would meet by tendering a formal response on Aug. 5, 2008. To that end, Iran did indeed sent a message to Solana. However, it was unclear if that message was an actual response to prevailing proposals on Iran's nuclear ambitions. Solana's office confirmed that a letter from Iran had been received but did not furnish any details, saying instead that it would study the contents of the missive.

A spokesperson for the Iranian Supreme National Security Council told Agence France Press that the message did not pertain to the incentives package that had been offered by the five permanent members of the United Nations Security Council (the United States, the United Kingdom, China, Russia, France) as well as Germany in June 2008, which was aimed at halting Iran's nuclear enrichment activities.

Late September 2008 saw the United Nations Security Council unanimously approve a new resolution on Iran. United Nations Security Council resolution 1835 reified previous demands that Iran halt its uranium enrichment activities but did not expressly impose new sanctions. Instead, the resolution asserts that Iran must "comply, and without delay, with its obligations" set forth in previous resolutions; it also urges Iran to co-operate with the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA). There were no new sanctions in the resolution due to Russia's objections to such a move. The resolution came a week after the IAEA said that it was unable to provide assurances about Iran's controversial nuclear development program due to a lack of information.

Iran responded to this action by the United Nations by disregarding the edict and, instead, making it clear that it would not stop enriching uranium. Iran, as before, also maintained that its nuclear development activities have been for peaceful purposes. Iran's chief nuclear negotiator, Saeed Jalili, characterized the new resolution as unconstructive. Moreover, Jalili warned that the new

resolution would only create further "mistrust" and would hinder the fostering of international peace, security and productive cooperation at the global level.

As of early 2009, it was yet to be seen how the nuclear issue and the broader matter of foreign relations between Iran and other country would be handled given the new balance of power in the United States. United States Secretary of State Hillary Clinton, as the top diplomat for the new Obama administration, has signaled the possibility of talks with Iran.

That said, on February 20, 2009, a new report by the United Nations' nuclear watchdog entity, the International Atomic Energy Agency (IAEA), asserted that Iran was understating how much uranium it had enriched, and that it had built up a stockpile of nuclear fuel. According to reports by Reuters, the discrepancy in the amount of uranium believed to have been enriched and the amount enriched in actuality was not due to subterfuge by Iran, but rather, a result of a technical mistake.

The Obama administration in the United States expressed concern over these revelations and called on the international community to address the matter with urgency. White House spokesperson, Robert Gibbs said, "The report represents another lost opportunity for Iran as it continues to renege on its international obligations."

On March 1, 2009, the United States senior military commander, Admiral Mike Mullen, said that Iran had enough nuclear material to manufacture a bomb. In an interview on the cable network CNN, the chairman of the United States Joint Chiefs of Staff said, "We think they do, quite frankly. And Iran having a nuclear weapon, I've believed for a long time, is a very, very bad outcome for the region and for the world." This assertion by Mullen came two weeks after the International Atomic Energy Agency (IAEA) said in report that Tehran had increased its stockpile of fissile nuclear material.

There were some analysts, such as David Albright, president of Washington-based Institute for Science and International Security, have said that the Iranian stockpile was enough to be converted into enriched uranium sufficient for building one bomb (reported by Agence France Presse). But that view was not shared by United States Secretary of Defense Robert Gates, who said on an interview on the NBC news show, Meet the Press, "I think that there has been a continuing focus on how do you get the Iranians to walk away from a nuclear weapons program? They're not close to a stockpile. They're not close to a weapon at this point."

Amidst the rising tide of anxiety over Iran's nuclear ambitions, there were questions of how Israel - a sworn enemy of Iran -- would respond. According to a report published by the Daily Telegraph of London, Israel has launched covert operations against Iran, which include plans to assassinate nuclear scientists.

Drawing upon both United States and other Western intelligence sources, the report in the Daily

Telegraph of London noted that Israel was using "hit men," "double agents" and "front companies," in targeted efforts to sabotage Iran's nuclear program by eliminating "key human assets." The report made mention of the death of an Iranian scientist at the Isfahan uranium plant. It reported of rumors linking the Israeli intelligence agency, Mossad, with the gas poisoning death of Ardeshire Hassanpour in 2007.

Making good on a campaign promise, United States President Barack Obama offered the possibility of diplomatic engagement with Iran. In a videotaped message in the third week of March 2009, President Obama said, "My administration is now committed to diplomacy that addresses the full range of issues before us."

President Obama made a point of using the official name of the country when he said that he wanted "to speak directly to the people and leaders of the Islamic Republic of Iran." President Obama also indicated that his administration was committed "to pursuing constructive ties among the United States, Iran and the international community."

President Obama's message was broadcast at the same time as the Iranian festival of Nowruz. The timing may have been orchestrated for its symbolic value since Nowruz is a significant celebration on the Iranian calendar marking the start of spring. Making clear that a new era of diplomacy was ahead, President Obama said, "With the coming of a new season, we're reminded of this precious humanity that we all share. And we can once again call upon this spirit as we seek the promise of a new beginning."

But President Obama also struck a warning when he noted, "This process will not be advanced by threats. We seek instead engagement that is honest and grounded in mutual respect." He continued, "The United States wants the Islamic Republic of Iran to take its rightful place in the community of nations. You have that right - but it comes with real responsibilities."

In response, an advisor to Iranian President Mahmoud Ahmadinejad cautiously welcomed the United States President Obama's message but called for a fundamental shift in American foreign policy. Of particular concern to Iran was the United States' support for Israel, according to Ahmadinejad's advisor, Ali Akbar Javafekr, who also said that the sanctions against Iran had to end. He continued, "By fundamentally changing its behavior, America can offer us a friendly hand." Iran's Supreme Leader Ayatollah Ali Khamenei issued a less diplomatic reaction, instead demanding that the United States radically change its policies.

Tense relations between the Washington D.C. and Tehran have been ongoing for decades but took a particularly negative turn when President Obama's predecessor, George W. Bush, referred to Iran as part of the "axis of evil." Bilateral relations devolved further when Iran decided to pursue its controversial nuclear program.

To date, the United States and many other countries have expressed anxieties about Iran's nuclear ambitions, which the Iranian government has maintained is for peaceful purposes and not intended to build atomic weaponry. The United States, first under the Bush administration, and now under the Obama administration, wants Iran to abandon its nuclear enrichment activities. That said, analysts surmise that in advancing this overture, President Obama has signaled interest in building a more constructive relationship with Tehran before directly confronting the nuclear issue.

Indeed, Javier Solana, the foreign policy chief of the European Union, characterized Obama's overture as "very constructive" and called on Iran to heed the United States' president's core message.

In April 2009, Iranian President Mahmoud Ahmadinejad presided over the opening of the country's first nuclear fuel production facility at Isfahan. He also announced that the new facility could produce pellets of uranium oxide, which could potentially fuel a heavy-water reactor being constructed in Arak. Such an ability would suggest that Iran has made great strides in its nuclear development program. Indeed, at full capacity, the new facility could produce enough plutonium to produce two nuclear weapons a year, assuming the plutonium was separated from the nuclear reactor's spent fuel.

Meanwhile, the Iranian leader said his country had tested two new types of centrifuge with higher capacities at a uranium enrichment plant in Natanz. Gholam Reza Aghazadeh, the head of Iran's nuclear program, said the country had increased the number of centrifuges it was running to 7,000. This claim has yet to be verified since international inspectors had earlier noted that Iran had less than 4,000 functioning centrifuges.

Iran's nuclear program has been a source of controversy, with many Western powers accusing Iran of using its nuclear power program as a veil for ambitions to build a nuclear arsenal. For its part, however, Iran has insisted that its nuclear development program is for peaceful purposes. But in a speech given at the opening of the nuclear production facility, President Ahmadinejad went further in explaining Iran's nuclear ambitions by noting that Iran was moving ahead with its nuclear agenda because it was the only way to establish Iran's status on the world stage. Stated differently, he was emphasizing a national identity interest.

President Ahmadinejad also responded to an offer of dialogue with six world powers when he said that his country was open to the notion. That being said, the Iranian leader said that such talks would only be in the offing in the context of "justice" and respect." He said, "The Iranian nation has from the beginning been after logic and negotiations, but negotiations based on justice and complete respect for rights and regulations." He continued, "One-sided negotiations, conditional negotiations, negotiations in an atmosphere of threat are not something that any free person would accept."

But Russia and China -- two countries who have urged restraint by the West in dealing with Iran,

have urged the Iranian authorities to accept the invitation. Russian Foreign Minister Sergei Lavrov said that Iran had to "convince us all of the exclusively peaceful character of its nuclear program." The five permanent United Nations Security Council members and Germany also urged Iran to accept the invitation to participate in talks. In a statement, they called on Iran "to take advantage of this opportunity to engage seriously with all of us in a spirit of mutual respect." United States Secretary of State Hillary Clinton indicated that the United States wanted to be a full participant in such talks, saying, "Obviously we believe that pursuing very careful engagement on a range of issues that affect our interests and the interests of the world with Iran makes senses." The United States' top diplomat also emphasized the imperative of the effort noting, "There is nothing more important than trying to convince Iran to cease its efforts to obtain a nuclear weapon." China applauded the United States' engagement on the matter. Jiang Yu, a spokesperson for the Chinese Foreign Ministry, said that Beijing was "glad to see an improvement in relations between the United States and Iran."

President Ahmadinejad responded to an offer of dialogue with six world powers when he said that his country was open to the notion. Perhaps in an effort to provide the reassurance sought by Russian Foreign Minister Sergei Lavrov (as noted above), President Ahmadinejad says Iran has prepared proposals aimed at resolving his country's nuclear dispute with the West. The Iranian leader said that his country's proposal package would ensure "peace and justice" for the world although he offered no details. On national television, Ahmadinejad said, "We have prepared a package that can be the basis to resolve Iran's nuclear problem. It will be offered to the West soon." He went on to describe his proposal by saying, "It respects rights of all nations." Analysts, however, warned that what may be viewed in Tehran as an overture of peace and resolution may not find the same resonance in the capitals of the West.

Iran tested the patience of the Western community by test firing a medium range surface-to-surface missile during the third week of May 2009. President Mahmoud Ahmadinejad hailed the successful missile launch, saying that the Sajjil-2 missile utilized "advanced technology" and had demonstrated accuracy by landing on its unspecified target. Separate reports from the United States confirmed that the missile launch had indeed taken place successfully.

The missile, whose solid fuel capacity is believed to increase accuracy, could potentually reach Israel as well as American bases in the region. As well, it could theoretically be used to deliver nuclear warheads. Accordingly, there was a growing sense of concern about an apparently provocative act by Tehran at a time when Western powers were looking for productive dialogue, aimed at resolving the ongoing dispute over Iran's nuclear ambitions.

But in another twist, however, Iranian President Mahmoud Ahmadinejad signaled that he was open to meeting with United States President Barack Obama, if he was successful in his re-election bid in June 2009. Ahmadinejad said he was open to debating international issues with the American president at a forthcoming United Nations session scheduled for September 2009. He noted that he would only be willing to discuss Iran's nuclear program within the context of International Atomic Energy Agency regulations. For his part, President Obama maintained his openness to constructive engagement with Iran.

In September 2009, the issue of Iran's controversial nuclear program came to the fore. A report by the International Atomic Energy Agency (IAEA) noted that Iran's Natanz nuclear plant registered a reduction in the number of centrifuges used to actively enrich uranium. Nonetheless, the IAEA also charged that Iran was not cooperating in an investigation of allegations that Iran was on the path toward weaponization of uranium.

To that end, the United States envoy to the IAEA, Glyn Davies, asserted that Iran was continuing to enrich uranium in defiance of the United Nations Security Council and could already have garnered sufficient enriched uranium to eventually produce a nuclear bomb. At a meeting of the IAEA in Vienna, Davies said, "We have serious concerns that Iran is deliberately attempting, at a minimum, to preserve a nuclear weapons option."

In response, Iran's envoy to the IAEA, Ali Asghar Soltanieh, argued that there had been false accusations about Iran's nuclear program from the United States before. He said, "The world is observing curiously whether or not this [American] administration follows the same trend as the Bush administration - pursuing hostile political confrontation, using fabricated baseless allegations." Iran has maintained that its nuclear program has only a purposes ad that its rocket building activities would be oriented toward satellites alone.

But analysts warned that Iran's vociferous defense of its nuclear program could be a strategy intended to stall further international action that might be in the offing. Indeed, United States President Barack Obama had, by this point, warned Iran that its friendly overtures toward engagement with Tehran would expire by the end of September 2009. At that time, the United States president was prepared to pursue new sanctions against Iran.

Mohamed El Baradei, the head of the IAEA, urged Iran to accept the United States' offer of dialogue. Ahead of the IAEA meeting in Vienna, he said, "The U.S. is making an offer without preconditions and on the basis of mutual respect." He continued, "The offer by the U.S. is an offer that should not be refused, that cannot be refused, because it has no conditions attached to it. And I hope [the] response will be positive."

Such hopes of dialogue were somewhat complicated after Iran put forth its package of proposals to the five permanent United Nations Security Council members and Germany. According to the independent United States-based entity, ProPublica, the five-page proposal, Iran called for "comprehensive, all-encompassing and constructive" negotiations on a range of security issues, including global nuclear disarmament. However, the document detailing Iran's latest proposals on its nuclear ambitions conspicuously failed to mention Iran's own nuclear program.

The United States reacted by registering dissatisfaction with the proposal package. Philip Crowley, the United States Assistant Secretary of State for Public Affairs, said that the proposed mesaures failed to address the status of Iran's nuclear program. He said, "Our concern is that the response itself did not really address what is the core issue of the international community and the core concern, which is Iran's nuclear ambitions."

Conversely, Russia reacted by suggesting that the Iranian proposals signaled positive progress. Russia's Foreign Minister Sergei Lavrov said, "Based on a brief review of the Iranian papers my impression is there is something there to use." Lavrov also indicated that there would be no oil sanctions against Iran. "Some of the sanctions under discussion, including oil and oil products, are not a mechanism to force Iran to co-operate, they are a step to a full-blown blockade and I do not think they would be supported at the UN Security Council."

The American and Russian responses showed divergent approaches to the Iranian nuclear issue, and suggested that consensus on the matter would not be easily achieved. The controversy surrounding Iran's nuclear program took on greater significance after the IAEA meeting, as discussed above. If Russia was indicating that it would not support strong oil sanctions against Iran, then what options would be available to countries such as the United States, which has made clear that consequences were in the offing if Iran failed to resolve the international community's concerns about its nuclear ambitions?

In mid-September 2009, experts at the United Nations nuclear monitoring agency, the International Atomic Energy Agency (IAEA), indicated their belief that Iran could have the ability to manufacture a nuclear bomb. In a report drafted by IAEA officials, the report titled, "Possible Military Dimension of Iran's Nuclear Program," also intimated that Iran could well be trying to develop a missile system capable of carrying an atomic warhead. The document was based on intelligence provided by internal IAEA investigations, external nuclear arms experts, as well as IAEA member states. Excerpts of this confidential report was made public by the Associated Press.

Of particular concern in the document were the following three findings by the IAEA:

- Iran worked on the development of an internal chamber of a ballistic missile, which would have the capacity to house a warhead payload described as "quite likely to be nuclear"

- Iran may have engaged in "probable testing" of explosives used to detonate a nuclear warhead; this method is referred to as "full-scale hemispherical explosively driven shock system"

- Iran may have enough technical knowledge to enable the design and production of an implosion nuclear device (i.e. an atomic bomb) "using highly enriched uranium as the fission fuel"

Moreover, the document concluded that while Iran was not yet capable of attaching nuclear

warheads to its Shahab-3 medium-range missile, further research and development could lead to the production of a prototype system. To that end, the Shahab-3 missile -- with a range of up to 1,250 miles (2,000 kilometers) -- would place Israel within striking distance. Thusly, the IAEA has called on Iran to remove all doubts about its claim of an exclusively peaceful civilian nuclear energy program.

There was some hint that IAEA head, Mohamed ElBaradei, was not keen on sharing the substance of the report, which some IAEA member states have called a "secret annex." For its part, the IAEA has referred to the notions of a "secret annex" on Iran as misinformation. With the report now in the public purview, the IAEA did not deny the existence of the document detailing Iran's nuclear record. Instead, it released a statement noting that the IAEA had "no concrete proof that there is or has been a nuclear weapon program in Iran." This position was similar to ElBaradei's statement in 2007 in which he maintained that there was no "concrete evidence" that Iran was carrying out atomic weapons work.

Nevertheless, in recent times, ElBaradei has moved away from his typically restrained tone in regard to Iran's nuclear program. He has forthrightly encouraged Iran to cooperate with IAEA investigations and has urged dialogue sought by the United States. Perhaps more importantly, in a private meeting with IAEA board members, ElBaradei reportedly said that if the intelligence on Iran's alleged nuclear weapons experiments were true, then "there is a high probability that nuclear weaponization activities have taken place - but I should underline 'if' three times."

Earlier in 2009, the IAEA reported that Iran had produced more than enough low-enriched or fuelgrade uranium for one nuclear weapon. Clearly, it was plausible that Iran's enrichment capacities may have expanded since that time at the start of the year. Perhaps not surprisingly, that possibility -- in conjunction with this confidential report -- have fueled the prevailing anxieties of countries, such as the United States, Israel and France, who have already expressed alarm over Iran's controversial nuclear program. Indeed, despite Iran's enduring insistence that its nuclear development has been purely for civilian energy purposes, the United States has long argued that Iran's uranium enrichment program could not be simply understood in those terms. Now, it would seem that the United States' allegations were being bolstered to some degree by the emerging intelligence, its actual accuracy notwithstanding.

On September 17, 2009, United States Defense Secretary Robert Gates expressed concern about Iran's apparent stalling tactic saying, "We are all concerned about Iran running out the clock on us on their nuclear program." He continued, "And our view is there is still time for diplomacy and, I might say, sanctions to persuade the Iranians that their security will be diminished by going down the track of nuclear weapons."

For its part, Iran's supreme leader, Ayatollah Ali Khamenei, has continued to dismiss allegations that Iran has nuclear weapons ambitions. In a speech broadcast on Iranian state television, Khamenei said, "We fundamentally reject nuclear weapons and prohibit the production and the use

of nuclear weapons." But he also took aim at the United States, describing the American government's claims of Iran's nuclear ambitions as being "false." He also accused the current Obama administration in the United States as hostile and anti-Iranian despite its seemingly friendly overtures of engagement.

In a separate interview with NBC, Iranian President Mahmoud Ahmadinejad said that his country had no need of nuclear weapons. He noted, "We don't need nuclear weapons. Without such weapons, we are very much able to defend ourselves." That said, Ahmadinejad insisted on Iran's right to pursue its own nuclear energy program. He said, "If you are talking about the enrichment of uranium for peaceful purposes, this will never be closed down here in Iran." In this way, Ahmadinejad was making clear that Iran would not yield to pressure from the international community.

With the controversy surrounding the actual purpose of Iran's nuclear program still percolating, attention fixed on the fate of Israel -- a state Iranian President Mahmoud Ahmadinejad has repeatedly stated should be "wiped from the map." The aforementioned intelligence about the possibility of attaching a nuclear bomb to a ballistic missile capable of hitting Israel has only increased fears about regional stability. Additionally, it certainly has posed existential questions for Israel. With no concurrence on international sanctions against Iran, what options could be deployed against Iran if it failed to satisfy global concerns about its nuclear ambitions?

Neither the United States nor Israel have ever actually foreclosed the possibility of targeted air strikes against Iran, which would be specifically aimed at preventing that country from obtaining a nuclear weapon. Russian Prime Minister Vladimir Putin entered the fray, speaking against military action and the imposition of new sanctions against Iran. Prime Minister Putin characterized any attack on Iran as "very dangerous" and warned that it would lead to "an explosion of terrorism." That said, he also called on Iran to show "restraint" in its nuclear program and to be mindful of Israel's security concerns. Prime Minister Putin said, "This is a dangerous region and Iran should show responsibility, especially by taking into account Israel's concerns."

On September 20, 2009, Russian President Dmitry Medvedev said during an interview on CNN that Israel had no plans to attack Iran. The Russian leader said that after talks with Israeli President Shimon Peres, he was assured that Israel had no such intent saying, "My Israeli colleagues told me they were not planning to act in this way, and I trust them." President Medvedev, like his colleague, Prime Minister Putin, warned against military action. He described the notion of strikes against Iran as "the worst thing that can be imagined," saying it would lead to a "humanitarian disaster."

Two months later, though, there was a greater spirit of partnership between the United States and Russia on dealing with Iran. Notably, United States President Obama's meeting with Russian President Dmitry Medvedev on the sidelines of the Asia-Pacific Economic Cooperation summit focused on nuclear disarmament and, particularly, on the crafting of a new treaty to replace the expiring 1991 Strategic Arms Reduction Treaty (START). As United States-Russia sought cooperation on the matter of reducing nuclear proliferation, it was not surprising that Iran's controversial nuclear program also came to the fore.

On this issue, President Obama pressed for more pressure on Iran to come to some resolution with the international community over its nuclear program, but warned that time was running out. Referring to a compromise proposal on the table that would send low enriched uranium out of Iran for reprocessing, and thus, curtail that country's nuclear breakout capability, President Obama said, "Unfortunately, so far it appears Iran has been unable to say yes." Also on the agenda was Iran's willingness to comply with inspections from the International Atomic Energy Agency, which were aimed at determining if Iran's nuclear program includes weaponization. President Medvedev addressed the current course of multilateral diplomacy saying, "We are prepared to work further and I hope our joint work will reach a positive result. In case we fail, other options remain on the table." Yet to be determined was whether or not "other options" included further sanctions against Iran.

Iran commenced five days of war exercises spanning 230,000 square miles of territory. The central objective of these large-scale exercises was to practice thwarting potential aerial attacks on its nuclear facilities. In an interview on Iranian state media, the head of Iran's air defense -- Brigadier General Ahmad Mighani -- explained that the war games were intended "to display Iran's combat readiness and military potentials." In this way, Iran was extroverting an aggressive military stance in an effort to stave off strikes on its nuclear facilities.

Other Iranian officials warned of retaliation in response to any attempt by foreign entities to target its nuclear sites. To that end, Iran warned it would not hesitate to carry out a retaliatory missile strike on Tel Aviv if its nuclear facilities were attacked by Israel. Mojhtaba Zolnoor, an aide to Iran's supreme leader, Ayatollah Ali Khomeini, issued the following statement: "If the enemy attacks Iran, our missiles will strike Tel Aviv." In an interview with the Fars News Agency, Amir Ali Hajizadeh -- the commander of Iran's Revolutionary Guards' air force wing -- offered his own warning to Israel as follows: "Their [Israeli] F-15 and F-16 fighters will be trapped by our air defense forces and will be annihilated."

It should be noted that such action by Israel -- or even the United States -- has never been foreclosed. Indeed, both countries have reserved the right to launch targeted strikes against Iran's nuclear sites in order to crush Iran's nuclear proliferation capacity.

Meanwhile, Iran also failed to gain the goodwill of the main players in the global community when it rejected a prevailing proposal to transport some of its low enriched uranium outside its borders for processing into fuel rods for the Tehran Research Reactor. The proposal (discussed above), which was brokered by the United Nations' nuclear watchdog entity, the International Atomic Energy Agency (IAEA), was intended to provide Iran with a means for its research reactor to

produce medical isotopes, while also reducing Iran's stockpile of enriched uranium. The evident benefit would be that Iran's uranium could no longer be enriched to the point that it could facilitate weaponization.

Iran said that rather than comply with the IAEA compromise proposal, it was considering the purchase of enriched uranium instead. In an interview with the Mehr News Agency, Kazem Jalali said: "Purchase of uranium enriched to the level of 20 percent is the best option to supply the fuel needed for the Tehran reactor." The spokesperson for the Majlis National Security and Foreign Policy Commission continued, "Production of 20 percent enriched uranium inside Iran is another option on the table."

Iran's rejection of the proposal that it had earlier embraced was a blow to the diplomatic process. Consequently, a multilateral bloc composed of the United Nations Security Council's permanent members (China, France, Russia, the United Kingdom and the United States) and Germany called on Iran to reconsider its position. In fact, the United Nations Security Council urged Iran to work cooperatively on a resolution, given the fact that it had already approved three rounds of sanctions, should Iran continue its existing uranium enrichment activities. As if to underscore this possible outcome, Russian President Dimitry Medvedev warned that Iran could face new sanctions if it failed to take quick action in assuaging global doubts and suspicions about its nuclear ambitions.

These recent actions by Iran -- its show of military force as well as the rejection of the IAEA compromise proposal -- came at a time when that country was faced with sharp pressure from the international community to prove its claim that its nuclear development program was oriented toward nuclear energy generation. Despite Iran's insistence that its nuclear ambitions have had a peaceful purpose, its failure to comply with the IAEA compromise proposal, as well as the recent revelations about a clandestine nuclear facility at Qom in late September 2009, have only bolstered the United States' accusation that Iran seeks to build a nuclear bomb.

As of November 2009, Iran's nuclear facility at Qom was the central focus of the nuclear debate. A report by the IAEA asserted that the underground nuclear enrichment facility was "in an advanced state." While IAEA inspectors noted that no centrifuges were yet installed, they nonetheless confirmed that the Qom nuclear plant was designed to accommodate 3,000 centrifuges. As aforementioned, this amount was sufficient for the production of one or two nuclear weapons on an annual basis, yet insufficient to power a civilian nuclear reactor.

These findings formalized the previous reports made in September 2009, however, the IAEA went further in noting that Iran's reluctance to disclose the existence of the Qom facility "reduces the level of confidence in the absence of other nuclear facilities under construction, and gives rise to questions about whether there were any other nuclear facilities in Iran which had not been declared to the agency."

The IAEA Board of Governors was scheduled to meet on Nov. 26, 2009 to discuss these issues in the broader context of Iran's actions related to its controversial nuclear program. Of central importance was Iran's rejection of a broad compromise agreement, which would theoretically allow Iran to continue nuclear development at the Tehran Research Reactor by transporting low enriched uranium outside its borders for processing, while simultaneously reducing Iran's stockpile of enriched uranium and curtailing nuclear breakout activity. Analysts suggested that the IAEA Board of Governors could very well conclude that Iran's clandestine Qom facility was constructed in violation of nuclear non-proliferation safeguards, effectively referring Iran to the United Nations Security Council, with serious consequences to follow. Such a move would likely trigger further Iranian defiance and would invariably contribute to the devolution of the diplomatic process. Should Iran decide to reconsider the IAEA compromise proposal for the Tehran Research Reactor, then it was possible that the anticipated referral of Iran to the United Nations Security Council could be offered in softer tone (i.e. without setting an absolute course towards sanctions).

Meanwhile, in a move that could be viewed as a tactical maneuver, Russia announced in November 2009 that a nuclear power plant that it developed in southern Iran would not be launched in 2009 as scheduled. In an interview with BBC News, Russian Energy Minister Sergei Shmatko said, "We expect serious results by the end of the year, but the launch itself will not take place. "The engineers have to reach their findings." While Russia offered technical explanations on the record for the delay, there was growing consensus that the protracted process was actually linked with ongoing conflict over Iran's nuclear activities and ambitions.

By late November 2009, the governing body of the IAEA passed a resolution condemning Iran for developing a clandestine uranium enrichment site at Qom. The IAEA's governing body also demanded that Iran freeze its activities at Qom immediately. It was the first resolution to be passed against Iran in four year and had strong support from the vast majority of the board members. Indeed, the resolution passed by a 25-3 margin with six abstentions. The resolution gained crucial backing from China and Russia, who appeared to have been frustrated by Iran's intransigence on the nuclear development controversy and its refusal to assent to the aforementioned compromise proposal. Their support for the rebuke indicated possible -- albeit not guaranteed -- support for sanctions in the future.

British Prime Minister Gordon Brown warned that stiff sanctions were in the offing for Iran if it did not respond generatively to this rebuke from the international community. Speaking from a Commonwealth summit in Trinidad and Tobago, he said, "I believe the next stage will have to be sanctions if Iran does not respond to what is a very clear vote." Russia's Foreign Ministry urged Iran to respond to this development "with full seriousness" to the resolution. Striking a similar tone, the White House in the United States warned that Iran would have to address "the growing international deficit of confidence in its intentions."

But rather that taking a moderating position to these developments, Iran's reaction was one of

defiance instead. Iranian Foreign Ministry spokesperson Ramin Mehmanparast characterized the IAEA vote as "a theatrical move aimed at pressuring Iran," which he promised would be "useless", according to the IRNA state news agency. Then, Iran threatened to reduce its cooperation with the IAEA, stopping just short of breaking ties completely. Intensifying the stakes, Iran's government additionally announced that it intended to build 10 new uranium enrichment sites. These three moves were contrary to the desired response sought by the international community and made clear that negotiations on Iran's nuclear program had reached a stalemate.

Underscoring that stalemate, the head of the IAEA, Mohammed ElBaradei, noted that his inspectors had seen little cooperation from the Iranian authorities and, as such, the IAEA had made no progress in its attempts to verify the so-called peaceful nature of Iran's nuclear program. El Baradei also issued a rare and gloomy depiction of the negotiating landscape. He said, "It is now well over a year since the agency was last able to engage Iran in discussions about these outstanding issues. We have effectively reached a dead end, unless Iran engages fully with us."

## Editor's Note:

The existence of Iran's nuclear facility at Qom is very likely a violation of international law. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which dates back to 1968, has 189 signatories, including Iran. According to Article Three of the Treaty: "Each Non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards... for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this Article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this Article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere." Given this clearly set forth set of rules, Iran -- as a non-nuclear weapons state and party to the Treaty -- must comply with its safeguard agreements, which constitute the core of the agreement. Failure to declare activity related to enriching nuclear material would be an ostensible violation of the NPT.

#### Additional Notes:

On Dec. 16, 2009, Iran said it had successfully test-fired an advanced variant of its Sajjil-2 ballistic missile. If confirmed, this test would demonstrate an acceleration of Iran's missile development program, given the fact that the two-stage Sajjil-2 was powered by solid fuel, effectively affording it greater range and accuracy than the liquid-fueled Shehab-3 missiles typically used by Iran. The Sajjil-2 was also known to have a more advanced guidance system. It should be noted that Iran test-fired a Sajjil-1 missile earlier, evoking similar fears about that country's intent

and its advances related to the development of intercontinental ballistic missiles used to carry nuclear warheads. For his part, Iran's Defense Minister Ahmad Vahid said that the test-firing exercise was intended to show Iran's deterrent capabilities. Regardless, the missile test appeared to be a clear act of defiance against the West and Israel, which has become increasingly alarmed about Iran's nuclear ambitions. The United States responded by saying that its Missile Defense Agency in the Pacific would conduct a missile test of its own in January 2010.

#### Special Report: Iran's Nuclear Enrichment Program

#### Introduction

In mid-January 2010, attention was upon possible sanctions being placed on Iran in response to its intransigence over its controversial nuclear development program and its possible violations of international law in this regard. There was a prevailing sanctions proposa being advanced by the United States, given the fact that the Middle Eastern country missed the Dec. 31, 2009, deadline to accept a compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods with a purity of 20 percent. Iranian Foreign Minister Manouchehr Mottaki demanded that nuclear fuel be sold to Iran or swap nuclear fuel for Iran's low-enriched uranium. He issued a one-month deadline of his own as well as an ultimatum as follows: "Otherwise, Tehran will enrich uranium to a higher purity needed for the fuel. This is an ultimatum." Also at issue has been the fact that Iran has not opened its clandestine uranium enrichment plant near Qom for international inspection.

#### Iran's Latest Moves --

In February 2010, Iranian President Mahmoud Ahmadinejad called on his country's nuclear head, Dr. Ali Akbar Salehi, to intensify uranium enrichment, in defiance of the international community. The move was essentially a fulfillment of an earlier threat by Iran to enrich uranium at a higher purity level of 20 percent. At issue has been Iran's claim that it is entitled to carry out a civilian nuclear program, aimed at generating energy. This claim has been disputed by several countries of the West, and Iran's case has been compromised by revelations of clandestine nuclear development facilities including the discovery of a secret nuclear facility at Qom.

This move by Iran to intensify its uranium enrichment came after Iran rejected a compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods and, instead, imposed an ultimatum of its own. Specifically, Iranian Foreign Minister Manouchehr Mottaki warned that his country would enrich uranium at the higher purity level (20 percent) if the West did not meet its counter-demand that nuclear fuel be sold to Iran or nuclear fuel be swapped for Iran's low-enriched uranium. Of significance has been the fact that civilian nuclear power requires uranium enriched to about only three percent, whereas weapons grade uranium has to be enriched

to 90 percent. Intensification beyond the three percent range has, therefore, signaled alarm bells across the globe.

Clearly, the situation marked a further deterioration of relations between Iran and the West, and prompted the British Foreign Office to issue a statement asserting: "This would be a deliberate breach of five UNSCRs [United Nations Security Council Resolutions]." As well, the United States called for united global action in the face of a possible Iranian nuclear threat. With sanctions in the offing, United States Defense Secretary Robert Gates said that while there was time for the proposed sanctions to work, the world would have to "stand together." During a visit to Italy, Gates said, "Pressures that are focused on the government of Iran, as opposed to the people of Iran, potentially have greater opportunity to achieve the objective."

By February 11, 2010, Iranian President Ahmadinejad announced in the capital city of Tehran that his country had now enriched its first batch of uranium to 20 percent. The declaration came during a celebration marking the 31st anniversary of the Islamic Revolution. President Ahmadinejad said that the "first consignment of the 20 percent enriched uranium has been produced and handed over to the scientists." He continued, "God willing, the work will continue until completely supplying the country's needs." The Iranian president appeared to issue a veiled warning to the international community by noting that while his country was capable of enriching uranium up to 80 percent -- the intensity level of weapons grade enrichment -- it would not move in that direction. Left unstated was the possible corollary: Iran would not yet move in that direction.

Meanwhile, according to the New York Times, Iranian officials claimed that the 20 percent uranium enrichment process occurred at the Natanz facility and in the presence of inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA). However, the IAEA would not confirm these claims by Iran. Indeed, a memorandum dispatched by IAEA Director General Yukiya Amano to member nation states noted that when the inspectors arrived at the Natanz facility, they were informed that Iran had already commenced the procedure of feeding low-enriched uranium into centrifuges for enrichment.

# Background on Sanctions --

As noted above, the attention of the world's leading powers has been upon possible sanctions against Iran since the start of 2010. Sanctions would be imposed in response to its intransigence over its controversial nuclear development program and its possible violations of international law in this regard. There was a prevailing sanctions proposal, given the fact that the Middle Eastern country missed the Dec. 31, 2009, deadline to accept the aforementioned compromise deal to transfer its low enriched uranium outside its terrain for processing into fuel rods. Also at issue has been the fact that Iran has not opened its secret uranium enrichment plant near Qom for international inspection.

Accordingly, five permanent members of the United Nations Security Council plus Germany met for several hours on Jan. 16, 2010, to discuss the matter. The meeting, however, ended without a clear agreement. Russian Deputy Foreign Minister Sergei Ryabkov explained that the meeting was "inconclusive in a sense that we didn't make any decisions right away," but he notably added that most of the discussions were focused on the "second track" - a reference to the path of sanctions. Those sanctions were expected to be levied against the Iranian government, as well as the Revolutionary Guard Corps, which has seen increased influence within Iran in recent times. Robert Cooper, a senior European Union official who led the meeting, said: "We will continue to seek a negotiated solution but consideration of appropriate further measures has also begun."

It should be noted that the new target of proposed sanctions -- Iran's Revolutionary Guard -- has emerged because of its growing significance as a power center within the country. Analysts have drawn attention to the accelerating transfer of power to the Revolutionary Guard Corps, which was originally established in 1979 to protect the ideals of the Islamic revolution. The political power and influence of the Revolutionary Guard was on full display in the anti-government protests that have occurred in Iran following its 2009 contested presidential election, making clear that they have become more closely intertwined with the base of clerical power surrounding Iran's Supreme Leader Ayatollah Ali Khameini. Moreover, the Revolutionary Guard was believed to be the leading entity behind Iran's nuclear ambitions.

In addition to its political power and influence has been the fact that the Revolutionary Guard has also become a powerful economic force in Iran. It controls construction and even companies, earning billions in public contracts over a two-year span, as reported by the Washington Post. In that report, the Washington Post quoted Mashallah Shamsolvaezin of the Center for Scientific Research and Middle East Strategic Studies in Tehran, who said: "They [the Revolutionary Guard Corps] have become the main, most faithful caste, to protect the system of Islamic government. In exchange, wealth, power and respect are being transferred to them at an increasing rate."

United States Secretary of State Hillary Clinton has reportedly been discussing a sanctions proposal with allied nations aimed at placing pressure on the Iranian regime and the Revolutionary Guard. Indeed, Secretary Clinton emphasized the inclusion of the Revolutionary Guard in this proposal saying, "We have already begun discussions with our partners and with like-minded nations about pressure and sanctions. Our goal is to pressure the Iranian government, particularly the Revolutionary Guard elements, without contributing to the suffering of the ordinary people, who deserve better than what they currently are receiving."

But certain voices have argued that such sanctions will do little to stem the tide of power emanating from this enclave. Indeed, Iranian parliamentarian Kazem Jalali said, "U.S. sanctions will have no negative effect since the Guard organization is self-sufficient."

Latest Developments --

On February 10, 2010, the United States Treasury Department levied specific sanctions against Iranian Revolutionary Guard by freezing the assets of one individual -- General Rostam Qasemi -- as well as four companies affiliated with the Corps. Qasemi was the head of the engineering arm of the Iranian Revolutionary Guard, known as Khatam al-Anbiya Construction. As noted by Stuart Levey, the United States Treasury's Under-Secretary for Terrorism and Financial Intelligence, the Revolutionary Guard "is hiding behind companies like Khatam al-Anbiya and its affiliates to maintain vital ties to the outside world." Clearly, this move by the United States Treasury was just one indication of the types of actions that might be levied against Iran in the near future.

Indeed, United States President Barack Obama noted that his administration would develop "a significant regime of sanctions" over the next several weeks (February 2010) targeting Iran. Striking a much different tone from his earlier conciliatory intonation in regard to Iran, President Obama expressed confidence that the international community would coalesce efforts against that country. He said, "The international community is unified around Iran's misbehavior," and suggested that global powers would work together to apply pressure on Iran. In particular, President Obama acknowledged the new stance being taken by Russia, which has previously been reticent about applying sanctions to Iran. Indeed, the United States president said that he was pleased to see "how forward-leaning the Russians have been on this issue."

Bolstering this position was a statement by Russian Deputy Foreign Minister Sergei Ryabkov in the aftermath of Iran's announcement that it was enriching uranium at higher levels. Ryabkov explained in an interview with Interfax that sanctions against Iran were now more likely saying, "In this new situation, the question of sanctions, of drafting a resolution for new sanctions has become more relevant." Russia seemed to yet maintain its hope for dialogue and diplomacy with Ryabkov remarking, "However the situation may develop, a platform must remain for talks and ways must be sought to mitigate international concerns about Iran's nuclear program by involving Iran in diplomatic efforts."

Regardless of Russia's evolving position in regard to tough sanctions against Iran, China -- which wields veto power at the United Nations Security Council -- was still maintaining its negative resolve against such action.

For its part, Iran has been telegraphing contradictory signals in what could only be described as mixed messages. Even as Iran rejected the compromise deal discussed above, followed by Iranian President Ahmadinejad's announcement of uranium enrichment at higher intensity levels, Iran was still signaling its interest in engagement with the West. Indeed, Ali-Akbar Salehi, the director of Iran's Atomic Energy Organization, said that his country was still open to discussions the possibility of sending Iranian uranium abroad for enrichment. Specifically, Iran's nuclear energy chief said in an interview with Iranian state television that Tehran was open to exchanging its 3.5 percent enriched uranium for 20 percent enriched nuclear fuel. Salehi said, "If they [re: the global powers] come forward and supply the fuel, then we will stop the 20 percent enrichment." He explained that the Tehran Research Reactor required 20 percent enriched uranium to produce

medical radioisotopes, necessitating the imperative that the nuclear reactor not exhaust its supply of fuel. Salehi continued, "All we have asked the West or countries that have the capacity to produce the fuel is 'Please supply us with the fuel.' So the deal is still on the table."

Whether or not the global powers were actually interested in entertaining this complicated positioning by Iran was yet to be seen. Certainly the United States was not wasting any time in trying to shore up support for its plans for Iran. To those ends, United States Secretary of State Hillary Clinton was traveling to the Middle East to seek support from Arab countries for harsher sanctions against Iran. The keystone of the United States' diplomatic offensive was a speech by Secretary Clinton at the United States-Islamic World Forum, which was being hosted by the Washington-based Brookings Institute and the government of Qatar. The speech was being billed as a sequel to President Barack Obama's historic address in Cairo, in which he called for the cessation of "the cycle of mistrust and discord" between the United States and the Muslim world. At the forum in Qatar, Secretary Clinton urged Iran to reconsider its nuclear program and what she described as "dangerous policy decisions."

Also central to Secretary Clinton's diplomatic offensive was dialogue with Saudi Arabia. At issue was Saudi Arabia's flourishing trading relationship with China, and the concomitant belief that Riyadh could entice Beijing into abandoning its opposition to the plan for harsh sanctions against Iran. Assistant Secretary of State Jeffrey Feldman explained this maneuver as follows: "We would expect [the Saudis] to use their relationships [with China] in ways that can help increase the pressure that Iran would feel." Perhaps partially driving China's continued reticence against sanctions has been a possible loss of revenue from investments in Iran and a disruption in oil supplies from that country. Accordingly, Saudi Arabia could play a vital role in reassuring China that it could neutralize any disruptions emanating from Iran.

#### Iranian Nuclear Summit

In mid-April 2010, Iran convened a nuclear disarmament conference in the capital city of Tehran. There, Iran's Supreme Leader Ayatollah Ali Khamenei charged that "Only the U.S. government has committed an atomic crime." He continued, "The world's only atomic criminal lies and presents itself as being against nuclear weapons proliferation, while it has not taken any serious measures in this regard." This assertion from the Iranian leadership appeared to have been driven, at least in part, by the newly-reviewed United States nuclear posture, and came after the United States and Russia forged an agreement to decrease their respective nuclear arsenals.

In an apparent bid to show that his country did not intend on using nuclear weapons -- its acquisition notwithstanding -- Khamenei also said that the use of nuclear weapons was prohibited by religion. Emphasizing his moral objection to the use of nuclear weaponry, Khamenei characterized the potential deployment of a nuclear weapon as "haram" -- a prohibition under Islam.

At the conference, Iranian President Mahmoud Ahmadinejad called for an independent body to oversee nuclear disarmament. Presumably, Ahmadinejad did not view the existence of the nuclear watchdog agency, the International Atomic Energy Agency (IAEA), as such an institution, despite its expressed purpose. However, he did call for United States and other countries in possession of nuclear weapons to be suspended from the IAEA. Iran also demanded that Israel, which is believed to possess an undeclared nuclear weapons program, to join the Nuclear Non-Proliferation Treaty, as a means of assuring a nuclear weapons-free Middle East.

For its part, Israel made it clear that it viewed Iran as the main security threat, not just to the region, but to the whole globe. Speaking at a war memorial ceremony, Israeli President Shimon Peres declared that Iran was a threat to the entire civilized world.

#### Further Nuclear Moves

On April 19, 2010, Iranian President Mahmoud Ahmadinejad approved the construction of a new nuclear enrichment plant. A senior adviser to the president, Mojtaba Samareh Hashemi, said: "The construction process of the new site will begin upon the president's order." The announcement came two months after Iran said that it commenced enrichment of low-level uranium for a research reactor in Tehran. At that time, Iran said that it intended to begin construction on at least two new enrichment facilities. Hashemi also said that while Iran remained open to negotiations on the concept of a nuclear fuel swap (a reference to a proposed plan to send most of its uranium abroad for processing and conversion into fuel rods for use in the research reactor), it would not stop producing its own fuel in the interim. Accordingly, many Western countries have observed that Iran's actions are consistent with that of a country determined to produce nuclear weapons, it claims to the contrary, and its declarations of the immorality of the use of atomic weaponry notwithstanding.

In May 2010, as Turkish Prime Minister Recep Tayyip Erdogan traveled to Tehran for negotiations on Iran's controversial nuclear program in that country, there were suggestions from Ankara that a compromise deal was at hand. The Turkish leader, along with Brazil's President Luiz Inacio Lula da Silva, were playing key roles in trying to persuade Iran's government to agree to a deal that would transport its nuclear material abroad for processing. There were hopes that the two countries, which have enjoyed relatively friendlier diplomatic terms with Iran than the Western powers and Russia, might be positioned to successfully make the case for compromise.

This plan has seen several iterations over recent times, including provisions for the transfer of stockpiles of low enriched uranium to Russia and France for processing. It should be noted that until this time, the proposal has never garnered Iranian concurrence. In this new arrangement, the low enriched uranium would be transferred to Turkey. With Iran already trying to avert the prospect of new sanctions being imposed by the United Nations, it was possible that there would

be greater receptivity to the resurrected compromise deal, albeit with a more neutral country as the

partner state. There were hoped that such a proposition would allay the West's fears that Iran's nuclear ambitions include nuclear weapons proliferation. These anxieties have only been strengthened by revelations about secret nuclear facilities in Iran, and non-compliance with monitoring regulations set forth by the International Atomic Energy Agency.

However, the United States dismissed the deal brokered by Turkey, and drafted its own proposal to levy new sactions against Iran. That United States-drafted proposal was tabled at the United Nations Security Council, prompting Turkey to call for a delay in the interests of further negotiations. Such a delay was unlikely, as United States Secretary of State Hillary Clinton said that the strong draft proposal against Iran was already backed by the five permanent members of the United Nations Security Council. For his part, United States President Barack Obama made it clear that his country intended to pursue the new sanctions against Iran, irrespective of the new nuclear deal with Turkey and Brazil. President Obama reportedly informed Turkish Prime Minister during a phone call that the new agreement failed to build "necessary confidence" that Iran would abide by its international obligations. Further, the United States leader acknowledged Turkey's and Brazil;s efforts, but noted that the new deal left open a host of "fundamental concerns" about Iran's atomic ambitions and broader nuclear program.

From Tehran, the head of Iran's atomic energy organisation, Ali Akbar Salehi, dismissed the prospect of looming sanctions and predicted that such a move by the international community would ultimately backfire. Salehi said, "They won't prevail and by pursuing the passing of a new resolution they are discrediting themselves in public opinion." Nevertheless, the draft resolution on sanctions against Iran was reported to be already circulating in the chambers of the United Nations Security Council.

United Nations Security Council votes to impose harsh sanctions against Iran over its nuclear program

On June 9, 2010, the United Nations Security Council voted in favor of fresh sanctions to be imposed on Iran over its failure to end its controversial nuclear program. The vote in the United Nations Security Council was 12 in favor of the new round of sanctions, two against the sanctions, and one abstention.

The detailed vote count was as follows:

"Yes" votes from permanent (i.e. with power of veto) United Nations Security Council members --United States, United Kingdom, France, Russia, China

"Yes" votes from non-permanent (i.e. without power of veto) United Nations Security Council members --

Japan, Austria, Bosnia-Herzegovina, Mexico, Nigeria, Gabon, Uganda

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"No" votes from non-permanent (i.e. without power of veto) United Nations Security Council members --
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Turkey, Brazil

"Abstention" (from non-permanent member without power of veto --Lebanon

The sanctions would constitute the fourth round of such punitive actions against Iran, and was regarded as the harshest set of measures to date. The main provisions included an arms embargo, which would prohibit Iran from purchasing heavy weapons, such as attack helicopters and missiles; stringent rules regarding financial transactions with Iranian banks; and a wider swath of Iranian individuals and companies to be subject to travel bans and asset freezes. In addition, a new system of cargo inspections would be established to detect and stop Iran from acquiring banned materials.

The new sanctions regime was based on a draft prepared by the United States, which was tabled at the United Nations Security Council weeks prior. At the time, United States Secretary of State Hillary Clinton said that the strong draft proposal against Iran was already backed by the five permanent members of the United Nations Security Council. For his part, United States President Barack Obama made it clear that his country intended to pursue fresh sanctions against Iran, as a consequence of the prevailing "fundamental concerns" about Iran's atomic ambitions and broader nuclear program. Now, with the imposition of the new sanctions regime, President Obama heralded the measure as an unmistakable message to halting the spread of nuclear arms. The United States position was mirrored by the United Kingdom with Foreign Secretary William Hague saying that the vote in favor of fresh sanctions delivered a "strong statement of international resolve," and would increase the pressure on Iran.

Despite Iran's insistence that its nuclear program is for peaceful purposes, its failure to comply with the standards imposed by the International Atomic Energy Agency (IAEA), and the revelations about clandestine nuclear sites, have fueled anxieties by the international community that Iran does, in fact, intend to manufacture a nuclear bomb. Indeed, China took a rare stand against Iran, emphasizing the imperative to deal with the threat of nuclear proliferation. China's ambassador to the United Nations, Zhang Yesui, characterized the sanctions regime as an attempt to prevent nuclear proliferation in Iran. The Chinese diplomat also noted that the new sanctions were targeted and would not hurt "the normal life of the Iranian people."

Meanwhile, backers of the new sanctions regime were denied a unanimous vote in its favor due to the "no" votes from Turkey and Brazil, who managed to cobble together a compromise deal with Iran weeks earlier on the transportation of low enriched uranium outside of Iran for processing. That deal was regarded by the United States as not sufficiently strong to curb Iran's nuclear goals. Indeed, as reportedly detailed in letters dispatched to the IAEA by Russia and France, the deal

brokered by Turkey and Brazil would only cover 1,200 kilograms of low enriched uranium and would leave Iran with enormous stocks in their possession. For their parts, Turkey and Brazil took a different view, pointing to the concessions made by Iran in their own (now abandoned) compromise deal. Turkey and Brazil concluded that further sanctions against Iran would be counter-productive, hence their "no" votes.

Critics have argued that as strong as the new sanctions regime may be in comparison to measures of the past, it nonetheless falls short of the heavy pressure favored by hardliners. For example, there was no call for an oil embargo, and there were no crippling economic actions that could deleteriously affect Iran's vital interests. That being said, an even stronger sanctions regime was not likely to gain support from veto-wielding members of the United Nations Security Council, such as Russia and China. Moreover, while average Iranians were not likely to experience the effects of the new sanctions, the powerful Iranian Revolutionary Guard would not be so lucky. Indeed, this was one of the expressed objectives set forth by the United States when it first began to consider the fourth round of sanctions against Iran.

The aim of a new sanctions regime was to specifically target the Iranian Revolutionary Guard, which has emerged as a power center within that country. Analysts have drawn attention to the accelerating transfer of power to the Revolutionary Guard Corps, which was originally established in 1979 to protect the ideals of the Islamic revolution. The political power and influence of the Revolutionary Guard was on full display in the deadly anti-government protests that occurred in Iran following its 2009 contested presidential election, making clear that they have become more closely intertwined with the base of clerical power surrounding Iran's Supreme Leader Ayatollah Ali Khameini. Moreover, the Revolutionary Guard was believed to be the leading entity behind Iran's nuclear ambitions.

In addition to its political power and influence has been the fact that the Revolutionary Guard has also become a powerful economic force in Iran. It controls construction and even companies, earning billions in public contracts over a two-year span, as reported by the Washington Post. In that report, the Washington Post quoted Mashallah Shamsolvaezin of the Center for Scientific Research and Middle East Strategic Studies in Tehran, who said: "They [the Revolutionary Guard Corps] have become the main, most faithful caste, to protect the system of Islamic government. In exchange, wealth, power and respect are being transferred to them at an increasing rate." Thus, the intrinsic value of targeting the new sanctions in such a way as to strike at the core of the Revolutionary Guard Corps.

From Tehran, the head of Iran's atomic energy organization, Ali Akbar Salehi, dismissed the prospect of looming sanctions and predicted that such a move by the international community would ultimately backfire. Salehi said, "They won't prevail and by pursuing the passing of a new resolution they are discrediting themselves in public opinion." Now, with the sanctions a reality and not a theoretical measure, Iranian President Mahmoud Ahmadinejad adopted a dismissive tone. In an interview broadcast on Iran's ISNA news agency, he said: "I gave one of the [world powers] a

message that the resolutions you issue are like a used handkerchief, which should be thrown in the dustbin. They are not capable of hurting Iranians." Clearly, Iran was trying to deliver the message that it would not be intimidated by the international community's punitive actions.

That being said, in mid-June 2010, both the United States and the European Union announced their own unilateral sanctions to be imposed on Iran. In the case of the United States, the new sanctions by the Treasury Department targeted Iran's nuclear and missile programs, by concentrating on the financial sector, the shipping industry and Islamic Revolutionary Guards Corps. The new sanctions imposed by the European Union included a ban on investments and technology transfers to Iran's key oil and gas industry. Russia responded by criticizing these separate sanctions efforts, despite its support for the new round of sanctions imposed by the United Nations, as discussed above. In an interview with the Wall Street Journal, Russian President Medvedev said, "We didn't agree to this when we discussed the joint resolution at the United Nations."

Iran prevents IAEA inspectors from entering the country

On June 21, 2010, Iran informed by the International Atomic Energy Agency (IAEA) that two of its inspectors would not be allowed to enter the country. Ali Akbar Salehi, the head of Iran's Atomic Energy Organization, explained that the action had been taken because the IAEA had published a report his country deemed to be "untruthful" in regards to Iran's nuclear activities. Salehi said, "If an inspector makes a report contrary to the standing fact... we have the right to place a protest as we did in regard to the report by two inspectors." Salehi did not specify exactly what portion of the IAEA report was regarded as inaccurate by Iran. That being said, general consensus that the issue at the core of the controversy probably involved Iran's claim at the start of the year that its scientists had carried out pyroprocessing experiments -- a process which potentially used to purify uranium for use in nuclear weapons. The IAEA responded to the claim by requesting further information from Iran, but by March 2010, Iran was reversing its initial claims and saying that it never conducted such activities. That scenario, clearly, left the IAEA somewhat suspicious of Iran's actual nuclear activities. That suspicion was further stoked when in May 2010, IAEA inspectors visited the site of the claimed pyroprocessing experiments and found that an electrochemical cell had been "removed," as disclosed in the IAEA report.

Iran's provocative moves:

On Aug. 22, 2010, Iran unveiled its newest addition to its military -- an unmanned bomber jet. While the Karrar drone was not expected to have a significant impact on the strategic balance of the Middle East, Iran's decision to procure the craft appeared to signify that country's desire to expand its conventional weapons capabilities. Not one to miss an opportunity to threaten geopolitical antagonists, Iranian President Mahmoud Ahmadinejad, who was addressing the country's annual Defense Industry Day ceremonies, described the Karrar drone as a "messenger of

death for the enemies of humanity."

Only days later, Iran remained in the international spotlight when it announced that it had successfully test-fired an upgraded version of a short-range surface-to-surface missile. The new version of the Fateh-110 missile, which translates into "conqueror" in Farsi, has been equipped with a guidance control system known for its accuracy. As well, its range has been increased as compared with earlier versions. According to Iranian Defense Minister Ahmad Vahidi, the solid-fuel Fateh-110 missile was developed domestically by Iran's Aerospace Industries Organization and held the potential of striking targets up to 120 miles away. On Iranian state television, Vahidi said, "Employing a highly accurate guidance and control system has enabled the missile to hit its targets with great precision." The upgraded missile was to be transferred to the possession of the Iranian military by September 2010.

While a short-range surface-to-surface missile was not evidence of a nuclear threat, it nonetheless recalled a report issued a year earlier by experts at the United Nations nuclear monitoring agency, the International Atomic Energy Agency (IAEA), which indicated their belief that Iran could have the ability to manufacture a nuclear bomb. In that report titled, "Possible Military Dimension of Iran's Nuclear Program," experts intimated that Iran could well be trying to develop a missile system capable of carrying an atomic warhead. That document concluded that while Iran was not yet capable of attaching nuclear warheads to its Shahab-3 medium-range missile, further research and development could lead to the production of a prototype system. To that end, the Shahab-3 missile -- with a range of up to 1,250 miles (2,000 kilometers) -- would place Israel within striking distance. Clearly, the upgraded Fateh-110 would not have comparable range; however, it was clear that Iran was intent on publicizing its growing military weapons capacity to the outside world. This was the case in September 2009 when Iran test-fired two short-range Missiles -- the Tondar-69 and the earlier incarnation of the Fateh-110 -- followed by the long-range Shahab-3 ballistic missile and the surface-to-surface Sajjil. Once again, these unambiguous acts of defiance by Iran in 2010 were sure to raise the ire of the West.

Meanwhile, around the same period (August 2010), Iran announced it would commence building a new uranium enrichment plant in early 2011. The new facility would be only one of 10 new uranium enrichment facilities planned for construction in Iran. Ali Akbar Salehi, the head of Iran's nuclear program, said in an interview with Iranian state television that "studies on finding locations for the construction of 10 new sites are going through their final stages." He also confirmed that construction would commence on one of these sites "by the end of the current Iranian year (in March 2011), or shortly afterwards."

These moves have been part of Iran's insistence on pursuing a nuclear program in defiance of Western powers, who have accused Iran of having a nuclear weapons proliferation agenda. While Iran has denied these ambitions and insisted on a program for peaceful purposes, it has nonetheless violated international regulations by constructing a clandestine enrichment plant at Qom. The construction of the secret enrichment plan in Qom -- revealed in 2009 -- was in violation of the

safeguard provisions set forth in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and effectively fueled global anxieties about Iran's true intent. In response, the United Nations, as well as the United States and European Union, have imposed sanctions against Iran in an effort to suppress that country's nuclear ambitions.

On Aug. 20, 2010, Iran launched its first nuclear reactor at the Bushehr nuclear power station in the southern part of the country. The plant, which took 35 years to construct due to a series of delays, was to be operated by Russia. Indeed, Russia was to be responsible for supplying nuclear fuel and removing the nuclear waste. Due to Russian involvement in the project, the opening ceremony of the Bushehr nuclear power station was witnessed by Iranian and Russian officials.

The Iranian government hailed the development as a victory over its enemies. However, because the power plan has taken more than three decades to construct, it was an older model with limited contribution to the national grid. As a result, despite the celebration surrounding the opening of the plant, which would begin producing electricity in four weeks from the launch date, the significance of the Bushehr power station was regarded as more symbolic than substantive. Moreover, the real issue within the international community has not been a matter of nuclear energy production, but fears that Iran seeks to build a nuclear weapon. Accordingly, Iran has been the target of four rounds of United Nations sanctions due to its uranium enrichment program, which was quite separate from this nuclear reactor project. That is to say, whereas the Bushehr nuclear power plant used uranium enriched by 3.5 percent, weapons-grade uranium must be enriched by more than 90 percent. Throughout, it has been Iran's uranium enrichment activities at levels higher than three percent that have sparked alarm bells across the West.

Nevertheless, as before, Iran appeared intent on defying the international community with the head of Iran's Atomic Energy Organization, Ali Akbar Salehi, saying that his country would continue uranium enrichment. To that end, a serious concern for the international community has been a pilot program to enrich uranium to 20 percent, which Iran contends is necessary for a medical research reactor. Clearly, this higher level of uranium enrichment has been a concern for Western powers more than Bushehr nuclear power station, sparking fears in Israel, which has a particularly hostile relationship with Iran and has suggested the notion of targeted military strikes against Iranian nuclear facilities.

Israel's options in dealing with Iran's nuclear program --

With Iran's nuclear moves dominating the geopolitical landscape, there was increasing speculation about Israel's own alternative options. Indeed, the one country in the Middle East most likely to feel threatened by a nuclearized Iran was Israel, given the clear antipathy expressed by the Iranian regime against the Jewish state of Israel. Speculation has abounded that Israel has been contemplating military strikes against Iranian nuclear facilities, not unlike the 1981 air strike Israel reportedly carried out against Saddam Hussein's nuclear reactor in Osiraq. That scenario has

frequently been touted as a model of preventative military strikes to be used against looming nuclear threats.

But the landscape in 2010 was quite different from the situation almost three decades ago. Notably, in 1981, even though Iraq and Iran were embroiled in a war, Israeli F-16 jet fighters encountered little resistance as they carried out their mission. While there was limited anti-aircraft fire, there were no air patrols of surface-to-air missiles to contend with. Clearly, three decades later, Israel was not likely to have such an easy field of action in Iran.

Then there has been the matter of whether Israel can achieve the same objective in 2010 as it did in 1981. Almost three decades ago, Israel was able to land such a blow on Iraq's nuclear facility that Saddam Hussein's regime was never able to build nuclear weapons. As of 2010, there was no such confidence that Iran's nuclear breakout capabilities would be curtailed in similar strikes. Of significant consideration has been the fact that Iran's multiple nuclear sites are dispersed with some in remote areas and others underground. The revelation about the clandestine Qom facility only bolsters the belief that there may be other such nuclear facilities across Iran. Indeed, Israeli Defense Minister Ehud Barak acknowledged during a parliamentary meeting that facilities such as the Qom site "cannot be destroyed through a conventional attack." Accordingly, there is no guarantee that air strikes could do more than setback Iran's nuclear ambitions a year or two.

Nevertheless, there were clear signs that the military option remained on the table, given the Netanyahu government's decisions to increase the defense budget, distribute gas masks to all citizens, and simulate a biological attack. But there were also signals of Israel's awareness that the military options may not yield optimal results. Accordingly, Israel has shown support for the notion of sanctions against Iran, although its call for crippling sanctions may not coincide with the new impetus by the international community for targeting the Iranian Revolutionary Guard Corps in its sanctions. The international community, including the Obama administration in the United States, has not been keen to punish the Iranian people for the regime's ills, and has had to balance reticent powers, such as Russia and China, to even entertain the notion of sanctions. Thusly, targeted sanctions against the Revolutionary Guard and clerical elite have gained support. But Israel believes that only crippling, broad-based sanctions will have a sufficiently strong effect to stoke internal fissures, and possibly spur the collapse of the clerical regime.

By August 2010, around the same period that Iran launched a nuclear reactor at Bushehr and announced its plans to start building new uranium enrichment plant in 2011, the government of the United States reportedly tried to assuage Israel on the nuclear threat posed by Iran. According to a report by the New York Times, the Obama administration conveyed evidence to Israeli counterparts showing that problems within Iran's nuclear program meant that it would take at least a year for that country to actually build a nuclear weapon. That timeline, it was believed, would decrease the possibility that Israel would soon carry out a pre-emptive strike against Iran's nuclear facilities.

"Soon," though, has been a relative consideration. According to Jeffrey Goldberg of the Atlantic Monthly, Israel was biding its time to see if the non-military options could yield positive results; however, it was nevertheless prepared to carry out unilateral strikes on Iran's nuclear facilities. To that end, Goldberg contended that, at this time, it was Israel's belief that strikes against Iran's nuclear sites could halt progress on that country's nuclear development program for several years. That is to say, Israel now held the view that it could strike a blow at the nuclear breakout capability of Iran.

It should be noted that several strikes -- in the plural --would be needed to achieve such an end; among the likely targets would be the uranium-enrichment facility at Natanz, the formerly clandestine enrichment site at Qom, the nuclear-research center at Esfahan, and the Bushehr reactor. Undoubtedly, flying multiple jet fighters through foreign air space would present Israel with a constituently complicated proposition.

The logistics of such a military operation by Israel notwithstanding, the cost of such an offensive endeavor might be determined to be too high. Certainly, the likely effects were forecast to be manifold ranging as they do from geopolitical chaos to economic turbulence due to a potentially drastic spike in the price of oil. Iran and its allies could well retaliate by firing rockets at Israeli cities, which could effectively ignite a regional war. As well, extremist terrorist enclaves in the region, such as Hezbollah and Hamas, would have an accentuated rallying cry. The result might be an even more imperiled Israel.

Yet the question of peril has been at the top of Israel's agenda, given the belief that Iran may gain the technological knowledge to construct nuclear bombs within a relatively short period of time. It may be Israel's calculation that potentially deleterious consequences are worth the effort, given the existential stakes for the Jewish nation state. Those existential stakes were brought into high relief as a result of the vituperative threats uttered by Iran's leaders that Israel should be "wiped off the map."

Worth noting is the fact that a nuclearized Iran poses a threat not only to Israel but to other countries in the Middle East. Indeed, a nuclear-armed Iran would, itself, have a destabilizing effect across the Middle East, most obviously by potentially triggering a nuclear arms race in the region among other countries not willing to cede power to nuclearized Iran. But quite in contrast to the arms race of the Cold War, which actually functioned as a deterrent and managed to stabilize the international scene in some "realpolitik" sense, a modern arms race in a region known for suicide bombings could trigger catastrophic results.

For this reason, Israel may find some unlikely allies in its neighborhood in the form of certain powerful Arab countries, such as Sunni Muslim Saudi Arabia, which is not keen on the notion of a nuclearized Shi'a-dominated Iran in their backyard. Israel may also find there is a geopolitical benefit to resolving the Palestinian issue, thereby minimizing its field of enemies. But the very complexity of the Arab backyard may present yet another reason why Israel may decide that targeted strikes against Iran's nuclear facilities -- regardless of the risk -- are worth the effort. The smaller Arab states may be compelled to move from moderation and tacit pro-Western inclinations toward more hardline and pro-Iranian stances by virtue of the influence of a nuclearized Iran. That is to say, small Arab states may believe they have no choice but to throw their lot in with a nuclear Iran despite their past cooperation with the West. It was implausible that Israel -- and, indeed, the West -- would look positively on the prospect of a politically-strengthened and nuclearized Iran standing strong in the heart of the Middle East.

#### Update --

With the prospect of strikes by Israel against Iran's nuclear facilities looming, on September 5, 2010, Iranian President Mahmoud Ahmadinejad warned that any attack against his country would mean the end of the Jewish State of Israel. During a visit to Qatar, Ahmadinejad said, "Any offensive against Iran means the annihilation of the Zionist entity." Expressing his antipathy for Israel, he continued, "Iran does not care much about this entity because it is on its way to decay." Ahmadinejad also appeared to dismiss the notion of an attack by either Israel or the United States on Iranian nuclear facilities in the first place, saying that those two countries, "know that Iran is ready and has the potential for a decisive and wide-scale response." But with an eye on shoring up support from smaller Arab countries that house United States military bases, Ahmadinejad said called for more cooperation between Muslim countries of the Middle East despite the sectarian schism between Shi'ites and Sunnis.

On September 23, 2010, delegates from the United States, Canada, Australia, New Zealand, Costa Rica and 27 European Union countries walked out in protest during Iranian President Mahmoud Ahmadinejad's address to the United Nations General Assembly. At issue was the Iranian president's statement that "some segments within the U.S. government" may have orchestrated the September 11, 2001 terror attacks in the United States as part of an American conspiracy to protect Israel.

Mark Kornblau, a spokesman for the United States Mission to the United Nations issued a statement asserting that the Iranian president "has yet again chosen to spout vile conspiracy theories and anti-Semitic slurs that are as abhorrent and delusional as they are predictable." The situation would not help efforts to bring Iran together with the six powers -- the United States, the United Kingdom, China, Russia, France and Germany -- for negotiations on the matter of Iran's controversial nuclear development program. British Deputy Prime Minister Nick Clegg highlighted the pall cast on the hopes for renewed negotiations by Ahmadinejad's comments saying: "An issue of grave global concern has been overshadowed by the bizarre, offensive and attention-grabbing pronouncements by President Ahmadinejad from this podium yesterday. His remarks were intended to distract attention from Iran's obligations and to generate media headlines. They deserve to do neither." Outside the United Nations compound in New York, thousands of

demonstrators gathered to protest the presence of President Ahmadinejad there.

The controversy surrounding the multilateral walkout of Ahmadinejad's speech notwithstanding, the Iranian president hinted on September 24, 2010 that his country would consider ending uranium enrichment, if nuclear fuel could be sent to Tehran for a medical research reactor that produces medical isotopes for patients. He said, "We will consider halting uranium enrichment whenever nuclear fuel is provided to us." Ahmadinejad explained that Iran had no need to enrich uranium at levels of three to 20 percent beyond medical research, but that his country was forced to do so out of necessity. Indeed, such levels of enrichment, while still not as high as that needed for weapons-grade development, have nonetheless alarmed the West. In an interview with the Associated Press, Ahmadinejad said, "We were not interested to do it to support the (medical) patients." President Mahmoud Ahmadinejad also said that Iran was interested in setting a date to re-open talks with the aforementioned six powers. In this way, by the autumn of 2010, Iran was indicating that it was ready to return to the negotiating table for discussions with world powers pertaining to that country's controversial nuclear program.

At issue has been Iran's insistence on pursuing a nuclear program in defiance of Western countries, who have accused Iran of having a nuclear weapons proliferation agenda. While Iran has denied these ambitions and insisted that its nuclear program is for peaceful purposes, it has nonetheless violated international regulations by constructing a clandestine enrichment plant at Qom. The construction of the secret enrichment plan in Qom -- revealed in 2009 -- was in violation of the safeguard provisions set forth in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and effectively fueled global anxieties about Iran's true intent. In response, the United Nations, as well as the United States and European Union, have imposed sanctions against Iran in an effort to suppress that country's nuclear ambitions.

Now, there seemed to be some multilateral efforts to see the nuclear talks resumed with Catherine Ashton, the security and foreign affairs chief of the European Union, suggesting that fresh negotiations be held in Vienna "over three days in mid-November." Such a meeting would presumably take place with the participation of the United States, Britain, China, France, Russia and Germany. This announcement came after a meeting between Ashton and United States Secretary of State Hillary Clinton in Belgium. Referring to Iran's main nuclear diplomat, Darren Ennis, a spokesperson for Ashton, said: "Ashton hopes Mr. (Saeed) Jalili will respond positively and looks forward to constructively engaging with Iran next month." For his part, Jalili was reported to have welcomed Ashton's overture during an interview on Iranian state television. Jalili reportedly said, "We have always said talk for cooperation with Iran is the only suitable alternative for (the West)."

By October 29, 2010, Iran said that it was prepared to participate in talks dealing with its controversial nuclear program. According to Ashton, a letter received from Iran's chief nuclear negotiator, Jalili, made clear that negotiations could resume at a date after November 10, 2010.

The announcement came at a time when the United States was reportedly forging a new fuel exchange deal (re: a proposed plan to send Iran's uranium abroad for processing and conversion into fuel rods for use in the research reactor). Indeed, United States Department of State spokesman, P.J. Crowley reportedly confirmed the reports that his country, in collaboration with European allies, were working on a new nuclear exchange proposal for Iran. A previous proposal, which was rejected by Iran, would have transported 2,650 pounds of uranium outside of Iran for enrichment; this new proposal would significantly increased the amount of uranium to be enriched externally ultimately for use in a medical research reactor. Iran would also be asked to halt production of nuclear fuel at 20 percent enrichment levels; typically, higher enrichment levels denote weapons grade uranium and a cessation of nuclear fuel production at that level would indicate good faith toward Iran's claim that it has no nuclear weapons development agenda.

It was yet to be seen how Tehran would respond to these new conditions. Iran's willingness to return to the negotiating table could well suggest that the newest round of sanctions against Iran have had an effect on the country, effectively thrusting it into a position of flexibility. However, such presumed flexibility was not on display on Nov. 10, 2010 when Iranian President Ahmadinejad characterized his country's right to nuclear capabilities as non-negotiable. In a televised speech, he said, "We have repeatedly said that our (nuclear) rights are not negotiable .... We only hold talks to resolve international problems ... to help the establishment of peace." Diplomats from the European Union offered the most favorable interpretation of Ahmadinejad's statement, suggesting he was simply recapitulating Iran's expressed stance while not foreclosing negotiations on finding a resolution.

Around the same period, Iran's chief nuclear negotiator, Jalili, dispatched a letter to EU foreign affairs chief Ashton in which the dates November 23, 2010, and December 5, 2010, were mentioned in terms of scheduling the much-anticipated nuclear negotiations. With the November date passing, all eyes were on forthcoming nuclear negotiations to convene in December 2010. Meanwhile, on November 9, 2010, United States President Barack Obama renewed an existing freeze on Iranian government assets held in his country. That freeze has been in place since the Iran hostage crisis of 1979 and is subject to annual renewal.

By the start of December 2010, the International Atomic Energy Agency (IAEA) excoriated Iran for its non-compliance with international nuclear monitoring. The director of the IAEA, General Yukiya Amano, railed against Iran for failing to cooperate with IAEA inspectors. He said, "The agency needs Iran's cooperation in clarifying outstanding issues which give rise to concerns about possible military dimensions to its nuclear program." This particular statement appeared to bolster Western fears that Iran does indeed possess nuclear weapons development ambitions, its protestations to the contrary notwithstanding. Indeed, areport released in February 2010 by the IAEA suggested that Iran was already working on the development of a nuclear-armed missile.

With the nuclear negotiations looming, on December 2, 2010, the United Kingdom, France, and

Germany issued a joint statement that read as follows: "There is no alternative: Iran must actively address the lack of confidence in the exclusively peaceful nature of its nuclear program." The statement noted that the aforementioned report on Iran's nuclear program by the IAEA "paints a very disturbing picture" of Tehran's actions. The statement continued of the IAEA report, "It again testifies that Iran continues down the path of non-compliance and confrontation." Accordingly, the United Kingdom, France, and Germany called on Iran to move off the "path of non-compliance and confrontation" and, instead, act in a productive manner at the much-anticipated multilateral talks to be held in Geneva, Switzerland.

For its part, Iran agreed to meet with a representative of a six-party multilateral bloc [Catherine Ashton] but emphasized that it would not negotiate about its "nuclear rights." The reference to "nuclear rights" has been regarded by Western powers as a euphemism for Iran's nuclear weapons ambitions. Indeed, Iran has been steadfast on its insistence that it should not have to limit or curb uranium enrichment.

Multilateral nuclear negotiations were scheduled to begin on December 6, 2010 in Geneva, Switzerland with Iran present to discuss its controversial nuclear program with the major powers -the United States, the United Kingdom, France, Germany, Russia and China. All six countries would like to see Iran suspend uranium enrichment in return for an incentives package.

To that end, the United Kingdom, France, Germany were hoping that the negotiations in Geneva would serve "to engage Iran into a phased approach of confidence building which should lead to meaningful negotiations." The United States envoy to the IAEA, Ambassador Glyn Davies, struck a similar tone saying that his aspirations were for "frank, constructive and meaningful" negotiations with Iran. He continued, "We would like to arrive at an early negotiated resolution of international concerns with Iran's nuclear program." Davies was also realistic about the difficulty of the goals at hand, noting, Iran nuclear program and uranium enrichment constituted "a problem that will not go away absent meaningful and concrete steps by Iran."

Perhaps indicating that the two sides were not viewing the agenda in quite the same way, Iran's ambassador to the IAEA, Ali Asghar Soltanieh, said that his country was ready for talks to resolve global and regional issues, described as "conflicts of the whole world." But dealing with "conflicts of the whole world" was hardly the stated goal of the nuclear negotiations and could indicate that Iran seeks to dilute the discussions at hand.

Another problem at hand has been Iran's skepticism about the intentions of the wider global community, manifest in a quasi-covert war against Iran. Of concern for Iran have been the assassinations of two Iranian nuclear scientists, along with the attempted murder of a third such professional. In addition, Iran's computer systems at the Bushehr nuclear reactor was subject to a computer virus, which was believed to have caused the temporary shutdown of the Natanz centrifuges in November 2010. In Iran, these incidences have been attributed to either Israel or the United States and was likely to fuel further intransigence by an infuriated Iran.

Such an end was not helped by the infamous "Wikileaks" revelations in which confidential government cables were publicized. Of note was the revelation that some Arab governments aligned with the United States actually encouraged the United States to carry out targeted strikes against Iran's nuclear facilities. While it would come as no surprise to find that Israel considers Iran's nuclear ambitions to be a threat, the revelation that Arab countries in the Middle East would find consensus with Israel on the matter of a nuclearized Iran could be seen as somewhat more surprising. Nevertheless, as the Sunni-Shi'a schism escalates around the world, perhaps it is not so unlikely that Israel and Arab regimes might a shared anxiety about a nuclear-armed Iran in their collective backyard. The result of the "Wikileaks" revelations, though, was that smaller Arab countries in the Middle East might now seek to assuage infuriated Iran, effectively lessening the weight of global power against Iran's burgeoning nuclear program.

But another outcome of the "Wikileaks" revelations has been that the Obama administration in the United States expected its outreach to Iran to end in failure. The "Wikileaks" document deluge included evidence that the United States was quite prepared for Iran's intransigence and unwillingness to meet in the proverbial middle. Clearly, that outreach to Iran was for the benefit of other world powers, in the hopes that by exerting all diplomatic avenues, countries such as France and Russia would be more amenable to the idea of harsh sanctions against Iran. To that end, it would appear that the Obama administration was successful in applying the so-called "carrot and stick" approach to Iran's uranium enrichment activities, if its actual goal was the institution of a harsh sanctions regime. But success in actually curtailing Iran's uraniumactivities was yet to be determined. The talks set to commence in Geneva would be a step in the direction of progress, if the world powers are able to make progress on a fuel-swap deal for a Tehran medical research reactor.

On December 5, 2010 -- on the eve of the nuclear talks, Iran announced that it had made strides in its efforts to produce raw uranium. Iran said that it had not only produced raw or "yellowcake" uranium, but that it was ready for enrichment. According to Iran's nuclear chief, Salehi, the batch of domestically-produced yellowcake uranium from the Gachin mine would be transferred to the Isfahan nuclear conversion facility, where it can be enriched. Of course, enriched uranium at high levels is used for the production of nuclear bombs. By releasing this information ahead of the much-anticipated nuclear negotiations, Iran to staking out a defiant position on the global landscape. Clearly, Iran wanted the world to know that they had access to raw uranium despite the general view that it was running low on such stocks. In so doing, Iran was making to clear to the world that it was within its power to move forward with uranium enrichment. Was this move intended to bolster Iran's negotiating power? Or was it intended to provoke an international response? These are open questions yet to be determined as the wider global community closes ranks over the prospect of a nuclearized Iran.

Note: At the close of the talks, Iran and the multilateral parties agreed to resume negotiations in

January 2011 in the Turkish city of Istanbul.

On January 8, 2011, the Wall Street Journal reported that Iran's weapons development capacity may have been curtailed by the more stringent sanctions regime championed by the West and imposed by the United Nations Security Council. According to Israel's outgoing intelligence head, Meir Dagan, Iran was unlikely to be able to build a nuclear weapon until 2015. Israeli Deputy Prime Minister Moshe Yaalon was making a similar claim on Israeli Army Radio also that Iran was three years away from developing a nuclear warhead.

This stance was quite a departure from an earlier timeline by Israel that suggested Iran was close to being able to build a bomb, thus raising speculation about a potential strike by Israel on nuclear targets in Iran. Now, Israel's position appeared to be in line with the United States' claim that international sanctions have limited Iran from procuring materials needed for the building of a nuclear bomb. Of course, the outgoing Dagan also pointed to "covert activities" as being an additional reason for the revised timeline. In fact, officials across the world have noted that Iran's ability to deploy advanced centrifuge machines, which would be needed for the production of highly enriched uranium, has been stymied to some degree. That is not to say that concerns about Iran's nuclear ambitions have abated in any way. Both Israel and the United States have maintained the view that Iran actively seeks to produce nuclear weapons and that it has sufficient stockpiled low enriched uranium to build up to four nuclear bombs, assuming that further processing was possible. That being said, the revised timeline would suggest that Israel was unlikely to carry out targeted strikes on nuclear facilities in Iran in the near future. As well, the United States was highly likely to champion the idea of continuing, and even intensifying, the harsh sanctions\* imposed on Iran. Note that multilateral talks on Iran's nuclear program resumed in late January 2011 in Turkey.

\*The punitive sanctions imposed in June 2010 were regarded as the harshest set of measures to date. The main provisions included an arms embargo, which would prohibit Iran from purchasing heavy weapons, such as attack helicopters and missiles; stringent rules regarding financial transactions with Iranian banks; and a wider swath of Iranian individuals and companies to be subject to travel bans and asset freezes. In addition, a new system of cargo inspections would be established to detect and stop Iran from acquiring banned materials. This round of sanctions was intended to bypass affecting the lives of average Iranians while concentrating on the powerful Iranian Revolutionary Guard, which has emerged as a power center within that country, and which was believed to be the leading entity behind Iran's nuclear ambitions.

At the close of February 2011, the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), expressed concerns about the "possible military dimensions" of Iranian nuclear agenda. At issue was a report by the IAEA that reportedly included the following assessment: "Based on the agency's analysis of additional information since August 2008, including new information recently received, there are further concerns which the agency also needs to

clarify with Iran." The IAEA then called on Iran to comply with the investigations into Iran's weapons experiments -- requirements not met by that country since 2008. The report also noted that Iran was not cooperating in the effort to assure the IAEA that all nuclear material in Iran was for only peaceful purposes. This has been the claim of Iran since the start of its nuclear development program, however, it cannot be verified without that country's cooperation in IAEA investigations. Clearly, such investigations were unable to be carried out. Of particular concern was the allegation that Iran was trying to develop nuclear payload for its missiles.

Yet even as these concerns by the United Nations were being expressed, Iran experienced a setback with its nuclear program when unspecified safety concerns compelled technicians to unload fuel rods from the nuclear power plant at Bushehr. Speculation arose as to whether or not the mysterious Stuxnet computer virus may have been to blame for this latest complication with Iran's nuclear development program. Stuxnet --a malicious computer virus believed to be developed either by the Israelis or the Americans -- already resulted in previous setbacks to Iran's overall nuclear program. Fot its part, Iran denied that Stuxnet was a factor. That being said, the plant at Bushehr has never been a concern for the IAEA since it was constructed by Russia under international approval and has been subject to the nuclear watchdog agency's supervision. That being said, it was clear that Iran was placed in an embarrassing position on the world stage, since the Iranian authorities have wasted few opportunities to tout its nuclear success at the Bushehr plant.

As reported by Iranian news, Ali Asghar Soltanieh -- Iran's s ambassador to the IAEA -- explained the situation as follows: "Upon a demand from Russia, which is responsible for completing the Bushehr nuclear power plant, fuel assemblies from the core of the reactor will be unloaded for a period of time to carry out tests and take technical measurements. "After the tests are conducted, (the fuel) will be placed in the core of the reactor once again."

By Feb. 28, 2011, Russia's nuclear energy shed further light on the situation in Iran by explaining that the order to remove fuel from the nuclear plant was made as a result of concerns that metal particles might be contaminating fuel assemblies.

May 2011 saw the emergence of a report by the United Nations watchdog nuclear agency, the International Atomic Energy Agency (IAEA), in which it was reported that Iran was continuing its efforts to build nuclear weapons, in defiance of United Nations sanctions. The IAEA asserted that Iran was stockpiling low-enriched uranium, pointing toward the fact that Iran's total output of low-enriched uranium since 2007 had reached 4.1 tons -- an increase from 3.6 tons earlier in the year, and indicating an amount that, if refined further, could potentially contribute to the development of at least two bombs. Throughout, Iran has claimed that its nuclear program is for civilian energy generating purposes, the actual evidence notwithstanding. The report by the IAEA, which was compiled ahead of a meeting of the IAEA board in June 2011, was expected to be delivered to the United Nations Security Council, where that body would have to consider how to respond to the

nuclear developments in Iran. The key question to be addressed would be whether Iran would be regarded as meeting its international obligations in the context of nuclear development.

In mid-June 2011, as reported by the Associated Press, Iran was set to install advanced and efficient centrifuges -- appropriate for higher grade uranium enrichment -- at its new uranium enrichment site at Qom. That site at Qom had been constructed secretly, out of the eyes of the International Atomic Energy Agency (IAEA). Ultimately discovered by Western intelligence, revelations about the existence of the Qom site undermined Iran's claims that its nuclear ambitions were peaceful. Iran's endeavors to produce raw or "yellowcake" uranium at the Gachin, ready for enrichment at the Isfahan conversion facility (publicized in late 2010), only served to further undermine Iran's claims. A February 2011 by the IAEA further deepened worries about Iran's nuclear ambitions as it noted Iran was trying to develop nuclear payload for its missiles. Indeed, making matters even more intense, Iranian Vice President Fereidoun Abbasi said in June 2011 that his country intended to increased its output of higher enriched uranium threefold in 2011, and that the entire nuclear enrichment program was to be moved to the clandestine facility at Qom. Of course, enriched uranium at high levels is used for the production of nuclear bombs. These moves seemed to highlight Iran continuing intransigence about its controversial nuclear program.

By late June 2011, the Iranian Revolutionary Guard tested 14 surface-to-surface missiles as part of its "Great Prophet 6" war games exercises, which were intended as a show of strength towards. Among the missiles fired nine Zelzal missiles, two Shahab-1s, two Shahab-2s and one upgraded Shahab-3 missile. It was not immediately known if any of the missiles tested were capable of carrying nuclear weaponry. According to the Iranian state media, the surface-to-surface missiles had a maximum range of 1,250 miles (2,000 kilometers). The head of the Iranian Revolutionary Guards' aerospace division, Commander Amir Ali Hajizadeh, made a point of noting that Iran was prepared to retaliate against potential attacks by hostile nations, such as the United States (U.S.) and Israel. Indeed, he emphasized the fact that American military bases were located well within the range of several of the tested missiles, and were therefore vulnerable targets. At issue for Iran have been suggestions from the U.S. and Israel that they would not foreclose military strikes on Iran if diplomatic overtures do not result in an end to that country's nuclear weapons development activity. For its part, the U.S. has noted that the prevailing United Nations Security Council Resolution 1929 levied against Iran prohibits that country from any activity related to ballistic missiles capable of carrying nuclear weapons.

In a related development, Russia decided to suspend the delivery of S-300 missiles to Iran after the U.S. and Israel conveyed concern that Iran could use the anti-aircraft missiles as a means to protect its nuclear facilities, which were under scrutiny.

Note that as of mid-July 2011, Iran's foreign ministry announced that it was installing advanced models of centrifuges for the purpose of enriching uranium. Since the new centrifuges could significantly shorten the time needed to stockpile material used for both civilian and military

purposes, the move aimed to accelerate Iran's nuclear development program and promised to raise alarm bells in the West. France quickly responded to the news by condemning Iran's action and casting it as "a clear provocation." France said that Iran's actions clearly undermined that country's claims of a peaceful civilian nuclear program and dispatched a statement which read as follows: " (It) clearly confirms the suspicions of the International Atomic Energy Agency (IAEA) and of the international community about the finality of a program with no credible civilian application." But for its part, Iran appeared undaunted, instead claiming that it had notified the IAEA of its moves to install new centrifuges. Iranian Foreign Ministry spokesman, Ramin Mehmanparast, said, "The agency is aware that our peaceful nuclear activities are progressing ... the installment is a confirmation of the Islamic Republic's success in the nuclear field."

At the start of September 2011, the United Nations' nuclear watchdog agency expressed "growing concern" over Iran's controversial nuclear development agenda. At issue was the claim by the International Atomic Energy Agency (IAEA) that Iran shows signs of working on a clandestine nuclear weapons program. The IAEA said that its concerns were based on "extensive and comprehensive" information that had been provided by several countries. According to extracts of the report detailed by Agence France Presse, the evidence pointed towards the development of a nuclear payload for a missile. As well, the report indicated Iran's intent to enrich uranium at an underground bunker close to Qom. It should be noted that a nuclear facility at Qom was constructed secretly, out of the eyes of the IAEA some time prior. Ultimately discovered by Western intelligence, revelations about the existence of the Qom site undermined Iran's claims that its nuclear ambitions were peaceful.

Now in 2011, with these concerns mounting on the part of the IAEA, the nuclear watchdog agency's Director General Yukiya Amano had written to Iran's nuclear chief, Fereydoun Abbasi Davani, to remind that country that it should adhere to its international obligations. Director General Amano urged Iran to chart the course of prudence in order to establish its credibility in the eyes of the global community, which largely does not believe Iran's claim that its nuclear agenda is peaceful. Note that the the United Nations Security Council has imposed four rounds of sanctions on Iran due to its refusal to freeze its enrichment program.

In the autumn of 2011, the United States was looking to parlay the allegations of attempted assassination and terrorism by the Iranian Quds Force (discussed below) into international action against Iran's nuclear development program. To this end, United States President Barack Obama pressured inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), to release classified intelligence information illuminating Iran's continuing efforts to develop nuclear weapons technology.

There have been some hints of the evidence against Iran available via the claims of IAEA director, Yukiya Amano, who suggested in September 2011 that Iran was working on nuclear triggers and warheads. According to the New York Times, insiders familiar with the findings of the classified IAEA report have intimated that Iran has made efforts to develop specific technologies related to the design and detonation of a nuclear device, including the mechanisms for creating detonators, the method for turning uranium into bomb fuel, and the formulas for generating neutrons to spur a chain reaction, and also casting conventional explosives in a shape that could set off a nuclear explosion.

Clearly, coming after the revelations about a disturbing assassination and terrorism plot linked to the Iranian Quds Force, the move to declassify the IAEA's report was oriented toward isolating Iran, now with accentuated political ammunition. Indeed, the United States aimed to argue the point that Iran was a grave threat to global security, therefore, the need to halt work on Iran's suspected weapons program was imminent. To this end, Tommy Vietor, a spokesperson for the National Security Council, said: "The United States believes that a comprehensive assessment would be invaluable for the international community in its consideration of Iran's nuclear program and what to do about it."

Of course, one of the risks of disclosing the findings of the classified report was that Iran could move to eject IAEA inspectors from that country, effectively foreclosing one of the few avenues available to the international community to monitor Iran's nuclear activities.

Meanwhile, among the punitive measures being advocated by senior White House officials was a prohibition on financial transactions with Iran's central bank. Another punitive measure under consideration was the expansion of the prevailing ban on the purchase of petroleum products sold by Iranian companies under the control of the Islamic Revolutionary Guards Corps.

These options have not, in the past, gained traction due to objections by China among other Asian countries. In the case of China, as a significant buyer of Iranian oil, that country's energy interests could be affected. At the same time, key United States allies, such as Japan and South Korea, are also buyers of Iranian oil but additionally handle transactions via the Iranian Central Bank. Complicating the scenario even further, oil and financial sanctions carry with them the threat of spiking the price of oil at a time when the economies of the United States, the European Union, and several other major global players, were enduring sluggish growth.

By the start of November 2011, the Washington Post reported that Iran had received development assistance from experts from Russia, Pakistan, and North Korea to build a nuclear weapon. David Albright, a former official with the IAEA and the president of the Institute for Science and International Security, was reported to have said that while Iran may have halted its nuclear agenda in 2003 due to international pressure, nuclear weapons development research has since kicked into high gear. As stated by Albright in an interview with the Washington Post, "After 2003, money was made available for research in areas that sure look like nuclear weapons work but were hidden within civilian institutions."

These allegations were expected to be outlined more fully by the IAEA itself in a new report.

Leaked information suggested that the IAEA report would register Iran's clandestine nuclear weapons development program, which includes computer models of nuclear warheads.

Indeed, on Nov. 8, 2011, United Nations weapons inspectors released information indicating a "credible" case that "Iran has carried out activities relevant to the development of a nuclear device" and arguing that such activities could well be ongoing. United Nations nuclear inspectors gave no estimate of how long it would be until Iran would be able to produce a nuclear weapon; however, they confirmed the aforementioned claim that Iran had created computer models of nuclear explosions in 2008 and 2009, and conducted experiments on nuclear triggers. The IAEA was emphatic in noting that the research would only be used to develop a nuclear bomb trigger. In this way, the report, which was published on the Institute for Science and International Security's website, was deemed the most harsh assessment by the IAEA of Iran's nuclear development program.

The IAEA then passed a resolution expressing "deep and increasing concern" about Iran's nuclear program, and demanded that Iran clarify outstanding questions related the country's nuclear capabilities. The resolution was adopted following a vote at the United Nations nuclear watchdog agency, with 32 votes inits favor and only Cuba and Ecuador voting against it. Iran's IAEA envoy, Ali Ashgar Soltanieh , dismissed the development and said the resolution would only strengthen Iran's resolve to go forward with its nuclear development. He said, "It will be business as usual... We will continue our work as before."

While Iran was not on the verge of a declaration of its nuclear breakout capability, clearly, these revelations would serve to reinvigorate the debate about what method could be used to stop Iran from accessing a nuclear weapon. Under consideration would be options ranging from sanctions, to sabotage and military action. Despite Israeli Prime Minister Benjamin Netanyahu's assertion that the report made clear the need for global action to stop Iran from developing nuclear weapons, Russia wasted no time in foreclosing the possibility of its support for fresh sanctions. With United Nations sanctions unlikely, on Nov. 21, 2011, the United States, the United Kingdom, and Canada slapped fresh sanctions on Iran's financial and energy sectors.

Iran has argued that its nuclear development program is strictly for civilian energy purposes, but which the West has insisted that Iran seeks nuclear weapons. Ahead of the aforementioned IAEA report, Iran rejected the already circulating charges. Indeed, Iran's Foreign Minister Ali-Akbar Salehi said the findings of the IAEA were "unfounded and baseless."

# **Special Report:**

U.S uncovers plot by Iranian agents to assassinate Saudi envoy and bomb Saudi and Israeli embassies

## Summary:

U.S. law enforcement and intelligence agencies uncovered a conspiracy plot by Iranian agents working on behalf of the elite Iranian Quds Force. The plot included plans to assassinate the Saudi Arabian ambassador to the United States, and to bomb the Saudi and Israeli embassies in Washington D.C. and Buenos Aires. The White House has promised to hold Tehran responsibility for its involvement in this elaborate plot of assassination and terrorism. Meanwhile, a connection between the Iranian agents and Mexican drug cartels has been uncovered, effectively complicating the already-tangled web of complex geopolitics. The U.S. wasted no time in attempting in leveraging these allegations to isolate Iran and place pressure on that country's nucleardevelopment program.

In detail:

Federal law enforcement authorities and intelligence agencies in the United States have reportedly uncovered and foiled a plot by Iranian agents to assassinate the Saudi ambassador to the United States, Adel Al-Jubeir, and to bomb the embassies of Saudi Arabia and Israel in Washington D.C. United States officials indicated there were discussions about extending the bombing targets to the Saudi and Israeli embassies in Buenos Aires -- the capital of Argentina.

According to court documents filed in federal court in the Southern District of New York, the individuals accused of conspiring to carry out this plot were two men of Iranian origin -- Manssor Arbab Arbabsiar and Gholam Shakuri. One of the men, Arbabsiar, was a naturalized United States citizen holding passports from both the United States and Iran. He was arrested on Sept. 29, 2011, and was said to be in United States custody and cooperating with American authorities. Indeed, Arbabsiar confessed his involvement in the plot, according to media reports. The other man, Shakuri, was apparently still at large, presumably in Iran where he was reported to be a member of Iran's Quds Force -- -- an elite division of Iran's Islamic Revolutionary Guards Corps.

Both defendants were charged with conspiracy to murder a foreign official; conspiracy to use a weapon of mass destruction (explosives); and conspiracy to commit an act of international terrorism transcending national boundaries. Arbabsiar was further charged with an additional count of foreign travel and use of interstate and foreign commerce facilities in the commission of murder-for-hire. Arbabsiar was due to appear in a federal court in New York; if convicted of all charges, he would face life imprisonment.

In a news conference on Oct. 11, 2011, Attorney General Eric H. Holder Jr. said: "The criminal complaint unsealed today exposes a deadly plot directed by factions of the Iranian government to assassinate a foreign Ambassador on United States soil with explosives." He continued, "Through the diligent and coordinated efforts of our law enforcement and intelligence agencies, we were able to disrupt this plot before anyone was harmed. We will continue to investigate this matter vigorously and bring those who have violated any laws to justice."

Attorney General Holder explained that while payment for the operation had already been transferred via a New York bank, the conspiracy had not yet progressed to the point of the suspects acquiring explosives for the bombing aspect of the operation. Attorney General Holder also confirmed reports that Arbabsiar and Shakuri were connected to the Quds Force -- the elite division of Iran's Islamic Revolutionary Guards Corps, which has been accused of being responsible for operations in other countries, and which has been a major player in Iran's controversial nuclear development program. Attorney General Holder additionally made it clear that the plot was "conceived" in Iran by the Quds force, effectively drawing a clear line of connection to Iran's power base.

Attorney General was unrestrained in his characterization of the plot, which he said had been orchestrated from the spring of 2011 to October 2011. He emphatically asserted that the conspiracy was "conceived, sponsored and directed by Iran," and warned that the White House would hold Tehran accountable for it alleged involvement in an elaborate plot of assassination and terrorism. It should be noted that United States officials were tying the plot to high levels of the Iranian government, albeit not directly to the Iranian president or ayatollah. It should also be noted that the United States Department of State has listed Iran as a "state sponsor" of terrorism since 1984; now in 2011, this latest revelation of an international conspiracy would no doubt reify that classification.

A Justice Department report detailed Arbabsiar's recruitment by senior officials in Iran's Quds Force, which reportedly funded and directed the elaborate assassination and terror plot. Extracts from that Justice Department report also indicated that Arbabsiar had gone so far as to discuss a Washington D.C. restaurant frequented by the Saudi ambassador and United States senators, as a possible venue for the target of the assassination. Those extracts suggested that high level Iranians were unconcerned about the additional collateral damage to American politicians or civilians in carrying out such an attack. As the trusted and long-serving envoy of Saudi Arabia's King Abdullah, the assassination of United States-educated Adel Al-Jubeir, along with potential deaths of United States citizens, would undoubtedly cause international furor.

There was an additional international trajectory, reminiscent of a Hollywood movie script, as the Iranian agents were trying to secure the assistance of Mexican drug cartels in carrying out the assassination element of the plot. Indeed, Arbabsiar was arrested as he attempted to travel to Mexico to meet with a Mexican drug cartel operative, allegedly to move forward with this plan. The Mexican informant was, in fact, working on behalf of the United States Drug Enforcement Agency. The involvement of Iranian agents, Mexican drug cartels, and terror targets on United States and Argentine soil, belonging to Israeli, and Saudi interests, effectively complicated the already-tangled web of complex geopolitics and international intrigue.

The mechanics of the plot notwithstanding, there would no doubt be questions about the motivation for the Iranian Quds Force to act against Saudi and Israeli interests on United States

and Argentine soil. Of course, Iran's government has never restrained its expression of enmity for Israel; its antagonism towards Saudi Arabia is more opaque.

In fact, the Middle East has become the terrain of an ethno-sectarian power struggle between Sunni Islamic Saudi Arabia and Shi'a Iran in regional countries with mixed and complicated demographic mixtures of Sunnis and Shi'ites. According to United States authorities, Iranianbacked militias have been responsible for the upsurge in sectarian violence in post-invasion Iraq, where Shi'a Iran hopes to extend its influence. United States authorities have also alleged that the Iranian Quds Force has been instrumental in attacking American troops in Iraq.

Likewise, in Bahrain, which has a similar Shi'a-Sunni demographic composition as Iraq, and which has seen its own episode of unrest in the so-called 2011 "Arab Spring," Iran's desire to extend its influence was apparent. Specifically, as Saudi Arabian troops aided the Bahraini government in cracking down on the predominantly Shi'a opposition in Bahrain, Iran was quick to condemn the presence of foreign forces there. The scenario was a clear manifestation of the prevailing power struggle between the two sectarian power houses of the region -- Sunni Saudi Arabia and Shi'a Iran. Thus, it was quite possible that this 2011 assassination and terror plot was another such manifestation of these tensions.

There was little doubt that the matter would be taken to the United Nations Security Council, where veto-wielding permanent seat holders, China and Russia, have been reluctant to take strong measures against Iran in regard to that country's controversial nuclear development program and its failure to abide with international conventions. Indeed, concurrence by China and Russia on the 2010 United Nations Security Council resolution against Iran was only reached due to Iran's unambiguous failure to comply with the standards imposed by the International Atomic Energy Agency (IAEA), and the revelations about clandestine nuclear sites. Now, in 2011, with news of this assassination and terrorism plot, and the implicating of the Iranian regime, heavy pressure would be placed on China and Russia to again act in concert with the broader international community.

At the diplomatic level, the Saudi embassy in the United States released a strong statement of appreciation for the United States government for uncovering and foiling the plot. As well, during a news conference on Oct. 11, 2011, United States Secretary of State Hillary Clinton delivered a vociferous warning to Tehran that her country would be working with the international community to isolate Iran, and to ensure that it would be held accountable for its actions in violation of international norms. Days later, United States President Barack Obama fortified his country's stance by confirming that Iran would pay a price for its involvement in this assassination and terrorism plot. "We're going to continue... to mobilize the international community to make sure that Iran is further and further isolated and pays a price for this kind of behavior," President Obama said. The United States leader stopped short of accusing the uppermost leadership echelon of the Iranian government of being involved in the alleged plot; however, he noted that even if Iranian Supreme Leader Ali Khamenei or President Mahmoud Ahmadinejad did not possess

operational knowledge of the plot, "there has to be accountability with respect to anybody in the Iranian government engaging in this kind of activity."

For its part, the Iranian government has mocked any claims of its complicity in the conspiracy, suggesting that the entire situation had been a sensationalized scheme fabricated by the United States. It should be noted that the Revolutionary Guards holds control over Iran's nuclear program, as well as being the over-arching authority at the helm of the Quds Force -- the very group believed to behind the assassination and terrorism plot discussed here.

# Special Report

Iran under isolation --

As discussed above, due to revelations about Iran's nuclear development program, the International Atomic Energy Agency passed a resolution expressing "deep and increasing concern" about Iran's nuclear program, and demanded that Iran clarify outstanding questions related the country's nuclear capabilities. The resolution was adopted following a vote at the United Nations nuclear watchdog agency, with 32 votes inits favor and only Cuba and Ecuador voting against it. Iran's IAEA envoy, Ali Ashgar Soltanieh , dismissed the development and said the resolution would only strengthen Iran's resolve to go forward with its nuclear development. He said, "It will be business as usual... We will continue our work as before."

While Iran was not on the verge of a declaration of its nuclear breakout capability, clearly, these revelations would serve to reinvigorate the debate about what method could be used to stop Iran from accessing a nuclear weapon. Under consideration would be options ranging from sanctions, to sabotage and military action. Despite Israeli Prime Minister Benjamin Netanyahu's assertion that the report made clear the need for global action to stop Iran from developing nuclear weapons, Russia wasted no time in foreclosing the possibility of its support for fresh sanctions. With United Nations sanctions unlikely, on Nov. 21, 2011, the United States, the United Kingdom, and Canada slapped fresh sanctions on Iran's financial and energy sectors.

In addition to the IAEA resolution discussed above, Iran was also subject to further diplomatic pressure and went further down the road to global isolation when the United Nations General Assembly voted overwhelmingly in favor of a resolution condemning an alleged assassination plot targeting the Saudi ambassador to the United States. The resolution stopped short of directly accusing Tehran of the plot, but nonetheless demanded that Iran "comply with all of its obligations under international law" and "co-operate with states seeking to bring to justice all those who participated in the planning, sponsoring, organization and attempted execution of the plot."

With international pressure being intensified against Iran, the Iranian regime appeared to be

reacting by lashing out at the Western world. With hostilities already high between Iran and the United States, Tehran appeared to be taking aim at the United Kingdom. To this end, by the close of November 2011, Iran's Guardian Council of the Constitution unanimously voted to reduce diplomatic ties with the United Kingdom. The change would downgrade diplomatic ties with the United Kingdom from the ambassador level to the level of charge d'affaires within a two-week timeframe. Ratification by the Guardian Council came after a vote in the Iranian Majlis or parliament, approving this move. Iranian radio reported that during the vote, several members of parliament changed "death to Britain." Iran was reacting to pressure from Western countries, including the United Kingdom, to place greater political and economic pressure on Iran, and particularly, the Central Bank of Iran, in the wake of the aforementioned report by the IAEA.

With international pressure being intensified against Iran, the Iranian regime appeared to be reacting by lashing out at the Western world. With hostilities already high between Iran and the United States, Tehran appeared to be taking aim at the United Kingdom. To this end, by the close of November 2011, Iran's Guardian Council of the Constitution unanimously voted to reduce diplomatic ties with the United Kingdom. The change would downgrade diplomatic ties with the United Kingdom from the ambassador level to the level of charge d'affaires within a two-week timeframe. Ratification by the Guardian Council came after a vote in the Iranian Majlis or parliament, approving this move. Iranian radio reported that during the vote, several members of parliament changed "death to Britain." Iran was reacting to pressure from Western countries, including the United Kingdom, to place greater political and economic pressure on Iran, and particularly, the Central Bank of Iran, in the wake of the aforementioned report by the IAEA.

In a further sign that Iran's relations with the countries of the West were on a downward slide, Nov. 29, 2011 saw militant students aligned with the hard line conservative government in Tehran storm the British embassy compound. This action appeared to be part of a violent demonstration against the government of the United Kingdom, which joined the United States in issuing new financial sanctions against Iran. The militant activists reportedly chanted, "death to England," vandalized the embassy offices, seized sensitive documents, briefly detained some diplomatic personnel, and burned the British flag in acts that constituted flagrant violations of diplomatic norms. A separate attack by militant students and activists on a British diplomatic compound in northern Tehran was also confirmed by the British Foreign Office. The scenario disturbingly recalled the shocking assault on the American Embassy in 1979 following Iran's Islamic Revolution.

Although Iran expressed "regret" over the attacks on the British embassy and secondary diplomatic compound, witnesses on the ground in Iran suggested that Iranian security forces did little to quickly end the outbreak of violence against a diplomatic interest. Indeed, police reportedly allowed the scene to play out for several hours before taking control of the situation. There were serious allegations mounting that the assault on the British embassy compounds had taken place with approval from Iranian authorities. Furthermore, speculation rested on the involvement of the

regime-backed Basiji militia. For his part, British Prime Minister David Cameron said: "The attack on the British embassy in Tehran today was outrageous and indefensible." British authorities warned its citizens in Iran to remain indoors and await advice; they also warned of consequences for Iran in the offing, and summoned the Iranian charge d'affaires.

The United Kingdom on Nov. 30, 2011 officially downgraded its ties with Iran. The United Kingdom withdrew all its diplomats from Iran, closed its embassy in Tehran, urged its citizens to exit that country, and gave Iran 48 hours to remove all its staff from the Iranian diplomatic mission in London. Officials in the United Kingdom also went on the record to note that they believe the attacks on the British embassy in Tehran and the secondary compound were carried out with the tacit approval of Iran's leadership. British Foreign Secretary William Hague, asserted that there had been "some degree of regime consent" in the attacks on the embassy and the other diplomatic compound in Tehran. Dominick Chilcott, the newly-appointed British ambassador to Iran, said: "This was a state-supported activity." In an interview with BBC News, Ambassador Chilcott said that Iran was a country in which an attack on an embassy was conducted only "with the acquiescence and the support of the state." These moves collectively marked the worst deterioration of ties between the United Kingdom and Iran in decades.

The United Kingdom was backed by the 15-nation United Nations Security Council, which condemned the attack "in the strongest terms." Separately, United States President Barack Obama called for the Iranian government to ensure those responsible faced justice. Germany's Foreign Minister Guido Westerwelle characterized the attacks on the British embassy compounds as "a violation of international law." French Foreign Minister Alain Juppe placed the blame on the Iranian government, saying: "The Iranian regime has shown what little consideration it has for international law."

Several European countries -- such as France, Germany, Italy and the Netherlands -- wasted no time in joining the Western thrust to diplomatically isolate Iran by recalling their own ambassadors from Tehran. France took a further step by withdrawing its embassy staff from Iran. French officials said the move was being made out of an abundance of caution, given the security risks in Iran to Western interests. France's calls for a ban on Iranian oil imports and a freeze on central bank assets was expected to heighten bilateral tensions, and effectively place France in Iran's firing line, along with the United Kingdom. Russia, which has often been accused by the West of being "soft" on Iran joined the condemnation of the attacks.

At home in Iran, militant activist students in that country were at the airport in Tehran, waiting to welcome the expelled Iranian diplomats from London, and chanting slogans, such as "Death to Britain." The returning diplomats, however, never had any direct encounters with the students at the airport.

The situation appeared to highlight cleavages in the Iranian leadership regarding the diplomatic farrago. For example, in an interview with Iran's state-run IRNA news agency, Grand Ayatollah

Naser Makarem Shirazi said, "There is no doubt that Britain is one of the oldest enemies of Iran." He appeared to offer a slight rebuke to the militant activists who attacked the British embassy, adding: "Young revolutionaries should not go beyond the law." Meanwhile, the Iranian government targeted the United Kingdom for exacerbating tensions between that country and the West, as Iranian foreign ministry spokesman, Ramin Mehmanparast, said: "The British government is trying to extend to other European countries the problem between the two of us."

As the year 2011 drew to a close, bilateral relations between the United States and Iran -- already dismally bad -- sunk even lower as an American drone was reported to be in Iranian hands. The official account was that the American drone had been flying in -- or close to -- Iranian air space, and somehow crashed. The drone, with its sensitive intelligence information, was then taken by Iranian authorities. But a report by the Christian Science Monitor suggested that Iran's possession of the drone may not have been the result of an accidental crash. Instead, according to an Iranian engineer, the country hijacked the drone and was able to technically take control of the aircraft by jamming the control signals, ultimately forcing it into autopilot mode. The Iranians then vitiated the GPS tracking by reconfiguring the GPS coordinates, effectively "fooling" the drone into landing in Iran, rather than in Afghanistan, which was where it was programmed to land. The images of the American drone in Iran's possession depict an aircraft remarkably intact -- rather than being subject to crash -- thus bolstering the credibility of the report by the Christian Science Monitor.

Meanwhile, in December 2011, Iran claimed that it successfully test-fired a medium-range surface-to-air missile during military exercises in the Persian Gulf at the close of 2011. Mousavi also noted that further missile launches would be carried out in the near future as part of Iran's naval exercises in international waters close to the strategic Strait of Hormuz. On Jan. 2, 2012, a day after testing a medium-range missile, Iran reportedly test-fired long-range missiles in the Persian Gulf. This news served only to bolster Western fears that Iran has made important progress in its nuclear development, augmenting anxieties that Iran's ultimate ambition is to enrich uranium at the 90 per cent level necessary to create a nuclear bomb.

This development came as several Western countries indicated their to impose further sanctions on Iran's oil and financial sectors, to register discontent over that country's continued nuclear ambitions. On Dec. 31, 2011, President Barack Obama signed legislation authorizing a package ofsanctions Iran's central bank and financial sector. These new sanctions by the United States aimed to intensify the pressure on Iran's oil sales, most of which are processed by the central bank. Essentially, they would force multinational companies to choose whether to do business with Iran or the United States. Perhaps not surprisingly, the Iranian currency -- the rial -- slipped in value to a record low as a result of the news.

For its part, Iran has warned that it might retaliate against international pressure by closing the Strait of Hormuz through which a significant amount of oil is transported. Indeed, Iranian Vice

President Mohammad Reza Rahimi promised that "not a drop of oil will pass through the Strait of Hormuz" if further sanctions were imposed. That being said, analysts have noted that such a drastic step by Iran might serve primarily to hurt the Iranian economy, and imperil relations with Russia and China. Accordingly, the threat was being regarded through the prism of skepticism. Moreover, United States Secretary of Defense Leon Panetta warned that a closure of the strait would yield consequences.

Iran was increasingly slipping into a state of isolation. China and Russia -- typically antagonists to the notion of increased pressure on that country -- seemed to be distancing themselves from Iran. China was reportedly seeking alternative sources of oil, while Russia wwas expressing "regret" over Tehran's decision to start work at the new Fordow uranium enrichment plant near Qom. Russia went further by saying that Iran should commence "serious negotiations ... without preconditions" or face the reality of consequences.

It should be noted that on Jan. 5, 2012, the United States (U.S.) Pentagon announced that the U.S. Navy rescued 13 Iranian fishermen being held by pirates in the Arabian Sea. According to the Pentagon, the U.S. Navy responded to a distress call from an Iranian fishing vessel, which had been boarded by pirates several weeks prior. The U.S. Navy was able to apprehend 15 suspected pirates on that fishing vessel and release the Iranian fishermen whom the Pentagon described as having been held hostage under harsh conditions. A spokesperson for the U.S. Navy said that after the rescue of the Iranian fishermen, navy personnel went out of their way to treat the fishing crew "with kindness and respect."

The incident occurred at a time when tensions between Iran and the West were elevated. Several Western countries had recently indicated their intent to impose further sanctions on Iran's oil and financial sectors, for the purpose of registering discontent over that country's continued nuclear ambitions. Iran warned that it might retaliate against international pressure by closing the Strait of Hormuz through which a significant amount of oil is transported.

Only days after the U.S. Navy rescued the Iranian fishermen (as discussed here), the Iranian Revolutionary Court sentenced an American national of Iranian descent to death sentence for spying in behalf of the United States spy agency, the Central Intelligence Agency (CIA). The family of Amir Mirzai Hekmati said that he was in Iran to visit his grandparents; however, the Iranian authorities claimed that Hekmati was guilty of "co-operating with a hostile nation," "holding membership in the CIA," and "trying to implicate Iran in terrorism." For his part, Hekmati -- who had served in the Marines as an Arabic translator -- was shown on television admitting that he had been sent to Iran by the CIA and was tasked with infiltrate Iran's intelligence agencies. Of course, the United States Department of State has asserted that Hekmati's so-called confession was likely coerced and that the U.S. citizen had been falsely accused.

Hekmati would have the opportunity to appeal his sentence; it was yet to be seen if Iranian authorities were willing to damage already-hostile bilateral relations with the United States by

executing a U.S. citizen. Such a move would not help Iran in the public relations game on the international scene, given the fact that the U.S. Navy had rescued the aforementioned Iranian fishermen from pirates.

As discussed above, Iran's controversial nuclear program returned to the international spotlight in January 2012 when a nuclear scientist working at Iran's Natanz uranium enrichment plant was killed in a car bomb attack. The magnetic bomb was reportedly attached to to the vehicle carrying the nuclear scientist by a motorcycle rider. Iranian officials wasted no time in blaming Israel for the death of Mostafa Ahmadi Roshan, which they said was quite similar to the killings of other Iranian nuclear scientists. There was no immediate response from Israeli officials as to this allegation. That being said, the French newspaper, Le Figaro, has reported that the Israeli Mossad has been training Iranian dissidents in Iraqi Kurdistan to destabilize the Iranian regime. There was no actual evidence that Israeli-trained Iranians were behind the assassination of Roshan in Tehran; however, Israeli Mossad's hand has been suspected in a number of targeted killings of Iranian nuclear scientists, effectively fueling speculation about a covert effort to undermine Iran's nuclear program. Meanwhile, United States Secretary of State Hillary Clinton vociferously denied her country's involvement in the incident.

#### Special Report: Iran's nuclear program in global context

Nuclear development, assassination, and brinkmanship at Strait of Hormuz

At the close of 2011, according to reports via the state-run media, Iran successfully test-fired a medium-range surface-to-air missile during military exercises in the Persian Gulf. Iranian naval commander Mahmoud Mousavi lauded the operation, noting the missile was equipped with the "latest technology" and "intelligent systems." Mousavi also noted that further missile launches would be carried out in the near future as part of Iran's naval exercises in international waters close to the strategic Strait of Hormuz.

On Jan. 2, 2012 -- one day after testing a medium-range missile -- Iran reportedly test-fired longrange missiles in the Persian Gulf. Making good on his previously-made vow that Iran would continue this path, Mousavi said on behalf of the Iranian government, "We have test fired a longrange shore-to-sea missile called Qader, which managed to successfully destroy predetermined targets in the gulf."

This news by Mousavi was followed by a disclosure by the Iranian Atomic Energy Organization that its scientists "tested the first nuclear fuel rod produced from uranium ore deposits inside the country." As well, the IAEA was soon noting that uranium enrichment had begun at the Fordow underground site near Qom. Indeed, the uranium at the Fordow site was reportedly being enriched to 20 percent -- a distinctly higher level than the 3.5 percent needed for nuclear plants. These

disclosures served only to bolster Western fears that Iran has made important progress in its nuclear development, augmenting anxieties that Iran's ultimate ambition is to enrich uranium at the 90 percent level necessary to create a nuclear bomb.

It should be noted that these revelations from Iran came after several Western countries indicated their intent to impose further sanctions on Iran's oil and financial sectors, for the purpose of registering discontent over that country's continued nuclear ambitions. Indeed, the United States wasted no time in taking action and on Dec. 31, 2011, President Barack Obama signed legislation authorizing a package of sanctions on Iran's central bank and financial sector. These new sanctions by the United States aimed to intensify the pressure on Iran's oil sales, most of which are processed by the central bank. Essentially, they would force multinational companies to choose whether to do business with Iran or the United States. Perhaps not surprisingly, the Iranian currency -- the rial -- slipped in value to a record low as a result of the news.

For its part, Iran has warned that it might retaliate against international pressure by closing the Strait of Hormuz through which a significant amount of oil is transported. Indeed, Iranian Vice President Mohammad Reza Rahimi promised that "not a drop of oil will pass through the Strait of Hormuz" if further sanctions were imposed. That being said, analysts have noted that such a drastic step by Iran might serve primarily to hurt the Iranian economy, and imperil relations with Russia and China. Accordingly, the threat was being regarded with skepticism. Moreover, United States Secretary of Defense Leon Panetta warned that a closure of the strait would yield consequences. Specifically, Defense Secretary Panetta said the United States would "not tolerate" the blocking of the Strait of Hormuz, and warned that was a "red line" for his country, to which there would be a response.

Iran was increasingly slipping into a state of isolation. China and Russia -- typically antagonists to the notion of increased pressure on that country -- seemed to be distancing themselves from Iran. China was reportedly seeking alternative sources of oil, while Russia was expressing "regret" over Tehran's decision to start work at the new Fordow uranium enrichment plant near Qom. Russia went further by saying that Iran should commence "serious negotiations ... without preconditions" or face the reality of consequences.

Iran's controversial nuclear program continued to dominate the international landscape well into the second week of January 2012 when an apparent nuclear scientist working at Iran's Natanz uranium enrichment plant was killed in a car bomb attack. The magnetic bomb was reportedly attached to the vehicle carrying the nuclear scientist by a motorcycle rider. According to the Sharif University in Tehran, Roshan, a chemistry expert, graduated from that institution and was working as the deputy in charge of commerce at the Natanz site. The actual attack ensued outside the campus of Allameh Tabatai University, where Roshan was a lecturer.

Iranian officials wasted no time in blaming Israel for the death of Mostafa Ahmadi Roshan, which they said was quite similar to the killings of other Iranian nuclear scientists. Tehran province Gov.

Safar Ali Bratloo said in an interview with the media, "The responsibility of this explosion falls on the Zionist regime. The method of this terrorist action is similar to previous actions that targeted Iran's nuclear scientists." Joining the chorus, Iran's First Vice President Mohammad-Reza Rahimi accused Israeli agents of being the perpetrators of Roshan's assassination.

There was no immediate response from Israeli officials as to this allegation. That being said, the French newspaper, Le Figaro, has reported that the Israeli Mossad has been training Iranian dissidents in Iraqi Kurdistan to destabilize the Iranian regime. There was no actual evidence that Israeli-trained Iranians were behind the assassination of Roshan in Tehran; however, Israeli Mossad's hand has been suspected in a number of targeted killings of Iranian nuclear scientists, effectively fueling speculation about a covert effort to undermine Iran's nuclear program. Moreover, Patrick Clawson of the Iran Security Initiative at the Washington Institute for Near East Policy noted that such covert efforts were preferable to a more direct military response. In an interview with the New York Times, he said, "Sabotage and assassination is the way to go, if you can do it. It doesn't provoke a nationalist reaction in Iran, which could strengthen the regime. And it allows Iran to climb down if it decides the cost of pursuing a nuclear weapon is too high."

Meanwhile, United States Secretary of State Hillary Clinton was vociferously denying her country's involvement in the incident. During a media briefing, the United States' top diplomat said, "I want to categorically deny any United States involvement in any kind of act of violence inside Iran." But Secretary of State Clinton discussed other issues related to Iran's relationship with the wider world. She drew attention to Iran's recent missile launches and nuclear development activities, strongly demanding that Iran "end its provocative behavior, end its search for nuclear weapons, and rejoin the international community and be a productive member of it." Additionally, she discussed Iran's threat to close the critically-important Straits of Hormuz, saying, "It's part of the lifeline that keeps oil and gas moving around the world. And it's also important to speak as clearly as we can to the Iranians about the dangers of this kind of provocation."

According to the New York Times, the Obama administration in the United States reportedly dispatched a message via alternative communications channels to Iran's Supreme Leader Ayatollah Ali Khamenei warning him that the closure of the Strait of Hormuz would not be tolerated. In a separate report on CBS News, the United States Joint Chiefs of Staff Chairman General Martin Dempsey appeared to underline the potential response by his country, saying that the United States would "take action and re-open the strait." Of course, the general consensus was that the re-opening of the Strait of Hormuz could only be achieved by military means.

Recent Developments: Confrontation or Negotiation?

Clearly, the missile launch, the nuclear development news, the sanctions, the threats regarding the closure of the Strait of Hormuz, and the targeted assassination of an Iranian nuclear scientist, collectively raised the stakes in a burgeoning confrontation between Iran and the wider international community. As January 2012 was coming to a close, attention was on the question of

what form that confrontation would take.

Going the route of "soft power" rather than military might, the West wasted no time in intensifying the sanctions regime against Iran in a bid to place pressure on the Islamic Republic's regime to curtail its controversial nuclear development moves. Specifically, the European Union was imposing a phased ban on oil purchases from Iran, while the United States was expanding its sanctions on Iran's banking sector.

According to a statement issued in Belgium, the countries of the European Union would not sign on to new oil contracts with Iran and would terminate any existing contracts by mid-2012. Since the European market has made up a full fifth of Iran's oil exports, this sweeping oil embargo would constitute a crushing blow. Making matters worse for Iran was the news that the European Union would also freeze the assets of the Iranian Central Bank and it would prohibit transactions involving Iranian diamonds, gold, and precious metals.

Expressing marked disapproval for Tehran's lack of transparency regarding its nuclear program, British Prime Minister David Cameron, French President Nicolas Sarkozy, and German Chancellor Angela Merkel said that Iran had "failed to restore international confidence in the exclusively peaceful nature of its nuclear program."

Meanwhile, the United States' harsh sanctions regime against Iran would become even more targeted as it focused on the Bank Tejarat for its alleged role in (1) financing Iran's nuclear program, and (2) helping other banks evade international sanctions. In December 2011, United States President Barack Obama ordered a prohibition on any involvement with Iran's central bank. Now, a month later, the United States Treasury was asserting that the new sanctions against Bank Tejarat would target "one of Iran's few remaining access points to the international financial system."

Already diplomatically-isolated, Iran was now well on its way to being seriously financially isolated in the global marketplace. As noted by the United States Treasury Undersecretary for Terrorism David Cohen, "The new round of sanctions will deepen Iran's financial isolation, make its access to hard currency even more tenuous and further impair Iran's ability to finance its illicit nuclear program." Indeed, the rial -- Iran's currency -- was being deleteriously affected as it underwent a massive downward slide in value.

In apparent reaction to the measures by the United States and the European Union, Tehran again threatened to close the Strait of Hormuz.

The level of brinkmanship reached new heights as the United States Ambassador to NATO, Ivo Daalder, promised that his country and its allies would use any necessary measures to ensure that the crucial marine thoroughfare to the Persian Gulf remained open. In an interview with BBC News, Daalder said the Strait of Hormuz "needs to remain open and we need to maintain this as

an international passageway. We will do what needs to be done to ensure that is the case." He continued, "Of this I am certain -- the international waterways that go through the Strait of Hormuz are to be sailed by international navies, including ours, the British and the French and any other navy that needs to go through the Gulf. And second, we will make sure that that happens under every circumstance."

Daalder did not foreclose the possibility of a diplomatic solution, saying that the countries of the West stood "ready at any time to sit down and have a serious conversation with [Iran] to resolve this [nuclear] issue with negotiations."

Just days after the war of words was being ratcheted upward, Iranian President Mahmoud Ahmadinejad declared that Tehran was prepared to return to negotiating table as regards its nuclear program. On Jan. 26, 2012, Ahmadinejad said he was open to the idea of reviving multilateral talks in order to show that Iran remained interested in dialogue. At the start of 2011, negotiations between Iran and a cadre of six nations (the five permanent members of the United Nations Security Council -- the United States, the United Kingdom, France, Russia and China) as well as Germany -- ended in stalemate. Indeed, those talks were marked by Iran's refusal to engage in any meaningful dialogue regarding its nuclear program. Now, a year later, Ahmadinejad said on state-run Iranian television, "They have this excuse that Iran is dodging negotiations while it is not the case. Why should we run away from the negotiations?"

There was some suggestion that Iran's interest in a return to the negotiating table might be a sign that international pressure was taking a toll. That being said, Ahmadinejad's words could just as easily be interpreted as a symbolic gesture by a figure head intent on rallying national sentiment. To that end, Ahmadinejad suggested the West was responsible for the collapse of negotiations to date, saying. "It is the West that needs Iran and the Iranian nation will not lose from the sanctions. It is you who come up with excuses each time and issue resolutions on the verge of talks so that negotiations collapse."

Note that as January 2012 came to a close, inspectors from the IAEA arrived in Iran for a visit to determine the purpose of that country's nuclear development program. Yukiya Amano, the head of the IAEA, expressed hope that the "outstanding issues" regarding Iran's nuclear development would be resolved. Meanwhile, just before departing for Iran, IAEA Deputy Director General Herman Nackaerts said, "In particular we hope that Iran will engage with us on our concerns regarding the possible military dimensions of Iran's nuclear program." For its part, Iran said the inspection would finally prove that Iran's nuclear ambitions were peaceful.

Update: International Pressure

As February 2012 began, Israel entered the Iranian nuclear fray. Israeli Defense Minister Ehud Barak indicated that if sanctions against Iran did not serve to curtail that country's nuclear development, then his country would be willing to consider military action against Iran, before it

Iran

could become a global threat. Barak said, "Should sanctions fail to stop Iran's nuclear program, there will be a need to consider taking action." Barak continued, "There is widespread international belief that it is vital to prevent Iran from turning nuclear and that no option should be taken off the table." As regards the prospects of Iran "turning nuclear," Israel's director of military intelligence, Major General Aviv Kochavi warned that Iran was close to being able to produce nuclear bombs.

It should be noted that United States Defense Secretary Leon Panetta expressed the view that Israel could very well strike Iran in the spring of 2012 -- citing a timeline of April through June. Panetta was cited in an article written by the Washington Post columnist David Ignatius, which suggested that Israel sought to hit Iran's nuclear targets before that country entered a "zone of immunity" in the effort to build a nuclear bomb. The article noted that the United States was opposed to such an attack, noting that it would imperil an increasingly successful non-military effort to isolate Iran, including the imposition of a harsh international economic sanctions program. Indeed, the Obama administration in the United States was reportedly worried about the "unintended consequences" of military action by Israel.

For its part, Iran had already said it was undeterred by either sanctions or threats of military action. Iranian Oil Minister Rostam Qassemi said the country would continue with its nuclear agenda regardless of pressure from foreign countries. At a news conference, he said, "We will not give up our righteous stance." Qassemi also was unconcerned about the notion of oil embargoes, even threatening to cut oil exports to certain countries -- presumably ones participating in any pressuring actions against Tehran.

As well, Iranian Supreme Leader Ayatollah Khamenei had earlier claimed that Iran was actually benefiting from Western sanctions. He insisted that the sanctions were helping his country to grow domestically, and said that war would only hurt the United States and other Western countries. Moreover, Khamenei issued a disturbing warning that Iran had its own "threats to make, which will be made in its due time." It was not known if those future threats would be of a military nature although Iran began military drills on Feb. 5, 2012. At that time, Iran's military made clear that it would react quickly to any military attack from an external power on its interests.

By Feb. 6, 2012, United States President Barack Obama announced the imposition of new sanctions against Iran's banks, including its central bank, the Iranian government, and all other Iranian financial institutions. In a letter to Congress detailing his executive order, President Obama wrote: "I have determined that additional sanctions are warranted, particularly in light of the deceptive practices of the Central Bank of Iran and other Iranian banks to conceal transactions of sanctioned parties, the deficiencies in Iran's anti-money laundering regime and the weaknesses in its implementation, and the continuing and unacceptable risk posed to the international financial system by Iran's activities." As before, the United States was hoping that the even stricter sanctions regime would further isolate Iran.

President Obama also made it clear that the United States would stand in solidarity with Israel to

prevent Iran from becoming a nuclear power. In an interview with the NBC news, President Obama said the United States and Israel would work "in lockstep" to deal with the Iranian nuclear issue. "I will say that we have closer military and intelligence consultation between our two countries than we've ever had." President Obama also emphasized that while his objective was to resolve the nuclear standoff diplomatically, he was not taking any options off the table.

Of course, as noted above, the United States has sought to discourage Israel from going down the military route. This stance was emphasized on Feb. 19, 2012 when Martin Dempsey, the chairman of the United States Joint Chiefs of Staff, said in an interview with CNN that his country viewed a military strike on Iran by Israel as "not prudent." Dempsey noted that United States officials were attempting to move Israel away from that path saying, "That's been our counsel to our allies, the Israelis." He continued, "I'm confident that they [the Irsaelis] understand our concerns that a strike at this point would be destabilizing and wouldn't achieve their long-term objectives." That said, Dempsey had no illusions about the effectiveness of this argument as he noted: "I wouldn't suggest, sitting here today, that we've persuaded them that our view is the correct view. Nevertheless, Dempsey suggested that Iran was "a rational actor" and "the current path [re: diplomacy and sanctions] that we're on is the most prudent at this point."

The "soft power" of crippling sanctions has, in fact, been yielding results. According to a report by Reuters, Iran was finding it difficult to purchase staples such as rice and cooking oil, which are needed to feed its population. For example, Malaysian exporters of palm oil stopped sales to Iran because they could not receive payment. Likewise, there were reports that Iran had defaulted on payments for rice from India -- its main supplier. As well, shipments of maize from Ukraine had apparently been cut in half. Meanwhile, the price of basic food was exponentially escalating. Meanwhile, countries around the world that previously did business with Iran, such as South Korea, were looking for alternative sources of oil. As well, multinational corporations based in Europe were suspending deals with Iran due to the new European Union sanctions.

Perhaps more detrimental for Iran were obstacles in selling its oil and receiving payments for its oil exports. In places where Iran is still able to sell oil, it has been stymied from receipt of funds due to prevailing sanctions, especially those levied by the United States. And in another twist, if Iran cannot sell its typical 2.6 million barrels of oil a day, or, it it must sell those barrels at deep discounts, the decreased revenue will inevitably have a debilitating effect on the Iranian economy, adding to the possibility of social unrest.

These findings from international commodities traders, which were part of a Reuters investigation, indicated real disruptions to Iran and flew in the face of claims from Tehran that sanctions were having no effect.

Note that the Iranian regime on Feb. 19, 2012 said that it would halt oil sales to British and French companies, saying that it would instead sell oil to new customers. But with prevailing European Union sanctions set to go into effect, this news was unlikely to strongly affect France, which only

bought three percent of is oil from Iran the previous year anyway, or the United Kingdom, which imported even less Iranian oil. As discussed here, it was Iran that was more likely to be affected negatively by curtailed oil sales.

Iran promises big nuclear announcement and possible military action

Note that on Feb. 11, 2012, during a rally marking the 33rd anniversary of the Islamic Revolution, Iranian President Mahmoud Ahmadinejad said his country would unveil "major achievements in the nuclear domain." He said, "Today, you see that the Iranian nation has become nuclear and can supply many of its demands. And God-willing, in next few days, the whole world will witness the inauguration of several major achievements in the nuclear domain." On a televised broadcast days later, the Iranian president declared that his country had developed "advanced nuclear centrifuges," and that scientists had inserted nuclear fuel rods into Tehran's reactor that were enriched to 20 percent. Ahmadinejad also defiantly made clear that Iran had no intention of halting its uranium enrichment program.

The West offered a symbolic yawn in response to Iran's nuclear announcement. France and the United Kingdom issued pro forma statements of "concern" while the United States Department of State spokeswoman, Victoria Nuland, dismissed the announcement as "not terribly new and not terribly impressive."

But on Feb. 21, 2012, Iran was now taking a belligerent tone as regards the prospects of military action with an Iranian military commander declaring that his country will take pre-emptive actions against enemies if its national interests are threatened. The deputy head of Iran's armed forces, Mohammad Hejazi, said in an interview with the Iranian Fars news agency, "Our strategy now is that if we feel our enemies want to endanger Iran's national interests, and want to decide to do that, we will act without waiting for their actions." Since Iran's leadership has a tendency to assert the country's ability to crush perceived enemies, it was difficult to determine if this statement should be regarded as the ratcheting up of rhetoric or a warning.

IAEA visit to Iran ends in failure; reports increased uranium enrichment

Note that in mid-February 2012, a delegation from the International Atomic Energy Agency (IAEA) had arrived in Iran for a second trip in less than a month to attend talks on the country's nuclear program. Officials from the international nuclear watchdog agency said that they hoped for a "constructive visit."

On Feb. 24, 2012, however, the IAEA concluded that Iran was not cooperative and that prevailing questions regarding the possible military dimension of the Iranian nuclear development program remained unanswered. Of particular concern was the fact that the IAEA was prohibited by the Iranian authorities from visiting the Parchin nuclear site, to the south of Tehran, where suspected military capability was being developed. Clearly, the refusal to allow IAEA delegates from entering

the Parchin site would do nothing to alleviate suspicions about Iran's military nuclear ambitions.

Moreover, leaked elements from the IAEA report noted that Iran increased the number of centrifuges used to enrich uranium and intensified the production of uranium enriched to the higher level of 20 percent. Leaked information from that report also indicated that Iran stepped up its uranium enrichment at main nuclear plant at Natanz, as well as at the underground site of Fordo. It should be noted that the Fordo plant, which is constructed under a mountain, would be almost impossible to damage in a potential military strike by Israel or the United States.

Accordingly, the IAEA declared the following: "As Iran is not providing the necessary cooperation... the agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran. The agency continues to have serious concerns regarding possible military dimensions to Iran's nuclear program."

Overall, the findings from the IAEA would likely serve only to underline existing suspicions by the West that Iran held ambitions to build a nuclear bomb.

For its part, Iran insisted that the country was, in fact, cooperating with the IAEA, while simultaneously defending Iran's right to a nuclear development program. Iran was also insisting -- as before -- that it was not pursuing a nuclear weapon. Speaking at the international Conference on Disarmament in Geneva, Foreign Minister Ali Akbar Salehi argued, "We do not see any glory, pride or power in the nuclear weapons -- quite the opposite... The production, possession, use, or threat of use of nuclear weapons is illegitimate, futile, harmful, dangerous and prohibited as a great sin." On the other side of the equation, the United States envoy at the conference, Laura Kennedy, responded saying Iran's expressed commitment to peaceful nuclear development stood "in sharp contrast" to its failure to comply with international obligations.

Editor's Update:

As February 2012 drew to an end, the six parties involved in nuclear negotiations with Iran -- the United States, the United Kingdom, France, Germany, Russia, and China -- appeared to be ready to resume talks with Tehran. The talks stalled more than a year earlier and the return to the negotiating table was not being regarded with serious optimism. That being said, even without high hopes for a breakthrough, all six countries agreed that all peaceful avenues should be explored, in order to minimize the possibility of a new conflict in the Middle East.

In an interview with The Atlantic magazine published at the start of March 2012, President Obama issued a double warning -- to Iran and to Israel respectively. He said that he was not bluffing about a possible attack on Iran, if it builds a nuclear weapon, while also cautioning Israel that a premature attack on Iran would be more harmful than helpful to global security. As stated by the United States leader: "I think that the Israeli government recognizes that, as president of the United States, I don't bluff. I also don't, as a matter of sound policy, go around advertising exactly

what our intentions are. But (both) governments recognize that when the United States says it is unacceptable for Iran to have a nuclear weapon, we mean what we say."

For his part, Israeli Prime Minister Benjamin Netanyahu seemed impatient about the path of diplomacy and sanctions, and emphasized his country's right to defend itself -- presumably in the form of targeted strikes against Iranian nuclear facilities. He said, "Israel must reserve the right to defend itself, and after all, that's the very purpose of the Jewish state: to restore to the Jewish people control over our destiny."

On March 5, 2012, in response to accusations by Republican rivals that he would allow Iran to become armed with nuclear bombs, United States President Obama cautioned against the rush the war. Addressing the American Israel Public Affairs Committee (AIPAC) lobbying group, the American president disparaged Republicans' pro-war [on Iran] rhetoric saying, "Already, there is too much loose talk of war." He continued, "Over the last few weeks, such talk has only benefited the Iranian government, by driving up the price of oil, which they depend on to fund their nuclear program. For the sake of Israel's security, America's security, and the peace and security of the world, now is not the time for bluster." Outlining his own "soft power with a sharp edge" foreign policy, President Obama said, "Now is the time to let our increased pressure sink in, and to sustain the broad international coalition we have built. Now is the time to heed the timeless advice from Teddy Roosevelt -- speak softly; carry a big stick."

A day later at a press conference, President Obama made clear that his stance regarding Iran's nuclear program was not one of containment but rather one of prevention. He said, "We will not countenance Iran getting a nuclear weapon," the president told reporters. At the same time, the president was not willing to abandon the diplomatic track saying, "At this stage, it is my belief that we have a window of opportunity that this still can be resolved diplomatically."

On March 8, 2012, Iran's Ayatollah Khamenei appeared to welcome President Obama's observation that the "window" for diplomacy remained open. Iran's supreme leader characterized the American president's statement as follows: "These words are good words and are a sign of no longer being in delusion." Still, Khamenei criticized the sanctions regime being levied against Iran. The White House was undeterred from its path. White House Press Secretary Jay Carney said, "The president's policy towards Iran is focused in a very clear-eyed way on behavior rather than rhetoric... The pressure on Iran will continue. The ratcheting up of sanctions will continue."

It should also be noted that only a day before, a report by the Associated Press appeared to indicate that Iran was trying to clean up radioactive traces in the aftermath of possible tests of a nuclear weapons trigger. The report displayed satellite images of an Iranian military facility, with trucks and other vehicles at the site, quite possibly engaged in such clean up or sanitization activities. There were also references to claims by diplomats that crews at the Parchin military site could be trying to erase evidence of tests of an experimental neutron device used to set off nuclear explosions. Of course, a neutron initiator would only be used in the development of nuclear

arms. At the same time, it was possible that radioactive traces could also be left by material other than a neutron initiator -- for example, uranium metal used as a substitute for testing purposes.

These findings came to light even as Iran indicated it would allow international inspectors to visit a key military base in Parchin, which the IAEA believes may be involved in a nuclear weapons program. The pictures could plausibly boost the theory that the Iranians were trying to hide evidence of their nuclear program in anticipation of that visit.

Note that in late March 2012, nuclear politics were at the forefront of the international purview when world leaders gathered at the Nuclear Security Summit.

There, United States President Barack Obama reiterated his call for "a world without nuclear weapons" and advanced his foreign policy agenda that advocates non-proliferation and the reduction of nuclear weapons through increased diplomacy.

In a speech to students at Hankuk University, President Obama said that the United States -- the only nation to have ever used nuclear weapons -- was fully committed to reducing its stockpile of nuclear arms. President Obama also drew thunderous applause from the audience of students when he said that, as a father, he did not wish to see his daughters growing up in a world with nuclear threats. President Obama acknowledged his country's unique position in the world, but he noted that "serious sustained global effort" was needed to achieve his expressed hope for a nuclear weapons-free world.

The issue of nuclear proliferation has been at the forefront of the international purview given the ongoing concerns about North Korea's nuclear arsenal as well as Iran's nuclear ambitions. To that latter end, President Obama was expected to meet with Russia's outgoing President Dmitry Medvedev on the matter of Iran's nuclear program -- an issue that has not always seen progress due to divisions among countries with veto power on the United Nations Security Council. With an eye on working cooperatively with such countries, President Obama pledged to work with Russia and China at reducing the risk of nuclear terrorism.

President Obama addressed the issue of Iran's controversial nuclear development program, saying that time remained to resolve the deadlock through diplomacy. "But time is short," said President Obama. "Iran must act with the seriousness and sense of urgency that this moment demands," he continued.

For its part, Iran has insisted that it has the right to develop nuclear development for peaceful civilian purposes. On the other side of the equation, the West has asserted that Iran is seeking to build nuclear weapons via its clandestine nuclear arms development program. While Iran has been subject to sanctions as a result of its failure to fulfill its international obligations, international concurrence has not come easily due to objections from China and Russia. However, President Obama was making it clear that he intended to work with these two countries as he stated: "Today,

I'll meet with the leaders of Russia and China as we work to achieve a resolution in which Iran fulfills its obligations."

As March 2012 drew to a close, President Obama was clearing the way to tighten sanctions against Iran. Suggesting that there was enough oil on the world market to allow countries to withstand the loss of some Iranian oil, President Obama moved to ramp up sanctions against Iran that would penalize foreign entities that purchase oil from Iran's central bank, which collects payment for most of the country's energy exports. This move was intended to pressure Iran to halt its nuclear program.

In April 2012, global concerns over the prospects of Iran developing a nuclear weapon tamped down to some degree. At issue was a claim by the head of the Israeli military that Iran was not yet committed to the path of developing nuclear weapons. In an interview with the Israeli newspaper, Haaretz, Chief of Staff Lieutenant General Benny Gantz said he did not believe Iran would necessarily develop nuclear weapons. He said Iran's Supreme Leader, Ayatollah Ali Khamenei, had not yet made a final decision whether to build a nuclear bomb.

While Gantz acknowledged that Iran was moving "step by step to the place where it will be able to decide whether to manufacture a nuclear bomb," he expressed the view that the Iranian regime "hasn't yet decided to go the extra mile." Gantz additionally said the following of Ayatollah Khamenei and the Iranian power brokers: "I don't think he will want to go the extra mile. I think the Iranian leadership is composed of very rational people." But Gantz also warned that a decision of some sort in the offing. He said, "Either Iran takes its nuclear program to a civilian footing only, or the world -- perhaps we too -- will have to do something. We're closer to the end of discussions than the middle."

This tempered view was a far cry from the rhetoric to date that Iran has been intent on a plan to develop weapons as part of its nuclear technology program. Those fears by leading members of the international community have only been accentuated by Iran's failure to abide by international agreements regarding the monitoring of its nuclear development activities. Indeed, in late 2011, the International Atomic Energy Agency (IAEA) published a report which noted the fact that it was unable to "provide credible assurance about the absence of undeclared nuclear material and activities in Iran." The IAEA report also warned that it continued to have "serious concerns regarding possible military dimensions to Iran's nuclear program."

More recently in February 2012, the IAEA concluded that Iran was not cooperative and that prevailing questions regarding the possible military dimension of the Iranian nuclear development program remained unanswered. Of particular concern was the fact that the IAEA was prohibited by the Iranian authorities from visiting the Parchin nuclear site, to the south of Tehran, where suspected military capability was being developed. Clearly, the refusal to allow IAEA delegates from entering the Parchin site would do nothing to alleviate suspicions about Iran's military nuclear ambitions. Moreover, leaked elements from the IAEA report noted that Iran increased the number

of centrifuges used to enrich uranium and intensified the production of uranium enriched to the higher level of 20 percent. Leaked information from that report also indicated that Iran stepped up its uranium enrichment at main nuclear plant at Natanz, as well as at the underground site of Fordo. It should be noted that the Fordo plant, which is constructed under a mountain, would be almost impossible to damage in a potential military strike by Israel or the United States.

Accordingly, the IAEA declared the following: "As Iran is not providing the necessary cooperation... the agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran. The agency continues to have serious concerns regarding possible military dimensions to Iran's nuclear program." Overall, the findings from the IAEA would likely serve only to underline existing suspicions by the West that Iran held ambitions to build a nuclear bomb.

To date, Iran's continued non-compliance with nuclear monitoring has led to the imposition of sanctions by the United Nations, as well as by individual countries including the United States, Canada, Japan, Australia, as well as the European Union. For his part, Israeli military chief Gantz appeared to be of the mind that international pressure was yielding results.

Still, not everyone in Israel was of the same view. In an interview with CNN, Israeli Prime Minister Benjamin Netanyahu said that he would not want to bet "the security of the world on Iran's rational behavior." Moreover, Netanyahu made it clear that he was willing to take action against Iran to stop it obtaining a nuclear weapon. That being said, the nuanced differences between the words of Gantz and Netanyahu highlighted a growing divide in Israel between political leaders and military/intelligence specialists over the wisdom of attacking Iran. As such, the overall political and diplomatic climate had cooled from its previous level of heated turmoil.

It should be noted that around the same period (late April 2012), Iran made it clear that it would be returning to the negotiating table for a new round of talks with the U.N. nuclear watchdog agency, the IAEA. Talks were set for May 13-14, 2012, in Austria. Tehran said that its decision to resume talks with the IAEA "shows the peaceful nature of all of its nuclear activities, while showing that claims against Iran are baseless." A second round of talks involving the so-called "six powers" of the United States, China, Russia, Britain, France and Germany was scheduled to take place in Iraq; a first round had already occurred in April 2012 in Turkey.

In late May 2012, six world powers met in Iraq to discuss Iran's controversial nuclear program and agreed to continue talks in Russia a month later. At issue was the status of nuclear negotiations between Iran and the six party group composed of the United States, the United Kingdom, France, Germany, Russia, and China. The discussions were aimed at finding an agreement in which Iran would abandon its medium-level uranium enrichment program, while holding onto its peaceful nuclear program and reversing some of the damage yielded by international sanctions.

Iran's desire to end those crippling sanctions, in combination with the West's desire to see Iran end

its nuclear development program, together created a political climate where negotiations were again attractive. Of course, there was only limited optimism that such talks would actually yield constructive results; however, there was enough of an incentive for all sides to re-enter the negotiating arena. Stated differently, even without high hopes for a breakthrough, the six countries agreed that all peaceful avenues should be explored, in order to minimize the possibility of a new conflict in the Middle East.

During these talks in Iraq, sources from the European Union said that although "significant differences" remained, there had been progress in forging common ground. The six world powers were reportedly offering Iran a deal aimed curbing uranium enrichment and allowing IAEA inspectors "in country" to verify that Iran's nuclear activity was indeed for peaceful purposes. The deal would include medical isotopes and co-operation on nuclear safety in exchange for the cessation of Iran's medium-enriched (20 percent) uranium enrichment program. Of course, even in the face of this offer, Iran was maintaining its right to uranium enrichment. Still, Iran was clearly seeking to end the international sanctions campaign -- led by the Obama administration in the United States -- which has badly damaged the Iranian economy. While there was no immediate breakthrough, there was enough movement to necessitate scheduling further talks in mid-June 2012 in the Russian capital of Moscow.

At the start of June 2012, satellite imagery emerged showing the destruction of buildings and removal of soil at the Parchin military site in Iran -- a venue intended for monitoring by the United Nations nuclear watchdog agency. The Institute for Science and International Security (ISIS) posted the imagery on its website and came in the aftermath of a meeting between the International Atomic Energy Agency (IAEA) and Western diplomats regarding the possibility of a nuclear clean-up effort at Parchin. At a news conference, IAEA head, Yukio Amano, said: "The satellite imagery indicates that these activities include the use of water, demolishing of buildings, removing fences and moving soil." He expressed concern that such activities would negatively affect the IAEA's efforts to investigate the Parchin site.

The reports of Iran trying to clean up radioactive traces appeared to be reinforced by satellite imagery showing the destruction of buildings and removal of soil at Parchin. The revelations of apparent "sanitization" would likely reinforce doubts by the West that Iran has been acting in good faith as regards its nuclear program. They would also situate the Parchin military site at the core of the argument. Iran has insisted that Parchin is a conventional military complex; however, the West has argued that it is the site of experiments, possibly aimed at developing nuclear bombs.

These developments occurred ahead of a new round of nuclear talks between the United Nations nuclear watchdog agency, the IAEA, and Iran. These talks were intended to advance the development of a framework for cooperation with Iran, which Iranian authorities have said would be needed before allowing inspectors from the United Nations nuclear watchdog agency to visit Parchin. But on June 8, 2012, the IAEA said that negotiations in Austria ended without progress

having been made. IAEA chief inspector Herman Nackaerts said the lack of progress at the talks in Vienna was "disappointing." Iran's ambassador to the IAEA Ali Ashghar Soltanieh, offered a more sanguine view saying: "We are ready to remove all ambiguities and prove to the world that our activities are exclusively for peaceful purposes and none of these allegations [of developing a nuclear bomb] are true." Of course, such declarations were unlikely to assuage the IAEA and the West, which would be more apt to view Iran's actions as illustrative of a country failing to act in good faith.

Meanwhile, a separate set of negotiations were being held with the participation of Iran and the socalled six powers -- the United States, the United Kingdom, France, Germany, Russia, and China. The six world powers were reportedly offering Iran a deal aimed curbing uranium enrichment and allowing IAEA inspectors "in country" to verify that Iran's nuclear activity was indeed for peaceful purposes. The deal would include medical isotopes and co-operation on nuclear safety in exchange for the cessation of Iran's medium-enriched (20 percent) uranium enrichment program and Iran relinquishing its stockpile of enriched uranium.

The first round of negotiations between Iran and the six powers was held in May 2012. During those May 2012 negotiations, sources from the European Union said that although "significant differences" remained, there had been progress in forging common ground. Even in the face of this offer, Iran maintained its right to uranium enrichment. Still, Iran was clearly seeking to end the international sanctions campaign -- led by the Obama administration in the United States -- which has badly damaged the Iranian economy. While there was no immediate breakthrough, there was enough movement to necessitate scheduling further talks. Further negotiations were due to be held in the Russian capital of Moscow later in June 2012.

While talks to date have not yielded concrete results, Iran's desire to end the campaign of crippling international sanctions, in combination with the West's desire to see Iran end its nuclear development program, together created a political climate where negotiations could be attractive to all vested interests.

On June 18, 2012, after the most recent round of talks on Iran's nuclear program ended in the Russian capital city of Moscow without progress being made. According to Russian negotiators, the talks yielded no breakthrough since the differences between Iran and the six world powers remained irreconcilable. As reported by the Russian news agency, Interfax, Russian Deputy Foreign Minister Sergei Ryabkov said: "The main stumbling block is that the sides' positions are rather difficult and tough to reconcile."

According to Michael Mann, a spokesperson for the world powers, the discussions began in a positive manner with high hopes that Iran would seriously consider the proposals discussed above. But as before, Iran was demanding that the West lift its sanctions and that its "non-negotiable" right to enrich uranium be recognized.

Meanwhile, amidst the various rounds of negotiations, June 2012 saw the New York Times feature an excerpt of the book, "Confront and Conceal: Obama's Secret Wars and Surprising Use of American Power," by David Sanger, which detailed the United States' cyber war against Iran. Cyber war was the "smart power" option available to the United States and its allies in preventing Iran from developing nuclear weapons, in contrast to the "soft power" option of sanctions or the "hard power" alternatives such as military strikes.

The alleged cyber war against Iran dated back to the previous Bush administration in the United States, with the help of Israel, in developing an effort code-named Olympic Games. Under the succeeding Obama administration that cyber war program was preserved and even accelerated. Indeed, Sanger's book, which was based on anonymous American, European, and Israeli expert sources, suggested that the United States was being pushed into new and uncharted territory. As noted by Sanger, the cyber war program was credited with "achieving, with computer code, what until then could be accomplished only by bombing a country or sending in agents to plant explosives."

The computer worm project was actually implanted in a clandestine manner using undercover intelligence agents. It was intended to cause damage to Iranian centrifuges and reportedly accomplished that goal. However, President Obama ordered more sophisticated computer attacks on Iran's main nuclear enrichment facilities in an expanded program of cyber war -- even after aspects of the program, known as the Stuxnet computer virus, were accidentally leaked into the public purview in mid-2010 as a result of a programming error. Experts surmised that the cyber war program set back Iran's nuclear program up to two years. That being said, some sources suggest that Iran's enrichment levels are recovering, and thus could leave Iran with enough resources to yet develop nuclear weapons. Of course, the question remains an open one as to whether or not Iran is actively pursuing this path. Tehran's continued intransigence in cooperating with the IAEA has done little to assuage the doubts of the West.

#### Special Note: Bulgarian bombing; Israel blames Iran and Hezbollah

On July 18, 2012, eight people died and more than 30 others were injured when a bomb exploded at the Burgas airport in Bulgaria. The victims included the Bulgarian bus driver and the suspected suicide bomber who carried out the attack. The bombing appeared to target a bus carrying Israeli tourists in the Black Sea region of Bulgaria. Significantly, the attack occurred on the 18th anniversary of a deadly attack on a Jewish community center in Argentina, raising the likelihood that the Bulgaria bombing was another instance of anti-Jewish terrorism by extremist elements.

Israeli Prime Minister Benjamin Netanyahu wasted little time in blaming Iran for the act of terrorism in a statement that read: "All the signs lead to Iran. Only in the past few months we have seen Iranian attempts to attack Israelis in Thailand, India, Georgia, Kenya, Cyprus and other places." He additionally promised retaliation, asserting in the statement, "Murderous Iranian terror

continues to hit innocent people. This is an Iranian terror attack that is spreading throughout the entire world. Israel will react forcefully to Iranian terror." A day later, Israeli Defense Minister Ehud Barak expanded on Netanyahu's claim that Iran was behind the act of terrorism, explaining that the Lebanese Hezbollah was the direct perpetrator of the attack, but had been acting under the aegis of Iran. Netanyahu himself explained the connection using the following phrase: "Hezbollah, the long arm of Iran."

Analysts were suggesting that the terror attack in Bulgaria was likely another manifestation of the covert war between Israel and Iran. To that end, there were intimations that the Bulgaria bombing might have been a retaliatory attack for the series of targeted strikes against Iranian nuclear scientists.

For its part, Iran dismissed the accusation and expressed condemnation for "all terrorist acts." No statement, though, came from Hezbollah.

By July 20, 2012, United States officials were suggesting that the suicide bomber on the bus in Bulgaria was a member of Hezbollah. According to the New York Times, their sources did not wish to be identified as the investigation was under way, however, the suicide bomber was in Bulgaria on a mission to attack Israeli interests. The New York Times' unnamed sources also observed that Hezbollah was being guided and sponsored by Iran in this effort. Bulgarian Interior Minister Tsvetan Tsvetanov was on the record confirming that the suicide bomber had been "in country" for several days prior to the terror attack.

### <u>Could Iran's upgraded ballistic missile and increased nuclear development spur an Israeli</u> <u>strike?</u>

On Aug. 21, 2012, Iran unveiled an upgraded version of a short range surface-to-surface ballistic missile. Known as the Fateh-110, or Conqueror, it was intended to showcase Iran's military deterrence capabilities, according to Iranian President Mahmoud Ahmadinejad. The new ballistic missile reportedly enjoyed a more rapid launch time, greater longevity, and could be deployed during inclement weather conditions.

During the unveiling ceremony for the Fateh-110, President Ahmadinejad said: "We do not seek progress in the defense industry for conquest. We want it to defend ourselves, our territory, our existence. Secondly, we want it for defending human dignity."

The development in Iran would, no doubt, fuel speculation about Iran's controversial nuclear development program, its progress therein, and Israel's potential reaction to militarily thwart Iran's nuclear development. The conventional wisdom as of August 2012 was that Israel was seriously considering such action, although no final decision had yet been made. It was yet to be seen if the

news of the new ballistic missile would influence Israeli powers as to their plan of action.

It should be noted the surface-to-surface Fateh-110 ballistic missile was not believed to possess the capability to launch a nuclear weapon, and thus was not to be regarded as part of the Iranian nuclear threat. Specifically, as reported by BBC News, Iranian ballistic missiles were not believed to be large enough for conveying conventional weapons and lacked the accuracy to hit targets with precision or reliability.

That being said, by the end of the month, the Iranian nuclear threat resurfaced with International Atomic Energy Agency's (IAEA) report that Iran had doubled its nuclear development capacity at the Fordo nuclear site. According to the IAEA, there were now more than double the number of enrichment centrifuges at Fordo although new equipment was not yet functional. The IAEA also said that Iran had "significantly hampered" its ability to inspect the Parchin military site, which the nuclear watchdog agency said had been "sanitized," presumably to obfuscate Iranian nuclear activities. Undoubtedly, this collective news would concern Israel, raising the specter of an Israeli strike on Iranian nuclear facilities. Of significance was the fact that Israeli Prime Minister Benjamin Netanyahu was set to address the United Nations General Assembly in September 2012 on the dangers of Iran's nuclear program.

## <u>Israeli PM wants "red line" on Iran over nuclear threat; Iran threatens retaliation for</u> <u>possible attack</u>

As September 2012 began, the Iranian nuclear threat resurfaced with International Atomic Energy Agency's (IAEA) report that Iran had doubled its nuclear development capacity at the Fordo nuclear site. According to the IAEA, there were now more than double the number of enrichment centrifuges at Fordo although new equipment was not yet functional. The IAEA also said that Iran had "significantly hampered" its ability to inspect the Parchin military site, which the nuclear watchdog agency said had been "sanitized," presumably to obfuscate Iranian nuclear activities. Undoubtedly, this collective news would concern Israel, raising the specter of an Israeli strike on Iranian nuclear facilities. Of significance was the fact that Israeli Prime Minister Benjamin Netanyahu was set to address the United Nations General Assembly in September 2012 on the dangers of Iran's nuclear program.

With that gathering of the United Nations General Assembly in New York in the offing, Israeli Prime Minister attempted to schedule a meeting with United States President Barack Obama. Media reports indicated that Netanyahu said that he was prepared to travel to Washington D.C. to meet with President Obama. The White House declined the meeting on the basis of the United States' leader schedule; it also drew attention to the fact that there were no bilateral meetings scheduled for the United States president with any other leaders. The White House also pointed to a meeting between Prime Minister Netanyahu with Secretary of State Hillary Clinton .

The White House further noted that there was ongoing contact between President Obama and Prime Minister Netanyahu over a number of security issues, including the nuclear threat posed by Iran. In statement, the White House confirmed that President Obama had just spoken with President Netanyahu for an hour on Sept. 11, 2012. The statement included the following assertions: "The two leaders discussed the threat posed by Iran's nuclear program, and our close cooperation on Iran and other security issues. President Obama and Prime Minister Netanyahu reaffirmed that they are united in their determination to prevent Iran from obtaining a nuclear weapon, and agreed to continue their close consultations going forward."

Nevertheless, Netanyahu's inability to secure a meeting with President Obama fueled speculation about poor relations between the two men. It was certainly possible that the White House was not in the mood to reward Netanyahu after he criticized the United States for not being tough enough on Iran over its nuclear program. During a news conference in Jerusalem with Bulgarian Prime Minister Boyko Borisov, Netanyahu spoke of of the international community's reluctance to sanction a military strike against Iran's nuclear facilities. He said, "The world tells Israel: wait, there's still time. And I say: wait for what? Wait until when?" He continued, "Those in the international community who refuse to put red lines before Iran don't have a moral right to place a red light before Israel." Prime Minister Netanyahu went on to characterize Iran as "the greatest threat to world peace." The level of rhetoric from the Israeli leader was so high that the Haaretz newspaper described Netanyahu's remarks as "an unprecedented verbal attack on the United States government."

By the close of September 2012, Israeli Prime Minister Netanyahu had addressed the United Nations General Assembly and declared that time was running out to halt Iran's push to acquire enough enriched uranium to develop a nuclear bomb. Using a crude visual and a red pen, Netanyahu again reiterated his demand that there be a "red line" draw as regards the Iranian nuclear threat.

Prime Minister Netanyahu charged that Iran might have sufficient material to create a nuclear bomb by the middle of 2013, thus requiring a clear message from the international community in the form of the "red line." Netanyahu said, "Red lines don't lead to war, red lines prevent war. Nothing could imperil the world more than a nuclear-armed Iran." He also dismissed the effectiveness of sanctions passed against Iran, saying that they had not curtailed Iran's nuclear program and asserting that "The Iranian nuclear calendar does not take time out."

It should be noted that the United States has generally taken the view that an aggressive sanctions regime was the best path to placing pressure on Iran to end its nuclear development program. As well, United States Secretary of State Hillary Clinton seemed to dismiss Netanyahu's call, saying instead that her country was not prepared to commit to drawing "red lines." In his own address to the United Nations General Assembly, President Barack Obama asserted that his country would

"do what we must" to stop Tehran acquiring nuclear arms." But he also made it clear that while the United States has not foreclosed a military option against Iran, multinational negotiations and sanctions should be given time to work.

For its part, Iran responded to the Israeli prime minister's address by warning that it had the right to retaliate to any military strike on its territory or interests. Iran's deputy United Nations ambassador also said that his county possessed enough military might to defend itself and that it was not seeing nuclear weapons capability in the first place. Eshagh al-Habib said his country was "strong enough to defend itself and reserves its full right to retaliate with full force against any attack."

That being said, Iran's often-repeated claim that it had the right to a civilian nuclear program was itself subject to serious challenge. In mid-September 2012, the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), issued a stern rebuke of Iran's refusal to suspend uranium enrichment. Notably, the IAEA's resolution was proposed jointly by the United States, China, Russia, Germany, France, and the United Kingdom in a rare display of unity as regards the Iranian nuclear development issue. Meanwhile, IAEA Director General Yukiya Amano noted that despite a series of meetings with Iran throughout 2012 aimed at ensuring that the IAEA would be able to carry out its investigations, there had been no concrete results. Amano characterized the lack of progress as "frustrating."

Bilateral Talks with the United States?

On Oct. 21, 2012, the New York Times reported that Iran had agreed to bilateral negotiations with the United States over its controversial nuclear development program. The New York Times, in its report, suggested that the talks might be held after the November 2012 general elections in the United States. But shortly after this news item broke in the public sphere, the Obama White House was denying key aspects of these claims, asserting instead that while it was, in principle, prepared to meet with Iran bilaterally, there was actually no such plan afoot.

Tommy Vietor, a spokesperson for the United States National Security Council, offered the following statement: "It's not true that the United States and Iran have agreed to one-on-one talks or any meeting after the American elections." He continued: "We continue to work... on a diplomatic solution and have said from the outset that we would be prepared to meet bilaterally." Vietor reiterated the Obama administration's stance, saying: "The president has made clear that he will prevent Iran from getting a nuclear weapon, and we will do what we must to achieve that. The onus is on the Iranians to do so, otherwise they will continue to face crippling sanctions and increased pressure."

This latter statement referred to the ongoing approach to dealing with Iran. With an eye on pressuring Iran, the United States, countries of the European Union, and other Western nation

states have levied harsh sanctions on that country.

Meanwhile, in the period of early November 2012, possible goodwill between the two sides was likely strained when Iranian fighter jets shot at an unmanned United States drone carrying out routine surveillance mission over international waters. According to the Pentagon, two Iranian jets intercepted the Predator drone and fired "multiple rounds" in its direction. The Pentagon also made it clear that the drone was over international waters and never in Iranian air space. That being said, the shots from the Iranian jets ended in futility as the drone was guided back to base successfully. The Pentagon noted that the United States was undeterred from its intent to continue surveillance in the area. Speaking on behalf of the Pentagon, spokesperson George Little said: "The United States has communicated to the Iranians that we will continue to conduct surveillance flights over international waters over the Arabian Gulf."

Is Iran suspending or increasing uranium enrichment?

With an eye on pressuring Iran, the United States, countries of the European Union, and other Western nation states have levied harsh sanctions on that country. The United States, in particular, has taken the view that an aggressive sanctions regime was the best path to placing pressure on Iran to end its nuclear development program. While United States President Barack Obama has not foreclosed the option of a military strike (either by the United States or Israel) on Iran's nuclear facilities, and he has made his determination to stop Iran from building a nuclear bomb clear, he has also been emphatic that the harsh sanctions regime be given a chance to work. In a September 2012 address to the United Nations General Assembly, President Barack Obama asserted that his country would "do what we must" to stop Tehran acquiring nuclear arms." But he also said that multinational negotiations and sanctions should be given time to work.

To that end, Iran was certainly suffering as a result of the crippling sanctions that included restrictions on banking, shipping, trade, insurance, as well as commodities and energy transactions. Together they have struck a blow on Iran's commercial ties to the outside world. One area of sanctions that has seen notable success has been the exhaustive ban by SWIFT -- an international financial clearinghouse -- which prohibits the transfer of Iranian funds. The SWIFT ban has affected access by ordinary Iranians to basic food items. At the same time, Iranians were being subject to inflated prices of cooking oil and other staples, as well as a precipitous decline of Iran's national currency, which itself led to domestic unrest. Meanwhile, customs data from around the world showed that Iranian oil exports and oil revenues had sharply decreased. The question, of course, was whether or not the burgeoning decimation of the Iranian economy would actually affect Tehran's behavior on the nuclear issue.

A possible indication of the answer to that latter question came on Nov. 3, 2102, when the Britishbased Guardian newspaper reported that Iran suspended its 20 percent uranium enrichment levels as a goodwill gesture ahead of possible talks with the United States. Higher levels of uranium enrichment was a precursor to weapons-grade uranium. The Guardian cited a report on the Al Arabiya website, which quoted Mohammad Hossein Asfari, a Iranian member of parliament, expressing hope that damaging sanctions would be lifted in return for this move. The report seemed to be on something of a collision course with a recent revelation that Iran had recently finished installing centrifuges for enriching uranium at its underground nuclear facility in Fordo. It should be noted that the Guardian soon published a clarification of its original story, noting that Asfari was misquoted and that Iran had, in fact, not already halted 20 percent uranium enrichment. Instead, Asfari was indicating Iran's willingness to stop enrichment at these higher levels if sanctions were lifted.

In President Obama's first news conference after winning re-election on Nov. 14, 2012, he dismissed the reports of talks with Iran, saying they were simply "not true."

In mid-2012, the very notion of a possible suspension of uranium enrichment by Iran was utterly blown away. A leaked report by the International Atomic Energy Agency (IAEA) indicated that Iran was ready to double output at its Fordo underground uranium enrichment facility. According to the United Nations nuclear watchdog agency, Iran could soon double the number of its operational centrifuges from 700 to 1,400. Inspectors from the IAEA who have monitored the Fordo facility, which is buried in a mountain close to the holy city of Qom, have noted that while the uranium enrichment plant was not fully operational, it could well be ready in the space of only months. Moreover, increased production of 20 percent medium-enriched uranium would be possible. Medium enriched uranium (at 20 percent levels) can be used for conversion into fuel for Iran's medical research reactor; however, highly-enriched uranium at the 90 percent level would be needed for the development of nuclear weapons.

The main question for the IAEA -- and the global community -- involved the matter of how easy (or difficult ) it would be for Iran to increase its uranium enrichment activities in a manner that would allow for the development of a nuclear bomb. Further, what kind of timeline was at stake in achieving this end?

It should also be noted that this leaked report by the IAEA also indicated that "extensive activities" at the Parchin military site had ensued. The nuclear watchdog agency warned that Iran may have been trying to hide evidence of some sort of nuclear weapons experimentation. Accordingly, the IAEA concluded that it was "unable... to conclude that all nuclear material in Iran [was being used for] peaceful activities."

Special Report on Iran's Nuclear Program (as of Feb. 2013)

On Feb. 6, 2013, the United States tightened its financial sanctions against Iran, making it more difficult for that country to spend oil revenue. Iran has already been subject to harsh international sanctions due to its controversial nuclear development program, its clandestine nuclear

development activities, and its lack of cooperation with nuclear inspectors at the International Atomic Energy Agency. It has additionally been subject to unilateral financial sanctions by the United States and other Western countries, in an effort to place pressure on Iran to relinquish its nuclear program, which most international powers believe is not intended for peaceful purposes but oriented towards nuclear weaponization. Existing financial sanctions were already having an effect on Iran's economy, making it difficult to procure basic goods, such as cooking oil and medical supplies, creating huge obstacles for Iran to do business with other countries, and contributing to a precipitous decline in the value of the Iranian currency, the rial.

On Feb. 7, 2013, Iran's Ayatollah Ali Khamenei rebuffed the notion of direct talks with the United States during an address that was published on the Internet. With an apparent reference to United States Vice President Joe Biden's suggestion of direct bilateral talks, followed by the tightening of sanctions, Khamenei said the United States was giving the appearance of being open to negotiations while simultaneously "pointing a gun at Iran." He further asserted that talks with the United States "would solve nothing." At issue were upcoming multilateral talks on Iran's nuclear program. Biden was suggesting parallel bilateral talks, saying that his country was prepared to hold direct negotiations with Iran "when the Iranian leadership, supreme leader, is serious." He continued, "That offer stands, but it must be real and tangible and there has to be an agenda that they are prepared to speak to. We are not just prepared to do it for the exercise." Of course, on Feb. 7, 2013, with Khamenei's reaction on the record, it was apparent that the notion of bilateral talks was just an exercise in theory.

In the face of these developments, Iran continued to assert that its nuclear development program did not have a weapons dimension.

On Feb. 16, 2013, Iran's supreme leader, Ayatollah Seyyed Ali Khamenei, insisted that his country was not developing nuclear weapons. He also said that his preference would be the prohibition of nuclear weapons across the world. Still, Khamenei foreclosed the notion of global pressure on Iran and made it clear that if Iran wanted to manufacture a nuclear bomb, no other country would be able to stop the process. He said: "We believe that nuclear weapons must be obliterated, and we do not intend to make nuclear weapons, but if we had not had this belief and had decided to possess nuclear weapons, no power could have ever been able to stop us."

With a presidential election scheduled to be held in June 2013, there was no likelihood that the Iranian authorities would give way to the will of the international community. In fact, outgoing President Mahmoud Ahmadinejad gave voice to the domestic political climate in Iran when he said in a national address on state television: "On behalf of the Iranian nation, I say that whoever thinks that the Iranian nation would surrender to pressure is making a huge mistake and will take his wish to the grave."

Meanwhile, talks in mid-February 2013 involving United Nations inspectors yielded no progress. Inspectors from the United Nations nuclear watchdog agency, the International Atomic Energy Agency (IAEA), had traveled to Iran to try to reach an agreement aimed at allowing inspectors back into the country to continue their investigation into Iran's suspected nuclear weapons program. Of particular concern to IAEA inspectors has been the Parchin military base where explosives tests related to nuclear weaponry were suspected to have taken place. There were prevailing suspicions that Iran had "sanitized" the site to conceal evidence of clandestine activities. That being said, IAEA inspectors attempting to reinvigorate the nuclear investigation characterized their efforts with the Iranians as wholly unproductive. In a news conference, the chief United Nations inspector, Herman Nackaerts, said that he and his colleagues "could not finalize the document" aimed at resuming the inquiry, and that no new date had been set for further negotiations.

There was an emerging sense -- even from the West -- that the door was closing on a peaceful resolution to the challenge of the Iranian nuclear issue. According to a report by Reuters News, a Western diplomat accredited to the IAEA was on the record saying: "Despite its many commitments to do so, Iran has not negotiated in good faith. It appears that we now have to ask ourselves if this is still the right tactic."

The expressed admission by an IAEA-aligned diplomat of the failure of the negotiations progress meant that non-military options were quickly dissipating. Without progress on the diplomatic front, and with Iran in a stalemate with the international community, the specter of military action loomed large. Israel has made it clear that it was willing to use force, if necessary, to prevent Iran from developing its suspected nuclear weapons program.

It should be noted that Iran has done little to reduce the anxiety of the Western world. First, the IAEA had already made it clear that engagement with Iran yielded absolutely no progress and that concerns related to Iran's nuclear program remained in tact. Second, Iran had denied IAEA inspectors from visiting the aforementioned Parchin site.

The case against Iran was further bolstered by the news that IAEA inspectors identified new centrifuges at Natanz -- Iran's main enrichment plant. As reported by Reuters News on Feb. 21, 2013, Iran was now installing advanced machines to refine uranium -- a development that could potentially accelerate the accumulation of materials used to develop a nuclear weapon.

The new model of centrifuges, known as the IR2m, was able to enrich uranium at rates two or three times faster than prior levels to date. Although the new model of centrifuges were not yet believed to be fully functional, Iran was already expanding its stockpile of higher grade uranium, moving gradually closer to the so-called "red line" identified by Israel as its final grounds for taking military action.

In a bit of encouraging news, the IAEA also reported that Iran resumed converting some of its 20 percent concentration uranium for use as reactor fuel in late 2012. That usage likely curtailed Iran's ability to develop a higher-grade uranium stockpile. It was possible that this information

could cause Israel to delay military action against Iranian nuclear facilities. Nevertheless, in the third week of February 2013, Israel's Ambassador to the United States Micheal Oren reiterated his country's position that if no progress was made in the effort to stop Iran's nuclear development program, there was a high likelihood of a military gesture by mid-2013. Oren made these remarks during an interview on MSNBC's "Morning Joe" television show.

For its part, the Obama administration in the United States wasted no time in condemning Iran over the installation of the IR2m centrifuges at the main uranium enrichment plant of Natanz. As stated by United States Department of State spokesperson Victoria Nuland: "The installation of new advanced centrifuges would be a further escalation and a continuing violation of Iran's (U.N.) obligations. It would mark yet another provocative step."

At the end of February 2013, Iran attended multilateral talks in Kazakhstan with the so-called P5+1 group -- the United Nations Security Council permanent members of China, Russia, France, the United Kingdom, and the United States, plus plus Germany. According to Reuters News, Vincent Floreani, a spokesperson for France's Foreign Ministry, said the P5+1 countries were prepared to table a new offer for Iran, which could change the trajectory of the negotiations to date . He said, "We will make a new offer that will have significant new elements. The approach ... is to begin gradually with confidence-building measures. We want a real exchange that will lead to concrete results." For its part, Iran was claiming that it looked forward to these talks. Iran's United Nations Ambassador Mohammad Khazaei said: "As the representative of the Islamic Republic, I announce that Iran is not essentially against negotiations. Iranians are a civilized nation and always favor dialogue and are opposed to war."

In the aftermath of the discussions in Kazakhstan, Saeed Jalili, Iran's chief negotiator, characterized the meeting in a positive tone, describing the aforementioned new offer from the P5+1 countries as "more realistic and positive" and "a little closer to Iran's position." According to the New York Times, the offer would require Iran end its program of uranium enrichment to 20 percent, export its stockpile of existing more highly enriched uranium, and close its Fordo enrichment facility. In return or these three actions, the P5+1 countries would offer Iran sanctions relief, including permission to resume trading of gold and precious metals, and permission to resuming limited petroleum trading and international banking.

At the end of these talks in Kazakhstan where the new offer was brought forward, all the parties reportedly agreed to a round of further discussions in April 2013. It was to be seen if these negotiation on the basis of the new proposal would prove fruitful or accentuate the prevailing perception that the door on a negotiated resolution was rapidly closing.

Pressure on Iran was mounting with the call from the head of the International Atomic Energy Agency (IAEA), Yukiya Amano, on March 4, 2013, saying that Iran should "proceed with a sense of urgency" and focus on achieving real and rapid results. Amano reiterated its stance that the IAEA "cannot conclude that all nuclear material in Iran is in peaceful activities." At issue was the

IAEA's desire to inspect the Parchin military site where testing related to nuclear weapons development was believed to have taken place, but where access to IAEA inspectors has long been subject to denial by Iran.

On the same day, United States Vice President Joe Biden said that President Barack Obama was "not bluffing" about the United States' determination to prevent Iran from obtaining a nuclear weapon. In a speech in front of a major pro-Israeli lobbying group, he said, "We're not looking for war. We're ready to negotiate peacefully. But all options including military force are on the table. While that window is closing, we believe there is still time and space (for diplomacy)."

The main question for the IAEA, the United Nations Security Council, the P5+1 countries, Israel, and the global community at large, involved the matter of how easy (or difficult) it would be for Iran to increase its uranium enrichment activities in a manner that would allow for the development of a nuclear bomb. Further, what kind of timeline was at stake in achieving this end? Was United States Vice President Joe Biden's statement on Iran on March 4, 2013, pure bluster? Or was it a warning of sorts from Washington to Tehran?

These questions would likely be complicated by the announcement of new uranium discoveries in Iran and the Iranians' declaration that it was expanding its nuclear development program. Iran said that it had found new uranium deposits and as many as 16 sites were deemed to be suitable for the construction of new power plants. Iran additionally said that the discovery of uranium deposits would multiply "the current amount of [uranium] resources," and thus facilitate the expansion of the country's nuclear development program.

By mid-March 2013, as United States President Barack Obama was preparing to embark on his first official visit to Israel as a sitting American head of state, the issue of Iran's nuclear development program was dominating the international geopolitical landscape. For some time, Israel has threatened strikes on suspected Iranian nuclear facilities, in the interests of national security. Indeed, Iran does not recognize the Jewish state of Israel and has issued repeated (often anti-Semitic) warnings to "wipe Israel off the map," essentially posing an existential threat to the Jewish State. While the United States has eschewed imprudent military action against Iran, it has nonetheless stood with Israel in asserting that it would take necessary action to prevent the Islamic Republic of Iran from ever producing a nuclear weapon.

Ahead of this visit to Israel, President Obama was signaling that Iran was yet some ways away from being able to produce a nuclear weapon. In a pre-visit interview with Channel 2 in Israeli, he said that Iran was "over a year or so" away from being able to develop a nuclear weapon. Still, President Obama said that he was not interested in leaving action against Iran for the last moment. He said, "We think that it would take over a year or so for Iran to actually develop a nuclear weapon but obviously we don't want to cut it too close." Describing the purpose of his meeting with Israeli Prime Minister Benjamin Netanyahu on the issue of Iran, President Obama said, "My message will be the same as before: if we can resolve it diplomatically, that's a more lasting solution. But if not, I continue to keep all options on the table." The United States leader did not foreclose military strikes against Iran's nuclear facilities, saying, "When I say that all options are on the table, all options are on the table and the United States obviously has significant capabilities."

Once "in country" in Israel, President Obama confirmed his stance on Iran, asserting the United States' resolve to prevent Iran from obtaining a nuclear weapon. Israeli Prime Minister Netanyahu underlined the United States president's commitment on this issue, saying he was "absolutely convinced that the president [Obama] is determined to prevent Iran from getting nuclear weapons. In a significant development, Netanyahu acknowledged that Obama's stated one year timeline on Iran's nuclear weapons development capacity was correct, although he noted that his [Netanyahu's] so-called "red line" involved the uranium enrichment aspect of weaponization and not the actual building of a nuclear weapon. Of course, both uranium enrichment and the manufacture of a bomb would be involved in nuclear weapons development. Accordingly, it seemed that President Obama and Prime Minister Netanyahu were respectively offering a sense of unanimity on the issue of Iran and its nuclear development program.

#### Editor's Note

It should be noted that in mid-2012, a leaked report by the International Atomic Energy Agency (IAEA) indicated that Iran was ready to double output at its Fordo underground uranium enrichment facility. According to the United Nations nuclear watchdog agency, Iran could soon double the number of its operational centrifuges from 700 to 1,400. Inspectors from the IAEA who have monitored the Fordo facility, which is buried in a mountain close to the holy city of Qom, have noted that while the uranium enrichment plant was not fully operational, it could well be ready in the space of only months. Moreover, increased production of 20 percent medium-enriched uranium would be possible. Medium enriched uranium (at 20 percent levels) can be used for conversion into fuel for Iran's medical research reactor; however, highly-enriched uranium at the 90 percent level would be needed for the development of nuclear weapons.

It should also be noted that this leaked report by the IAEA also indicated that "extensive activities" at the Parchin military site had ensued. The nuclear watchdog agency warned that Iran may have been trying to hide evidence of some sort of nuclear weapons experimentation. Accordingly, the IAEA concluded that it was "unable... to conclude that all nuclear material in Iran [was being used for] peaceful activities."

As noted here, attempts in 2013 to reinvigorate the inquiry into activities at Parchin yielded no progress. Moreover, Iran announced in February 2013 that it would be installing advanced machines to refine uranium at Natanz -- a development that could potentially accelerate the accumulation of materials used to develop a nuclear weapon. Together, this news only served to raise the stakes and increase the sense of anxiety over Iran's controversial nuclear development

program.

# Special Report: Bombing at Iranian embassy in Lebanon viewed as consequence of Syrian conflict

On Nov. 19, 2013, a double suicide bombing outside the Iranian embassy in the Lebanese capital of Beirut left more than 20 people dead and more than 140 others injured. The first bombing was carried out by a suicide attacker on a motorcycle, while the second was executed by a suicide bomber in a a four-wheel drive vehicle. Among the dead was the Iranian cultural attache, Sheikh Ibrahim Ansari, who had just assumed his diplomatic post a month prior.

Because Iran has been a well-known supporter of the Lebanese Shi'a Islamic extremist group, Hezbollah, which deployed fighters to Syria to help the government of Bashar al-Assad hang onto power against rebel forces, there were suggestions that this attack was a manifestation of spillover violence from the Syrian civil war.

Certainly, the violence and bloodshed augured negatively for Lebanon as it pushed the country further into a state of turmoil. Noteworthy was the fact that it was the first since Lebanon's 1975-90 Civil War that an embassy had been targeted. Moreover, the brazen act of violence illustrated the ease with which Lebanon was being pulled into Syria's destructive orbit.

There was also a sectarian element to the attack as the Sunni Jihadist group, Abdullah Azzam Brigades, claimed responsibility for the violence at the Iranian embassy in Beirut. Via the Twitter account of the group's religious guide, Sheikh Sirajeddine Zuraiqat, Abdullah Azzam Brigades issued its formal claim of responsibility, declaring: "The Abdullah Azzam brigades - the Hussein bin Ali cells - may they please God - are behind the attack on the Iranian embassy in Beirut." The group, which is linked with the notorious terror enclave, al-Qaida, also said that the bombings were a "double martyrdom operation carried out by two heroes from the heroic Sunnis of Lebanon." The group threatened more attacks in Lebanon until Iran withdrew its forces from Syria, bolstering the view that a sectarian conflict that transcended borders was emerging in the Middle East.

In Lebanon, caretaker Prime Minister Najib Mikati condemned the violence, calling it "a cowardly terrorist act." Lebanese Parliamentary Speaker Nabih Berri -- a member of the Hezbollah faction in the Lebanese parliament -- warned that the terrorists behind the attack on the Iranian embassy were the people who attempted to assassinate him a year prior. He was quoted in Lebanon's Daily Star newspaper as saying, "Those who targeted the embassy [Tuesday] are the same team that threatened to assassinate me."

There was also a global outcry against the bombings, especially given the fact that a diplomatic

post was the target. United Kingdom Foreign Secretary William Hague said: "The U.K. is strongly committed to supporting stability in Lebanon and seeing those responsible for this attack brought to justice." United States Secretary of State John Kerry said, "The United States knows too well the cost of terrorism directed at our own diplomats around the world, and our hearts go out to the Iranian people after this violent and unjustifiable attack."

#### Special Entry: U.S. refuses visa request for Iranian diplomat involved in 1979 hostage crisis

In April 2014, Iran put forth a controversial candidate -- Hamid Aboutalebi -- as its selection to be that country's ambassador to the United Nations. Aboutalebi was reported to be one of the individuals who stormed the United States embassy in Tehran in 1979, and then held 52 United States hostages for 444 days. It should be noted that Aboutalebi has insisted that he simply acted as a translator during the hostage crisis; however there was little likelihood that the United States was prepared to distinguish between "levels" of involvement in one of the darkest chapters of modern foreign relations history.

Given this background, the Obama administration in the United States made clear that Iran's choice of Aboutalebi to be ambassador to the United Nations was not acceptable. As stated by White House press secretary, Jay Carney, "The U.S. government has informed the government of Iran that this potential selection is not viable."

Adding to Aboutalebi's woes was a bill in the Senate that barred him from entering the United States due to his active involvement in the Iranian hostage crisis. Carney noted that the Senate bill was reflective of the White House's concerns, as he said, "We share the Senate's concerns regarding this case and find the potential nomination extremely troubling." A similar bill in the House of Representatives also barred Aboutalebi from entering the United States due to his role in the Iranian hostage crisis.

There were some hopes that the White House's stated position on Aboutalebi, augmented by the legislation in the United States Senate and House of Representatives, would together place pressure on Iran to withdraw the appointment. However, it was also possible that Iran would hold steady, thus placing the United States in the position of possibly refusing to process Iran's application for a visa for Aboutalebi.

To that end, Iran insisted that Aboutalebi had been selected for the post at the United Nations because of his diplomatic credentials and stood by his appointment. In response to Iran's intransigence, the Obama administration in the United States refused to grant Aboutalebi a visa, emphasizing its position that it would be impossible to grant diplomatic protection to a person who was involved in the flagrant deprivation of protection to American diplomats.

The move effectively prevented Aboutalebi from taking the post of ambassador at the United Nations, since its diplomatic offices are based in New York and on United States soil. Iran's mission to the United Nations condemned the move, casting it as "regrettable," and noting that the refusal to process Aboutalebi's visa was not in keeping with international law. Indeed, a 1947 agreement requires the United States to approve visa requests for designated diplomats from United Nations member states.

Nevertheless, as April 2014 entered its last week, the United Nations' Committee on Relations with the Host Country opted to take no action against the United States for its refusal to grant a visa to Aboutalebi. At home in the United States, President Barack Obama underlined his country's stance on the matter of individuals who act against the United States. He signed into law a bill that would prohibit anyone from entering the United States as a diplomatic representative who carried out espionage or terrorist activity and who may pose a threat to national security.

Note: It was to be seen if the dissonance over the United States' refusal to issue the Iranian diplomat a visa would affect the Iranian nuclear deal. See below for developments regarding that deal.

## <u>Foreign Relations Note: Yemen turns into proxy war between Shi'a Iran and Sunni Saudi</u> <u>Arabia</u>

On March 20, 2015, the notorious and blood-thirsty terror group, Islamic State (also known as Islamic State in the Levant or ISIL), carried out double deadly suicide bombings in the Yemeni capital of Sanaa, killing close to 140 people and injuring 300 others.

The terror group, Islamic State has held sway in large portions of Syria and Iraq and been responsible for some of the most barbaric acts of murder, slavery, abduction and abuse seen in recent history. While its aim to establish an ultra-hardline Sunni Islamic caliphate has concentrated on the Syria-Iraq region (known as the Levant), an attack earlier in the week in Tunisia, as well as recently announced alliances with other Islamist terror groups, such as Boko Haram in Nigeria, indicate an emerging global Jihadist agenda.

Already, Yemen has been dealing with exactly this threat of global Jihadism from al-Qaida in the Arabian Peninsula (AQAP) from within its own borders. But now, with large swaths of Yemen under the control of the Shi'ite Zaidi Houthis, and with the country fracturing, Islamic State was exploiting the power chasm by making Yemen a terror target. The fact that the suicide bombings ensued in Houthi-controlled Sanaa made clear that Islamic State was deliberately targeting the Shi'ite rebels, whom they consider to be apostates.

For their part, the Houthi rebel movement (also known as Zaidis due to their Shi'ite Zaidi beliefs)

had been engaged in fierce gun battles with Yemeni armed forces in 2014, ultimately gaining control of the capital of Sanaa and forcing the resignation of President Abd-Rabbu Mansour Hadi, whose supporters were resisting the Houthis from their base in Yemen's second city of Aden.

In the backdrop of these developments was a spate of vicious attacks by the Yemen-based terror group, al-Qaida in the Arabian Peninsula (AQAP) as they railed against the perceived ascendancy of the Houthis. Angered by the political gains of the Houthis, the terror enclave, AQAP commenced a campaign of violence and bloodshed in response. These developments heralded an emerging power struggle between the Houthis and AQAP, with the people of Yemen likely to be the ultimate victims. The main question in the immediate future was if this fight between the Houthis and AQAP would be limited to a power struggle for influence in Yemen where President Hadi was being increasingly sidelined, or if it would metastacize into a civil war.

The developments in March 2015, marked by the entrance of Islamic State into the equation, served only to destabilize the Yemeni landscape even further. The situation was morphing into a geopolitical morass, with the advance of the Iranian-backed Houthis on the second city Aden, the decision by President Hadi to flee the presidential palace, and the commencement of air strikes by Saudi Arabia on Yemen.

Meanwhile, with Yemen embroiled in an escalating crisis, and as Western powers moved to distance themselves, regional powers were now signaling their entrance to the Yemeni landscape. Already, Shi'a Iran was being blamed for backing the Houthis. But soon Sunni Saudi Arabia was warning that it would intervene into Yemen to act as a countervailing power against Iran. Prince Saud Al Faisal promised to protect Yemen's sovereignty, saying, "We are against Iran's intervention in Yemen ... it is actually an act of aggression... We are keen on protecting Yemen's sovereignty, the legitimacy of Yemen represented by President Hadi." He continued, "We are ready to take the necessary measures if needed."

Saudi Arabia's possible intervention was welcomed by the internationally-recognized Hadi government of Yemen. President Hadi himself had called for the United Nations Security Council to authorize military intervention into Yemen. Also of note was a call by the Yemeni foreign minister, Riyadh Yaseen, for Arab neighbors to assist militarily to stop the advance being made by Houthi fighters. He said, "We have addressed both the [Gulf Cooperation Council] and the U.N. for the need of [imposing] a no-fly zone and banning the use of warplanes at the airports controlled by the Houthis." Of course, that intervention was aimed at stemming the advance of the Houthis and not necessarily at addressing the terror threats posed by al-Qaida in the Arabian Peninsula or Islamic State.

In the early hours of March 26, 2015, following the news the day before that President Hadi had fled the presidential palace in Aden, Saudi Arabia announced it had commenced air strikes in Yemen. In fact, Saudi Arabia said its military operation was being conducted in coordination with

a coalition of several regional partner countries. The Saudi effort was aimed at stemming the Houthi tide and restoring the internationally-recognized "legitimate" Hadi government to the helm in Yemen. But with the Houthis -- a Zaidi Shi'ite rebel movement -- being backed by Iran, and with Sunni Saudi Arabia now entering the fray, Yemen was quickly turning into a sectarian and geopolitical proxy war.

Note that the United States soon announced that while it was not one of the partner countries carrying out air strikes in Yemen, it was nonetheless providing logistical and intelligence support to the Saudi-led operation in Yemen.

After only a few days of air strikes, the Saudi-led regional forces had not yet overpowered the Houthis; however, they were limiting movement of the Shi'ite Zaidi rebellion and were successfully imposing a naval blockade. As March 2015 was coming to a close, Saudi and Houthi fighters were embroiled in fierce fighting along the Saudi-Yemeni border. Fighting was also taking place in Aden between Houthi fighters and pro-Hadi loyalist forces.

At the start of April 2015, despite the air strikes by the Saudi-led coalition, the Houthis were actually making gains on the southern port city of Aden -- the one time stronghold of President Hadi. With fighting increasing, a humanitarian crisis emerging, and the death toll increasing (almost 200 people were killed from late March through the first few days of April 2015 alone), several countries began the process of evacuating its citizens from Yemen, while the Red Cross was bringing in humanitarian aid supplies.

It should be noted that in an interview with the Arabic television channel al-Arabiya Hadath, Yemeni Foreign Minister Riyadh Yasseen sanctioned the intervention of Arab powers into Yemen, calling for an actual Arab regional force help restore the elected government of President Hadi to power in Yemen and save the country from its slippage into chaos. He said, "Yes, we are asking for that, and as soon as possible, in order to save our infrastructure and save Yemenis under siege in many cities."

Evidence of the Iranian-Saudi proxy war in Yemen was manifest in the second week of April 2015 when Iran called for the formation of a new Yemeni government, and even said it would be willing to offer its assistance in Yemen's political transition. The statement came at a time when the Iranian-backed Houthis advance on the city of Yemen. For its part, Saudi Arabia has been involved in air strikes on Yemen, with the intent aim of restoring President Hadi (who had taken refuge in the Saudi capital of Riyadh) to the helm of government. It was apparent that the two countries were not only a military collision course but also on a parallel political one.

Note that on April 14, 2015, the United Nations Security Council imposed an arms embargo on the Iran-backed Houthis. The resolution was overwhelmingly backed by security council members, although Russia abstained from the vote.

As the Yemeni conflict escalated, the United States dispatched an aircraft carrier, the USS Theodore Roosevelt, and a guided-missile cruiser, the USS Normandy, to the maritime waters close to Yemen. The general consensus was that the presence of the USS Theodore Roosevelt and the USS Normandy was for strategic reasons, and intended to ensure that the United States was positioned to take rapid action if the situation necessitated it. For its part, the United States Pentagon said that its presence in the Arabian Sea was not to intercept Iranian arms shipments to Yemen, but rather to "ensure the vital shipping lanes in the region remain open and safe."

In a surprise move on April 21, 2015, Saudi Arabia announced that it was ending its bombing campaign against the Houthis. Saudi authorities declared the joint alliance had achieved the military goals of the operation. An official statement read as follows: "Operation Decisive Storm has achieved its goals...(including) removing the threat to Saudi Arabia and neighboring countries, especially in terms of heavy weapons." The joint alliance would thus transition its efforts to a new mission called "Restoring Hope." The new operation would be aimed at counter-terrorism and security, and would look towards a political resolution in Yemen. Nevertheless, Saudi authorities warned that it reserved the right to go after the Houthis, with Saudi Brigadier General Ahmed Asseri saying, "The coalition will continue to prevent the Houthi militias from moving or undertaking any operations inside Yemen."

Yemen's internationally-recognized leader, President Hadi, offered his thanks for the Saudi-led regional effort, saying, "I express the deepest gratitude and respect to our Arab and Muslim brothers and friends in this exceptional strategic alliance in my name and on behalf of the Yemeni people."

While Iran welcomed the end of "Operation Decisive Storm," the fact of the mater was that the fighting continued to plague Yemen, with around 1,000 people dying in the four week period from late March to the third week of April 2015. Indeed, Houthis and factions loyal to President Hadi continued to engage in battles across the country, while infrastructure was being destroyed, and food and aid supplies were being depleted. Accordingly, there was an increasing call for United Nations negotiations to resume, with an eye on finding a peaceful political solution to the conflict in Yemen.

For their part, the Houthis intimated that a diplomatic process was underway, and there was an attempt to forge an agreement that would bring an end to the fighting. But the Houthis were unsure whether the Saudi announcement regarding an end to "Operation Decisive Storm" was part of that agreement. Indeed, the news emerged on April 22, 2015 that even though an end to "Operation Decisive Storm" was over, Saudi-led strikes were still taking place in southern Yemen. It seemed that a mission remained in place to protect the port city of Aden from the Houthis. Saudi Arabian ambassador Adel al-Jubeir explained the situation, saying, "When the Houthis or their allies make aggressive moves there will be a response. The decision to calm matters now rests

## entirely with them."

Meanwhile, Iran was calling for "urgent humanitarian assistance" in Yemen, with Iran's foreign minister, Mohammad Javad Zarif stating via the social media outlet Twitter, "Positive developments in Yemen should be followed by urgent humanitarian assistance, intra-Yemeni dialogue and broad-based govt. Ready to help." Iranian President Hassan Rouhani was meanwhile urging negotiations and a peaceful end to the bloodshed in Yemen, as he said, "We believe that sustainable peace can prevail if military intervention is ceased and proper conditions are prepared for talks and dialogue among all political groups." The Houthis themselves were signaling an interest in a return to United Nations-brokered negotiations, along with an end to the Saudis' aerial bombardment campaign. Via the social media outlet Facebook, the Houthis' spokesperson, Mohammed Abdul-Salam, declared: "We call for -- after the complete cessation of the brutal aggression on Yemen and the total dismantling of the blockade on its people -- the resumption of political dialogue under the auspices of the United Nations."

As April 2015 came to a close, the marine waters surrounding Yemen saw some de-escalation when the aforementioned Iranian flotilla, which was believed to be carrying arms to the Houthis, sailed past Yemen and to the north. The general consensus was that the presence of the USS Theodore Roosevelt and the USS Normandy in the area, may have had an effect. However, in a separate incident, Iranian forces fired warning shots and boarded a Marshall Islands-flagged cargo ship, the MV Maersk Tigris, with a Danish crew in the Strait of Hormuz. The vessel was reported to be following a normal commercial route between Saudi Arabia and the United Arab Emirates when the shots were fired, thus spurring the crew to issue a distress call that was picked by by United States forces. While Iranian authorities downplayed the incident, the United States Pentagon characterized the incident as a provocation.

In early May 2015, the hotspot in Yemen continued to be the southern city of Aden where Houthi fighters battled forces loyal to President Hadi, despite continued Saudi-led strikes. The fighting was quite fierce with more than 120 people killed on May 6, 2015, alone. Among the dead were people trying to flee the violence in a boat that was struck by shelling from Houthi fighters. The situation in Aden was quite dire with Houthis advancing in the historic district of al-Tawahi -- the location of the presidential palace.

Meanwhile, in the north, close to the border with Saudi Arabia, mortar and rocket fire killed five Saudi civilians, prompting retaliatory strikes by Saudi-led forces in that region.

By mid-May 2015, Saudi Arabia was reported to be sending a "strike force" to its own border zone with Yemen. The move came after fierce artilery clashes with Houthi rebels in the area and was intended to reinforce the zone. Also in mid-May 2015, Saudi Arabia was launching air strikes on Sanaa. One strike on a rocket base left 90 people dead and hundreds others injured. It should be noted that these strikes were ensuing weeks after Saudi Arabia announced that it was ending its

bombing campaign in Yemen, known as "Operation Decisive Storm," and only days before a fresh ceasefire.

It was apparent that despite the intervention of regional forces, and occasional announcements of breakthroughs, the Yemeni landscape continued to be one marked by chaos and turmoil in the spring of 2015.

By the start of June 2015, regional coalition forces, led by Saudi Arabia, were striking Houthi targets in Yemen, with scores of people dying as a result. A significant number of the dead included women and children in their own homes in the rural north of Yemen, close to the border with Saudi Arabia, which has long been the center of the Houthi rebellion. Strikes were also taking pace elsewhere in Yemen -- in Sanaa, at Yemen's naval command base at the port city of Hodaida on the Red Sea, at a customs office in the northern province of Haradh, and even in the southern city of Aden.

Despite the fatal effects of the strikes on Houthi civilians, Saudi Arabia and its allies were resolute in their efforts to stabilize Yemen and return the country to a state of legal governance -- ideally with President Hadi at the helm. In an interview with Reuters News, Khaled al-Attiyah, the foreign minister of Qatar, agued that the Saudi-led coalition strikes on the Houthis in Yemen had prevented the rebel movement from completely taking over the country. He said, "If there had not been (Operation) Decisive Storm, we would have seen the Houthis and Ali Abdullah Saleh's people all over Yemen. I think Decisive Storm ... has restored legitimacy in Yemen."

It would seem that Foreign Minister Khaled al-Attiyah's claims held some truth given the Houthis' interest in returning to the negotiating table. Indeed, in the immediate aftermath of this latest spate of strikes, the Houthis were signaling their willingness to participate in United Nations-sponsored peace talks in Switzerland set for June 14, 2015. Daifallah al-Shami, a member of the Shi'ite Zaidi leadership, said in an interview with Reuters News that the Houthi movement was ready to support "without preconditions the efforts of the United Nations to organize Yemeni-Yemeni dialogue." With rival groups, including those supportive of President Hadi and former President Saleh, also set to attend the peace talks, it seemed there was a genuine opportunity ahead to bring an end to the chaos rocking Yemen. South seccessionist factions, however, would not likely be in attendance and could function as the proverbial "fly in the ointment."

By mid-June 2015, there were fews signs that United Nations-sponsored talks in Switzerland would produce anything substantial, or that the warring sides were willing to make the hard compromises needed for peace and reconciliation. Of note was the fact that as the talks were convened, the Saudi-led Arab coalition was striking Houthi targets in the Yemeni capital of Sanaa. Also of note was the intransigence of the pro-Hadi wing and the Houthis respectively. While Ismail Ould Cheikh Ahmed - the United Nations envoy to Yemen -- cast the talks as an opportunity to end the conflict in Yemen, he nonetheless acknowledged that a massive gulf divided

the two sides. He said, "All the parties are still barricaded behind their positions and continue to bet on war rather than a political settlement."

Indeed, there was no reason for either side to buy into the benefits of peace when the facts on the ground were as follows: 1. Despite an aggressive air campaign, the Saudi-led coalition had failed to dislodge the Houthis; and 2. Any peace agreement would likely be to the detriment of pro-Hadi forces in Yemen. For both sides, war offered a more promising path to power.

In July 2015, Saudi authorities announced a ceasefire after air strikes hit a residential area of the Red Sea town of Mokha, killing approximately 120 people and injuring as many as 150 others. Children were among the casualties, prompting the United Nations, Amnesty International, and Human Rights Watch to respectively warn the Saudi-led coalition that indiscriminate bombardment of populated areas was a violation of international law. It was not guaranteed that the Saudi-led coalition would heed this admonishment; however, the coalition did respond to a call by Yemeni President Hadi to halt the military activity long enough for humanitarian aid to be rendered. To this end, the cessation of the air campaign was to last for five days to allow emergency response teams to offer assistance and to deliver supplies to the victims.

Although attention was focused at this time on the ceasefire, the Saudi-led coalition targeting the Houthis in Yemen warned that it would, nevertheless, reserve the right to retaliate against any military activity taken by the Houthis. Of related significance was that the ceasefire did not bring a complete end to hostilities. Clashes erupted in the city of Taiz as a result of shelling by Shi'a Houthis rebels several districts. As well, fighting was reported the the north of the restive port city of Aden and in the provinces of Marib and Lahj.

In September 2015, with the sectarian conflict between Iranian-backed Houthis and the Saudibacked Hadi government forces still raging on, the landscape was complicated by the decision by Qatar to deploy 1,000 ground troops to Yemen. The move came ahead of a massive offensive operation by regional Sunni Arab forces against the Iranian-backed Houthis who continued to hold sway in the Yemeni capital city of Sanaa. Qatar was already part of the Saudi-led regional operation carrying out air strikes on Houthi-controlled regions of Yemen; however, its decision to deploy ground forces marked a notable shift in a campaign that has been stalled for several months, although some progress was made in driving Houthis and forces allied with former President Salleh from Aden.

In the same period, Saudi-led air strikes continued to pound Houthi targets in Yemen. The air battle actually increased in strength after a particularly deadly attack in the first part of September 2015 when a Houthi missile attack killed scores of Gulf Arab troops stationed to the east of Sanaa. In retaliation, the air strike campaign by Sunni Arab states on the capital intensified and deployments of troops were increased. These developments came ahead of an offensive operation discussed above, which was being billed as a "decisive battle to liberate Sanaa." Of course, Saudi

ground forces were already "in country" and carrying out an offensive in the province of Marib, aimed at driving out the Houthis. The Sanaa offensive was to be understood as a continuation of that operation.

Meanwhile, even as plans for a final battle for Sanaa was in the works, the United Nations was planning to broker peace talks on the Yemeni crisis. But those plans hit a snag in mid-September 2015 when Yemen's government in exile, headed by President Hadi, said it would not participate unless the Houthis withdrew from the terrain it captured. Of note was the fact that Hadi and his stalwarts were simply articulating the need to make good on a provision already enshrined in the prevailing United Nations Resolution 2216.

A few days later, Yemen's exiled government modified its stance, saying it would join the United Nations-sponsored talks, but under the condition that the Houthis publicly accepted the terms of the United Nations resolution, which called for them to withdraw from the main cities of Yemen and recognize Hadias the elected president of the country. As noted by Yemeni government spokesperson Rajeh Badi in an interview with Reuters News, "If the Houthis are serious about sitting down for negotiations about implementing resolution 2216, they must publicly announce their recognition of this resolution."

In the last week of September 2015, the capital city of Sanaa was the site of bloodshed and violence due to double suicide bombings at a mosque that left at least two dozen people dead and scores more seriously injured. Islamic State claimed responsibility for the attack at the al-Balili mosque, which ensued just as worshippers were celebrating the Eid al-Adha festival.

In the same period of late September 2015, the Red Sea port city of Mocha was struck by tragedy when suspected air strikes hit a wedding party, killing at least 130 people. The Saudi-led coalition operating in Yemen and charged with targeting the Houthi rebellion quickly dismissed any charges of culpability as follows: "There have been no air operations by the coalition in that area for three days. This is totally false news." Yet even as the Saudi-led coalition denied any responsibility for the incident, there were few other plausible explanations for a fatal air strikes in the area. It was unknown, however, as to whom was actually responsible for the deaths of more than 130 people at a wedding party. Not surprisingly, the United Nations expressed condemnation for the incident, noting that the air strikes were emblematic of "the disregard shown by all sides for human life" in Yemen.

On October 6, 2015, members of the Yemeni government were targeted in a terror attack on the Qasr hotel where they were staying in Aden. Prime Minister Khaled Bahah and members of his government escaped the double bombing at the hotel unharmed. But a series of attacks at two military installations housing coalition forces from the United Arab Emirates also took place on the same day with different results. The violence at the military outfits exacted a death toll as 15 progovernment and Saudi-led coalition forces were killed. While initial blame for the spate of attacks

fell on the Houthis, the terror group, Islamic State, soon claimed responsibility. Clearly the Islamist terror group was taking advantage of the power vacuum created as a result of the power struggle between the Saudi-backed government and the Iranian-backed Houthis.

Meanwhile, also in late September 2015, President Hadi returned from exile in Saudi Arabia to his stronghold in the southern city of Aden. By the start of October 2015, President Hadi's government moved to sever its diplomatic ties with Iran. While there was no detailed explanation offered for the move, the general consensus was that the legitimate government of Yemen objected to Iran's backing of the Houthis, and viewed Iran's actions as overt acts of interference in its sovereign affairs. Of course, as discussed here, the fact remained that several countries, including a Gulf Arab alliance, were now intervening into the affairs of Yemen.

By October 2015, there was a glimmer of hope on the turmoil-etched Yemeni landscape as the Houthi rebels finally committed to the United Nations-brokered peace process, although it was not known if they officially accepted the terms of a prevailing United Nations resolution. In a letter, the Houthi leadership declared: "We, from our side along with other parties, commit to these seven points as one unified bundle. We welcome the UN call for all sides to return to the table of dialogue." At issue was the seven-point Muscat peace plan that was forged in Oman and which stalled for some time, but was now being revived with the Houthis signing on to the deal.

Should the Houthis actually move forward by implementing the provisions of the Muscat agreement -- specifically, enacting a ceasefire, withdrawing from the cities, and accepting the return of the legitimate government to the capital city of Sanaa -- Yemen could well be backing away from the precipice of the crisis that has rocked the country for some time.

## Special Report: Breakthrough deal forged on Iranian nuclear program

Summary:

The international community has been focused on aggressive multilateral negotiations between Iran and the P5+1 countries of the United States, the United Kingdom, France, Germany, Russia, and China, aimed at arriving at a landmark nuclear deal. At issue was the goal of forging an accord that would regulate Iran's nuclear program, its stockpile of enriched uranium, and curtail Iran's ability to develop a nuclear bomb. For Iran, the objectives were twofold. First, Iran hoped to prove that its nuclear development was for peaceful purposes and not aimed at weaponization, as charged by the West. Second, Iran was keen to end a painful international sanctions regime that has badly damaged Iran's economy.

Going back to January 2014, an interim Iranian nuclear deal went into force. Under the terms of that interim agreement, Iran began the process of diluting its stockpile of uranium enriched to 20

percent, with all such uranium expected to be eliminated within a six-month period. There were also provisions for inspections at the Arak heavy water reactor and the Fordo uranium enrichment site close to Qom. While the interim deal constituted only a first step in the diplomatic track, it was certainly a significant development in that process aimed at establishing an enduring accord. Indeed, it represented a sea change in Iran's relationship with the United States, which was actively evolving from one singularly marked by hostility to one of (albeit limited) engagement. Now, with a final nuclear deal at stake, it was to be seen if that engagement would be ultimately deemed productive.

At the end of March 2015, the P5+1 multilateral talks with Iran were set to end, with all eyes on a framework for a long-term agreement. But the negotiations were mired by various sticking points, prompting the parties to extend the negotiating process. Finally, in April 2015, after marathon talks, the P5+1 countries and Iran announced that the hard work of negotiations and diplomacy had yielded results, and that a framework agreement on Iran's nuclear program had been reached. The agreement presaged a long-term deal, which would have to be made by the final "hard" deadline on June 30, 2015. The prevailing question continued to dominate: Could a final accord on Iran's nuclear program be forged? Nevertheless, the framework agreement marked a massive breakthrough in the realm of international diplomacy for the purpose of global security.

Political resistance from rival Republicans and skeptical Democrats in the United States Congress and from Iran itself could upend the deal. Nevertheless, new rounds of nuclear negotiations commenced later in the spring of 2015 with an eye on forging a sustainable final accord. That final agreement finally emerged on July 14, 2015, and, as expected, evoked passionate resistance from hardliners at home in Tehran, and in other capitals across the world, including Washington D.C.

Over the course of the rest of July 2015 and then through August 2015, the Obama administration in the United States was busy lobbying members of Congress to support the deal. The goal was to gain enough support to sustain the expected presidential veto on a so-called "disapproval resolution" being advanced by Republicans in the legislative chambers, with support from skeptical Democrats. Of course, the detrators of the deal were also doing their part to garner enough support to override the expected presidential veto. But by the start of September 2015, all signs posted to a political victory for President Obama and his administration's diplomatic efforts. Indeed, the Obama administration garnered enough Congressional support for the deal. Debate and voting on the "disapproval resolution" commenced in the second week of September 2015, with Democrats successfully blocking a vote in the Senate.

Note: Regardless of the political dimensions, the Iranian nuclear accord was being celebrated as a historic development in the realm of international diplomacy and global security.

See below for the major developments leading up to the deadline for a proposed landmark accord.

## Background:

In September 2013, as the United Nations meeting of the General Assembly in New York was set to take place, there were plans afoot for a sideline meeting of the six world powers (generally known as P+5 composed of the permanent United Nations Security Council members -- the United States, the United Kingdom, France, Russia, and China -- as well as Germany) with Iranian Foreign Minister Javad Zarif. The main topic to be addressed would be re-engagement on the Iranian nuclear issue. The meeting, which would include United States Secretary of State John Kerry, would mark the highest level bilateral contact between the United States and Iran in three decades.

While the United States welcomed Iran's new tone and its interest in diplomacy, thanks to the election of the moderate Hassan Rouhani to the Iranian presidency, authorities in Washington D.C. also made it clear that the proverbial ball "was firmly in Iran's court." Of course, of significanc was the fact that Rouhani, upon his election, said that he rejected extremism of any kind, reminded people that his moderate political orientation was compatible with Islam, and vowed to fulfill his campaign promises. At the top of that list was Rouhani's commitment to end the tough sanctions against Iran, which were imposed due to the West's conviction that the Iranian nuclear development program was not entirely for peaceful purposes, and included nuclear weaponization ambitions.

It should be noted that in his own address to the United Nations, President Rouhani excoriated the harsh sanctions regime that was imposed on Iran, characterizing the sanctions as "violent... pure and simple" He emphasized the fact that common people, rather than political elites, were the primary victims of the sanctions.

It was apparent that President Rouhani's speech at the United Nations was not a continuation of the international "charm offensive." Instead, it seemed that the speech was geared towards a domestic Iranian audience, intended to validate the economic suffering being suffered at home. That being said, Rouhani's admission regarding the damage done by the sanctions against Iran suggested that President Obama's "smart sanctions" policy was actually yielding results by forcing Iran from its former position of intransigence. As September 2013 came to a close, a remarkable shift on the geopolitical landscape occurred as United States President Obama and Iranian President Rouhani shared a historic call, marking the highest level direct contact between the leaders of two countries that have been in a state of enmity for decades.

By October 2013 and well into November 2013, landmark negotiations were under way to deal with Iran's controversial nuclear program and there were cautious hopes that an agreement might emerge. In November 2013, talks ended without an agreement although there was concurrence that negotiations should be pursued, with an eye on a deal in the future.

Economic Imperatives for Iran:

There were serious economic imperatives that could nudge Iran in the direction of productive negotiations. Due to the harsh international sanctions regime, Iran has had to overcome steep obstacles in selling its oil and receiving payments for its oil exports. In places where Iran was still able to sell oil, it has been stymied from receipt of funds due to prevailing sanctions, especially those levied by the United States. But if Iran was not able to sell its typical 2.6 million barrels of oil a day, or, if it was forced to sell those barrels at deep discounts, the decreased revenue inevitably had a debilitating effect on the Iranian economy, adding to the possibility of social unrest.

In 2013, United States data sources indicated that the crippling sanctions imposed by the Western countries on Iran were exacting a heavy toll. Indeed, these United States statistics showed Iranian oil exports tumbling to a 26-year low. The United States Department of Energy estimated that Iran's oil exports earned less than \$70 billion billion in 2012 -- a 27 percent decrease as compared with \$95 billion in 2011. As well, the International Energy Agency -- a watchdog entity -- estimated Iran lost more than \$40 billion in export revenues in 2012.

While Iran was mitigating the effects of devolving oil exports via higher oil prices (at the time), and despite trying to circumvent the sanctions on Iran's central bank by trading oil for goods, there were reports that Iran was storing an unusually large volume of oil in supertankers in the Persian Gulf. This was due to dwindling purchasers from Asian markets. As noted by the Financial Times, all expectations were that Iran would eventually have to cut its already low production, which would exacerbate its burgeoning economic crisis. With Iranians feeling the pain of the sanctions in the form of inflation, the sliding value of its currency (the rial), and high unemployment, economic anxieties and public discontent characterized the socio-economic climate in Iran.

It was, thus, not surprising that the newly-inaugurated President Rouhani's first speech at the helm included a call for an end to the crippling sanctions against Iran. Of course, Rouhani had to be aware that those sanctions were not about to dissipate without diplomatic progress and measurable policy changes as regards Iran's nuclear program. It was to be seen how far Rouhani would be willing to go -- in terms of serious diplomatic engagement over its nuclear program --in order to lift Iran out of its dismal state of international alienation.

Historic Diplomatic Shifts

The prospects for diplomacy -- or at least, for less hostile relations between Iran and the United States -- increased slightly in the third week of September 2013. In an interview with NBC News, Rouhani confirmed that United States President Barack Obama had sent him a letter after his election as Iranian president. President Rouhani characterized President Obama's letter in positive

terms, saying to NBC journalist Ann Curry, "From my point of view, the tone of the letter was positive and constructive." Earlier, the White House said explained the correspondence with spokesperson Jay Carney saying that the United States was "ready to resolve the nuclear issue in a way that allows Iran to demonstrate that its nuclear program is for exclusively peaceful purposes."

It should be noted that during the interview with NBC News, Rouhani also said his administration would never develop nuclear weapons. Rouhani additionally dismissed speculation that he did not have the real political authority to substantively address the Iranian nuclear development issue by emphasizing that he possessed the full authority to forge a deal with the West.

As discussed here, by the second part of 2013, diplomatic engagement was under way, starting with the sideline meetings at the

United Nations General Assembly in New York between Iran and the six world powers (generally known as P+5 composed of the permanent United Nations Security Council members -- the United States, the United Kingdom, France, Russia, and China -- as well as Germany).

Ahead of that landmark meeting, Iran seemed intent on softening its image on the world stage. In addition to the Iranian president signaling his interest in re-engaging in nuclear talks, Iranian authorities also pardoned and released 80 prisoners including leading opposition figures who have been persecuted and jailed in the aftermath of the disputed presidential election of 2009 that gave rise to the failed "Green Revolution."

After the meeting, more news stunned the world. Of note was the fact that President Obama had spoken directly to Iranian President Rouhani on the phone as the Iranian leader was en route to the airport in New York. The call could only be regarded as historic since it was the first direct contact between the leaders of the United States and Iran in almost 35 years. According to President Obama himself, the 10-15 minute discussion focused on Iran's nuclear program, and the conclusion reached was that there was a foundation for an agreement to be made. As stated by President Obama, "While there will surely be important obstacles to moving forward and success is by no means guaranteed, I believe we can reach a comprehensive solution."

For his part, President Rouhani appeared eager to move forward, saying he hoped to reach an agreement on his country's nuclear program within a six-month period. But perhaps more remarkable was President Rouhani's comments about his conversation with President Obama that he chose to share via Twitter. The Iranian leader tweeted: "In phone convo, President #Rouhani and President @BarackObama expressed their mutual political #will to rapidly solve the #nuclear issue." President Rouhani went further to note that he ended his call with President Obama by saying "Have a Nice Day!" to which President Obama responded by saying, "Thank you. Khodahafez." The word, "Khodahafez" is Persian for "May God be your Guardian."

This level of cultural respect and amity between the leaders of two nation states that have been in

a state of enmity for more than three decades could only be regarded as stunning. Indeed, the fact that the Iranian president was apprising the world of his conversation with the leader of the free world -- Barack Obama -- via social media shocked even the CEO of Twitter himself. Dick Costolo issued the following observation, "I feel like I'm witnessing a tectonic shift in the geopolitical landscape reading @HassanRouhani tweets. Fascinating."

In the first week of October 2013, Iran's supreme leader, Ayatollah Ali Khamenei, endorsed the historic diplomatic progress made between his country and the United States. Via the Internet, Khamenei said: "We support the diplomatic initiative of the government and attach importance to its activities in this trip." However, Khamenei also expressed skepticism that actual progress could be made, adding, "We are pessimistic towards the Americans and do not put any trust in them." Nevertheless, the supreme leader's de facto endorsement bolstered the possibility -- however remote -- of bilateral progress and the possibility that a deal might, in fact, be reached on Iran's controversial nuclear program. Not all hardliners in Iran were as amenable to the new political landscape as Rouhani was met by protesters chanting "Death to America" when he arrived in Tehran from his visit to the United States to attend the United Nations meeting of the General Assembly. Still, he was also greeted by supporters clearly pleased about the shift in tone in regards to relations with the United States.

## Demands of the West:

It should be noted that the P5+1 countries have called on Iran to stop its production and stockpiling of 20 percent enriched uranium (a capacity en route to the degree of enrichment needed to develop a nuclear weapon). They have also asked that Iran close its underground uranium enrichment facility at Fordo, close to the city of Qom, where most of the higher-grade enrichment is produced. Another demand entailed Iran ending its construction of a nuclear reactor in Arak. The United States was looking for verifiable evidence that Iran was taking action on such measures. Should these actions be taken, the P5+1 countries said they would entertain the possibility of easing the crippling sanctions regime that has terribly damaged Iran's economy. That being said, it is worth noting that without the pressure of this very crippling sanctions regime, it was hard to imagine that President Rouhani would have been elected to power in Iran in the first place, or that he would be engaging in diplomacy at all. As such, the success of the Obama administration's soft power approach of "smart sanctions" have to be acknowledged as the mean by which Iran was compelled to return to the diplomatic table.

Productive Negotiations but no deal (yet):

As intimated above in the section titled "Background", the first tranche of nuclear negotiations commenced in October 2013 in the spirit of cautious optimism. Iranian Deputy Foreign Minister Abbas Araqchi said, "We had very constructive, very good exchange of views, very serious. It was, I can say, very businesslike." However, Araqchi expressed caution as he added: "It's too soon to

judge." Michael Mann, a spokesman for European Union foreign policy chief Catherine Ashton, appeared to back that version of the landscape as he said there was a sense of "cautious optimism." Mann later went further in suggesting that these were the first nuclear talks with Iran to go beyond the superficial level. He said, "For the first time, very detailed technical discussions continued." Likewise, Iranian Foreign Minister Javad Zarif and European Union foreign policy chief Catherine Ashton went so far as to issue a joint statement in which they characterized the talks as "substantive and forward-looking."

Israel showed little enthusiasm for the process with the government of that country releasing a statement that read as follows: "Iran will be judged by its actions and not its PowerPoint presentations. Until we see practical steps that prove Iran is decommissioning its military nuclear project, the international community must continue with the sanctions,"

A fresh round of negotiations ensued in November 2013. Iranian Foreign Minister Javad Zarif said progress was being made, despite the "tough" nature of the talks taking place. In an interview with Reuters News, Zarif said, "The talks went well ... I'm hopeful that we can move forward. We are making progress, but it's tough." Meanwhile, Mann characterized the progress at the meetings as "good" but refrained from offering further details. Despite these encouraging statements by Zarif and Ashton, the meeting in Geneva ultimately ended without an agreement being forged on Iran's nuclear program. European Union foreign policy chief Catherine Ashton said, "A lot of concrete progress has been made, but some differences remain." Iranian Foreign Minister Javad Zarif took a measured tone in describing the failure to forge a deal when he said, "I think it was natural that when we started dealing with the details, there would be differences."

There were some suggestions, however, that it was not only the granularity of the details in the proposed deal that appeared to have derailed the negotiations process, but dissonance within the negotiations group itself. At issue, according to emerging media reports, was France's objection to the framework agreement. Specifically, France reportedly objected to the deal, believing that it would not do enough to curtail Iran's uranium enrichment. Another particular bone of contention was the heavy-water reactor being constructed close to the city of Arak that would be capable of produce plutonium. Of note was the fact that plutonium can be used as an alternate means (vis a vis uranium) to produce a nuclear bomb.

There were also some fissures between the United States and the European countries on the matter of what economic sanctions against Iran might be reversed as part of a proposal. Since the United States Congress initiated the harshest set of financial sanctions against Iran, and members of Congress were not in a mood to end them, United States President Barack Obama was looking towards a fairly circumscribed proposal involving Iranian funds frozen in overseas banks. Sanctions by the European Union could more easily be reversed -- but to do so precipitously could incur unwanted results, such as the challenge of reinstituting the sanctions if Iran did not fulfil its obligations in a future deal. Taken together, the news at the time was that these unresolved issues complicated the conclusion of a deal. But it was soon revealed that there was a third -- and significant -- element that led to the end of negotiations in November 2013 without a conclusion. According to United States Secretary of State John Kerry, the central reason for the lack of an agreement was the fact that Iran had walked away from the deal on the table. This revelation seemed to supplement (perhaps even contradict) the conventional media reports that France's objections had derailed the dealmaking process. In fact, Secretary of State John Kerry made clear that the deal on the proverbial table was approved by both France and the United States. In statements to journalists, Secretary of States top diplomat said, "The French signed off on it, we signed off on it, and everybody agreed it was a fair proposal....Iran couldn't take it at that particular moment; they weren't able to accept." Secretary of State John Kerry added that, given time, he had high hopes that the Iran and the P5+1 countries could "find an agreement that meets everyone's standards."

According to various sources, the main issue was not the Arak heavy-water reactor as had been suggested initially; indeed, the real sticking point was the same central source of controversy throughout the years: Iran's insistence on its right to enrich uranium.

Another round of talks was scheduled to be held later in 2013. Noteworthy was the fact that the new talks were of a lower level and would not involve foreign ministers. Still, the fact that the parties were willing to continue the negotiations suggested that there was an impetus to ultimately reach concurrence. For his part, Iran's top diplomat, Zarif, emphasized the positive aspect, saying: "What I was looking for was the political determination, willingness and good faith in order to end this. I think we're all on the same wavelength and that's important."

Of course, that "same wavelength" mentioned by Iranian Foreign Minister Zarif was cause for concern by Israel, with that country's prime minister, Benjamin Netanyahu, demanding that Iran relinquish all its uranium -- not just the uranium enriched to the 20 percent level discussed above -- and close the nuclear reactor at Arak. There was little likelihood that Iran would agree to a future deal involving the relinquishment of all its uranium, since such a move would foreclose any its leverage on the world stage.

That being said, the international power brokers were taking Israel's demands seriously. As stated by United States Secretary of State John Kerry, "There are very strong feelings about the consequences of our choices for our allies...We have enormous respect for those concerns." United States Secretary of State Kerry also dismissed Israeli Prime Minister Benjamin Netanyahu's excoriation of the proposed agreement as a "bad deal," saying instead, "We are confident that what we are doing can actually protect Israel more effectively and provide greater security."

IAEA report bolsters diplomatic track:

In a positive sign that the diplomatic track was not being abandoned, the International Atomic Energy Agency (IAEA) said it had actually reached an an agreement on cooperation with Iran aimed at resolving the concerns over its nuclear program. The head of the IAEA, Yukiya Amano, explained that the agreement facilitated inspections by the United Nations' nuclear watchdog group to visit the aforementioned Arak heavy-water reactor as well as the Gachin uranium mine.

Then, according to the quarterly IAEA report released in November 2013, Iran seemingly stopped expanding its uranium enrichment capacity in recent months and added no major components to its potential plutonium-producing reactor at Arak. Stated differently, Iran apparently "paused" its nuclear program for about three months.

The moves appeared to be geared towards bolstering the diplomatic track. As noted by Thomas Erdbrink, the Tehran bureau chief for the New York Times, via Twitter: "For past three months Iran quietly essentially halted expansion and seriously slowed down production in nuclear program, unprecedented since '03."

Key findings of the report included the following: Minor work was done on Arak reactor and access to heavy water plant was granted for first time since 2011; production of enriched uranium was reduced; there were no new centrifuges in Fordo although there were four in Natanz.

Of course, despite these seemingly encouraging signs, there were also indications of Iranian intransigence. Indeed, the report made it clear that Iran was still forging ahead with some of its most controversial nuclear activity, such as the enrichment of uranium to fissile concentration of 20 percent -- the "problem" level on the precipice of weapons-grade material.

As such, Israeli Prime Minister Benjamin Netanyahu emphasized that he was "not impressed" by the so-called concessions by Iran. He said, "They've got enough facilities, enough centrifuges to develop and to complete the fissile material which is at the core of an atomic bomb."

Perhaps not surprisingly, there remained a call for Iran to take much more significant steps in assuaging the international community of its peaceful nuclear ambitions, including the suspension of uranium enrichment.

Accordingly, the report was reflective of the diplomatic landscape. From the point of view of Iran, it had made several concessions in the interest of finding a diplomatic solution; from the point of view of the West, the framework for agreement had to include the suspension of uranium enrichment.

Interim breakthrough deal forged on Iranian nuclear program:

A new round of talks in Geneva began at the end of November 2013. This time, hopes of an agreement were now more subdued due to the fact that the earlier negotiations had not ended as the diplomats had hoped. Moreover, foreign ministers from the P5+1 countries were not present as they had been in the previous round of negotiations. For the moment, at least, the talks would go forward at a "lower level" of diplomatic engagement, although the goal remained the same: to forge a comprehensive accord on Iran controversial nuclear program.

Presumably, progress was actually being made as United States Secretary of State John Kerry arrived in Geneva. The presence of the United States top diplomat hinted towards the possibility that negotiations were moving in a productive direction. According to Jen Psaki, the spokesperson for the United States Department of State, Kerry had traveled to Geneva to "help narrow the differences and move closer to an agreement." She also indicated that the immediate objective was to reach an agreement that would ensure a temporary freeze on Iran's nuclear program for a six-month period. That halt would effectively give negotiators more time to pursue a comprehensive accord on Iran's controversial nuclear program and to ensure that Iran was not allowed to build a nuclear weapon.

Late in the evening on Nov. 23, 2013, Iran and the six world powers (the United States, the United Kingdom, France, Germany, Russia, and China) announced that an interim breakthrough deal had been forged on Iranian nuclear program. The announcement was made with great enthusiasm by the foreign ministers of all of the countries involved in the negotiations process. The landmark agreement would temporarily freeze Iran's nuclear activities, even rolling back certain elements, in return for circumscribed sanctions relief. The six-month halt would lay the foundation for a future accord by building confidence between sides who have little history of cooperation, and offering time to carry about the difficult task of drafting that agreement.

Baroness Catherine Ashton, the European Union foreign policy chief, noted that the accord included "reciprocal measures by both sides." She explained that the terms of the agreement would be coordinated by the International Atomic Energy Agency (IAEA).

The central provisions of the deal were as follows:

- Iran would curtail its nuclear activities for an initial six-month period

- Iran's uranium enrichment activities would be limited to levels below five percent purity -- the level needed to make a nuclear bomb

- Iran would neutralize its stockpile of near-20 percent enriched uranium (via dilution to less than five percent or conversion to a form that cannot be further enriched)

- Iran would refrain from installing further centrifuges used to enrich uranium

- Iran would ensure that at least half of the centrifuges at the Natanz and Fordo enrichment facilities were inoperable

- Iran would halt work on the construction of its heavy-water reactor at Arak and refrain from

plutonium production there

- Iran would provide access to its nuclear facilities to international inspectors in order to verify that it was keeping its commitments

- In return for these moves, Iran would garner limited relief from sanctions and would not be subject to further sanctions for a period of six months

It should be noted that the sanctions relief included a suspension of restrictions on Iran's petrochemical exports and certain other sectors such as gold and precious metals, thus yielding \$1.5 billion in revenue. As well, \$4.2 billion from sales of Iranian oil would be allowed to be transferred in installments. Finally, there would be no new sanctions imposed on Iran for six months.

For his part, Iranian Foreign Minister Mohammad Javad Zarif said, "This is only a first step." He continued, "We need to start moving in the direction of restoring confidence, a direction in which we have managed to move against in the past." Zarif also said the agreement presented an opportunity for the "removal of any doubts about the exclusively peaceful nature of Iran's nuclear program." Zarif was adamant that Iran had not relinquished its right to enrich uranium, albeit within a framework for usage that met the requirements of the deal at hand. He said, "We believe that the current agreement, the current plan of action as we call it, in two distinct places has a very clear reference to the fact that Iranian enrichment program will continue and will be a part of any agreement, now and in the future."

That latter issue could present a bone of contention since the United States emphasized that the deal forged in Geneva, in fact, held no reference to an Iranian right to enrich uranium. That being said, the fact of the matter was that this agreement was the first significant development in years on the issue of Iran's controversial nuclear program, which has periodically raised the specter of military actions.

Accordingly, United Kingdom Foreign Secretary William Hague said the agreement was "good news for the whole world." As well, French Foreign Minister Laurent Fabius said, "After years of blockages, the agreement in Geneva on Iran's nuclear program is an important step to preserving security and peace." Meanwhile United States Secretary of State John Kerry argued that the agreement would "make our partners in the region safer." He added, "It will make our ally, Israel, safer."

Israeli prime minister Benjamin Netanyahu had a very different view of the matter and angrily denounced the deal saying, "This is a bad agreement that gives Iran what it wanted: the partial lifting of sanctions while maintaining an essential part of its nuclear program." Netanyahu also said that Israel did not feel bound by the agreement, thus suggesting that his country might carry out its own unilateral action against Iran if it felt that action would be in the best interests of Israel.

Regardless of these threats by Israel, United States President Barack Obama welcomed the agreement, and emphasized that the terms of the deal included "substantial limitations which will help prevent Iran from building a nuclear weapon." As well, President Obama noted that Iran would be held to account on keeping the commitments set forth in the deal. In a news conference, the United States president noted that if Iran violated the terms of the agreement, "We will turn off the relief and ratchet up the pressure."

Obama and the Iranian deal --

While the deal constituted only a first step in the diplomatic track, it was certainly a significant step on the path towards rapprochement between the Islamic state of Iran and the West at large. Indeed, the accord represented a sea change in Iran's relationship with the United States in particular, which was actively evolving from one marked by hostility to one of engagement. It was to be seen if that engagement would be ultimately deemed productive.

On the issue of engagement, it should be noted that the United States and Iran had been carrying out clandestine face-to-face meetings over the course of the year -- beginning prior to the election of President Rouhani. According to a report by the Associated Press, William Burns -- the United States Deputy Secretary of State -- and Jake Sullivan -- the senior foreign policy adviser to Vice President Joe Biden -- convened meetings with Iranian officials several times earlier in 2013, with some of their talks taking place in the country of Oman. These meetings, which were authorized by United States President Barack Obama, were kept hidden from United States allies, including Israel, until September 2013.

Of key importance was the realization that this agreement with Iran was not simply a sudden development resulting from marathon negotiating sessions only in the month of November 2013. Instead, the accord was the fruit of President Obama's vision of outreach to Iran, matched by time-consuming diplomacy, and marked by several key confidence-building steps aimed at dispelling the doubt, dissonance, suspicion, and even enmity that had, until this time, characterized United States-Iranian relations.

Indeed, the revelations about secret meetings with the Iranians gave weight to the view that Barack Obama had been serious when he advocated for direct negotiations with Iran back in 2008 during his campaign for the presidency of the United States. Barack Obama's outreach towards Iran was pilloried by hardline factions in the United States in 2008, although it was this policy of vigorous diplomacy that gained him support during the primary election process from a United States citizenry weary from wars already taking place at the time in Iraq an Afghanistan. Since becoming president, Barack Obama's "smart sanctions" approach to pressuring Iran was also subject to complaint and criticism from conservatives in the United States political sphere, who were calling for a military solution instead.

Ideological differences aside, there was no debating the fact that it was the Obama administration's imposition of "smart sanctions" that compelled Iran to come to the negotiating table in 2013. In fact, "smart sanctions" may have even driven the Iranian populace -- now tired of economic pressures such as inflation wrought by these punishing sanctions -- to select the most moderate of the presidential candidates in that country's 2013 election. Certainly, the election of Rouhani in Iran appeared to have acted as an imprimatur for diplomacy and engagement by the Iranian political establishment.

Indeed, it was abundantly clear that despite the disapproval and criticism from hardliners and conservatives in the United States and Iran respectively, the diplomatic track was -- for the moment -- yielding results. Of course, its ultimate success was yet to be determined. That success would be affected by the question of whether or not the United States Congress pushed forward new sanctions against Iran. While the Republican-led House of Representatives was likely to support such a move, the Democratic-led Senate was still considering the best course of action. All expectations were that the Senate would likely wait for the passage of the six month period specified in the interim nuclear deal before moving forward with fresh sanctions.

For his part, President Barack Obama shot back at his hawkish critics who opposed the recently brokered nuclear deal with Iran, emphasizing that their rhetoric was good for politics but did little to advance national security.

President Obama also emphasized the fact that he made no secret of his foreign policy agenda during his time as Candidate Obama, noting that he was keeping his campaign promises to end the wars in Iraq and Afghanistan, and to engage with Iran for the purpose of ensuring that country was not able to manufacture a nuclear bomb. During a visit to California at the end of November 2013, he said, "When I first ran for president I said it was time for a new era of American leadership in the world, one that turned the page on a decade of war and began a new era of our engagement with the world." He continued, "As president and as commander in chief, I've done what I said."

The United States president had a particularly direct response to his critics at home regarding the Iranian deal, as he declared, "Huge challenges remain, but we cannot close the door on diplomacy, and we cannot rule out peaceful solutions to the world's problems. We cannot commit ourselves to an endless cycle of conflict... Tough talk and bluster may be the easy thing to do politically, but it's not the right thing for our security."

The president also emphasized the human cost of that "endless cycle of conflict." Speaking of his visits to the Walter Reed National Military Medical Center where injured soldiers were treated for their war wounds, President Obama said, "I spend too much time at Walter Reed looking at kids -- 22, 23, 24, 25 years old -- who've paid the kind of price that very few of us in this room can imagine on behalf of our freedom, not to say that I'm going to do every single thing that I can to try to resolve these issues without resorting to military conflict."

His words appeared to have found resonance with the American citizenry. Although he was suffering from low approval ratings -- as was the case for all United States politicians from the two main parties -- President Obama's foreign policy approach to dealing with Iran was earning him high marks. According to a Reuters/Ipsos poll, Americans were backing the Obama administration's Iran deal by 2-to-1 margin. As well, the polling data showed a war-weary American citizenry -- indeed, one mistrustful of the Iranians yet highly skeptical of further military action, even if the diplomatic track with Iran failed to yield positive results. According to the poll, if the Iranian deal on the table were to fail, close to 50 percent of people preferred the notion of increased sanctions against Iran, 31 percent favored greater diplomacy, and a paltry 20 percent favored military force against Iran. Stated differently, despite strong Republican support for a hardline approach to Iran, there was actually no public appetite for it.

That being said, for President Obama, there was also the question of political legacy. He could potentially enter history as the president who crafted a landmark deal with Iran, paving the way for greater global security -- or -- he could be the president who allowed Iran to move further along the path to becoming a nuclear power in the world's most volatile region.

Date set for Iranian nuclear deal to go into force:

In January 2014, a date was set for the Iranian nuclear deal to go into force. On Jan. 20, 2014, Iran would begin the process of diluting its stockpile of uranium enriched to 20 percent, with all such uranium expected to be eliminated within a six-month period. As well, there would be provisions for monthly inspections at the Arak heavy water reactor, and daily access made available to nuclear inspectors to the Fordo uranium enrichment site near the holy city of Qom.

United States President Barack Obama applauded the news of a "go-forward" date but also acknowledged that further effort was needed to forge a long-term deal. He warned that fresh sanctions would be afoot if Iran violated the terms of the deal. In a statement, President Obama said "Beginning 20 January, Iran will for the first time start eliminating its stockpile of higher levels of enriched uranium and dismantling some of the infrastructure that makes such enrichment possible...Meanwhile, we will continue to vigorously enforce the broader sanctions regime, and if Iran fails to meet its commitments we will move to increase our sanctions." Of course, it should be noted that the very deal could be thwarted by the effort of the United States Congress, which was preparing to impose additional sanctions. For his part, President Obama made it clear that he would veto any legislation that advanced fresh new sanctions during the period when there were ongoing negotiations with the Iranians.

United States Secretary of State John Kerry echoed President Obama's sentiments, as he lauded the implementation of the nuclear agreement with Iran as a significant step, while also noting the difficulties in forging a longer-term deal. Secretary of State Kerry warned the next phase of negotiating a long-term nuclear agreement presented a "far greater challenge." He said, "The negotiations will be very difficult but they are the best chance that we have to be able to resolve this critical national security issue peacefully and durably."

Developments related to the interim nuclear deal in 2014:

On Jan. 20, 2014, the landmark nuclear deal went into effect with Iran starting the process of curbing uranium enrichment. To this end, the IAEA confirmed that Iran had ceased enriching uranium above five percent purity mark at both the Nantaz and Fordo facilities. Meanwhile, the Iranian media was reporting that the centrifuges used for enrichment at the Nataz plant were disconnected. As he announced this very process at Nataz, the head of Iran's Atomic Energy Organization, Ali Akbar Salehi, said "The sanctions iceberg against Iran is melting." In exchange, the United States and the European Union would respond with limited sanctions relief. Casting the commencement of the agreement in positive light, Catherine Ashcroft, the European Union's foreign policy head, said, "This is an important day in our pursuit of ensuring that Iran has an exclusively peaceful nuclear program." A day later on Jan. 21, 2014, the IAEA said that the first round of inspections went well and, as such, there was a need to double the size of the inspection team used to monitor nuclear activity.

Moving forward to February 2014, the attention was on the negotiations aimed at finding a permanent resolution to Iran's controversial nuclear program. For the West, that hypothetical agreement would delineate the parameters of an acceptable nuclear program for Iran and alleviate their suspicions about Iran's ambitions to build a nuclear bomb. For its part, Iran has consistently insisted that its nuclear program is for peaceful purposes only; however, Iran has had a poor record of cooperating with the IAEA, and its secretive activities at clandestine nuclear facilities have only added to the West's anxieties.

As the P5+1 countries met in February 2014, the Iranian foreign minister acknowledged that forging an agreement would be difficult, but he also expressed optimism that a permanent deal was possible. Iranian Foreign Minister Mohammad Javad Zarif said, "If all sides enter the talks with the political will, we will be able to reach positive results. But it will take time." The United States was more restrained about its stance, indicating that the negotiations had a 50 percent chance of success -- and failure.

Overall, the fact that Iran was actively involved in the diplomatic track represented a sea change, Indeed, Iran's relationship with the United States was actively evolving from one marked by hostility to one of engagement. It was to be seen if that engagement would be ultimately deemed productive.

The IAEA noted at the start of March 2014 that although much work remained, Iran was nonetheless meeting its obligations to reduce its nuclear stockpile as required by the prevailing

nuclear deal. Of particular note was the dilution of its stock of higher-enriched uranium to a lower fissile concentration that would be unsuitable for making an atomic bomb. Yukiya Amano, the head of the IAEA, said that Iran had made enough progress to warrant receipt of a March 1, 2014, installment of funds previously blocked by sanctions (the total in this case would be about \$450 million).

At the same time, the West continued to pressure Iran to address its suspicions over the design and manufacture of an atomic bomb -- activity Iran has insisted was not occurring. The United States warned that Iran would have to satisfy the West's doubts on this matter if they were to forge a final settlement over Tehran's nuclear program. As noted by the United States' ambassador to the IAEA, Joseph Macmanus, "It is a central element to this negotiation, and all parties recognize that." Iran has shown some willingness in this regard, having agreed to provide answers in regard to the development of fast-acting detonators with both military and civilian applications. The West, however, has cautioned that more effort must be expended by Iran.

Multilateral talks in March 2014 were marked by a willingness to negotiate, juxtaposed against tensions due to disagreements on the future of the Arak heavy water reactor that could potentially produce plutonium for the manufacture of atomic bombs. Another source of contention centered on the level of uranium enrichment to be conducted in Iran. There were no resolutions forged on these matters and the two sides simply agreed to meet again in April 2014.

Meanwhile, as the March 2014 talks were taking place, revelations emerged about Iran's continued purchase of prohibited components links with the country's nuclear program. According to Vann Van Diepen, the Principal Deputy Assistant Secretary of State for International Security and Non-Proliferation, said Iran was still forming front companies that were being used to conceal their nuclear procurement activities. In an interview with Reuters News, Van Diepen said, "They still continue very actively trying to procure items for their nuclear program and missile program and other programs." He added, "We continue to see them very actively setting up and operating through front companies, falsifying documentation, engaging in multiple levels of trans-shipment ... to put more apparent distance between where the item originally came from and where it is ultimately going." While the purchase of such components do not violate the recent breakthrough nuclear agreement (discussed directly above), they were nonetheless in contravention of the 2006 United Nations embargo that bans other countries from providing Iran with materials and supplies needed for a nuclear and missile development program. Iran had no comment in response to these allegations.

In April 2014, the world's nuclear watchdog group -- the International Atomic Energy Agency (IAEA) -- announced that Iran had "reduced its stockpile of higher enriched uranium by half, in keeping with a prevailing nuclear agreement aimed at easing the harsh sanctions regime against Iran. To be specific, Iran diluted half of its higher enriched uranium reserves to a fissile levels unsuitable for nuclear proliferation. As well, Iran has continued to convert the other half of its

stockpile of 20 percent enriched uranium into oxide for making reactor fuel.

On the other side of the equation, the IAEA made note of the fact that the commissioning of a facility intended to transpose lower enriched uranium into oxide powder had been delayed. Of concern here was the fact that without such a facility in effect, Iran would be stockpiling greater quantities of low enriched uranium. According to the IAEA, Iran has said that it still intends to convert the uranium, irrespective of the plans for the construction of this particular plant.

These developments overall showed that Iran was making good on its promise to abide by its commitments enshrined in the deal. In return, Iran was incrementally gaining access to some of its previously frozen overseas funds. Indeed, the United States Department of State soon announced that it was moving to release as much as \$450 million in blocked assets in response to the IAEA assessment. As well, there were reports that Japan has made two more payments totaling \$1 billion to Iran for crude oil imports.

At the start of July 2014, United States Deputy Secretary of State Bill Burns was expected to participate in multilateral negotiations in the Austrian capital of Vienna aimed at finalizing a long-term nuclear deal by July 20, 2014. Burns' participation indicated the possibility of bilateral negotiations between the United States and Iran on matters beyond the nuclear politics, quite possibly touching upon the security crisis rocking Iraq at the hands of Sunni extremist terrorists.

With an eye on facilitating a productive path, it was soon announced that United States Secretary of State John Kerry, along with the foreign ministers from the United Kingdom, France, Germany, Russia and China, would be joining the negotiating table. The presence of the six foreign ministers from the P5+1 nation states was not necessarily a sign that a long-term deal to resolve concerns over Iran's nuclear could be reached by the July 20, 2014, deadline. Instead, the conventional wisdom remained that an extension of the existing deal was likely necessary, but to even reach that point, the distance between negotiating positions had to be narrowed. The participation of the top diplomats from the P5+1 nation states was more than likely aimed at narrowing that gap.

By July 14, 2014, following the conclusion of this round of nuclear talks in Vienna, United States Secretary of State John Kerry made clear that if Iran wanted to secure a long-term agreement with the world powers and bring an end to damaging sanctions, it would have to reduce its capacity to make nuclear fuel. In an address to the media, Secretary of State Kerry said, "We have made it crystal clear that the 19,000 (nuclear centrifuges) that are currently part of their program is too many."

For its part, Iran was attempting to advance an alternative path with Iranian Foreign Minister Mohammad Javad Zarif suggesting that Iran might keep its enrichment program at existing levels for a few years (essentially an extended "pause"), while also holding onto the 19,000 centrifugs it had installed for an industrial-scale uranium enrichment program. However, the P5+1 countries

were not as interested in that type of concession as they were seeking to ensure that Iran simply did not pursue nuclear fuel needed for the manufacturing of a nuclear bomb. In fact, as noted by United States Secretary of State John Kerry, the very notion that Iran would be able to keep all of its existing centrifuges was simply "out of the question."

While it was not clear that there would be a meeting of the minds on the actual path forward, both sides seemed earnest in their efforts to advance the negotiations with Kerry saying, "It is clear we still have more work to do and our team will continue to work very hard to try to reach a comprehensive agreement that resolves the international community's concern." He added, "There are more issues to work through and more provisions to nail down to ensure that Iran's program can always remain exclusively peaceful." Zarif's comments echoed a similar tone as Kerry's as the Iranian foreign minister saying, "I see an inclination on the part of our negotiating partners that they believe more time may be useful and necessary."

As expected, on July 18, 2014, it was announced that the deadline for reaching a deal on Iran's nuclear program would be extended for four months until November 2014. The extension would provide all parties with more time to engage in nuclear negotiations, with the goal of achieving a final deal by Nov. 24, 2014. A joint statement issued by the European Union foreign policy chief, Catherine Ashton, and Iran's Foreign Minister Mohammad Javad Zarif, read as follows: "There are still significant gaps on some core issues which will require more time and effort."

During the four-month extension period, most sanctions against Iran would remain in place; however, Iran would be permitted to access an additional \$2.8 billion of its frozen assets. United States Secretary of State John Kerry said that in exchange for the access to these funds, Iran would continue to use its most problematic stores of uranium (those enriched to a level of 20 percent) for a research reactor that is used to make medical isotopes. Kerry also addressed the contentious issues requiring more negotiations as he said, "There are very real gaps on issues such as enrichment capacity at the Natanz enrichment facility. This issue is an absolutely critical component of any potential comprehensive agreement. We have much more work to do in this area, and in others as well."

NOTE: As of 2015, a negotiations extension remained in place with an eye on finally forging a deal or at least at ending the negotiations process aimed at a final agreement.

2015 Update on Nuclear Negotiations:

As of March 2015, despite a diplomatic contretemps between the United States and Israel over multilateral nuclear negotiations with Iran, the diplomatic process was ongoing.

That contretempts reached new heights on March 3, 2015, when Israeli Prime Minister Benjamin

Iran

Netanyahu went to Capitol Hill in the United States to give an address to Congress. In that speech, he warned that the nuclear deal being negotiated by global powers and Iran in Geneva, Switzerland, would actually herald a nuclearized Iran. To this end, he said, "This deal doesn't block Iran's path to the bomb, it paves Iran's path to the bomb." Disparaging the efforts being carried out by United States Secretary of State John Kerry and his counterparts from the United Kingdom, France, Germany, Russia and China, Netanyahu said: "We've been told that no deal is better than a bad deal. Well this is a bad deal, a very bad deal."

Not surprisingly, the Israeli leader had harsh words regarding Iran, reminding the chamber -- and the worlds -- that "Iran's regime is as radical as ever, the ideology is deeply rooted in militant Islam... it will always be an enemy of U.S." He also noted that the Iranian imprint was growing in the Middle East, as it meddled in the affairs of countries such as Iraq and Yemen, while backing Lebanon-based Hezbollah. To this end, Nentanyahu said that Iran was on a "march of conquest, subjugation and terror."

Netanyahu's speech, despite the boycott by as many as 60 Democrats, was well-received by the Republican-dominated Congress. Indeed, Republicans in Congress made a point to giving the Israeli leader a far warmer reception, with more boisterous applause than had been conveyed to President Barack Obama at the State of the Union less than two months earlier.

For its part, the White House blasted the Israeli prime minister's address as being filled by rhetoric and short of good ideas. As noted by President Obama himself after the Netanyahu visit to Capitol Hill, "On the core issue, which is how to prevent Iran from obtaining a nuclear weapon which would make it far more dangerous, the prime minister [Netanyahu] did not offer any viable alternatives."

Nevertheless, the fact of the matter was that Netanyahu's address was a political success that would likely help him with hardline voters at home, while currying favor with hardliners across party lines in the United States. Of course, it was more difficult to ascern whether the Netanyahu speech was necessarily in the best interests of the United States.

The reality was that without an agreement of some sort, Iran would likely move forward with the pursuit of its nuclear program, which could potentially involve bomb production. Indeed, it was only the interim nuclear deal (set to expire in mid-2015), which created the space for nuclear negotiations to take place, that had brought any halt to Iranian nuclear activities. Before the interim agreement was forged, despite the imposition of harsh sanctions, Iran would be free to resume unfettered nuclear activities.

Of note was the fact that President Obama and Prime Minister Netanyahu have viewed the Iranian nuclear problem differently. For President Obama, the imperative has always been the same: To

prevent Iran from producing a nuclear bomb. But for Prime Minister Netanyahu, the objective has been to prevent Iran from having nuclear capability. While the two respective goals overlap, they must be understood distinctly.

A good deal for President Obama would be one in which Iran's nuclear program is curtailed, regulated, and monitored to the extent that its breakout time for creating a bomb would be lengthy and difficult. No deal would likely be acceptable to Prime Minister Netanyahu, who was determined to see Iran's nuclear capability ended in totality, and all of its nuclearfacilities dismantled. Short of military action, it was difficult to see how Netanyahu's goals would be accomplished. But even military strikes would be risky since multiple sites -- from the uranium enrichment plants at Natanz and Fordo, to the heavy-water plutonium reactor at Arak, not to mention an array of laboratories and mines at stake.

Of significance was the fact that the very case by Israel (at least, as conveyed by Netanyahu) was being tarred by questions of credibility. At issue was the release of a cache of confidential intelligence documents that appeared to contradict Netanyahu's claims about Iran being imminently positioned to manufacture a nuclear bomb. Leaked cables -- reportedly from South African intelligence. but which were shared with certain news outlets -- indicated that in an address before the United Nations in 2012, the Israeli leader misrepresented Iran's progress on nuclear development, and even contradicted Israel's own Mossad secret service to make that claim.

Going back to 2012, Netanyahu famously stood before the United Nations General Assembly with a cartoon depiction of a bomb with a red line and declared that Iran would be positioned to build a nuclear weapons the following year. As such, he demanded global action to prevent Iran from achieving that end. Now, however, in 2015, the leaked documents, which were shared with Al-Jazeera and published by The Guardian newspaper, included conclusions from Israel's own Mossad intelligence agency that Iran was "not performing the activity necessary to produce weapons." The Mossad briefing did note that Iran appeared to be moving in a direction "which will reduce the time required to produce weapons." However, the Mossad briefing also asserted that Iran "does not appear to be ready" to enrich uranium to the higher levels necessary for nuclear weapons. (The manufacture of a nuclear bomb would require enrichment of 90 percent.)

It should be noted that in response to the revelations ensconced in these leaked documents, the Israeli government said there was little difference in Netanyahu's claims as compared with Mossad's findings. Both agreed that Iran was indeed seeking to manufacture a nuclear bomb.

Regardless of Iran's actual intent or the actual timeline at stake, the difficult diplomatic work of trying to forge an agreement that would prevent Iran from producing a nuclear weapon was ongoing.

It should be noted that in the aftermath of the Netanyahu speech, United States Secretary of State

John Kerry warned that simply demanding Iran's capitulation was unlikely to compel that country to voluntarily halt its nuclear development program. Kerry's remarks intimated criticism for the muscular language emitted by the Israeli leader, which were heavy on rhetoric but unlikely to achieve actual results. Instead, Secretary of State Kerry noted that the diplomatic path presented a serious path forward. He said, "No one has presented a more viable, lasting alternative for how you actually prevent Iran from getting a nuclear weapon. So folks, simply demanding that Iran capitulate is not a plan. And nor would any of our P5+1 partners support us in that position." At the same time, Secretary of State Kerry made clear that the while the hard work of diplomacy was yielding results, there remained "significant gaps and important choices that need to be made" by Iran.

In Iran, President Hassan Rouhani emphasized his country's position. Rouhani indicated that Iran was prepared to subject itself to greater scrutiny, in order to satisfy the international community's concerns about nuclear weapons production. But at the same time, he reiterated Iran's long-standing stance that it was entitled to nuclear development. Rouhani said, "If the basis of these negotiations is for increased transparency, we will accept greater transparency. But if the negotiations are trying to prevent the people of Iran from their inalienable right, in other words advancement in science and technology, it is very natural that Iran will not accept such an understanding or agreement."

Of course, concerns about Iranian nuclear development, and a potential nuclear deal, extended not only to Israel but also to the Sunni Arab world. Of note was the ever-increasing sectarian divide between Shi'ites and Sunnis in the Middle East since the invasion of Iraq in 2003, and the Arab Spring in 2011. With this schism only deepening, Sunni countries, such as Saudi Arabia, were increasingly concerned about an ascendant Shi'ite Iran. Indeed, Iran already had its imprint in the Syria-Lebanon area due to tacit support of Hezbollah, and had tightened its alliance with Iraq in the post-Saddam Hussein era, and was now believed to be clandestinely backing the Shi'ite Zaidi rebellion (known as the Houthi rebellion) in Yemen. The notion of a nuclearized Iran, already with its tentacles stretching across the region, was not regarded positively by several Arab countries. Accordingly, Secretary of State Kerry traveled to Saudi Arabia to calm the anxieties of several Sunni Arab countries, including Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and Saudi Arabia itself, regarding a potential Iranian nuclear deal.

Speaking to this issue, Secretary of State Kerry said, "For all the objections that any country has to Iranian activities in the region, and believe me, we have objections and others in the world have objections, the first step is to prevent Iran from acquiring a nuclear weapon." At stake was the goal of reaching the "right deal," which Kerry said would "close off any paths that Iran could have towards fissile material for a weapon."

To that end, the diplomatic track was continuing and the latest round of multilateral talks -involving the United States, the United Kingdom, France, Germany, Russia, and China -- appeared to be making progress, with all eyes on late March 2015 as a possible timeline for a deal, with the details ironed out and solidified by a mid-2015 deadline.

United States Secretary of State John Kerry indicated that the negotiations were productive, saying to the media: "We made progress." His Iranian counterpart, Foreign Minister Mohammad Javad Zarif, said they were forging "a better understanding" at the negotiating table.

The comprehensive pact appeared to be geared towards constraining Iran's nuclear breakout capability, and restricting Iran's nuclear activities for a 10-year period, with an easing of restrictions on nuclear development after that time. Under consideration was a plan to deal with most of Iran's enriched uranium externally, or to convert it to a form that would not be easily used in weapons development. Overall, there would be strict curbs on Iranian nuclear development for a decade, particularly with regard to the handling of enriched uranium and the number of centrifuges at stake. But there would also be "rewards" of sorts for Iranian compliance and cooperation in the form of gradually eased restrictions and the lifting of sanctions. The United Nations' nuclear watchdog agency, the International Atomic Energy Agency, would play a central role in any proposed deal, and would have the primary responsibility of monitoring Iran's compliance and cooperation.

In the second week of March 2015, in the wake of the controversial Netanyahu address to Congress, 47 Republican senators published an open letter to Iran. The signatories to that document sought to instruct the Iranian goverment about United States constitutional law, which they suggested the Iranians might not "fully understand." The letter, which was spearheaded by freshman Republican Senator Tom Cotton of Arkansas, made the claim that any nuclear deal that might emerge from the negotiations in Switzerland would be "nothing more than an executive agreement between President Obama and Ayatollah Khamenei," and thus require congressional approval while being subject to revocation by a future president. To this end, the letter included the following sentence: "The next president could revoke such an executive agreement at any time."

It was difficult to interpret the missive as anything other than a transparent attempt to undermine President Barack Obama's leadership in the realm of foreign policy. Indeed, editorials from more than 22 cities across the country excoriated the 47 Republican senators for their action, which they characterized as a reckless and partisan stunt. Some newspaper boards even argued that by dispatching that missive, te 47 Republican senators were marching the country down the road of war. Almost all the editorials vociferously criticized the 47 Republican senators for betraying the national interests of the United States, whose constitution, accords broad authority to the president to conduct foreign policy.

From the Senate, Minority Leader Harry Reid -- the top Democrat in the upper chamber -- minced no words as he declared: "Let's be clear: Republicans are undermining our commander in

chief while empowering the ayatollahs." Former Secretary of State Hillary Clinton, who was expected to seek the Democratic nomination for president in 2016, entered the fray, saying that the letter's signatories could only be motivated by one of the following two rationales. She said, "There appear to be two logical answers. Either these senators were trying to be helpful to the Iranians or harmful to the commander-in-chief in the midst of high-stakes international diplomacy. Either answer does discredit to the letter's signatories." White House spokesperson, Josh Earnest, said the letter was intended to undermine diplomacy and could spur a "rush to war, or at least the rush to the military option."

For his part, President Barack Obama responded to the infamous letter by accusing the 47 Republican senators of "interfering" in nuclear negotiations -- an arena typically reserved for the executive branch of government. He also sardonically noted that the 47 signatories constituted an "unusual coalition" with Iran's hard-line religious leaders, who have also opposed the nuclear negotiations. As noted by President Obama: "I think it's somewhat ironic to see some members of Congress wanting to make common cause with the hardliners in Iran. It's an unusual coalition." Vice President Joe Biden -- a former Senator himself and the official president of the upper chamber -- was more vituperative in his condemnation. Vice President Biden said that the letter from the 47 Republicans was "beneath the dignity of an institution I revere." He added, "In 36 years in the United States Senate, I cannot recall another instance in which Senators wrote directly to advise another country -- much less a longtime foreign adversary -- that the president does not have the constitutional authority to reach a meaningful understanding with them,"

Of significance was the reaction by the Iranian Foreign Minister, Dr. Javad Zarif, who dismissed the letter as a "propaganda ploy." Zarif said, "In our view, this letter has no legal value and is mostly a propaganda ploy. It is very interesting that while negotiations are still in progress and while no agreement has been reached, some political pressure groups are so afraid even of the prospect of an agreement that they resort to unconventional methods, unprecedented in diplomatic history. This indicates that like Netanyahu, who considers peace as an existential threat, some are opposed to any agreement, regardless of its content."

Educated in the United States himself, the Iranian foreign minister did not shy away from showing his own constitutional chops, intimating that the Republican Senators who signed onto the letter may not been fully conversant with the United States Constitution. To this end, Zarif said, "A change of administration does not in any way relieve the next administration from international obligations undertaken by its predecessor in a possible agreement about Iran's peaceful nuclear program." Zarif also noted that a move by a future president to dismantle a yet-to-be-achieved nuclear agreement would be in contravention to international jurisprudence, saying, "I wish to enlighten the authors that if the next administration revokes any agreement with the stroke of a pen, as they boast, it will have simply committed a blatant violation of international law."

To be sure, the letter from the 47 Republican senators emphasized the view that any deal would

have to be ratified by the upper house of the Congress. However, both Iranian Foreign Minister Zarif and United States Secretary of State John Kerry pointed out that the vast majority of international agreements forged in recent decades have been executive measures and not treaties requiring ratification by the Senate.

Moreover, any deal emerging from the nuclear talk would be neither a bilateral agreement nor a conventional treaty between nation state. Instead, it would be a multilateral accord, forged by the P5+1 countries, including all permanent members of the United Nations Security Council. The accord would likely activated as a Joint Comprehensive Plan of Action, then sealed under the aegis of the United Nations Security Council, and thus would in fact not be subject to modification by Congress. In this regard, it would be follow on the heels of United Nations Security Council Resolutions 1696, 1737, 1747, 1803, 1835, and 1929 that have also dealt with Iran's nuclear program. Neither a Republican-controlled Senate nor a future president would be positioned to unilaterally reverse the terms of a potential accord of this sort.

Congress, with its power of the purse, could certainly place certain limits on President Obama or any future president as regards sanctions to be levied upon Iran (or any other country). However, Congress cannot summarily override international obligations forged in a multilateral frame, and which would be structured as an international measure, without being in flagrant breach of international law.

Beyond the legal perils at stake, there were political perils to consider. The fact of the matter was that any post-Obama president would be placed in a precarious position within the world community for violating an agreement reached and understood as a matter of international consensus.

Meanwhile, there were rumblings in regards to violations of domestic law when some observers noted that the letter to Iran could be regarded as a violation of the 18th century Logan Act. To be precise, the Logan Act prohibits any "Private correspondence with foreign governments" and reads; "Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined under this title or imprisoned not more than three years, or both." In truth, it was unlikely that a law dating back to 1799 would be used to prosecute the 47 senators; however, its discussion has only added to the level of scandal and drama surrounding a potential landmark multilateral agreement on Iran's nuclear program.

Returning to the issue of the prevailing nuclear negotiations -- the fact of the matter was that nuclear talks continued in Switzerland in the third week of March 2015. The principal parties

Iran

acknowledged that progress was being made, particularly with regard to technical provisions. Ali Akbar Salehi, the head of Iran's Atomic Energy Organization, expressed delight over his productive meetings with United States Energy Secretary Earnest Moniz, saying, "We have made progress on technical issues. One or two issues remain and need to be discussed." For his part, Secretary of State Kerry said, "We're pushing some tough issues but we made progress."

However, other Western representatives had a different view. A State Department official told Reuters News, "We are pretty far away. There are a lot of issues that still need to be resolved. The Iranians must make substantial concessions." Moreover, as reported by Reuters News, an anonymous European negotiator said: "Contrary to what the Iranians are saying with regard to 90 percent of an accord being done, that's not correct. We are not close to an agreement."

Clearly, another round of talks was anticipated to resolve a slate of remaining issues. Of note was the West's insistence that Iran's nuclear activities be curtailed and its nuclear breakout time be circumscribed to one year. Stated differently, an arrangement had to be made whereby Iran would need a full year to garner enough fissile material (either high enriched uranium or plutonium before it could produce a nuclear weapon. On the agenda for discussion was a plan to limit the number of enrichment centrifuges Iran would be allowed to keep; other considerations included limits of the size of uranium stockpiles.

Note that on March 21, 2015, Iranian President Hassan Rouhani indicated that progress was being made in nuclear talks, setting the stage for a final deal. He was quoted by Iranian state media as saying. "There is nothing that cannot be resolved." Iran's Ayatollah Ali Khamenei, however, emitted a very different tone from that of Iran's more moderate president, Rouhani. In reference to President Obama's Persian Nowruz message to the Iranian people, in which the United State leader said a deal on Iran's nuclear program presented "an historic opportunity to resolve this issue peacefully," Ayatollah Khamenei said that his country should not submit to the demands of the global powers. Khamenei noted, "Basically, what he [Obama] says in his message is that you must accept the terms we dictate in the nuclear talks so that jobs, investment, and economic activities will blossom in your country... this view will never lead to any conclusions for us." In many senses, Obama and Rouhani were in similar positions -- both were pragmatic presidents, both were eager to improve bilateral relations between their countries, while meeting global security goals, yet both men were also politically at odds with the conservative and hardline elements in their own countries.

Days later, the landscape for negotiations could only be understood as uncertain. The various sides appeared to be deadlocked over certain sticking points. France was looking for more stringent restrictions on the Iranians -- a position by France that was at odds with the other P5+1 countries. Also at issue was the fact that France was not keen on the notion of a quick suspension to United Nations sanctions against Iran -- a demand being made by the Iranians. Meanwhile, the United States was advocating that restrictions on Iranian nuclear work should be in place for at least 10

years, while France was looking for a 15 year timeline, along with 10 years of rigorous IAEA monitoring. Other contentions centered on Iran's demand that it be allowed unfettered research and development of advanced centrifuges, which are used to enrich uranium for use in nuclear reactors, and ultimately are linked with weapons production.

Negotiations in mid-March 2015 abruptly ended when the Iranian delegation announced they were returning to Tehran because President Hassan Rouhani's 90-year-old mother had died. The break in negotiations was not being regarded as problematic; instead, all sides seemed to agree that talks would resume at the end of March 2015.

The fact of the matter was that significant issues remained unresolved with Iran and the P5+1 countries far apart in some regards. Still, the consequences of not reaching a deal would likely destablize the world; as such, the impetus for forging an agreement was strong and all expectations were that the March 2015 deadline would be extended again to give the negotiations process further time and space. For all the players, the March 30, 2015, deadline to reach a political framework agreement was not one to be held in stone. Instead, they were looking at the June 30, 2015, deadline for a final deal as being more pertinent.

Broken negotiations or breakthrough deal?

At the end of March 2015, the P5+1 multilateral talks with Iran were set to end, with all eyes on a framework for a long term agreement. But the negotiations were mired by various sticking points, prompting the parties to extend the negotiating process.

At issue were freshly emerging objections by Iran to the notion that it would ship its enriched uranium out of the country, where it would be unavailable for potential weaponization purposes. Since a potential Iranian nuclear deal has -- for years -- rested on this provision, Iran's insistence that its enriched uranium reside in Iranian possession could be an unresolvable obstacle in the negotiations process. Meanwhile, the other unresolved issues (discussed above) -- from the pace of lifting sanctions to strict monitoring restrictions --continued to pose challenges. One Iranian negotiator, Majid Takhteravanchi, signaled some intransigence as he said in an interview with the Iranian Fars news agency that the lifting of sanctions on Iranian terms was essential. He said, "There will be no agreement if the sanctions issue cannot be resolved. This issue is very important for us."

Still, the P5+1 parties agreed to continue the conversation. As noted by United States Secretary of State John Kerry, "There still remain some difficult issues. We are working very hard to work those through." Russian Foreign Minister Sergei Lavrov sounded an optimistic note, saying that the chance of resolving the issues was high. He said, "The chances are high. They are probably not 100 percent but you can never be 100 percent certain of anything. The odds are quite doable if none of the parties raise the stakes at the last minute." Of course, the Iranians' objections to the

removal of its enriched uranium could well be regarded as "raising the stakes at the last minute."

Lengthy and difficult talks continued at the Beau-Rivage Ralace hotel in the Swiss city of Lausanne. The March 31, 2015, "soft" or self-imposed deadline actually passed, with all parties set on extending the negotiations. All eyes were now focused on the first week of April 2015 as a new target date to forge consensus on the structure of a final accord.

On April 2, 2015, after marathon talks in Switzerland, the P5+1 countries and Iran issued a joint statement announcing that the hard work of negotiations and diplomacy had yielded results, and that a historic framework agreement on Iran's nuclear program had been reached. As stated by the European Union foreign policy chief, Federica Mogherini, "We have reached solutions on key parameters of a joint comprehensive plan of action."

The terms of the agreement would ensure that a longer time horizon -- of one year -- needed by Iran to enrich enough uranium for one nuclear weapon. This breakout period of one year would be held in place for a decade. Of note was the fact that Iran's existing breakout time was estimated to be only two months.

The agreement would reduce the number of installed centrifuges from around the 19,000 Iran currently has in its possession to 6,000; all the centrifuges would be the less efficient first-generation IR-1 enrichment models while newer-model centrifuges would be out of commission. Of those 6,000 centrifuges, about 5,000 would be allowed to enrich uranium for 10 years. The remaining centrifuges would be moved to storage and controlled by the United Nations' nuclear watchdog group, the International Atomic Energy Agency (IAEA).

The joint comprehensive plan of action would also ensure that Iran's actual stockpile of uranium would be reduced from 10,000 kilograms of low-enriched uranium to 300 kilograms along a 15-year time horizon. As well, Iran would cease construction on new uranium enrichment facilities for a 15-year period.

Also central to the joint comprehensive plan of action were provisions to curtail Iran's enrichment facilities to the Natanz nuclear site, and convert the nuclear facilities at Fordo and Arak for purely research purposes.

According to a fact sheet from the Government of the United States, Iran would gain sanctions relief only if it "verifiably abides by its commitments." That sanctions relief would apply to those nuclear-related measures introduced by the United States and the European Union and not include sanctions related to terrorism and human rights abuses. There would be a "snap back" measure so that the sanctions could be re-imposed if Iran was not compliant with the provisions of the deal.

Also at stake would be prevailing United Nations Security Council resolutions on Iran's nuclear

activities. A new resolution would be introduced that would hold in place certain key provisions relevant to "sensitive" nuclear activities, while also addressing the new measures outlined above.

A rigorous program of verification would remain in place to corroborate Iran's adherence to the terms of the agreement and to ensure that Iran meets its obligations. For example, Iran would have to provide the IAEA with unfettered access to its nuclear facilities, uranium mines, and centrifuge storage facilities, ensuring the IAEA inspectors could investigate any suspicious sites or covert activities.

In an interview with Radio Free Europe, Kelsey Davenport, the director for Nonproliferation Policy at the Arms Control Association, explained that the non-proliferation parameters of the agreement were "very strong." Davenport said, "This deal effectively blocks Iran's pathways to a weapon using both uranium and plutonium, and it puts in place stringent monitoring and verification to ensure that any deviation from the agreement or any covert program will be immediately detected."

Mark Fitzpatrick, the director of the Nonproliferation and Disarmament Program at the International Institute for Strategic Studies, came to a similar conclusion. In his interview with Radio Free Europe that the agreement would result in a rigid nuclear verification regime. Fitzpatrick explained that under the verification infrastructure, violations of the agreement at any point along the "supply chain" would be easy to discern. He said, "It would be detected very quickly if Iran were to use any of its declared facilities. If Iran were to try to hide something, that would also very likely be detected because this deal -- the parameters -- include a lot of verification measures that go beyond the normal IAEA monitoring."

The successful framework agreement reached on April 2, 2015, marked a massive breakthrough in the realm of international diplomacy for the purpose of global security.

The agreement presaged a long-term deal, which would have to be made by the final "hard" deadline on June 30, 2015. The prevailing question continued to dominate: Can a final accord on Iran's nuclear program be forged? The answer to that question remained the same at the time of writing: It was yet to be determined if the nuclear negotiations would actually end in a viable and enduring deal.

**Political Complications:** 

In the initial aftermath of the framework announcement, Iranian President Hassan Rouhani vowed that his country would abide by the terms of the agreement, saying in a national address, "The world must know that we do not intend to cheat." He warned of consequences if the partner states did not do their own part, saying, "If the other side acts on its promises, Iran will abide by its promises. If, however, they one day decide to follow a different path, our nation too will be always

free to make [another] choice."

On the other side of the Atlantic, United States President Barack Obama was set to embark on a political campaign of sorts, as he hoped to persuade skeptical members of Congress that the Iranian nuclear deal was the best way of ensuring Iran did not develop a nuclear weapon. But he was immediately stymied by Israeli Prime Minister Benjamin Netanyahu who concluded that the deal needed additional measures included, such as a "clear and unambiguous Iranian recognition of Israel's right to exist."

The Obama administration, though, noted that the purpose of the agreement was carefully circumscribed to deal with preventing Iran from gaining a nuclear weapon. President Obama himself entered the equation, insisting that the framework agreement would be good for global security, as it would "cut off every pathway that Iran could take to develop a nuclear weapon." He added, "We will be able to resolve one of the greatest threats to our security and to do so peacefully." It was to be seen if Obama would gain concurrence in the United States Congress, or, if hardliners would be able to cull together a veto-proof majority to force the president of the United States to seek Congressional approval of the deal.

An additional complication was emanating from Iran itself, as that country demanded immediate sanctions relief as part of the agreement. To be precise, Iran's supreme leader, Ayatollah Ali Khamenei, said that not only would all sanctions have to be lifted on the day any deal is signed, but that military sites would be not be open to international nuclear inspectors. Clearly, immediate sanctions relief was not part of the blueprint unveiled on April 2, 2015, while a rigorous program of verification stood as the bulwark of the very deal. As such, the Ayatollah's statements raised questions as to whether or not a viable agreement was actually on the table.

Another challenge was presented in the form of Russia's decision to lift a ban on missile deliveries to Iran while commencing an oil-for-goods exchange. These moves were being met with concern from the Obama White House in the United States. For Russia, though, it was evident that the plan was to immediately reap economic benefits from the cessation of sanctions against Iran. United States Secretary of State John Kerry was expected to bring up the subject for discussion with his Russian counterpart, Sergei Lavrov.

Secretary of State Kerry, meanwhile, had his hands full at home in the United States, as he lobbied members of Congress to hold off on any legislation that might curtail his abilities to forge a solid final nuclear deal by the June 30, 2015, deadline mentioned above. At issue was the fact that hardliners in Congress have been eager to enter the realm of foreign relations, and force any deal signed by the president to be subject to review by the legislative branch of government. While Congress' hand could not stop the president from signing onto the deal being negotiated, the president would still have to gain cooperation from Congress to modify the sanctions regime against Iran. President Obama has made clear that he would veto moves intended to blunt or

undermine the ability of his administration to negotiate a final deal with the Iranians.

The reality, however, was that President Obama could well be could be faced with a veto-proof super majority of bipartisan senators, who could conceivably impact his administration's negotiations. As such, Secretary of State Kerry, along with reasury Secretary Jack Lew and Energy Secretary Ernest Moniz, were eager to assure Republicans and Democrats of the substance of the agreement, and gain their cooperation in allowig him more time to finalize an acceptable nuclear deal with Iran. Ahead of these key meetings with legislators, Kerry said, "We hope Congress will listen carefully ... but also give us some space so we will be able to complete a very difficult task."

Note that on April 14, 2015, the Senate Foreign Relations Committee crafted a compromise bill that include a modest review period of 30 days for a final Iran nuclear deal. The bill would also specify that sanctions relief would be dependent on an end to Iran's support for terrorism, but it would do so in more malleable language. It seemed that the committee was hoping to avoid a showdown with the executive branch of government. President Obama made it known that he would support the compromise legislation in this new form. According to White House spokesperson Josh Earnest, the president was "not thrilled" with the bill; however, he concluded that the new proposal was a more acceptable measure. It was conceivable that the White House could change its stance if objectionable amendments were attached to the compromise bill. The bill passed by the committee and would be taken up by the full Senate.

Meanwhile, the negotiations process was ongoing, with a new round of talks between Iran and the P5+1 powers resuming in the last week of April 2015. United States Secretary of State John Kerry acknowledged that serious differences remained between Iran and the global powers, but added that they were nonetheless closer than ever to forging a sustainable agreement with Iran. Secretary of State Kerry said, "We are, in fact, closer than ever to the good, comprehensive deal that we have been seeking, and if we can get there, the entire world will be safer." He added, "If finalized and implemented, (an agreement) will close off all of Iran's possible pathways to the nuclear material required for a nuclear weapon and give the international community the confidence that it needs to know that Iran's nuclear program is indeed exclusively peaceful."

At the start of May 2015, those negotiations concluded, with emphasis on key sticking points -namely the re-imposition of United Nations sanctions, should Iran violate the agreement, and the potential purchase of nuclear technology' known as a "procurement channel." The sanctions issue was being regarded as a particularly challenging one, with concerns centering on crafting parameters that would allow for the automatic re-imposition of United Nations sanctions (referred to as"snapback" provision), thus by-passing the potential hazard of a veto by either China or Russia. Western negotiators have made it clear that without the implementation of a snapback mechanism, there would be no final Iranian nuclear deal. Meanwhile, the procurement channel issue was being taken seriously, given the United Kingdom's report to the United Nations on a spurious Iranian nuclear procurement network, which was linked with two blacklisted companies.

A fresh round of negotiations commenced in Austria in mid-May 2015.

Recent Nuclear Negotiations Developments

As May 2015 came to a close, the six P5-1 international powers were able to reach an agreement aimed at restoring United Nations sanctions if Iran was found to be in non-compliance a complex issue as intimated just above.

Under the agreement, suspected breaches by Iran would be addressed by a dispute-resolution panel. As well, with the International Atomic Energy Agency (IAEA) monitoring Iran's nuclear program, IAEA reports would be used to assess compliance. If Iran was found to be in violation of the terms of the deal, then United Nations sanctions would effectively be "snapped" back into place.

The "snapback" provision meant that a significant hurdle had been crossed in reaching a comprehensive nuclear deal with Iran. Still, Iran had to concur with this measure for the deal to go forward, and Iran was itself suggesting that it would immediately resume its nuclear activities if the six P5-1 international powers did not meet their own obligations under the terms of the deal.

Moving forward, there was more diplomatic work to be done regarding access to sensitive Iranian military sites in order to verify Iran's compliance with the new nuclear development parameters. Of particular concern was the matter of the inspection of non-nuclear sites and military installations in Iran, presumably to ensure no clandestine nuclear operations were taking place in violation of the terms of any future permanent agreement. Iran has been cold to the idea of inspections to such facilities while France has threatened to block any

final nuclear settlement without a provision for that type of intrusive inspections regime.

The start of June 2015 was marked by the resumption of negotiations between the six P5-1 international powers and the Iranian delegation in Austria. Of note was the absence of United States Secretary of State John Kerry as he recovered from a broken leg; however, the talks went on with United States negotiator Wendy Sherman representing the interests of her country.

The June 30, 2015, deadline loomed ahead for a final and sustainable agreement to be reached on Iran's nuclear program. The challenge of the task was aptly described by Iran's deputy Foreign Minister Abbas Araqchi, who was quoted as saying in an interview with Iranian media, "There has been progress but still we have a difficult way ahead of us."

By mid-June 2015, all reports from Vienna in Austria were that the nuclear talks between the delegations from Iran and the six P5-1 international powers had stalled and, as such, the deadline

for the final agreement might have to be pushed past June 30, 2015. Indeed, with only days to go until that deadline, it was announced that nuclear negotiations between Iran and the six P5-1 international powers would extend beyond June 30, 2015. There were reports that Iranian Foreign Minister Mohammed Javad Zarif was heading home to Tehran -- quite likely for discussions with the government in Iran regarding the difficult final status issues, such as access to IAEA nuclear monitors and the timing of sanctions relief.

At the start of July 2015, Iran and the six P5-1 international powers remained deadlocked and a breakthrough had not been made in the negotiations process. However, representatives from the various delegations noted that progress was being made, and that the "bones" of a final agreement were slowly taking shape. As indicated above, particular sticking points included the matter of sanctions relief and the inspections and monitoring of Iranian compliance. That latter issue took on greater relevance when Iran's Ayatollah Ali Khamenei declared that there would be no sustained freeze of sensitive nuclear development, and that military sites would not be open to inspectors. This absolutist stance by Iran's Supreme Leader could potentially upend the deal that so many diplomats had worked diligently to forge.

Still, the diplomatic work continued with all parties suggesting that a final agreement might be advanced by a new deadline of July 7, 2015. In an interview with the media, United States Secretary of State John Kerry indicated that a deal was possible in that timeframe as he said, "If hard choices get made in the next couple of days and made quickly, we could get agreement this week." But Kerry also acknowledged that negotiations had not yet yielded breakthrough results on the key technical issues, as he added that Iran and the six P5-1 international powers were "not where we need to be on several of the most difficult issues." If no progress was made with Iran on those matters, then the United States was ready to walk away -- regardless of the herculean effort to date in the negotiating arena. That deadline of June 7, 2015 was extended yet again and negotiations were set to continue with negotiators looking for a final deal. The new goal was to reach a nuclear agreement by mid-July 2015.

In the days leading up to the middle of July 2015, Iran accused the West of complicating the negotiations process by introducing new demands, while countries of the West warned that progress was now slow and difficult. There were also reports of loud arguments between Iranian Foreign Minister Zarif and United States Secretary of State Kerry. For his part, Secretary of State Kerry was signaling that he would be prepared to walk away from the negotiating table as he said, "We can't wait forever. If the tough decisions don't get made, we are absolutely prepared to call an end to this." On the other side of the equation, Iran responded bitterly with Iranian Envoy Ali Akbar Velayati referring to Kerry's statement as "part of America's psychological warfare against Iran."

But by July 12, 2015, tensions were calming and there were reports that the foundations of an agreement were emerging. To this end, Secretary of State Kerry suggested progress was being

made as he said, "I think we're getting to some real decisions." French Foreign Minister Laurent Fabius offered a similar mesage as he said: "I hope we are finally entering the final phase of these marathon negotiations. I believe it."

In the early hours of July 14, 2015, reported were emerging that a final deal was in the works. some elements of the final deal were being leaked in the public sphere. Those elements of the nuclear draft included provisions for the United Nations inspectors to have access to all suspicious Iranian nuclear sites, including military compounds. The agreement would also have to be adopted by the United Nations Security Council in the form of a resolution, and then the the work on limiting and regulating Iran's nuclear activities, as well as the measured related to sanctions relief, would be put into effect in 2016.

Final Iran Nuclear Deal Reached:

On July 14, 2015, Iran and the so-called P5+1 world powers officially reached a historic accord on Iran's controversial nuclear program. The accord was formally announced in the Austrian capital of Vienna where the final slate of difficult negotiations had taken place. As presaged in the previous sections of this report, the agreement would limit Iran's nuclear activity and development, essentially preventing the production of a nuclear bomb. The agreement was also aimed at extending Iran's nuclear weapons "breakout" time from its current timeline of a month to a year. The deal was not intended to address issues related to state-sponsorship of terrorism or human rights abuses. In exchange, the West would lift its international oil and financial sanctions imposed on Iran.

In a separate but related development, Iran and the the International Atomic Energy Agency (IAEA) -- the world's nuclear watchdog entity -- said they had signed a roadmap to resolve outstanding issues. Already, under the aegis of the 2013 interim temporary accord, the IAEA verified that Iran had eliminated its known stockpiles of 20 percent enriched uranium. This 20 percent grade uranium can be used (1) to produce medical isotopes and (2) to fuel research reactors, but (3) it can also be purified to weapons-grade levels. The IAEA has already verified that Iran met this demand dating back to 2013.

Central elements of the final deal were as follows -

- Iran would reduce its enriched-uranium stockpile by 98 percent
- Iran would retain a reduced number of uranium centrifuges (5060 in total) for a ten-year period
- Iran would be limited to refining uranium at only a five percent enrichment level for a fifteenyear period

(this level is consistent for usage at a nuclear power plant and is well short of weaponization levels)

- Iran will allow IAEA monitors to inspect facilities under review for suspicious activity for up to

#### 25 years

(Iran does not have to submit to inspections but if it refuses it will be subject to an arbitration panel and possible judgement that it is in violation)

- Iran would be granted gradual/phased in sanctions relief, essentially allowing Iran to finally export its oil

- Iran would be granted access to more than \$100 billion in frozen assets pending the implementation of nuclear curbs

- The prevailing United Nations arms embargo on Iran would remain in place for five years

- The prevailing ballistic missiles embargo on Iran would remain in place for eight years

\_ Iran would be prohibited from designing warheads or conducting experiments on nuclear weapons-related technology

The complete implementation of the provisions of the deal would be contingent on Iran's commitment to meeting its obligations to curtail its nuclear program and satisfy the world's concerns over the possible military dimensions of its nuclear development activity. To this end, a breach of the terms of the accord by Iran would generate a "snapback" provision, essentially snapping highly punitive sanctions back into place.

United States President Barack Obama touted the agreement as a good one, noting the following: "This deal meets every single one of the bottom lines that we established when we achieved a framework this spring. Every pathway to a nuclear weapon is cut off, and the inspection and transparency regime necessary to verify that objective will be put in place." President Obama also noted that the deal would make the world "safer and more secure." He additionally addressed his critics saying that the terms of thee agreement provided for a rigorous verification regime. He added, "This deal is not built on trust -- it is built on verification." Furthermore, the president emphasized that there would be immediate consequences if Iran was found to be in violation of the terms of the agreement, as he said, "If Iran violates the deal, all these sanctions will snap back into place."

For his part, Iranian President Hassan Rouhani hailed the accord, saying that the prayers of Iranians had "come true." Rouhani -- who was being celebrated in the streets of Tehran as a hero - said the deal opened a "new chapter" in Iran's relationship with the rest of the international community. But the Iranian leader was also realistic in his assessment of the agreement, noting that it was "not perfect," but that it was the "best achievement possible that could be reached."

United Nations Secretary-General Ban Ki-moon championed the pact finalized in Vienna, casting it to be "historic," and paid tribute to the onerous and difficult work of diplomacy, which he said was a "testament to the value of dialogue." The United Nations chief conveyed his hopes that the deal would contribute to "a greater mutual understanding and cooperation on the many serious security challenges in the Middle East."

A similar view came from Federica Mogherini, the European Union foreign policy chief, as she expressed satisfaction with the final accord. She said, "This is a sign of hope for the entire world. And we all know this is very much needed in these times."

Even with the formal announcement of this historic nuclear agreement, the process was not over. There would have to be a vote at the United Nations Security Council. As well, the deal would still have to find concurrence in the capital cities of Tehran, Washington D.C., London, Paris, Berlin, Moscow, and Beijing where it would face the challenges of hardline domestic politics.

Hinting towards the Republicans' opposition would have to any agreement forged by the Obama administration in the United States, Senate Majority Leader Mitch McConnell said in an interview with Fox News, "I think it's going to be a very hard sell, if it's completed, in Congress. We already know it's going to leave Iran as a threshold nuclear state." Upon hearing the announcement of the landmark deal, and before actually reading the details of the agreement, Republican Speaker of the House of Representatives, John Boehner, denounced the deal, declaring that it would only "embolden" Iran. He said, "Instead of stopping the spread of nuclear weapons in the Middle East, this deal is likely to fuel a nuclear arms race around the world." But perhaps the most vituperative feedback came from Senator Tom Cotton of Arkansas who pugnaciously suggested military consequences for Iran as follows: "Iran is an anti-American, terrorism-sponsoring outlaw regime. Iran should have faced a simple choice: they dismantle their nuclear program entirely, or they face economic devastation and military destruction of their nuclear facilities."

Clearly, Republicans in the United States Congress, helped by certain factions of Democrats, would do their part to resist, curtail, and even halt the United States' participation in the agreement. To this end, under a special arrangement made with the president, they would have 60 days to consider the Iranian agreement in Congress and either sanction or reject it.

Note: Because the Iranian nuclear deal was not a formal treaty between the United States and Iran, there was actually no need for a ratification vote by two-thirds of the Senate. However, in the interests of some degree of national consensus on so sensitive a subject as Iran's nuclear ambitions, the United States Congress and President Obama agreed to an arrangement by which legislators would be allowed to either approve or reject the agreement by a simple majority. Since Republicans controlled both Houses of Congress, it was highly likely they would be successful in their efforts to defeat the accord. However, President Obama would himself have the opportunity to veto any legislation passed in Congress that aimed to kill the deal. Warning Republicans and their Democratic allies of this course of action, President Obama said, "So I will veto any legislation that prevents the successful implementation of this deal. We do not have to accept an inevitable spiral into conflict. And we certainly shouldn't seek it. And precisely because the stakes are so high this is not the time for politics or posturing. Tough talk from Washington does not solve problems."

In Iran, despite the positive reception by pro-Rouhani and other moderate elements, the agreement was guaranteed to spark the antagonism of hardliners and conservatives. As expected, Iranian hardliners and conservatives immediately launched their opposition campaign to the nuclear deal, with even Supreme Leader Ayatollah Ali Khamenei warning that some of the world powers that signed on to the agreement were "untrustworthy." In this way, there was no guarantee that Iran's Supreme Leader Khamenei would "bless" the deal.

In the United States, there was a parallel process of opposition and acrimony unfolding as hardliners and conservatives warned that Iran would find ways to cheat and violate the terms of the agreement. Of particular concern to United States lawmakers was the provision allowing Iran 24 days before allowing nuclear inspectors into suspect Iranian military sites, with many of them complaining that the length of time would allow Iran to cover its tracks were it to carry out clandestine nuclear activities at these sites. However, nuclear experts have noted that current technology would be able to detect traces of sustances used for nuclear development activities, making it impossible for Iran to actually hide any "bad behavior." As noted by the head of the International Atomic Energy Agency, Yukiya Amano: "We are confident we can detect any diversion or misuse of nuclear material in a timely manner."

There were also objections to the lifting of sanctions and access to frozen assets, which could be used to fund rogue actors across the world. However, even if the United States held in place its own unilateral sanctions against Iran, the other world powers were eager to end the sanctions regime against Iran. Thus, the United States would be left isolated in its effort to keep the sanctions pressure on Iran.

In Israel, which has been adamantly against an agreement with Israel, the response was rapid and bitter. Israeli Prime Minister Benjamin Netanyahu cast the deal as a "stunning historic mistake." He also noted that sanctions relief would provide Iran with "hundreds of billions of dollars with which it can fuel its terror machine and its expansion and aggression throughout the Middle East and across the globe." Netanyahu also made clear that Israel had no intention of abiding with the agreement -- regardless of its eventual enshrinement as a United Nations Security Council Resolution -- as he warned, ""We will always defend ourselves."

But the objective arbiters of the agreement expressed cautious optimism over the successful negotiations process. Yukiya Amano, the head of the International Atomic Energy Agency (IAEA) -- the world's nucear watchdog entity -- said that the landmark nuclear agreement constituted a "significant step forward," and noted that now the IAEA would be better positioned to "make an assessment of issues relating to possible military dimensions to Iran's nuclear program by the end of 2015."

As well, the conservative publication, The Economist, made the following conclusion: "The concern of critics of Barack Obama, both in Washington and beyond, was that the president's

perceived desperation to burnish his legacy with an historic deal would result in dangerous

compromises surrendered at the last minute to the wily Iranians. However, that was never likely (Iran's need for a deal has always been much greater than America's) and it is not borne out by the details of what has appears to have been agreed... But judged by more pragmatic standards, the deal, while not perfect, appears much better than any of the plausible alternatives."

Ellie Geranmayeh, a policy fellow at the European Council of Foreign Relations, gave the agreement fulsome praise, declaring, "This is probably going to go down in history as one of the biggest diplomatic successes of the century."

It should be noted that nuclear nonproliferation experts have largely endorsed this agreement. As reported by Max Fisher at Vox.com regarding an interview with Aaron Stein, a nuclear nonproliferation expert at the Royal United Services Institute, the Iranian nuclear deal "exceeds in all areas." Under this agreement, according to Stein, if Iran were to attempt to build a bomb, "the likelihood of getting caught is near 100 percent." He added, "It makes the possibility of Iran developing a nuclear weapon in the next 25 years extremely remote." Stein explained his assessment further as follows: "I think the U.S. hand is actually strengthened in this, to be honest with you. A full accounting of where everything is [gleaned from invasive inspections and monitoring] is a wonderful targeting mechanism for the Pentagon. If we know where all of their stuff is, you can make far more accurate, detailed maps about where to put a cruise missile. Iran knows what it's doing going into this. They know the consequences if they screw up here, and the provisions are very tight, the inspection regime is very robust. The likelihood of getting caught is near 100 percent. The consequences are far more than just having your sites bombed. It's that they will have reneged on the agreement that basically the whole world supports, except for the Republicans and the Israelis and the Saudis."

United Nations Security Council lifts sanctions on Iran:

Going forward, the United Nations Security Council would have to adopt a resolution that would lift international sanctions related to Iran's nuclear program. Of course, as has been discussed here, the sanctions would be subject to the so-called "snapback" provision and could be reimposed if Iran was deemed to be in violation of the new accord. A vote at the United Nations Security Council ws expected to occur early as the third week in July 2015. To that end, United States Ambassador to the United Nations, Samantha Power, said she would submit the draft resolution on behalf of the P5+1 world powers and the European Union, which would then be taken up for a vote. That vote on a resolution endorsing the agreement was set to take place during the following week. Since the veto-wielding permanent members of the United Nations Security Council were all parties to the negotiations, there was no doubt that the resolution would be adopted. Indeed, on July 20, 2015, the United Nations Security Council unanimously approved a resolution endorsing the Iranian nuclear deal, thus clearing the path for sanctions imposed since 2006 to be lifted. The United Nations Security Council also enshrined its nuclear watchdog agency, the International Atomic Energy Agency, with the authority to "undertake the necessary verification and monitoring of Iran's nuclear commitments."

Other measures would have to be undertaken by various governments. Primarily, Iran's parliament would have to review and ratify the agreement, which was reported to have been "blessed" by Supreme Leader Ayatollah Ali Khamenei. At the start of September 2015, Khamenei returned to the political purview in Iran to say that he favored a parliamentary vote on its nuclear deal. To this end, Khamenei said, "Parliament should not be sidelined on the nuclear deal issue ... I am not saying lawmakers should ratify or reject the deal. It is up to them to decide." While Khamenei has neither opposed nor endorsed the agreement, his praise of the diplomatic process has been interpreted by some observers as a tacit blessing of sorts. It was to be seen if an actual vote would ensue in the Iranian Majlis, however, President Rouhani's government had not yet even advanced legislation for members of parliament to consider.

A similar process would have to ensue in the United States where the Republican-led Congress would have 60 days to review and ratify the agreement, but where it was more likely to be rejected. The fight in the United States would be to secure enough votes to maintain a presidential veto.

Note on Political Landscape in the United States --

As discussed above, if the United States Congress was able to disapprove of the Iranian nuclear deal, President Obama would enact his veto authority. The main question would be whether or not there was enough support in Congress to override a presidential veto. (In the Senate and the House of Representatives, there would have to be a 2/3 super-majority in each of the two chambers to vitiate a presidential veto.) Of note was the fact that even a vote to "disapprove" of the nuclear deal by the United States Congress would do little to actually upend the agreement since a United Nations Security Council resolution had already approved it in the realm of international jurisprudence.

Assuming the United States president's veto would be enough to halt Republicans' objections to the deal, there would be few options left for hardline conservatives determined to kill any agreement with Iran. One of the remaining courses of action for Republicans would be for them to capture the White House in 2016. Then, with a new administration at the helm in 2017, the new president could conceivably begin the process of scapping the accord and re-imposing sanctions against Iran. But that would be a unilateral pathway unlikely to gain support from the other P5+1 countries, whose diplomats also worked hard to forge this pact, and who were not eager to see military engagement with Iran. Moreover, by 2017, most of the pressing sanctions would have been

removed anyway, and the re-imposition of them promised to be a herculean task. As noted by the chairman of the Senate Foreign Relations Committee, Republican Senator Bob Corker, "The next president can start from scratch. What would have happened, though, is the international sanctions process would have been totally dismantled."

In the six weeks following the decision by the United Nations Security Council to lift its sanctions against Iran, groups hostile to the Iranian nuclear agreement launched an aggressive and expensive advertising campaign intent on securing enough support to kill the deal. As well, Israeli Prime Minister of Israel Benjamin Netanyahu repeated his dire warnings of geopolitical calamity sure to visit the Middle East were the deal to go forward. But even as these forces placed their own pressure on lawmakers in the United States, the Obama administration was busy are work trying to rally support for the deal in Congress. The main argument from the White House was that the agreement accomplished its objective of preventing Iran from obtaining a nuclear weapon. As stated by President Obama himself, the agreement eliminates "every pathway to a nuclear weapon" for Iran.

With most of the Democratic representatives in the lower chamber in relatively safe seats, and since many of them already shared the president's internationalist foreign policy, there was a sense of confidence that House Minority Leader Nancy Pelosi would be able to bring together enough Democratic votes to deny the House Republicans the 2/3 majority needed to uphold a disapproval measure. The real action was in the Senate where some Democrats, such as Senator Charles Schumer of New York, and Senator Robert Menendez of New Jersey, had already signalled their skepticism regarding the Iranian nuclear deal, and as exepected, ultimately opted to vote to disapprove of the accord. Since a total of 34 votes would be needed to deny the Republican-led Senate their 2/3 majority, the job of gaining support for President Obama's Iran agenda would be difficult, and the final tally was expected to be tight.

But on Sept. 2, 2015, President Obama secured the support of 34 Democratic senators regarding the Iranian deal, effectively foreclosing any sgnificant action from the Republicans to stymie the United States' full participation in the landmark Iranian nuclear curtailment deal. Most of the senators expressed similar sentiment, noting that no deal was perfect, that the Iranians were not be trusted, but that the Joint Comprehensive Plan of Action (the legislative title for the Iranian nuclear deal as it is discussed and debated in the Congress) was the best available option to prevent Iran from obtaining a nuclear bomb. As noted by United States Secretary of State John Kerry, who did the strenuous work of vigorous diplomacy to make the deal a reality, "The benefits of this agreement far outweigh any potential drawbacks."

The disapproval resolution related to the Joint Comprehensive Plan of Action would be on the legislative agenda for debate when members of Congress returned to the Capitol in Washington D.C. after the August recess on Sept. 8, 2015. A vote was expected later in the month when the resolution would be presumably be passed, and then be subject to a presidential veto.

On the United States political landscape, there remained a small possibility in the Senate that the disapproval resolution would not even be voted on if Democrats in the upper chamber were able to hold together 41 votes to sustain a filibuster, thus preventing a vote of cloture cutting off debate. In such a case, the bill would not be able to be brought to the floor for a full vote and President Obama would not have to use his veto power. While all expectations were that there would, in fact, be a full vote where the bill would be approved, the landscape changed on Sept. 8, 2015, when the Democratic tally was complete. On that day, it was clear that 42 senators had opted to support the deal -- more than the 34 needed to sustain a veto but also more than the 41 needed to filibuster the bill from even going to a vote on the floor of the Senate. Still to be determined was the matter of whether or not at least 41 senators would be willing to go down the filibuster path.

That question was answered on Sept. 10, 2015, when Democrats in the Senate delivered a major victory to President Obama by successfully holding together 42 votes to filibuster the disapproval resolution, thus denying a vote on the legislation. All 42 Democratic senators who had expressed support for the nuclear agreement stood in solidarity on the procedural vote after several hours of debate, effectively preventing the bill from even going to a vote, and thus insulating the president from having to exercise his veto authority.

Meanwhile, in the House of Representatives, the Republican leadership was trying to alter its political calculus related to the disapproval resoluton by dividing it up into three separate bills, in the hopes that it would delay -- if not outright stop -- the nuclear deal from going into effect. Now, one measure centered on the claim that President Obama did not comply with the Iran nuclear review act; a second measure was a motion of approval of the nuclear deal; the third measure sought to prevent President Obama from waiving sanctions against Iran. All three pieces of legislation were cleared for debate, where they were expected to pass due to the fact that Republicans controlled the lower chamber. However, the fate of the Iranian nuclear deal was no longer in doubt given the outcome in the Senate.

The political victory for President Obama at home in the United States ensured that the nuclear deal would go into force -- irrespective of the objections from Republicans and a handful of Democrats in Congress, and certainly despite the disapprobation of Israel. Democratic Senator Schumer of New York, who was part of the four-vote Democratic contingent parting ways with the president conceded that the Obama administration had secured a political victory as he declared: "Regardless of how one feels about the agreement, fair-minded Americans should acknowledge the president's strong achievements in combating and containing Iran."

International Dimensions:

The Iranian nuclear deal certainly had support in Europe where the leaders of the United States' allied countries -- the United Kingdom, France, and Germany -- expressed support for it. In fact,

United Kingdom Prime Minister David Cameron, French President François Hollande, and German Chancellor Angela Merkel wrote a joint opinion editorial titled "Why we support the Iran deal," which was published in the Washington Post on Sept. 10, 2015.

In that piece, the three Western world leaders acknowledged the difficulty of the negotiations process, noting, "The long history of fruitless nuclear talks with Iran did not give strong grounds for optimism." But they also noted that their efforts ended in success, as they declared, "Nevertheless, two years of tough, detailed negotiation have produced an agreement that closes off all possible routes to an Iranian nuclear weapon in return for phased relief from nuclear-related sanctions."

Cameron, Hollande, and Merkel repeated what United States Secretary of State John Kerry has long argued -- that the agreement was not based on blind trust. To this end, they wrote: "This is not an agreement based on trust or on any assumption about how Iran may look in 10 or 15 years. It is based on detailed, tightly written controls that are verifiable and long-lasting. Iran will have strong incentives not to cheat: The near certainty of getting caught and the consequences that would follow would make this a losing option."

As such, Cameron, Hollande, and Merkel reached the following conclusion: "We fully support this agreement because it achieves the goals we had set ourselves. It deals with the uranium enrichment route to a bomb by requiring Iran to reduce by 98 percent its stockpile of enriched uranium; to lower by two-thirds the number of its centrifuges; to limit uranium enrichment levels; and to stop using the deep Fordow site for enrichment. It closes the plutonium route through changes to the Arak reactor so that it does not produce weapons-grade plutonium. And it ensures the IAEA enhanced access not only to Iran's nuclear facilities and the entire nuclear fuel cycle but also, where needed, to any undeclared site."

## Political legacies:

Meanwhile, regardless of the political machinations as well as the political posturing, this landmark accord was being celebrated as a historic development in the realm of international diplomacy and global security. For good of for ill, the re-integration of Iran into the global community would inevitably shift the geopolitical dynamics in the Middle East. Moreover, both President Rouhani in Iran and President Obama in the United States had made history with this landmark nuclear accord by moving their two countries from a state of decades-old enmity, charting the path of diplomacy, and traversing along the difficult road of re-engagement. These efforts would surely define their respective political legacies. Whether or not this nuclear agreement would stand the test of time and survive hardline domestic politics at home in Iran and the United States was to be determined, but Rouhani and Obama could take heart in the fact that they had respectively honored their election promises to pursue a peaceful resolution to the Iranian nuclear issue.

## **Special Entry**

Saudi Arabia breaks off ties with Iran after executing prominent Shi'a cleric

Ties between Shi'a Iran and Sunni Saudi Arabia reached a new low at the start of 2016 due to Saudi Arabia's execution of a prominent Shi'a cleric. Sheikh Nimr al-Nimr was one of 47 individuals executed by Saudi Arabia for terrorism offenses. Iranian authorities were vociferous in noting that far from being a terrorist, Sheikh Nimr was simply a peaceful martyr expressive in his opposition to Saudi Arabia's ruling regime. Indeed, Sheikh Nimr could not be properly understood as a supporter of Iran's hardline leadership since he had actually sought to distance himself from expressly pro-Iranian and anti-American stances. In many respects, he a political independent of sorts.

To this end, Iran's Ayatollah Ali Khamenei made clear that Sheikh Nimr al-Nimr had been executed precisely for his political views as he declared via the social media outlet, Twitter, "This oppressed scholar had neither invited people to armed movement, nor was involved in covert plots." The Iranian leader added, "The only act of #SheikhNimr was outspoken criticism." For these reasons, Ayatollah Ali Khamenei vowed that retribution in the form of "divine revenge" would be upon Saudi Arabia, noting via Twitter that the "unfairly spilled blood of oppressed martyr #SheikhNimr will affect rapidly & divine revenge will seize Saudi politicians."

Anger in Iran did not stem only from the highest echelon of power. Indeed, protesters stormed the Saudi embassy in Tehran on Jan. 2, 2016, setting the building ablaze before being repelled by security personnel. A day later on Jan. 3, 2015, hundreds of angry protesters had gathered outside the diplomatic compound. Protests were also erupting outside of Iran. Of note was a burst of demonstrations in Saudi Arabia's Eastern Province, which was home to a marginalized population of Shia Muslims, as well as the eruption of protests across the world from Indian-administered Kashmir to Iraq and Bahrain. In fact, Iraq's top Shi'a cleric, Ayatollah Ali al-Sistani condemned the execution of Sheikh Nimr, casting it as an act of "unjust aggression." Moreover, in the days following the execution of the cleric, protests and unrest broke out if Sheikh Nimr's own home district of Qatif in the oil-producing Eastern Province of Saudi Arabia, where angry supporters railed about the injustice of his fate.

While Iranian commentators in the media have condemned the execution of Sheikh Nimr and predicted that it could cause the collapse of the Saudi regime, the actual Saudi regime at home has dismissed any criticism of its actions. In fact, the Saudi government has insisted that it had the right to enforce the law, which included exacting punishment, while also registering its anger over Iran's "blatant interference" in its internal affairs.

In truth, the move by Saudi Arabia, coupled with Iran's angry reaction was most likely to fuel the

existing sectarian hostility between the two countries, as they attempt to gain political ascendancy in the region. During the course of the previous year, sectarian hostilities between Shi'a Iran and Sunni Saudi Arabia were playing out on proxy terrain in Yemen, with Iran supporting the Shi'ite Zaidi Houthi movement, and with Saudi Arabia supporting the Hadi government forces -- both of which were on a collision course. The two countries also have not seen eye to eye on the Syrian civil war. The execution of a Shi'a cleric by Saudi Arabia, though, would bring the antagonism between Iran and Saudi Arabia into more direct light, with possible deleterious consequences to come across the region. Hassan Nasrallah, the leader of the extremist Shi'a Hezbollah movement, referred to this very possibility as he accused the Saudi ruling regime of seeking to ignite a war between Sunni and Shia Muslims across the globe.

Given this dire possibility, there were questions as to why Saudi Arabia would even bother to go forward with the executions and thus accentuate Shi'a-Sunni sectarian antagonism. The answer was, very likely, a matter of political expediency on the domestic scene. While Saudi Arabia was home to a Sunni majority and Shi'a minority population, it is largely reliant on the Sunni Wahhabist population for support. As a result, taking a harsh stand against the Shi'ite population has been part of a clear strategy to manipulate the sectarian division in Saudi kingdom and shore up conservative Sunni support for the benefit of the House of Saud.

Perhaps with this goal in mind, Saudi Arabia was interested in leveraging sectarian divisions regionally as well. To this end, signs of devolving relations came with the decision by Saudi Arabia to cut diplomatic ties with Iran on Jan. 3, 2016. The decision came in the aftermath of the storming of the Saudi embassy in Tehran. Saudi Foreign Minister Adel al-Jubeir said that all his country's diplomats would be recalled from Iran while Iranian diplomats would be given 48 hours to depart Saudi Arabia. As well, Foreign Minister Jubeir said trade links with Iran would be severed and air traffic links halted, however, Iranian pilgrims seeking to travel to holy sites in Mecca and Medina would be permitted into Saudi Arabia. Foreign Minister Jubeir said Saudi Arabia would not allow would Iran to undermine its right to security, and accused Iran of "planting terrorist cells in the region." He added, "Iran's history is full of negative interference and hostility in Arab issues, and it is always accompanied by destruction."

For its part, Iran reacted by accusing Saudi Arabia of "continuing the policy of increasing tension and clashes in the region." A spokesperson for the Iranian Foreign Ministry, Hossein Jaber Ansari, said: "Saudi Arabia sees not only its interests but also its existence in pursuing crises and confrontations and attempts to resolve its internal problems by exporting them to the outside."

It should be noted that Bahrain, Djibouti, and Sudan joined Saudi Arabia in severing ties with Iran, while United Arab Emirates downgraded its ties and diplomatic staff. Kuwait, Qatar, and Comoros also joined this group of Arab countries as it recalled its ambassador from Iran.

In view of the strident rhetoric adopted by the respective governments of Iran and Saudi Arabia,

Iran

governments in the Europe and the United States were urging restraint and diplomacy to resolve the broadening imbroglio. Meanwhile, the United Nations Security Council issued a statement in which it condemned the attack on the Saudi embassy in Tehran. Of note was the fact that no reference in the statement was made to the execution of the cleric.

At the end of the first week of January 2016, the situation grew more tense when Iran accused Saudi Arabia of attacking its embassy in Yemen in an air strike. Iranian state media claimed that the Saudi air strike deliberately targeted the Iranian embassy in the Yemeni capital of Sanaa. Other reports indicated that the air strikes had actually hit targets in the region of the embassy and not the diplomatic mission at all. Nevertheless, the spokesperson for the Iranian Foreign Ministry made the position of the Iranian government clear as he declared: "Saudi Arabia is responsible for the damage to the embassy building and the injury to some of its staff." Accordingly, Iran's government severed all commercial ties with Saudi Arabia as a result. For its part, the Saudi-led coalition operating in Yemen said that it had targeted rebel missile launchers, which may have used abandoned diplomatic compounds.

Concerned that the growing animosity between Iran and Saudi Arabia could deleteriously affect the global effort against the terror enclave, Islamic State, Iraq -- with its majority Shi'a and minority Sunni population base -- entered the fray and offered to mediate the diplomatic fracas. To this end, Iraqi Prime Minister Haidar al-Abadi dispatched Foreign Minister Ibrahim al-Jaafari to Iran to try to quell the tensions. As a new conference. Jaafari said, "We have solid relations with the Islamic Republic and also we have relations with our Arab brothers and therefore we cannot stay silent in this crisis."

## **Special Report on Iran:**

- Diplomacy credited for quick return by Iran of U.S. sailors; treatment of sailors in propaganda video raises eyebrows

- Diplomacy credited for release of five U.S. citizens from Iran; seven Iranians in U.S. released as part of prisoner swap

- Iran sanctions lifted thanks to P5+1 landmark nuclear deal; U.S. imposes new sanctions on Iran

Diplomacy credited for quick return by Iran of U.S. sailors; treatment of sailors in propaganda video raises eyebrows

On Jan. 12, 2016, 10 United States sailors were detained by Iranian Revolutionary Guards after an incursion into Iranian marine territory. According to reports, one of the two patrol vessels on a training mission between Bahrain and Kuwait developed mechanical troubles and, as a result, they strayed into Iran's waters. The crew was then held at an Iranian naval base on Farsi Island. The development spurred some degree of panic in the United States about the fate of the sailors, given the fact that in 2007, 15 sailors from the United Kingdom were detained in a disputed area between Iranian and Iraqi territory and held for weeks.

Soon, however, there were reports that thanks to a recent opening of the diplomatic channels, United States Secretary of State John Kerry was in contact with his Iranian counterpart, Foreign Minister Javad Zarif and that discussions were afoot to arrange the release of the sailors.

Of significance was the fact that Iranian General Ali Fadavi cast the United States' sailors as having committed "unprofessional" acts. He made clear that the United States vessel had violated Iranian sovereignty by entering Iranian waters; however, he indicated that the sailors would soon be released. As noted by Fadavi, "Mr. Zarif [Iran's foreign minister] had a firm stance, saying that they were in our territorial waters and should not have been, and saying that they [the US] should apologize. This has been done and it will not take long, and the naval force, according to its hierarchy, will act immediately upon the orders it receives." As promised, the sailors were released in the early hours of Jan. 13, 2016 although the United States made clear that Secretary of State John Kerry did not issue an apology.

For its part, Iran released videotaped footage showing the United States sailors being held at gunpoint by the Iranian Revolutionary Guards. The video also included footage of one sailor offering an apology for straying into Iranian waters. While there were strong criticisms of Iran for indulging in what could only be understood as propaganda formation, the general consensus was that such action was to be expected from the Iranian Revolutionary Guards, which was known to be one of the most hardline elements of the Iranian governing structure.

It should be noted that the naval incident occurred at a time when a controversial Iranian nuclear deal was set to be implemented. At issue was the lifting of punitive sanctions against Iran for its nuclear program. With that goal in mind, along with an open channel of communication between United States Secretary of State Kerry and Iran's Foreign Minister Zarif, it was perhaps not surprising that the matter was quickly resolved and the sailors were released. Indeed, according to State Department spokesperson, John Kirby, the foundation of diplomacy set during the nuclear negotiations is precisely why the United States sailors were freed from Iranian custody in less than 24 hours.

Diplomacy credited for release of five U.S. citizens from Iran; seven Iranians in U.S. released as part of prisoner swap

On Jan. 17, 2016, five United States citizens were released from the notorious Evin prison in Iran. Among the released individuals were Jason Rezaian, a reporter for the Washington Post; Amir Hekmati, a United States marine; Saeed Abedini, a Christian pastor; Matthew Trevithic, a student, and a fifth individual identified as Nosratollah Khosravi-Roodsari. Rezaian and Hekmati were imprisoned for charges related to espionage; Abedini was jailed for church activities in people's homes while he was in Iran to set up an orphanage. The charges related to the arrests of Trevithick and Khosravi-Roodsari were unknown, although Trevithick was in Iran to attend university and learn the Farsi language. The freedom for four of the five Americans was achieved after secret negotiations between the United States and Iran, and was part of a prisoner swap deal that also involved amnesty for seven Iranians jailed in the United States. The release of the fifth American -- Trevithick -- was not part of the prisoner swap.

On the other side of the equation, the seven Iranians were identified by Iranian media as Nader Modanlo, Bahram Mechanic, Khosrow Afghani, Arash Ghahreman, Tooraj Faridi, Nima Golestaneh and Ali Saboun. All seven were detained and either charged or convicted in the United States due to their violations of prevailing sanctions.

As with the rapid resolution to the naval incident discussed above, the opening of the channels of communication and the diplomatic process were credited for the prisoner swap. That being said, the diplomatic negotations aimed at returning the United States citizens home had been going on for some time and without public discussion of the matter. If fact, detractors of the Obama administration on the Republican side of the political aisle have long decried the controversial Iranian nuclear deal by drawing attention to the fact that Rezaian, the Washington Post correspondent, remained in jail in Iran. They argued that the United States should never have signed onto the nuclear deal with the likes of Rezaian in Iranian custody. Unknown to them, however, was the fact that the Obama administration was steadfastly pursuing the release of the Americans during private negotiations.

Indeed, the determination of the Obama administration was supported by reports from some of the released prisoners up until the moments prior to their departure from Iran. Of note was the fact that Iranian authorities tried to prevent Rezaian's wife, Yeganeh Salehi, and his mother, Mary Rezaian, from boarding the flight intended to evacuate the Americans; however, representatives from the United States Department of State issued a hardline stance saying that the prisoner swap would be called off if Rezaian's wife and mother were not allowed to join him on the Swiss aircraft.

Ultimately, four of the former prisoners -- Rezaian, Abedini, and Hekmati, Trevithick, as well as Rezaian's wife and mother, boarded the Swiss aircraft and departed Iran and landed in Geneva, Switzerland. Nosratollah Khosravi-Roodsari, for unknown reasons, opted to remain in Iran. From Switzerland, three of the four prisoners -- Rezaian, Abedini, and Hekmati -- were transported to the Landstuhl army base in Germany for medical review. Trevithick returned home to Massachussetts in the United States and was immediately reunited with his family.

For his part, Rezaian -- the most well known of the prisoners in Iran -- confirmed that he was in good health. In a report by his employer, the Washington Post, he was reported to have said, "I want people to know that physically I'm feeling good. I know people are eager to hear from me but

I want to process this for some time." In a moment of levity, Rezaian added that he was doing "a hell of a lot better than I was 48 hours ago." Abedini issued a statement thanking President Obama, his administration, and the State Department for their efforts in securing his release, which read as follows: "I am thankful for our president and all of the hard work by the White House and State Department in making this happen." Hekmati, who was met in Germany by his United States Congressional Representative, Dan Kildee -- a Democrat from Michigan -- used Kildee's Twitter feed to issue the following statement: "Dear Mr. President: Thank you for making my freedom and reunion wth my family possible. I am humbled that you were personally involved in my case and proud to have you as my president."

Editor's Note: Even as amidst the celebration of the release of five Americans from Iranian custody, it is essential to keep in mind that there remains no shortage of people unjustly imprisoned across the world. Of note, is the disturbing number of journalists in prison who have done nothing other than report the news. The Committee to Protect Journalists reports that close to 200 journalists are in jail across the globe. See this report for more information: https://www.cpj.org/imprisoned/2015.php

Iran sanctions lifted thanks to P+1 landmark nuclear deal; U.S. imposes new sanctions on Iran

On Jan. 17, 2016, following talk in Vienna, Austria, in keeping with a landmark nuclear deal negotiated between Iran and the so-called P5+1 countries, international sanctions on Iran were lifted. The official lifting of the sanctions was announced in a joint news conference by the European Union foreign policy chief Federica Mogherini and Iranian Foreign Minister Javad Zarif. Mogherini's statement included the declaration that Iran had "fulfilled its commitment."

It should be noted that the announcement was made after the international nuclear watchdog entity, the International Atomic Energy Agency (IAEA) reported that Itan had complied with the dictated terms of the nuclear agreement, which were intended to ensure that Iran would not develop a nuclear weapon.

A recapitulation of the central elements set forth in the nuclear deal, which was formalized in July 2015 via a resolution in the United Nations Security Council, is as follows:

- Iran would reduce its enriched-uranium stockpile by 98 percent
- Iran would retain a reduced number of uranium centrifuges (5060 in total) for a ten-year period

- Iran would be limited to refining uranium at only a five percent enrichment level for a fifteenyear period

(this level is consistent for usage at a nuclear power plant and is well short of weaponization levels)

- Iran will allow IAEA monitors to inspect facilities under review for suspicious activity for up to 25 years

(Iran does not have to submit to inspections but if it refuses it will be subject to an arbitration panel and possible judgement that it is in violation)

- Iran would be granted gradual/phased in sanctions relief, essentially allowing Iran to finally export its oil

- Iran would be granted access to more than \$100 billion in frozen assets pending the implementation of nuclear curbs

- The prevailing United Nations arms embargo on Iran would remain in place for five years

- The prevailing ballistic missiles embargo on Iran would remain in place for eight years

\_ Iran would be prohibited from designing warheads or conducting experiments on nuclear weapons-related technology

Via the social media outlet, Twitter, Iranian President Hassan Rouhani praised the development with the following Tweet: "I thank God for this blessing and bow to the greatness of the patient nation of Iran." For his part, President Barack Obama hailed the move, saying, "This is a good day because once again we are seeing what's possible through strong American diplomacy. These things are a reminder of what we can achieve when we lead with strength and with wisdom." Detractors in Iran and United States respectively had a very different view of the situation. In Iran, hardliners have long argued that the Iranian government should not be in negotiations with the United States, and sign on to a deal whose terms would be dictated externally.

In the United States, conservatives have argued that the nuclear deal would result in Iran -- a state sponsor of terrorism -- to have access to frozen funds and re-entry to the international markets. However, the counterpoint argument in both Iran and the United States has been that while the agreement would hardly result in the normalization of relations between the two countries, there was now a diplomatic channel open that was not available for decades prior. Moreover, as noted by advocates of global security, the deal was the only viable way to reduce the threat of a nuclear-armed Iran. This sentiment was clear articulated by United States Secretary of State John Kerry, who said, "Today, as a result of the actions taken since last July, the United States, our friends and allies in the Middle East, in the entire world are safer because the threat of a nuclear weapon has been reduced."

United Nations sanctions against Iran were automatically ended, but with the formal announcement by Mogherini and Zarif, along with the certification of Iranian compliance by the IAEA, the European Union ceased its economic and financial sanctions regime against Iran, while the United States lifted its litany of commercial and financial sanctions that had been levied against Iran.

With the sanctions thus lifted, Iran was effectively "open for business" with billions dollars of assets now unfrozen, and with its oil now available to be sold on the international market. Indeed, Iran immediately acted to increase its oil ouput, while international companies commenced the process of returning to Iran to pursue business deals. However, not all the new was positive for Iran. By Jan. 18, 2016, the United States had imposed fresh sanctions on approximately a dozen

companies and individuals for their involvement in Iran's ballistic missile program. At issue was a the fact that in October 2015, Iran had conducted a precision-guided ballistic missile test, in violation of a prevailing United Nations prohibition. As noted by Adam Szubin, the United States acting under-secretary for terrorism and financial intelligence, "Iran's ballistic missile programme poses a significant threat to regional and global security, and it will continue to be subject to international sanctions."

Editor's Note: Regardless of the political machinations as well as the political posturing in both Iran and United States respectively, this landmark accord was being celebrated as a historic development in the realm of international diplomacy and global security. For good of for ill, the reintegration of Iran into the global community would inevitably shift the geopolitical dynamics in the Middle East. Moreover, both President Hassan Rouhani in Iran and President Barack Obama in the United States had made history with this landmark nuclear accord by moving their two countries from a state of decades-old enmity, charting the path of diplomacy, and traversing along the difficult road of re-engagement. These efforts would surely define their respective political legacies. Whether or not this nuclear agreement would stand the test of time and survive hardline domestic politics at home in Iran and the United States was to be determined, but Rouhani and Obama could take heart in the fact that they had respectively honored their election promises to pursue a peaceful resolution to the Iranian nuclear issue.

Written by Dr. Denise Youngblood Coleman, Editor in Chief, <u>www.countrywatch.com</u>; see Bibliography for research sources.

# **National Security**

## **External Threats**

Relations between Iran and the United States (U.S.) remain severely strained. Several minor disputes have contributed to tense relations between Iran and its neighbors, as well. The conflict between Iran and the U.S. dates back a quarter of a century. The U.S. closed its embassy in Tehran after militant Iranian students occupied it on Nov. 4, 1979, and proceeded to hold its employees hostage for 444 days. In the aftermath of the incident, the U.S. government imposed severe restrictions on trade with Iran, which it continues to maintain. The Swiss government has

assumed responsibility for representing U.S. interests in Iran since 1981. Pakistan represents Iran in the U.S. The U.S. government continues to take issue with Iran's attempts to acquire nuclear arms, its poor human rights record, its support for policies that the U.S. deems counterproductive to the Middle East peace process, and its alleged patronage of global terrorism. The latter has earned Iran a spot on the U.S.'s State-Sponsors of Terrorism list. For more information on the specific ramifications of being placed on that list, see the section pertaining to state-sponsors of terrorism in the U.S. Department of State report entitled Patterns of Global Terrorism. In recent times, the U.S. and Iran have remained in conflict over Iran's insistence on pursuing a nuclear development program. See "Political Conditions" for details.

Outside of longstanding differences with the United States, a litany of unresolved matters has precipitated tension between Iran and other countries in the region. The government of the United Arab Emirates contests Iran's occupation of the Greater and Lesser Tunb Islands and Abu Musa Island. In addition to direct talks, the two governments have sought the assistance of the Arab League of Nations to facilitate a resolution. The Iranian government protests Afghanistan's propensity to restrict the flow of the Helmand River, which starts in Afghanistan and empties into Iran, during times of drought, in order to meet its own water needs. Thousands of refugees from Afghanistan remain in Iran. Recently, the governments of Saudi Arabia and Kuwait continued to seek a resolution on their disputed maritime boundary with Iran. The second Gulf War greatly diminished the threat that Iraq posed to Iranian security, but has also given rise to new concerns. There is an ongoing risk that tumultuous conditions in Iraq could affect Iran. Likewise, a determination of the maritime boundary between the two countries is unlikely to occur until a greater degree of stability has been achieved in Iraq.

## Crime

Iran has a generally low crime rate. Despite efforts to suppress it, however, a narcotics trafficking industry has emerged there. Iran serves as an interim destination for Southwest Asian heroin bound for Europe. Domestic drug consumption has become a significant problem in Iran, as well. Iranian officials report that there are over two million drug users there.

## Insurgencies

A handful of armed political groups oppose the Iranian government, including the Mojahedin-e-Khalq (People's Mojahedin of Iran), the People's Fedayeen, and the Kurdish Democratic Party. As well, the Sunni Jundallah insurgency has presented a probblem for the Iranian government, particularly in the remote and restive Sistan-Baluchestan region. Iran has a longstanding tradition of supporting various extremist organizations in the Middle East, who in turn have used terrorism as a means to achieve their political objectives. The Iranian government has provided Lebanese Hezbollah, HAMAS, the Palestine Islamic Jihad (PIJ), and the Popular Front for the Liberation of Palestine - General Command (PFLP-GC) with funding, safe haven, training, and weapons. The Iranian government considers these organizations legitimate insurgent organizations. At an August 2003 conference on the Palestinian Intifada, an Iranian official suggested that the success of Palestinian resistance depended on suicide operations. Iran has also provided safe haven to the members of Ansar al-Islam, an extremist organization comprised of Iraqi Kurds and Arabs that seeks to establish and independent Islamic state in Iraq. The group reportedly has links to al-Qaida. The Unites States government has placed Iran on its State-Sponsors of Terrorism list. For more information on the specific ramifications of being placed on that list, see the section pertaining to state-sponsors of terrorism in the U.S. Department of State report entitled Patterns of Global Terrorism 2003.

Iran is party to five of the twelve international conventions and protocols pertaining to terrorism.

# **Defense Forces**

## Military Data

## **Military Branches:**

Islamic Republic of Iran Regular Forces(Artesh): Ground Forces, Navy, Air Force (includes Air Defense), Khatemolanbia Air Defense Headquarters; Islamic Revolutionary Guard Corps (Sepah-e Pasdaran-e Enqelab-e Eslami, IRGC): Ground Resistance Forces, Navy, Aerospace Force, Qods Force (special operations); Law Enforcement Forces

## Eligible age to enter service:

16 for voluntary; 18 for compulsory; 17 years of age for Law Enforcement Forces; 15 years of age for Basij Forces (Popular Mobilization Army); women exempt from military service

## **Mandatory Service Terms:**

Conscript military service obligation is 18 months

## Manpower in general population-fit for military service:

males age 16-49: 23,619,215

## Manpower reaching eligible age annually:

male: 715,111

## Military Expenditures-Percent of GDP:

N/A

# Chapter 3 Economic Overview

# **Economic Overview**

## **Overview**

Iran is OPEC's third largest oil producer and holds about 10 percent of the world's proven oil reserves. It also has the world's second largest natural gas reserves (after Russia). The country's economy is heavily dependent on the hydrocarbon sector, which accounts for almost 30 percent of GDP and 85 percent of government revenue. In recent years, Iran has enjoyed sustained high growth and an improved external position on the back of favorable oil market conditions and expansionary policies. However, with the government controlling most economic activity, imprudent public-sector spending, subsidies, price controls, corruption, and inefficiency have weighed down the economy and undermined the potential for private-sector-led growth.

Like other oil-producing countries in the region, Iran was not spared by the global economic crisis. Given its very high dependency on the oil sector, Iran's real GDP growth slowed substantially in 2008 and 2009 with sharply falling oil prices, while the fiscal position was also adversely affected. In response to the crisis, the government tightened fiscal and monetary policies, which helped stabilize macroeconomic conditions. Inflation declined in the context of falling world commodity prices, and the non-oil fiscal deficit narrowed due to a reduction in government spending. In late 2009, the parliament approved an ambitious energy price reform aimed at strengthening the fiscal and external positions, enabling higher investment in the energy sector, and supporting higher and more sustainable growth. The bill would phase out subsidies - which benefit Iran's upper and middle classes the most - over three to five years and replace them with cash payments to Iran's lower classes. But fears over public reaction to higher prices led to the program being delayed repeatedly throughout 2010. Finally, by December 2010, the adoption of price increases of energy products, public transport, wheat, and were estimated to have removed close to US\$60 billion (about 15 percent of GDP) in annual implicit subsidies to products, according to the IMF. Meanwhile, the resulting redistribution of the revenues has thus far been effective in reducing inequalities, improving living standards, and supporting domestic demand in the economy.

Iran's oil export revenue climbed by at least \$10 billion in 2010 compared with 2009, boosted by energy price increases. This helped offset some of the financial impact of international sanctions despite the side effect of higher inflation. In late June 2011, the United States blacklisted a major Iranian port operator and the country's national airline, Iran Air, in an effort to put more pressure on Tehran to curtail its alleged nuclear weapons program. On the political front, the government was faced with mounting pressures from the international community, including United Nations sanctions, over Iran's nuclear program. In the second half of 2011, the U.S. government slapped

Iran with sanctions in an effort to prohibit nearly all trade and investment with the country. Sanctions were imposed on Iran because of its sponsorship of terrorism, its refusal to comply with IAEA regulations regarding its nuclear program, and its human rights violations. Then, on the last day of 2011, U.S. President Barack Obama signed into law the National Defense Authorization Act for Fiscal Year 2012. As part of that act, foreign financial institutions that knowingly conducted or facilitated certain significant transactions with the Central Bank of Iran (CBI) or with Iranian financial institutions designated by the Treasury Department became at risk of being cut off from direct access to the U.S. financial system. In January 2012, the European Union decided to ban imports of Iranian crude oil and petroleum products and freeze assets of the CBI.

In July 2012, U.S. Defense Secretary Leon Panetta claimed that Western sanctions against Iran over its nuclear program were having a serious impact "in terms of the economy of Iran," according to Reuters. Later in the month, Iranian and Syrian officials entered into agreements on energy and water supply. Also in July, the country's clerical supreme leader - Ayatollah Ali Khamenei - said Iran should wean itself off sales of its vast oil resources to power its economy. Indeed, Iran's exports had declined steadily by mid-2012 from the 2.2 million barrels per day (bpd) average in 2011, as its oil buyers cut imports to comply with the sanctions. Overall, for 2012, inflation reached its highest level in four years and the economy contracted. New fiscal and monetary constraints on Tehran, following international sanctions in January against Iran's Central Bank and oil exports, significantly reduced Iran's oil revenue, forced government spending cuts, and led to a 20 percent currency depreciation. Economic growth turned negative for the first time in two decades. Iran also continued to suffer from double-digit unemployment and underemployment.

After taking office in August 2013, President Hassan Rouhani pledged to improve economic management and appointed a new central bank governor, Valiollah Seif, who called for "disciplined financial practices." Indeed, the government of Rouhani's predecessor, President Mahmoud Ahmadinejad, received major criticism in parliament and the private sector for irresponsible economic management as Iran dealt with the sanctions imposed over its disputed nuclear program. By October 2013, Iran was mulling over the possibility of raising interest rates in an effort to contain the high inflation rate. Looking ahead, it was expected that by March 2014, the Iranian Parliament and Rouhani's administration would come to an agreement to eliminate cash subsidies to relatively well-off families.

Economic growth remained negative in 2013. Iran continued to suffer from double-digit unemployment and underemployment. However, the election of President Hasan Ruhani in June 2013 brought about widespread expectations of economic improvements and greater international engagement among the Iranian public, and early in Ruhani's term the country saw a strengthened national currency and a historic boost to market values at the Tehran Stock Exchange, according to the CIA World Factbook.

In early 2014, the International Monetary Fund said Iran's economy was poised to start recovering

from a deep recession as tensions over its nuclear program eased after a preliminary deal. In July 2014, the Unites States and its allies were pressuring Iran to come to an agreement in regards to its nuclear program – even going as far as being willing to rapidly lift sanctions.

"Iran's economy today is about 25 percent smaller than it would have been if we had not imposed the oil and financial sanctions" over the regime's nuclear program, a senior U.S. Treasury Department official told Reuters in a July 2014 interview. One European diplomat was also quoted by Reuters as saying: "We have tried to make Iran understand that they will face economic ruin without an agreement. The ball is in their court."

According to U.S. officials, Iran had lost about \$120 billion in potential oil revenue since 2011. Other data indicates that the country's annual oil revenues declined from \$100 billion in 2011 to \$35 billion in 2013. Meanwhile, the weakening of the Iranian currency has led to skyrocketing inflation. While the Central Bank of Iran said inflation surged to 45 percent as of July 2013, U.S. estimates put the real inflation rate at that time as high as 70 percent. Once the preliminary nuclear deal was signed in November 2013, inflation had eased back down to around 20 percent, according to some observers.

Iran's economy grew only slightly 2014. In connection with ongoing international negotiations over Iran's nuclear program the limited sanctions relief for Iran provided under the Joint Plan of Action of November 2013 helped forestall the decline in the economy in 2014. If the agreement reached on July 14, 2015, is in fact ratified, sanctions on Iran by the United States and the European Union will be removed in return for Iran decelerating its nuclear program.

In August 2015, the World Bank reported that lifting sanctions related to Iran's nuclear program would have a significant impact on the world oil market, the Iranian economy and Iran's trading partners. It was expected that Iran's full return to the global market would eventually add about a million barrels of oil a day, lowering oil prices by US\$10 per barrel in 2016, according to the World Bank, which also expects economic growth in the country to surge to about 5 percent in 2016 from an estimated 3 percent in 2015.

"Just as the tightening of sanctions in 2012 led to a sharp decline in Iran's oil exports and two years of negative growth, we expect the removal of sanctions to boost exports and revive the economy," said Shanta Devarajan, World Bank Chief Economist for the Middle East and North Africa region.

The World Bank also estimated that exports from Iran would eventually increase, too, by about US\$17 billion, which represents about 3.5 percent of its GDP. And, foreign direct investment may increase to about US\$3 billion a year, double the current rate but still lower than its peak in 2003. Since the framework agreement of April 2015, the World Bank said it had seen increased interest from multinational companies in investing in Iran, especially in the oil and gas sector.

"That trend is likely to accelerate with the lifting of sanctions, providing much-needed capital and

upgrading of technology to Iran's oil sector," said Lili Mottaghi, World Bank MENA Economist and the author of the report.

## **Economic Performance**

Iran enjoyed strong economic performance in recent years, largely supported by favorable oil market conditions as well as expansionary fiscal and monetary policies. Real GDP grew in 2005, and accelerated even higher in 2006 and 2007. However, real GDP growth slowed from 2008 to 2010 as a result of the global economic crisis. Western sanctions against Iran battered the economy to the point it saw a negative growth rate in 2012.

According to CountryWatch estimated calculations for 2014:

Real GDP growth rate was: 1.0 percent The fiscal deficit/surplus as percent of GDP (%) was: -0.3 percent Inflation was measured at: 22.6 percent

Updated in 2015

\*Please note that the figures in our Economic Performance section are estimates or forecasts based on IMF-based data that are formulated using CountryWatch models of analysis.

Supplementary Sources: International Monetary Fund, The Guardian, Bloomberg, World Bank, United States State Department and Reuters

## Nominal GDP and Components

| Nominal GDP and Components       |              |              |              |               |          |  |  |
|----------------------------------|--------------|--------------|--------------|---------------|----------|--|--|
|                                  | 2011         | 2012         | 2013         | 2014          | 201      |  |  |
| Nominal<br>GDP (LCU<br>billions) | 6,121,004.18 | 6,793,170.00 | 9,093,024.94 | 10,774,571.99 | 12,088,5 |  |  |

|  | 2011         | 2012         | 2013         | 2014         | 201      |
|--|--------------|--------------|--------------|--------------|----------|
| Nominal<br>GDP Growth<br>Rate (%)                      | 41.262       | 10.981       | 33.855       | 18.493       | 12.1     |
| Consumption<br>(LCU<br>billions)                       | 2,990,321.13 | 3,318,697.26 | 4,442,255.52 | 5,263,749.11 | 5,551,8: |
| Government<br>Expenditure<br>(LCU<br>billions)         | 636,567.51   | 706,470.89   | 945,649.45   | 1,120,525.69 | 1,181,8: |
| Gross<br>Capital<br>Formation<br>(LCU<br>billions)     | 1,888,193.37 | 2,095,541.54 | 2,804,995.53 | 3,323,715.32 | 3,721,4  |
| Exports of<br>Goods &<br>Services<br>(LCU<br>billions) | 1,832,387.68 | 2,033,607.66 | 2,722,093.69 | 3,225,482.68 | 4,023,61 |
| Imports of<br>Goods &<br>Services<br>(LCU<br>billions) | 1,226,465.50 | 1,361,147.36 | 1,821,969.25 | 2,158,900.80 | 2,390,2. |

# Population and GDP Per Capita

| Population and GDP Per Capita                  |               |               |                |                |      |  |  |  |
|--|---------------|---------------|----------------|----------------|------|--|--|--|
|  | 2011          | 2012          | 2013           | 2014           |      |  |  |  |
| Population,<br>total<br>(million)              | 75.150        | 76.000        | 76.978         | 77.800         |      |  |  |  |
| Population<br>growth (%)                       | 1.091         | 1.131         | 1.287          | 1.068          |      |  |  |  |
| Nominal<br>GDP per<br>Capita<br>(LCU<br>1000s) | 81,450,488.06 | 89,383,815.79 | 118,124,982.93 | 138,490,642.56 | 153, |  |  |  |

## **Real GDP and Inflation**

| Real GDP and Inflation   |              |              |              |              |           |  |  |
|--|--------------|--------------|--------------|--------------|-----------|--|--|
|  | 2011         | 2012         | 2013         | 2014         | 2015      |  |  |
| Real Gross<br>Domestic<br>Product<br>(LCU billions<br>2005 base) | 2,114,825.95 | 1,926,960.03 | 1,920,000.20 | 2,026,956.68 | 2,092,856 |  |  |
| Real GDP<br>Growth Rate<br>(%)                                   | 11.851       | -8.8833      | -0.3612      | 5.571        | 3.251     |  |  |
| GDP<br>Deflator<br>(2005=100.0)                                  | 289.433      | 352.533      | 473.595      | 531.564      | 577.61    |  |  |
| Inflation,<br>GDP<br>Deflator (%)                                | 26.295       | 21.801       | 34.341       | 12.240       | 8.662     |  |  |

# **Government Spending and Taxation**

| Government Spending and Taxation                                   |              |              |              |              |           |  |  |
|--|--------------|--------------|--------------|--------------|-----------|--|--|
|  | 2011         | 2012         | 2013         | 2014         | 2015      |  |  |
| Government<br>Fiscal<br>Budget<br>(billions)                       | 1,189,794.92 | 1,039,256.00 | 1,415,137.60 | 1,728,000.00 | 2,027,893 |  |  |
| Fiscal<br>Budget<br>Growth<br>Rate<br>(percentage)                 | 29.671       | -12.6525     | 36.168       | 22.108       | 17.355    |  |  |
| National<br>Tax Rate<br>Net of<br>Transfers<br>(%)                 | 19.665       | 14.953       | 14.591       | 14.924       | 13.889    |  |  |
| Government<br>Revenues<br>Net of<br>Transfers<br>(LCU<br>billions) | 1,203,714.33 | 1,015,802.93 | 1,326,784.60 | 1,608,000.00 | 1,678,963 |  |  |
| Government<br>Surplus(-)<br>Deficit(+)<br>(LCU<br>billions)        | 13,919.42    | -23453.0720  | -88353.0000  | -120000.0000 | -348930.5 |  |  |
| Government   |              |              |              |              |           |  |  |

|                                    | 2011   | 2012    | 2013    | 2014    | 2015    |
|------------------------------------|--------|---------|---------|---------|---------|
| Surplus(+)<br>Deficit(-)<br>(%GDP) | 0.2274 | -0.3452 | -0.9717 | -1.1137 | -2.886; |

| Money Supply, Interest Rates and Unemployment      |              |              |              |              |         |  |
|--|--------------|--------------|--------------|--------------|---------|--|
|  | 2011         | 2012         | 2013         | 2014         | 201     |  |
| Money and<br>Quasi-Money<br>(M2) (LCU<br>billions) | 3,274,646.80 | 3,324,068.50 | 4,428,324.20 | 5,684,756.00 | 6,378,0 |  |
| Money Supply<br>Growth Rate<br>(%)                 | 20.165       | 1.509        | 33.220       | 28.373       | 12.1    |  |
| Lending<br>Interest Rate<br>(%)                    | 11.000       | 11.000       | 11.000       | 14.000       | 16.8    |  |
| Unemployment<br>Rate (%)                           | 12.300       | 12.200       | 10.439       | 10.600       | 11.6    |  |

# Money Supply, Interest Rates and Unemployment

# Foreign Trade and the Exchange Rate

| Foreign Trade and the Exchange Rate                   |           |           |           |           |           |  |  |  |
|---|-----------|-----------|-----------|-----------|-----------|--|--|--|
|   | 2011      | 2012      | 2013      | 2014      | 2015      |  |  |  |
| Official Exchange<br>Rate (LCU/\$US)                  | 10,844.02 | 11,648.82 | 23,907.12 | 25,869.94 | 30,456.27 |  |  |  |
| Trade Balance NIPA<br>(\$US billions)                 | 55.876    | 57.728    | 37.651    | 41.229    | 53.630    |  |  |  |
| Trade Balance % of GDP                                | 9.899     | 9.899     | 9.899     | 9.899     | 13.512    |  |  |  |
| Total Foreign<br>Exchange Reserves<br>(\$US billions) | 93.172    | 90.161    | 79.796    | 67.118    | 62.663    |  |  |  |

| Data in US Dollars          |         |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|---------|
|                             | 2011    | 2012    | 2013    | 2014    | 2015    |
| Nominal GDP (\$US billions) | 564.459 | 583.164 | 380.348 | 416.490 | 396.915 |
| Exports (\$US billions)     | 168.977 | 174.576 | 113.861 | 124.681 | 132.111 |
| Imports (\$US billions)     | 113.101 | 116.849 | 76.210  | 83.452  | 78.481  |

| Energy Consumption and Production Standard Units |          |          |          |          |          |  |
|--|----------|----------|----------|----------|----------|--|
|  | 2011     | 2012     | 2013     | 2014     | 2015     |  |
| Petroleum<br>Consumption<br>(TBPD)               | 1,781.85 | 1,863.41 | 1,885.00 | 2,024.41 | 2,079.18 |  |
| Petroleum<br>Production<br>(TBPD)                | 4,215.45 | 3,495.97 | 3,184.02 | 3,301.09 | 3,253.61 |  |
| Petroleum Net<br>Exports<br>(TBPD)               | 2,433.60 | 1,632.55 | 1,299.02 | 1,276.68 | 1,174.43 |  |
| Natural Gas<br>Consumption<br>(bcf)              | 5,415.20 | 5,553.95 | 5,555.58 | 5,540.95 | 6,008.12 |  |
| Natural Gas<br>Production<br>(bcf)               | 5,366.05 | 5,658.21 | 5,707.76 | 6,008.89 | 6,551.14 |  |
| Natural Gas<br>Net Exports<br>(bcf)              | -49.1566 | 104.254  | 152.186  | 467.941  | 543.020  |  |
| Coal<br>Consumption<br>(1000s st)                | 2,261.94 | 2,660.98 | 2,602.98 | 2,606.09 | 2,680.71 |  |
| Coal<br>Production                               | 1,120.19 | 1,221.23 | 1,282.68 | 1,348.45 | 1,350.25 |  |

# **Energy Consumption and Production Standard Units**

|  | 2011       | 2012       | 2013       | 2014       | 2015       |
|--|------------|------------|------------|------------|------------|
| (1000s st)                               |            |            |            |            |            |
| Coal Net<br>Exports (1000s<br>st)        | -1141.7554 | -1439.7457 | -1320.2977 | -1257.6371 | -1330.4552 |
| Nuclear<br>Production (bil<br>kwh)       | 0.0980     | 1.328      | 3.893      | 4.139      | 4.346      |
| Hydroelectric<br>Production (bil<br>kwh) | 11.937     | 12.323     | 14.731     | 14.901     | 15.646     |
| Renewables<br>Production (bil<br>kwh)    | 0.2742     | 0.2300     | 0.2840     | 0.3287     | 0.3492     |

# **Energy Consumption and Production QUADS**

| Energy Consumption and Production QUADS |         |         |         |         |         |  |  |  |  |
|---|---------|---------|---------|---------|---------|--|--|--|--|
|   | 2011    | 2012    | 2013    | 2014    | 2015    |  |  |  |  |
| Petroleum Consumption (Quads)           | 3.805   | 3.979   | 4.025   | 4.323   | 4.440   |  |  |  |  |
| Petroleum Production (Quads)            | 9.000   | 7.516   | 6.821   | 7.210   | 5.553   |  |  |  |  |
| Petroleum Net Exports (Quads)           | 5.195   | 3.537   | 2.796   | 2.887   | 1.113   |  |  |  |  |
| Natural Gas Consumption<br>(Quads)      | 5.524   | 5.665   | 5.667   | 5.652   | 6.128   |  |  |  |  |
| Natural Gas Production (Quads)          | 5.468   | 5.753   | 5.810   | 6.217   | 5.719   |  |  |  |  |
| Natural Gas Net Exports (Quads)         | -0.0555 | 0.0876  | 0.1433  | 0.5652  | -0.4090 |  |  |  |  |
| Coal Consumption (Quads)                | 0.0452  | 0.0532  | 0.0521  | 0.0521  | 0.0536  |  |  |  |  |
| Coal Production (Quads)                 | 0.0228  | 0.0259  | 0.0270  | 0.0270  | 0.0243  |  |  |  |  |
| Coal Net Exports (Quads)                | -0.0224 | -0.0273 | -0.0251 | -0.0252 | -0.0293 |  |  |  |  |
| Nuclear Production (Quads)              | 0.0010  | 0.0133  | 0.0389  | 0.0414  | 0.0435  |  |  |  |  |
| Hydroelectric Production (Quads)        | 0.1194  | 0.1232  | 0.1473  | 0.1490  | 0.1565  |  |  |  |  |
| Renewables Production (Quads)           | 0.0027  | 0.0023  | 0.0028  | 0.0033  | 0.0035  |  |  |  |  |

# World Energy Price Summary

| World Energy Price Summary       |         |        |        |        |        |  |  |  |  |
|----------------------------------|---------|--------|--------|--------|--------|--|--|--|--|
|                                  | 2011    | 2012   | 2013   | 2014   | 2015   |  |  |  |  |
| Petroleum-WTI (\$/bbl)           | 95.054  | 94.159 | 97.943 | 93.112 | 48.709 |  |  |  |  |
| Natural Gas-Henry Hub (\$/mmbtu) | 3.999   | 2.752  | 3.729  | 4.369  | 2.614  |  |  |  |  |
| Coal Thermal-Australian (\$/mt)  | 121.448 | 96.364 | 84.562 | 70.130 | 57.511 |  |  |  |  |

| CO2 Emissions                    |         |         |         |         |         |
|----------------------------------|---------|---------|---------|---------|---------|
|                                  | 2011    | 2012    | 2013    | 2014    | 2015    |
| Petroleum Based (mm mt C)        | 85.001  | 88.892  | 89.921  | 96.572  | 99.185  |
| Natural Gas Based (mm mt C)      | 87.857  | 90.108  | 90.134  | 89.897  | 97.476  |
| Coal Based (mm mt C)             | 1.296   | 1.525   | 1.492   | 1.494   | 1.536   |
| Total CO2 Emissions (mm mt<br>C) | 174.154 | 180.525 | 181.547 | 187.962 | 198.197 |

| Agriculture Consumption and Production                 |            |            |            |            |            |  |  |  |
|--|------------|------------|------------|------------|------------|--|--|--|
|  | 2011       | 2012       | 2013       | 2014       | 2015       |  |  |  |
| Corn Total<br>Consumption<br>(1000 metric<br>tons)     | 5,551.65   | 6,474.22   | 5,857.47   | 6,142.51   | 5,807.02   |  |  |  |
| Corn<br>Production<br>(1000 metric<br>tons)            | 1,903.47   | 1,792.53   | 1,844.45   | 2,639.77   | 2,460.29   |  |  |  |
| Corn Net<br>Exports (1000<br>metric tons)              | -3648.1807 | -4681.6920 | -4013.0165 | -3502.7404 | -3346.7323 |  |  |  |
| Soybeans Total<br>Consumption<br>(1000 metric<br>tons) | 1,006.53   | 528.497    | 415.805    | 338.156    | 310.984    |  |  |  |
| Soybeans<br>Production<br>(1000 metric<br>tons)        | 170.223    | 173.685    | 184.872    | 186.926    | 174.920    |  |  |  |
| Soybeans Net<br>Exports (1000<br>metric tons)          | -836.3031  | -354.8125  | -230.9329  | -151.2294  | -136.0637  |  |  |  |
| Rice Total   |            |            |            |            |            |  |  |  |

# **Agriculture Consumption and Production**

|  | 2011       | 2012       | 2013       | 2014       | 2015       |
|--|------------|------------|------------|------------|------------|
| Consumption<br>(1000 metric<br>tons)                 | 1,893.01   | 2,360.00   | 2,450.00   | 2,600.00   | 2,395.01   |
| Rice<br>Production<br>(1000 metric<br>tons)          | 1,894.29   | 2,359.96   | 2,448.92   | 2,598.98   | 2,559.84   |
| Rice Net<br>Exports (1000<br>metric tons)            | 1.277      | -0.0385    | -1.0742    | -1.0220    | 164.830    |
| Coffee Total<br>Consumption<br>(metric tons)         | 1,487.00   | 1,227.00   | 558.000    | 257.790    | 249.496    |
| Coffee<br>Production<br>(metric tons)                | 0.0000     | 0.0000     | 0.0000     | 0.0000     | 0.0000     |
| Coffee Net<br>Exports (metric<br>tons)               | -1487.0000 | -1227.0000 | -558.0000  | -257.7898  | -249.4961  |
| Cocoa Beans<br>Total<br>Consumption<br>(metric tons) | 9,000.00   | 6,200.00   | 3,744.00   | 2,772.50   | 2,925.26   |
| Cocoa Beans<br>Production<br>(metric tons)           | 0.0000     | 0.0000     | 0.0000     | 0.0000     | 0.0000     |
| Cocoa Beans<br>Net Exports<br>(metric tons)          | -9000.0000 | -6200.0000 | -3744.0000 | -2772.4953 | -2925.2568 |

|   | 2011     | 2012       | 2013       | 2014       | 2015       |
|---|----------|------------|------------|------------|------------|
| Wheat Total<br>Consumption<br>(1000 metric<br>tons) | 8,703.10 | 14,247.11  | 13,686.75  | 15,063.72  | 13,028.77  |
| Wheat<br>Production<br>(1000 metric<br>tons)        | 8,658.69 | 8,862.67   | 9,289.67   | 8,680.53   | 7,441.01   |
| Wheat Net<br>Exports (1000<br>metric tons)          | -44.4098 | -5384.4401 | -4397.0752 | -6383.1894 | -5587.7593 |

# World Agriculture Pricing Summary

| World Agriculture Pricing Summary            |         |         |         |         |         |  |  |  |
|--|---------|---------|---------|---------|---------|--|--|--|
|  | 2011    | 2012    | 2013    | 2014    | 2015    |  |  |  |
| Corn Pricing Summary<br>(\$/metric ton)      | 291.684 | 298.417 | 259.389 | 192.881 | 169.750 |  |  |  |
| Soybeans Pricing Summary<br>(\$/metric ton)  | 540.667 | 591.417 | 538.417 | 491.771 | 390.417 |  |  |  |
| Rice Pricing Summary (\$/metric ton)         | 458.558 | 525.071 | 473.989 | 425.148 | 386.033 |  |  |  |
| Coffee Pricing Summary<br>(\$/kilogram)      | 5.976   | 4.111   | 3.076   | 4.424   | 3.526   |  |  |  |
| Cocoa Beans Pricing Summary<br>(\$/kilogram) | 2.980   | 2.392   | 2.439   | 3.062   | 3.135   |  |  |  |
| Wheat Pricing Summary<br>(\$/metric ton)     | 316.264 | 313.242 | 312.248 | 284.895 | 203.177 |  |  |  |

| Metals Consumption and Production  |            |            |            |            |            |  |  |  |
|------------------------------------|------------|------------|------------|------------|------------|--|--|--|
|                                    | 2011       | 2012       | 2013       | 2014       | 2015       |  |  |  |
| Copper<br>Consumption<br>(1000 mt) | 53,080.83  | 227,000.00 | 191,000.00 | 182,209.18 | 163,594.92 |  |  |  |
| Copper<br>Production<br>(1000 mt)  | 225,251.06 | 224,859.62 | 189,949.00 | 194,126.93 | 166,126.29 |  |  |  |
| Copper Net<br>Exports (1000<br>mt) | 172,170.24 | -2140.3835 | -1050.9963 | 11,917.74  | 2,531.37   |  |  |  |
| Zinc<br>Consumption<br>(1000 mt)   | 9,033.28   | 148,000.00 | 140,000.00 | 147,381.72 | 136,862.94 |  |  |  |
| Zinc<br>Production<br>(1000 mt)    | 130,983.00 | 146,604.51 | 139,229.64 | 146,088.45 | 145,375.83 |  |  |  |
| Zinc Exports<br>(1000 mt)          | 121,949.72 | -1395.4923 | -770.3638  | -1293.2712 | 8,512.90   |  |  |  |
| Lead<br>Consumption<br>(1000 mt)   | 42,779.54  | 81,000.00  | 76,000.00  | 76,481.49  | 66,444.73  |  |  |  |
| Lead<br>Production<br>(1000 mt)    | 81,368.23  | 80,236.25  | 75,581.80  | 78,721.82  | 73,924.12  |  |  |  |

# **Metals Consumption and Production**

|                                    | 2011      | 2012      | 2013      | 2014      | 2015      |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Lead Exports (1000 mt)             | 38,588.68 | -763.7492 | -418.1975 | 2,240.34  | 7,479.39  |
| Tin<br>Consumption<br>(1000 mt)    | 219.817   | 219.817   | 219.817   | 219.817   | 219.817   |
| Tin Production<br>(1000 mt)        | 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    |
| Tin Exports (1000 mt)              | -219.8166 | -219.8166 | -219.8166 | -219.8166 | -219.8166 |
| Nickel<br>Consumption<br>(1000 mt) | 213.314   | 213.314   | 213.314   | 213.314   | 213.314   |
| Nickel<br>Production<br>(1000 mt)  | 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    |
| Nickel Exports (1000 mt)           | -213.3144 | -213.3144 | -213.3144 | -213.3144 | -213.3144 |
| Gold<br>Consumption<br>(kg)        | 3,450.07  | 3,995.15  | 4,544.28  | 5,082.01  | 4,621.52  |
| Gold<br>Production (kg)            | 2,921.25  | 3,442.20  | 3,981.00  | 4,488.95  | 4,472.21  |
| Gold Exports<br>(kg)               | -528.8242 | -552.9461 | -563.2780 | -593.0599 | -149.3076 |
| Silver<br>Consumption              | 3,051.60  | 3,051.60  | 3,051.60  | 3,051.60  | 3,051.60  |

|                              | 2011     | 2012     | 2013     | 2014     | 2015     |
|------------------------------|----------|----------|----------|----------|----------|
| (mt)                         |          |          |          |          |          |
| Silver<br>Production<br>(mt) | 4,337.22 | 4,550.90 | 4,624.47 | 4,785.73 | 4,398.22 |
| Silver Exports<br>(mt)       | 1,285.62 | 1,499.30 | 1,572.87 | 1,734.13 | 1,346.62 |

# World Metals Pricing Summary

| World Metals Pricing Summary |           |           |           |           |           |  |  |  |
|------------------------------|-----------|-----------|-----------|-----------|-----------|--|--|--|
|                              | 2011      | 2012      | 2013      | 2014      | 2015      |  |  |  |
| Copper (\$/mt)               | 8,828.19  | 7,962.35  | 7,332.10  | 6,863.40  | 5,510.46  |  |  |  |
| Zinc (\$/mt)                 | 2,193.90  | 1,950.41  | 1,910.26  | 2,160.97  | 1,931.68  |  |  |  |
| Tin (\$/mt)                  | 26,053.68 | 21,125.99 | 22,282.80 | 21,898.87 | 16,066.63 |  |  |  |
| Lead (\$/mt)                 | 2,400.81  | 2,064.64  | 2,139.79  | 2,095.46  | 1,787.82  |  |  |  |
| Nickel (\$/mt)               | 22,910.36 | 17,547.55 | 15,031.80 | 16,893.38 | 11,862.64 |  |  |  |
| Gold (\$/oz)                 | 1,569.21  | 1,669.52  | 1,411.46  | 1,265.58  | 1,160.66  |  |  |  |
| Silver (\$/oz)               | 35.224    | 31.137    | 23.850    | 19.071    | 15.721    |  |  |  |

## **Economic Performance Index**

# Economic Performance Index

The Economic Performance rankings are calculated by CountryWatch's editorial team, and are based on criteria including sustained economic growth, monetary stability, current account deficits, budget surplus, unemployment and structural imbalances. Scores are assessed from 0 to 100 using this aforementioned criteria as well as CountryWatch's proprietary economic research data and models.

|                | Bank<br>stability<br>risk | Monetary/<br>Currency<br>stability | Government<br>Finances | Empl./<br>Unempl. | Econ.GNP<br>growth or<br>decline/<br>forecast |
|----------------|---------------------------|------------------------------------|------------------------|-------------------|---|
|                | 0 - 100                   | 0 - 100                            | 0 - 100                | 0 - 100           | %   |
| North Americas |                           |                                    |                        |                   |   |
| Canada         | 92                        | 69                                 | 35                     | 38                | 3.14%   |
| United States  | 94                        | 76                                 | 4                      | 29                | 3.01%   |
| Western Europe |                           |                                    |                        |                   |   |
| Austria        | 90                        | 27                                 | 30                     | 63                | 1.33%   |
| Belgium        | 88                        | 27                                 | 19                     | 23                | 1.15%   |
| Cyprus         | 81                        | 91                                 | 16                     | 80                | -0.69%  |
| Denmark        | 97                        | 70                                 | 45                     | 78                | 1.20%   |
| Finland        | 89                        | 27                                 | 41                     | 33                | 1.25%   |

| France                        | 87 | 27 | 18 | 27 | 1.52%  |
|-------------------------------|----|----|----|----|--------|
| Germany                       | 86 | 27 | 22 | 21 | 1.25%  |
| Greece                        | 79 | 27 | 5  | 24 | -2.00% |
| Iceland                       | 90 | 17 | 2  | 34 | -3.04% |
| Italy                         | 85 | 27 | 37 | 24 | 0.84%  |
| Ireland                       | 92 | 27 | 11 | 10 | -1.55% |
| Luxembourg                    | 99 | 27 | 28 | 66 | 2.08%  |
| Malta                         | 77 | 27 | 41 | 51 | 0.54%  |
| Netherlands                   | 91 | 27 | 26 | 74 | 1.30%  |
| Norway                        | 98 | 44 | 10 | 76 | 1.08%  |
| Portugal                      | 77 | 27 | 13 | 20 | 0.29%  |
| Spain                         | 83 | 27 | 9  | 3  | -0.41% |
| Sweden                        | 94 | 72 | 54 | 32 | 1.23%  |
| Switzerland                   | 97 | 86 | 55 | 77 | 1.53%  |
| United Kingdom                | 85 | 12 | 9  | 37 | 1.34%  |
| Central and<br>Eastern Europe |    |    |    |    |        |
| Albania                       | 44 | 60 | 33 | 6  | 2.30%  |
| Armenia                       | 45 | 59 | 49 | 30 | 1.80%  |

| Azerbaijan                | 56 | 4   | 84 | 99  | 2.68%  |
|---------------------------|----|-----|----|-----|--------|
| Belarus                   | 59 | 21  | 83 | 98  | 2.41%  |
| Bosnia and<br>Herzegovina | 34 | 68  | 69 | N/A | 0.50%  |
| Bulgaria                  | 58 | 75  | 88 | 49  | 0.20%  |
| Croatia                   | 69 | 68  | 94 | 9   | 0.18%  |
| Czech Republic            | 80 | 89  | 29 | 70  | 1.67%  |
| Estonia                   | 72 | 90  | 66 | 92  | 0.80%  |
| Georgia                   | 36 | 60  | 53 | 56  | 2.00%  |
| Hungary                   | 70 | 66  | 26 | 54  | -0.16% |
| Latvia                    | 67 | 100 | 65 | 44  | -3.97% |
| Lithuania                 | 65 | 91  | 87 | 79  | -1.65% |
| Macedonia (FYR)           | 53 | 69  | 56 | 2   | 2.03%  |
| Moldova                   | 23 | 36  | 81 | 67  | 2.50%  |
| Poland                    | 74 | 74  | 38 | 12  | 2.72%  |
| Romania                   | 62 | 56  | 70 | 62  | 0.75%  |
| Russia                    | 73 | 18  | 90 | 8   | 4.00%  |
| Serbia                    | 48 | 49  | 52 | 5   | 1.97%  |

| Montenegro                  | 39 | 27 | 73 | 1   | -1.70% |
|-----------------------------|----|----|----|-----|--------|
| Slovak Republic             | 80 | 62 | 30 | 14  | 4.06%  |
| Slovenia                    | 81 | 27 | 36 | 65  | 1.12%  |
| Ukraine                     | 41 | 11 | 57 | N/A | 3.68%  |
| Africa                      |    |    |    |     |        |
| Algeria                     | 57 | 18 | 96 | 7   | 4.55%  |
| Angola                      | 49 | 1  | 97 | N/A | 7.05%  |
| Benin                       | 19 | 91 | 20 | N/A | 3.22%  |
| Botswana                    | 68 | 58 | 76 | N/A | 6.33%  |
| Burkina Faso                | 16 | 91 | 13 | N/A | 4.41%  |
| Burundi                     | 2  | 91 | 6  | N/A | 3.85%  |
| Cameroon                    | 26 | 91 | 91 | N/A | 2.58%  |
| Cape Verde                  | 52 | 87 | 4  | N/A | 4.96%  |
| Central African<br>Republic | 9  | 91 | 32 | N/A | 3.18%  |
| Chad                        | 22 | 91 | 89 | N/A | 4.42%  |
| Congo                       | 52 | 87 | 87 | N/A | 12.13% |
| Côte d'Ivoire               | 25 | 91 | 82 | 28  | 2.98%  |
| Dem. Republic               |    |    |    |     |        |

| Congo             | 4  | 91 | 47 | N/A | 5.44%  |
|-------------------|----|----|----|-----|--------|
| Djibouti          | 31 | 76 | 50 | N/A | 4.47%  |
| Egypt             | 37 | 20 | 24 | 69  | 5.01%  |
| Equatorial Guinea | 82 | 91 | 85 | N/A | 0.94%  |
| Eritrea           | 1  | 3  | 1  | 18  | 1.81%  |
| Ethiopia          | 6  | 45 | 8  | N/A | 6.96%  |
| Gabon             | 64 | 91 | 96 | N/A | 5.36%  |
| Gambia            | 8  | 48 | 86 | N/A | 4.82%  |
| Ghana             | 9  | 11 | 69 | N/A | 4.50%  |
| Guinea            | 10 | 7  | 91 | N/A | 3.03%  |
| Guinea-Bissau     | 5  | 91 | 46 | N/A | 3.47%  |
| Kenya             | 20 | 41 | 59 | N/A | 4.11%  |
| Lesotho           | 13 | 40 | 12 | N/A | 2.98%  |
| Liberia           | 12 | 73 | 74 | N/A | 5.92%  |
| Libya             | 73 | 2  | 94 | N/A | 5.22%  |
| Madagascar        | 4  | 22 | 24 | N/A | -1.02% |
| Malawi            | 7  | 25 | 55 | N/A | 5.96%  |
| Mali              | 20 | 91 | 82 | N/A | 5.12%  |
|                   |    |    |    |     |        |

| Mauritania             | 15 | 13 | 93  | N/A | 4.58% |
|------------------------|----|----|-----|-----|-------|
| Mauritius              | 65 | 52 | 56  | 55  | 4.10% |
| Morocco                | 37 | 72 | 48  | 26  | 3.23% |
| Mozambique             | 12 | 23 | 71  | N/A | 6.45% |
| Namibia                | 40 | 39 | 62  | N/A | 1.70% |
| Niger                  | 10 | 91 | 21  | N/A | 4.41% |
| Nigeria                | 30 | 6  | 61  | N/A | 6.98% |
| Rwanda                 | 21 | 40 | 68  | N/A | 5.39% |
| Sao Tome &<br>Principe | 1  | 61 | 100 | N/A | 3.40% |
| Senegal                | 24 | 91 | 63  | N/A | 3.44% |
| Seychelles             | 60 | 67 | 97  | N/A | 4.01% |
| Sierra Leone           | 5  | 10 | 39  | N/A | 4.77% |
| Somalia                | 2  | 38 | 59  | N/A | 3.19% |
| South Africa           | 61 | 37 | 70  | N/A | 2.59% |
| Sudan                  | 16 | 5  | 73  | N/A | 5.52% |
| Swaziland              | 32 | 44 | 79  | N/A | 1.09% |
| Tanzania               | 15 | 45 | 32  | N/A | 6.17% |
| Togo                   | 8  | 91 | 92  | N/A | 2.56% |

| Tunisia                      | 50 | 61 | 44 | 39  | 4.00% |
|------------------------------|----|----|----|-----|-------|
| Uganda                       | 11 | 17 | 54 | N/A | 5.59% |
| Zambia                       | 29 | 20 | 49 | N/A | 5.84% |
| Zimbabwe                     | 0  | 8  | 16 | N/A | 2.24% |
| South and<br>Central America |    |    |    |     |       |
| Argentina                    | 66 | 3  | 80 | 36  | 3.50% |
| Belize                       | 47 | 76 | 80 | N/A | 1.00% |
| Bolivia                      | 32 | 51 | 61 | 81  | 3.99% |
| Brazil                       | 71 | 47 | 78 | 11  | 5.50% |
| Chile                        | 78 | 25 | 92 | 73  | 4.72% |
| Columbia                     | 47 | 52 | 34 | 47  | 2.25% |
| Costa Rica                   | 60 | 42 | 39 | 57  | 3.45% |
| Ecuador                      | 43 | 76 | 75 | 64  | 2.51% |
| El Salvador                  | 35 | 76 | 67 | N/A | 1.04% |
| Guatemala                    | 46 | 59 | 58 | N/A | 2.52% |
| Honduras                     | 27 | 47 | 58 | N/A | 2.00% |
| Mexico                       | 69 | 42 | 52 | 61  | 4.07% |
| Nicaragua                    | 23 | 49 | 42 | N/A | 1.75% |

| Panama             | 66  | 76  | 72  | 45  | 5.00%  |
|--------------------|-----|-----|-----|-----|--------|
| Paraguay           | 35  | 46  | 66  | 16  | 5.27%  |
| Peru               | 59  | 66  | 75  | 22  | 6.33%  |
| Suriname           | 58  | 26  | 81  | 59  | 4.02%  |
| Uruguay            | 70  | 26  | 27  | N/A | 5.71%  |
| Venezuela          | 55  | 1   | 28  | 13  | -2.63% |
| Caribbean          |     |     |     |     |        |
| Antigua & Barbuda  | 72  | 76  | 15  | N/A | -2.01% |
| Bahamas            | 74  | 76  | 45  | 87  | -0.50% |
| Barbados           | 67  | 76  | 33  | 15  | -0.50% |
| Bermuda            | N/A | N/A | N/A | N/A | N/A    |
| Cuba               | 45  | 76  | 18  | 95  | 0.25%  |
| Dominica           | 53  | 76  | 65  | N/A | 1.40%  |
| Dominican Republic | 54  | 39  | 43  | 4   | 3.50%  |
| Grenada            | 63  | 76  | 48  | N/A | 0.80%  |
| Guyana             | 28  | 56  | 17  | N/A | 4.36%  |
| Haiti              | 11  | 27  | 89  | N/A | -8.50% |
| Jamaica            | 42  | 9   | 85  | 19  | -0.28% |

| St Lucia                   | 55 | 76 | 67 | N/A | 1.14%  |
|----------------------------|----|----|----|-----|--------|
| St Vincent &<br>Grenadines | 49 | 76 | 95 | N/A | 0.50%  |
| Trinidad & Tobago          | 82 | 37 | 77 | 72  | 2.13%  |
| Middle East                |    |    |    |     |        |
| Bahrain                    | 84 | 76 | 62 | 91  | 3.48%  |
| Iran                       | 51 | 19 | 40 | 58  | 3.01%  |
| Iraq                       | 48 | 9  | 8  | N/A | 7.27%  |
| Israel                     | 87 | 62 | 12 | 48  | 3.20%  |
| Jordan                     | 41 | 51 | 3  | N/A | 4.10%  |
| Kuwait                     | 96 | 4  | 99 | N/A | 3.10%  |
| Lebanon                    | 63 | 54 | 2  | N/A | 6.00%  |
| Oman                       | 76 | 16 | 88 | N/A | 4.71%  |
| Qatar                      | 99 | 16 | 83 | N/A | 18.54% |
| Saudi Arabia               | 76 | 8  | 98 | N/A | 3.70%  |
| Syria                      | 61 | 24 | 40 | N/A | 5.00%  |
| Turkey                     | 75 | 23 | 27 | 60  | 5.20%  |
| United Arab<br>Emirates    | 96 | 24 | 98 | 94  | 1.29%  |

| Yemen           | 28 | 2  | 78 | N/A | 7.78%  |
|-----------------|----|----|----|-----|--------|
| Asia            |    |    |    |     |        |
| Afghanistan     | 17 | 70 | 74 | N/A | 8.64%  |
| Bangladesh      | 13 | 43 | 25 | N/A | 5.38%  |
| Bhutan          | 24 | 55 | 5  | N/A | 6.85%  |
| Brunei          | 78 | 19 | 99 | 75  | 0.48%  |
| Cambodia        | 18 | 67 | 42 | N/A | 4.77%  |
| China           | 54 | 90 | 19 | 68  | 11.03% |
| Hong Kong       | 89 | 76 | 14 | 82  | 5.02%  |
| India           | 31 | 38 | 34 | 35  | 8.78%  |
| Indonesia       | 42 | 46 | 37 | 31  | 6.00%  |
| Japan           | 88 | 89 | 6  | 71  | 1.90%  |
| Kazakhstan      | 62 | 13 | 76 | 42  | 2.40%  |
| Korea North     | 18 | 65 | 23 | N/A | 1.50%  |
| Korea South     | 83 | 63 | 22 | 85  | 4.44%  |
| Kyrgyz Republic | 24 | 15 | 84 | 88  | 4.61%  |
| Laos            | 17 | 54 | 7  | N/A | 7.22%  |
| Macao           | 91 | 76 | 14 | 82  | 3.00%  |

| Malaysia         | 68 | 65 | 44 | 90  | 4.72%  |
|------------------|----|----|----|-----|--------|
| Maldives         | 44 | 55 | 17 | N/A | 3.45%  |
| Mongolia         | 33 | 5  | 77 | 93  | 7.22%  |
| Myanmar          | 3  | 41 | 72 | N/A | 5.26%  |
| Nepal            | 3  | 14 | 25 | N/A | 2.97%  |
| Pakistan         | 19 | 15 | 31 | 41  | 3.00%  |
| Papua New Guinea | 75 | 50 | 11 | N/A | 7.96%  |
| Philippines      | 30 | 48 | 53 | 43  | 3.63%  |
| Singapore        | 93 | 75 | 63 | 40  | 5.68%  |
| Sri Lanka        | 38 | 22 | 10 | N/A | 5.50%  |
| Taiwan           | 84 | 88 | 35 | 89  | 6.50%  |
| Tajikistan       | 6  | 6  | 60 | 97  | 4.00%  |
| Thailand         | 56 | 64 | 90 | 96  | 5.46%  |
| Turkmenistan     | 51 | 53 | 68 | N/A | 12.00% |
| Uzbekistan       | 40 | 10 | 60 | 100 | 8.00%  |
| Vietnam          | 25 | 12 | 20 | N/A | 6.04%  |
| Pacific          |    |    |    |     |        |
| Australia        | 96 | 63 | 31 | 46  | 2.96%  |

| Fiji                        | 46  | 53  | 3   | N/A | 2.06%  |
|-----------------------------|-----|-----|-----|-----|--------|
| Marshall Islands            | 27  | 76  | 46  | N/A | 1.08%  |
| Micronesia (Fed.<br>States) | N/A | N/A | N/A | N/A | N/A    |
| New Caledonia               | 96  | 73  | 51  | 52  | 2.00%  |
| New Zealand                 | 98  | 73  | 51  | 52  | 2.00%  |
| Samoa                       | 34  | 88  | 64  | N/A | -2.77% |
| Solomon Islands             | 14  | 71  | 1   | N/A | 3.36%  |
| Tonga                       | 26  | 57  | 38  | N/A | 0.60%  |
| Vanuatu                     | 33  | 58  | 47  | N/A | 3.80%  |

# Source:

CountryWatch Inc. www.countrywatch.com

Updated:

This material was produced in 2010; it is subject to updating in 2012.

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# Chapter 4

# **Investment Overview**

# **Foreign Investment Climate**

#### Background

Iran's economy is marked by an inefficient state sector, reliance on the oil sector, which provides the majority of government revenues, and statist policies, which create major distortions throughout the system. Private sector activity is typically limited to small-scale workshops, farming, and services. Price controls, subsidies, and other rigidities weigh down the economy, undermining the potential for private-sector-led growth. Significant informal market activity flourishes. The legislature in late 2009 passed President Mahmud AHMADINEJAD's bill to reduce subsidies, particularly on food and energy. The bill would phase out subsidies, which benefit Iran's upper and middle classes the most, over three to five years and replace them with cash payments to Iran's lower classes. However, the start of the program was delayed repeatedly throughout 2010 over fears of public reaction to higher prices. This is the most extensive economic reform since the government implemented gasoline rationing in 2007. The recovery of world oil prices in the last year increased Iran's oil export revenue by at least \$10 billion over 2009, easing some of the financial impact of the newest round of international sanctions. Although inflation has fallen substantially since the mid-2000s, Iran continues to suffer from double-digit unemployment and underemployment. Underemployment among Iran's educated youth has convinced many to seek jobs overseas, resulting in a significant "brain drain."

#### **Foreign Investment Assessment**

#### **Openness to Foreign Investment**

Iran is very open to foreign direct investment in nearly every sector of its economy, especially in underdeveloped regions. Iran's need for development in the non-petroleum sectors of the economy has pushed the government to liberalize investment regulations in recent years. Investors are able to freely repatriate income if investments are in the industry, mining, or agriculture. Foreign investors must enter into a joint venture, but are not restricted to a certain percentage of shares.

Recently, the Expediency Council of the Islamic Republic of Iran initiated measures to guarantee investments in Iran against threats to property or capital.

#### Transparency of Regulatory System

Iran

The government of Iran has established legal framework to regulate investment. The Law Concerning the Attraction and Promotion of Foreign Investment; the Free Zones Act of 1993, the Law of Registration of Marks and Patents; Law of Direct Taxation; and the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI) help to facilitate investment procedures. However, information regarding the transparency of these legal measures is uncertain.

## **Labor Force**

Total: 23 million

By occupation: agriculture 30%, industry 25%, services 45%

## **Agriculture and Industry**

Agriculture products: wheat, rice, other grains, sugar beets, fruits, nuts, cotton, dairy products, wool, caviar

Industries: petroleum, petrochemicals, textiles, cement and other construction materials, food processing (particularly sugar refining and vegetable oil production), metal fabrication, armaments

## **Import Commodities and Partners**

Commodities: industrial raw materials and intermediate goods, capital goods, foodstuffs and other consumer goods, technical services, military supplies

Partners: Germany 10.8%, France 8.5%, China 8.3%, Italy 8%, UAE 7.8%, South Korea 6.4%, Russia 4.7%, Japan 4%

#### **Export Commodities and Partners**

Commodities: petroleum, chemical and petrochemical products, fruits and nuts, carpets

Partners: Japan 22.2%, China 9.9%, Italy 6.4%, Taiwan 5.6%, Turkey 5.5%, South Korea 5.5%

#### **Telephone System**

Telephones- main lines in use: 14,571,100

Telephones- mobile cellular: 3,376,500

*General Assessment*: inadequate but currently being modernized and expanded with the goal of not only improving the efficiency and increasing the volume of the urban service but also bringing telephone service to several thousand villages, not presently connected

*Domestic:* as a result of heavy investing in the telephone system since 1994, the number of long-

distance channels in the microwave radio relay trunk has grown substantially; many villages have been brought into the net; the number of main lines in the urban systems has approximately doubled; and thousands of mobile cellular subscribers are being served; moreover, the technical level of the system has been raised by the installation of thousands of digital switches

*International:* country code - 98; HF radio and microwave radio relay to Turkey, Azerbaijan, Pakistan, Afghanistan, Turkmenistan, Syria, Kuwait, Tajikistan, and Uzbekistan; submarine fiber-optic cable to UAE with access to Fiber-Optic Link Around the Globe (FLAG); Trans-Asia-Europe (TAE) fiber-optic line runs from Azerbaijan through the northern portion of Iran to Turkmenistan with expansion to Georgia and Azerbaijan; satellite earth stations - 9 Intelsat and 4 Inmarsat

# Internet

Internet Hosts: 5,269

Internet users: 4.3 million

# **Roads, Airports, Ports and Harbors**

Railways: 7,203 km

Highways: 167,157 km

Ports and harbors: Abadan (largely destroyed in fighting during 1980-88 war), Ahvaz, Bandar 'Abbas, Bandar-e Anzali, Bushehr, Bandar-e Emam Khomeyni, Bandar-e Lengeh, Bandar-e Mah Shahr, Bandar-e Torkaman, Chabahar, Jazireh-ye Khark, Jazireh-ye Lavan, Jazireh-ye Sirri, Khorramshahr (limited operation since November 1992), Shahr

Airports: 305; w/paved runways: 127

# Legal System and Considerations

Iran's Constitution codifies Islamic principles of government.

# Dispute Settlement

The judicial system has been designed to conform, where possible, to an Islamic canon based on the Koran, Sunna, and other Islamic sources. Article 157 provides that the head of the judiciary shall be a cleric chosen by the Supreme Leader. Ayatollah Mohammad Yazdi resigned as the head of the judiciary in August and was replaced by Ayatollah Mahmoud Hashemi Shahrudi. The head of the Supreme Court and Prosecutor General also must be clerics.

Many aspects of the pre-revolutionary judicial system survive in the civil and criminal courts. For example, defendants have the right to a public trial, may choose their own lawyer, and have the right of appeal. Trials are adjudicated by panels of judges. There is no jury system in the civil and criminal courts. If a situation is not addressed by statutes enacted after the 1979 revolution, the Government advises judges to give precedence to their own knowledge and interpretation of

Islamic law, rather than rely on statutes enacted during the Shah's regime.

It is difficult for many women to obtain legal redress. A woman's testimony is worth only half that of a man's, making it difficult for a woman to prove a case against a male defendant.

In 2001, Iran became a member of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

## **Corruption Perception Ranking**

See list elsewhere in this Country Review, as reported by Transparency International, for Iran's current ranking.

## **Cultural Considerations**

Despite increasing movements toward modernization, Iran is still a theocracy, with all aspects of political and social life dictated by its Islamic religious fulcrum. Visitors should acquaint themselves with the Islamic traditions as well as the laws, which are influenced by the Shari'a - the religious book upon which most of the legal and juridical framework is based. Note that all people in Iran, regardless of their citizenship, are subject to Iran's strict laws and uncompromising social structure.

## For More information see:

United States' State Department Commercial Guide

## **Foreign Investment Index**

Foreign Investment Index

**The Foreign Investment Index** is a proprietary index measuring attractiveness to international investment flows. The Foreign Investment Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on a given country's economic stability (sustained economic growth, monetary stability, current account deficits, budget surplus), economic risk (risk of non-servicing of payments for goods or services, loans and trade-related finance, risk of sovereign default), business and investment climate (property rights, labor force and laws,

regulatory transparency, openness to foreign investment, market conditions, and stability of government). Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of foreign investment viability, while a score of 10 marks the highest level of foreign investment viability, according to this proprietary index.

| Country     | Assessment |
|-------------|------------|
|             |            |
| Afghanistan | 2          |
| Albania     | 4.5        |
| Algeria     | 6          |
| Andorra     | 9          |
| Angola      | 4.5-5      |
| Antigua     | 8.5        |
| Argentina   | 5          |
| Armenia     | 5          |
| Australia   | 9.5        |
| Austria     | 9-9.5      |
| Azerbaijan  | 5          |
| Bahamas     | 9          |
| Bahrain     | 7.5        |

| Bangladesh                 | 4.5   |
|----------------------------|-------|
| Barbados                   | 9     |
| Belarus                    | 4     |
| Belgium                    | 9     |
| Belize                     | 7.5   |
| Benin                      | 5.5   |
| Bhutan                     | 4.5   |
| Bolivia                    | 4.5   |
| Bosnia-Herzegovina         | 5     |
| Botswana                   | 7.5-8 |
| Brazil                     | 8     |
| Brunei                     | 7     |
| Bulgaria                   | 5.5   |
| Burkina Faso               | 4     |
|                            |       |
| Burma (Myanmar)            | 4.5   |
| Burma (Myanmar)<br>Burundi | 4.5   |
|                            |       |

| Canada                   | 9.5 |
|--------------------------|-----|
| Cape Verde               | 6   |
| Central African Republic | 3   |
| Chad                     | 4   |
| Chile                    | 9   |
| China                    | 7.5 |
| China: Hong Kong         | 8.5 |
| China: Taiwan            | 8.5 |
| Colombia                 | 7   |
| Comoros                  | 4   |
| Congo DRC                | 4   |
| Congo RC                 | 5   |
| Costa Rica               | 8   |
| Cote d'Ivoire            | 4.5 |
| Croatia                  | 7   |
| Cuba                     | 4.5 |
| Cyprus                   | 7   |
| Czech Republic           | 8.5 |

| Denmark                           | 9.5   |
|-----------------------------------|-------|
| Djibouti                          | 4.5   |
| Dominica                          | 6     |
| Dominican Republic                | 6.5   |
| East Timor                        | 4.5   |
| Ecuador                           | 5.5   |
| Egypt                             | 4.5-5 |
| El Salvador                       | 6     |
| Equatorial Guinea                 | 4.5   |
| Eritrea                           | 3.5   |
| Estonia                           | 8     |
| Ethiopia                          | 4.5   |
| Fiji                              | 5     |
| Finland                           | 9     |
| Former Yugoslav Rep. of Macedonia | 5     |
| France                            | 9-9.5 |
| Gabon                             | 5.5   |
| Gambia                            | 5     |
|                                   |       |

| Georgia            | 5     |
|--------------------|-------|
| Germany            | 9-9.5 |
| Ghana              | 5.5   |
| Greece             | 5     |
| Grenada            | 7.5   |
| Guatemala          | 5.5   |
| Guinea             | 3.5   |
| Guinea-Bissau      | 3.5   |
| Guyana             | 4.5   |
| Haiti              | 4     |
| Holy See (Vatican) | n/a   |
| Hong Kong (China)  | 8.5   |
| Honduras           | 5.5   |
| Hungary            | 8     |
| Iceland            | 8-8.5 |
| India              | 8     |
| Indonesia          | 5.5   |
| Iran               | 4     |
|                    |       |

| Iraq         | 3   |
|--------------|-----|
| Ireland      | 8   |
| Israel       | 8.5 |
| Italy        | 8   |
| Jamaica      | 5.5 |
| Japan        | 9.5 |
| Jordan       | 6   |
| Kazakhstan   | 6   |
| Kenya        | 5   |
| Kiribati     | 5.5 |
| Korea, North | 1   |
| Korea, South | 9   |
| Kosovo       | 4.5 |
| Kuwait       | 8.5 |
| Kyrgyzstan   | 4.5 |
| Laos         | 4   |
| Latvia       | 7   |
| Lebanon      | 5   |
|              |     |

| Lesotho          | 5.5   |
|------------------|-------|
| Liberia          | 3.5   |
| Libya            | 3     |
| Liechtenstein    | 9     |
| Lithuania        | 7.5   |
| Luxembourg       | 9-9.5 |
| Madagascar       | 4.5   |
| Malawi           | 4.5   |
| Malaysia         | 8.5   |
| Maldives         | 6.5   |
| Mali             | 5     |
| Malta            | 9     |
| Marshall Islands | 5     |
| Mauritania       | 4.5   |
| Mauritius        | 7.5-8 |
| Mexico           | 6.5-7 |
| Micronesia       | 5     |
| Moldova          | 4.5-5 |

| Monaco      | 9     |
|-------------|-------|
| Mongolia    | 5     |
| Montenegro  | 5.5   |
| Morocco     | 7.5   |
| Mozambique  | 5     |
| Namibia     | 7.5   |
| Nauru       | 4.5   |
| Nepal       | 4     |
| Netherlands | 9-9.5 |
| New Zealand | 9.5   |
| Nicaragua   | 5     |
| Niger       | 4.5   |
| Nigeria     | 4.5   |
| Norway      | 9-9.5 |
| Oman        | 8     |
| Pakistan    | 4     |
| Palau       | 4.5-5 |
| Panama      | 7     |
|             |       |

| Serbia                     | 6     |
|----------------------------|-------|
| Seychelles                 | 5     |
| Sierra Leone               | 4     |
| Singapore                  | 9.5   |
| Slovak Republic (Slovakia) | 8.5   |
| Slovenia                   | 8.5-9 |
| Solomon Islands            | 5     |
| Somalia                    | 2     |
| South Africa               | 8     |
| Spain                      | 7.5-8 |
| Sri Lanka                  | 5.5   |
| Sudan                      | 4     |
| Suriname                   | 5     |
| Swaziland                  | 4.5   |
| Sweden                     | 9.5   |
| Switzerland                | 9.5   |
| Syria                      | 2.5   |
| Tajikistan                 | 4     |
|                            |       |

| Taiwan (China)       | 8.5   |
|----------------------|-------|
| Tanzania             | 5     |
| Thailand             | 7.5-8 |
| Togo                 | 4.5-5 |
| Tonga                | 5.5-6 |
| Trinidad and Tobago  | 8-8.5 |
| Tunisia              | 6     |
| Turkey               | 6.5-7 |
| Turkmenistan         | 4     |
| Tuvalu               | 7     |
| Uganda               | 5     |
| Ukraine              | 4.5-5 |
| United Arab Emirates | 8.5   |
| United Kingdom       | 9     |
| United States        | 9     |
| Uruguay              | 6.5-7 |
| Uzbekistan           | 4     |
| Vanuatu              | 6     |
|                      |       |

| Venezuela | 5     |
|-----------|-------|
| Vietnam   | 5.5   |
| Yemen     | 3     |
| Zambia    | 4.5-5 |
| Zimbabwe  | 3.5   |

#### Editor's Note:

As of 2015, the global economic crisis (emerging in 2008) had affected many countries across the world, resulting in changes to their rankings. Among those countries affected were top tier economies, such as the <u>United Kingdom</u>, <u>Iceland</u>, <u>Switzerland</u> and <u>Austria</u>. However, in all these cases, their rankings have moved back upward in the last couple of years as anxieties have eased. Other top tier countries, such as <u>Spain</u>, <u>Portugal</u>, <u>Ireland</u>, and <u>Italy</u>, suffered some effects due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was also downgraded due to its sovereign debt crisis; however, Greece's position on the precipice of default incurred a sharper downgrade than the other four euro zone countries mentioned above. Cyprus' exposure to Greek bank yielded a downgrade in its case. Slovenia and <u>Latvia</u> have been slightly downgraded due to a mix of economic and political concerns but could easily be upgraded in a future assessment, should these concerns abate. Meanwhile, the crisis in eastern <u>Ukraine</u> fueled downgrades in that country and neighboring <u>Russia</u>.

Despite the "trifecta of tragedy" in Japan in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both India and China retain their rankings; India holds a slightly higher ranking than China due to its record of democratic representation and accountability.

There were shifts in opposite directions for <u>Mali</u> and <u>Nigeria</u> versus the <u>Central African Republic</u>, <u>Burkina Faso</u>, and <u>Burundi</u>. <u>Mali</u> was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Likewise, a new government in <u>Nigeria</u> generated a slight upgrade as the country attempts to confront corruption, crime, and terrorism. But the <u>Central African Republic</u> was downgraded due to the takeover of the government by Seleka rebels and the continued decline into lawlessness in that country. Likewise, the attempts by the leaders of <u>Burundi</u> and <u>Burkina Faso</u> to hold onto power by by-passing the constitution raised eybrows and resulted in downgrades.

Political unrest in Libya and Algeria have contributed to a decision to marginally downgrade these countries as well. Syria incurred a sharper downgrade due to the devolution into de facto civil war and the dire security threat posed by Islamist terrorists. Iraq saw a similar downgrade as a result of the takeover of wide swaths of territory and the threat of genocide at the hands of Islamist terrorists. Yemen, likewise, has been downgraded due to political instability at the hands of secessionists, terrorists, Houthi rebels, and the intervention of external parties. Conversely, Egypt and Tunisia saw slight upgrades as their political environments stabilize.

At the low end of the spectrum, devolving security conditions and/or economic crisis have resulted in countries like <u>Pakistan</u>, <u>Afghanistan</u>, <u>Somalia</u>, and <u>Zimbabwe</u> maintaining their low ratings.

The <u>United States</u> continues to retain its previous slight downgrade due to the enduring threat of default surrounding the debt ceiling in that country, matched by a conflict-ridden political climate. In the case of <u>Mexico</u>, there is limited concern about default, but increasing alarm over the security situation in that country and the government's ability to contain it. In <u>Argentina</u>, a default to bond holders resulted in a downgrade to that country. Finally, a small but significant upgrade was attributed to <u>Cuba</u> due to its recent pro-business reforms and its normalization of ties with the Unitd States.

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

2015

#### **Corruption Perceptions Index**

**Corruption Perceptions Index** 

#### Transparency International: Corruption Perceptions Index

#### Editor's Note:

Transparency International's <u>Corruption Perceptions Index</u> is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

| Rank | Country/Territory | CPI 2009<br>Score | Surveys<br>Used | Confidence<br>Range |
|------|-------------------|-------------------|-----------------|---------------------|
| 1    | New Zealand       | 9.4               | 6               | 9.1 - 9.5           |
| 2    | Denmark           | 9.3               | 6               | 9.1 - 9.5           |
| 3    | Singapore         | 9.2               | 9               | 9.0 - 9.4           |
| 3    | Sweden            | 9.2               | 6               | 9.0 - 9.3           |
| 5    | Switzerland       | 9.0               | 6               | 8.9 - 9.1           |
| 6    | Finland           | 8.9               | 6               | 8.4 - 9.4           |
| 6    | Netherlands       | 8.9               | 6               | 8.7 - 9.0           |
| 8    | Australia         | 8.7               | 8               | 8.3 - 9.0           |
| 8    | Canada            | 8.7               | 6               | 8.5 - 9.0           |
| 8    | Iceland           | 8.7               | 4               | 7.5 - 9.4           |
| 11   | Norway            | 8.6               | 6               | 8.2 - 9.1           |
| 12   | Hong Kong         | 8.2               | 8               | 7.9 - 8.5           |
| 12   | Luxembourg        | 8.2               | 6               | 7.6 - 8.8           |

| 14 | Germany                          | 8.0 | 6 | 7.7 - 8.3 |
|----|----------------------------------|-----|---|-----------|
| 14 | Ireland                          | 8.0 | 6 | 7.8 - 8.4 |
| 16 | Austria                          | 7.9 | 6 | 7.4 - 8.3 |
| 17 | Japan                            | 7.7 | 8 | 7.4 - 8.0 |
| 17 | United Kingdom                   | 7.7 | 6 | 7.3 - 8.2 |
| 19 | United States                    | 7.5 | 8 | 6.9 - 8.0 |
| 20 | Barbados                         | 7.4 | 4 | 6.6 - 8.2 |
| 21 | Belgium                          | 7.1 | 6 | 6.9 - 7.3 |
| 22 | Qatar                            | 7.0 | 6 | 5.8 - 8.1 |
| 22 | Saint Lucia                      | 7.0 | 3 | 6.7 - 7.5 |
| 24 | France                           | 6.9 | 6 | 6.5 - 7.3 |
| 25 | Chile                            | 6.7 | 7 | 6.5 - 6.9 |
| 25 | Uruguay                          | 6.7 | 5 | 6.4 - 7.1 |
| 27 | Cyprus                           | 6.6 | 4 | 6.1 - 7.1 |
| 27 | Estonia                          | 6.6 | 8 | 6.1 - 6.9 |
| 27 | Slovenia                         | 6.6 | 8 | 6.3 - 6.9 |
| 30 | United Arab Emirates             | 6.5 | 5 | 5.5 - 7.5 |
| 31 | Saint Vincent and the Grenadines | 6.4 | 3 | 4.9 - 7.5 |

| 32 | Israel            | 6.1 | 6 | 5.4 - 6.7 |
|----|-------------------|-----|---|-----------|
| 32 | Spain             | 6.1 | 6 | 5.5 - 6.6 |
| 34 | Dominica          | 5.9 | 3 | 4.9 - 6.7 |
| 35 | Portugal          | 5.8 | 6 | 5.5 - 6.2 |
| 35 | Puerto Rico       | 5.8 | 4 | 5.2 - 6.3 |
| 37 | Botswana          | 5.6 | 6 | 5.1 - 6.3 |
| 37 | Taiwan            | 5.6 | 9 | 5.4 - 5.9 |
| 39 | Brunei Darussalam | 5.5 | 4 | 4.7 - 6.4 |
| 39 | Oman              | 5.5 | 5 | 4.4 - 6.5 |
| 39 | Korea (South)     | 5.5 | 9 | 5.3 - 5.7 |
| 42 | Mauritius         | 5.4 | 6 | 5.0 - 5.9 |
| 43 | Costa Rica        | 5.3 | 5 | 4.7 - 5.9 |
| 43 | Macau             | 5.3 | 3 | 3.3 - 6.9 |
| 45 | Malta             | 5.2 | 4 | 4.0 - 6.2 |
| 46 | Bahrain           | 5.1 | 5 | 4.2 - 5.8 |
| 46 | Cape Verde        | 5.1 | 3 | 3.3 - 7.0 |
| 46 | Hungary           | 5.1 | 8 | 4.6 - 5.7 |
| 49 | Bhutan            | 5.0 | 4 | 4.3 - 5.6 |

| 49 | Jordan         | 5.0 | 7 | 3.9 - 6.1 |
|----|----------------|-----|---|-----------|
| 49 | Poland         | 5.0 | 8 | 4.5 - 5.5 |
| 52 | Czech Republic | 4.9 | 8 | 4.3 - 5.6 |
| 52 | Lithuania      | 4.9 | 8 | 4.4 - 5.4 |
| 54 | Seychelles     | 4.8 | 3 | 3.0 - 6.7 |
| 55 | South Africa   | 4.7 | 8 | 4.3 - 4.9 |
| 56 | Latvia         | 4.5 | 6 | 4.1 - 4.9 |
| 56 | Malaysia       | 4.5 | 9 | 4.0 - 5.1 |
| 56 | Namibia        | 4.5 | 6 | 3.9 - 5.1 |
| 56 | Samoa          | 4.5 | 3 | 3.3 - 5.3 |
| 56 | Slovakia       | 4.5 | 8 | 4.1 - 4.9 |
| 61 | Cuba           | 4.4 | 3 | 3.5 - 5.1 |
| 61 | Turkey         | 4.4 | 7 | 3.9 - 4.9 |
| 63 | Italy          | 4.3 | 6 | 3.8 - 4.9 |
| 63 | Saudi Arabia   | 4.3 | 5 | 3.1 - 5.3 |
| 65 | Tunisia        | 4.2 | 6 | 3.0 - 5.5 |
| 66 | Croatia        | 4.1 | 8 | 3.7 - 4.5 |
| 66 | Georgia        | 4.1 | 7 | 3.4 - 4.7 |
|    |                |     |   |           |

| 66 | Kuwait              | 4.1 | 5 | 3.2 - 5.1 |
|----|---------------------|-----|---|-----------|
| 69 | Ghana               | 3.9 | 7 | 3.2 - 4.6 |
| 69 | Montenegro          | 3.9 | 5 | 3.5 - 4.4 |
| 71 | Bulgaria            | 3.8 | 8 | 3.2 - 4.5 |
| 71 | FYR Macedonia       | 3.8 | 6 | 3.4 - 4.2 |
| 71 | Greece              | 3.8 | 6 | 3.2 - 4.3 |
| 71 | Romania             | 3.8 | 8 | 3.2 - 4.3 |
| 75 | Brazil              | 3.7 | 7 | 3.3 - 4.3 |
| 75 | Colombia            | 3.7 | 7 | 3.1 - 4.3 |
| 75 | Peru                | 3.7 | 7 | 3.4 - 4.1 |
| 75 | Suriname            | 3.7 | 3 | 3.0 - 4.7 |
| 79 | Burkina Faso        | 3.6 | 7 | 2.8 - 4.4 |
| 79 | China               | 3.6 | 9 | 3.0 - 4.2 |
| 79 | Swaziland           | 3.6 | 3 | 3.0 - 4.7 |
| 79 | Trinidad and Tobago | 3.6 | 4 | 3.0 - 4.3 |
| 83 | Serbia              | 3.5 | 6 | 3.3 - 3.9 |
| 84 | El Salvador         | 3.4 | 5 | 3.0 - 3.8 |
| 84 | Guatemala           | 3.4 | 5 | 3.0 - 3.9 |
|    |                     |     |   |           |

| 84 | India                  | 3.4 | 10 | 3.2 - 3.6 |
|----|------------------------|-----|----|-----------|
| 84 | Panama                 | 3.4 | 5  | 3.1 - 3.7 |
| 84 | Thailand               | 3.4 | 9  | 3.0 - 3.8 |
| 89 | Lesotho                | 3.3 | 6  | 2.8 - 3.8 |
| 89 | Malawi                 | 3.3 | 7  | 2.7 - 3.9 |
| 89 | Mexico                 | 3.3 | 7  | 3.2 - 3.5 |
| 89 | Moldova                | 3.3 | 6  | 2.7 - 4.0 |
| 89 | Morocco                | 3.3 | 6  | 2.8 - 3.9 |
| 89 | Rwanda                 | 3.3 | 4  | 2.9 - 3.7 |
| 95 | Albania                | 3.2 | 6  | 3.0 - 3.3 |
| 95 | Vanuatu                | 3.2 | 3  | 2.3 - 4.7 |
| 97 | Liberia                | 3.1 | 3  | 1.9 - 3.8 |
| 97 | Sri Lanka              | 3.1 | 7  | 2.8 - 3.4 |
| 99 | Bosnia and Herzegovina | 3.0 | 7  | 2.6 - 3.4 |
| 99 | Dominican Republic     | 3.0 | 5  | 2.9 - 3.2 |
| 99 | Jamaica                | 3.0 | 5  | 2.8 - 3.3 |
| 99 | Madagascar             | 3.0 | 7  | 2.8 - 3.2 |
| 99 | Senegal                | 3.0 | 7  | 2.5 - 3.6 |
|    |                        |     |    |           |

| 99  | Tonga                 | 3.0 | 3 | 2.6 - 3.3 |
|-----|-----------------------|-----|---|-----------|
| 99  | Zambia                | 3.0 | 7 | 2.8 - 3.2 |
| 106 | Argentina             | 2.9 | 7 | 2.6 - 3.1 |
| 106 | Benin                 | 2.9 | 6 | 2.3 - 3.4 |
| 106 | Gabon                 | 2.9 | 3 | 2.6 - 3.1 |
| 106 | Gambia                | 2.9 | 5 | 1.6 - 4.0 |
| 106 | Niger                 | 2.9 | 5 | 2.7 - 3.0 |
| 111 | Algeria               | 2.8 | 6 | 2.5 - 3.1 |
| 111 | Djibouti              | 2.8 | 4 | 2.3 - 3.2 |
| 111 | Egypt                 | 2.8 | 6 | 2.6 - 3.1 |
| 111 | Indonesia             | 2.8 | 9 | 2.4 - 3.2 |
| 111 | Kiribati              | 2.8 | 3 | 2.3 - 3.3 |
| 111 | Mali                  | 2.8 | 6 | 2.4 - 3.2 |
| 111 | Sao Tome and Principe | 2.8 | 3 | 2.4 - 3.3 |
| 111 | Solomon Islands       | 2.8 | 3 | 2.3 - 3.3 |
| 111 | Togo                  | 2.8 | 5 | 1.9 - 3.9 |
| 120 | Armenia               | 2.7 | 7 | 2.6 - 2.8 |
| 120 | Bolivia               | 2.7 | 6 | 2.4 - 3.1 |
|     |                       |     |   |           |

| 120 | Ethiopia   | 2.7 | 7 | 2.4 - 2.9 |
|-----|------------|-----|---|-----------|
| 120 | Kazakhstan | 2.7 | 7 | 2.1 - 3.3 |
| 120 | Mongolia   | 2.7 | 7 | 2.4 - 3.0 |
| 120 | Vietnam    | 2.7 | 9 | 2.4 - 3.1 |
| 126 | Eritrea    | 2.6 | 4 | 1.6 - 3.8 |
| 126 | Guyana     | 2.6 | 4 | 2.5 - 2.7 |
| 126 | Syria      | 2.6 | 5 | 2.2 - 2.9 |
| 126 | Tanzania   | 2.6 | 7 | 2.4 - 2.9 |
| 130 | Honduras   | 2.5 | 6 | 2.2 - 2.8 |
| 130 | Lebanon    | 2.5 | 3 | 1.9 - 3.1 |
| 130 | Libya      | 2.5 | 6 | 2.2 - 2.8 |
| 130 | Maldives   | 2.5 | 4 | 1.8 - 3.2 |
| 130 | Mauritania | 2.5 | 7 | 2.0 - 3.3 |
| 130 | Mozambique | 2.5 | 7 | 2.3 - 2.8 |
| 130 | Nicaragua  | 2.5 | 6 | 2.3 - 2.7 |
| 130 | Nigeria    | 2.5 | 7 | 2.2 - 2.7 |
| 130 | Uganda     | 2.5 | 7 | 2.1 - 2.8 |
| 139 | Bangladesh | 2.4 | 7 | 2.0 - 2.8 |

| 139         139         139         143         143 | Pakistan<br>Philippines<br>Azerbaijan<br>Comoros | 2.4<br>2.4<br>2.3 | 7<br>9<br>7 | 2.1 - 2.7<br>2.1 - 2.7 |
|---|--|-------------------|-------------|------------------------|
| 143   | Azerbaijan                                       |                   |             | 2.1 - 2.7              |
|   |  | 2.3               | 7           |                        |
| 143   | Comoros  |                   | 1           | 2.0 - 2.6              |
|   |  | 2.3               | 3           | 1.6 - 3.3              |
| 143   | Nepal  | 2.3               | 6           | 2.0 - 2.6              |
| 146   | Cameroon   | 2.2               | 7           | 1.9 - 2.6              |
| 146   | Ecuador  | 2.2               | 5           | 2.0 - 2.5              |
| 146   | Kenya  | 2.2               | 7           | 1.9 - 2.5              |
| 146   | Russia   | 2.2               | 8           | 1.9 - 2.4              |
| 146   | Sierra Leone                                     | 2.2               | 5           | 1.9 - 2.4              |
| 146   | Timor-Leste                                      | 2.2               | 5           | 1.8 - 2.6              |
| 146   | Ukraine  | 2.2               | 8           | 2.0 - 2.6              |
| 146   | Zimbabwe   | 2.2               | 7           | 1.7 - 2.8              |
| 154   | Côte d'Ivoire                                    | 2.1               | 7           | 1.8 - 2.4              |
| 154   | Papua New Guinea                                 | 2.1               | 5           | 1.7 - 2.5              |
| 154   | Paraguay   | 2.1               | 5           | 1.7 - 2.5              |
| 154   | Yemen  | 2.1               | 4           | 1.6 - 2.5              |

| 158 | Cambodia                        | 2.0 | 8 | 1.8 - 2.2 |
|-----|---------------------------------|-----|---|-----------|
| 158 | Central African Republic        | 2.0 | 4 | 1.9 - 2.2 |
| 158 | Laos                            | 2.0 | 4 | 1.6 - 2.6 |
| 158 | Tajikistan                      | 2.0 | 8 | 1.6 - 2.5 |
| 162 | Angola                          | 1.9 | 5 | 1.8 - 1.9 |
| 162 | Congo Brazzaville               | 1.9 | 5 | 1.6 - 2.1 |
| 162 | Democratic Republic of<br>Congo | 1.9 | 5 | 1.7 - 2.1 |
| 162 | Guinea-Bissau                   | 1.9 | 3 | 1.8 - 2.0 |
| 162 | Kyrgyzstan                      | 1.9 | 7 | 1.8 - 2.1 |
| 162 | Venezuela                       | 1.9 | 7 | 1.8 - 2.0 |
| 168 | Burundi                         | 1.8 | 6 | 1.6 - 2.0 |
| 168 | Equatorial Guinea               | 1.8 | 3 | 1.6 - 1.9 |
| 168 | Guinea                          | 1.8 | 5 | 1.7 - 1.8 |
| 168 | Haiti                           | 1.8 | 3 | 1.4 - 2.3 |
| 168 | Iran                            | 1.8 | 3 | 1.7 - 1.9 |
| 168 | Turkmenistan                    | 1.8 | 4 | 1.7 - 1.9 |
| 174 | Uzbekistan                      | 1.7 | 6 | 1.5 - 1.8 |
| 175 | Chad                            | 1.6 | 6 | 1.5 - 1.7 |

| 176 | Iraq        | 1.5 | 3 | 1.2 - 1.8 |
|-----|-------------|-----|---|-----------|
| 176 | Sudan       | 1.5 | 5 | 1.4 - 1.7 |
| 178 | Myanmar     | 1.4 | 3 | 0.9 - 1.8 |
| 179 | Afghanistan | 1.3 | 4 | 1.0 - 1.5 |
| 180 | Somalia     | 1.1 | 3 | 0.9 - 1.4 |

#### Methodology:

As noted above, the highest (and best) level of transparency with the least perceived corruption is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

According to Transparency International, the <u>Corruption Perceptions Index</u> (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.

The rank shows how one country compares to others included in the index. The CPI score indicates the perceived level of public-sector corruption in a country/territory.

The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.

The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

#### Note:

Kosovo, which separated from the Yugoslav successor state of <u>Serbia</u>, is not listed above. No calculation is available for <u>Kosovo</u> at this time, however, a future corruption index by Transparency International may include the world's newest country in its tally. Taiwan has been listed above despite its contested status; while Taiwan claims sovereign status, <u>China</u> claims ultimate jurisdiction over Taiwan. Hong Kong, which is also under the rubric of Chinese

sovereignty, is listed above. Note as well that Puerto Rico, which is a <u>United States</u> domain, is also included in the list above. These inclusions likely have to do with the size and fairly autonomous status of their economies.

#### Source:

Transparency International's Corruption Perception Index; available at URL: <u>http://www.transparency.org</u>

Updated:

Uploaded in 2011 using most recent ranking available; reviewed in 2015.

#### **Competitiveness Ranking**

#### Competitiveness Ranking

#### Editor's Note:

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was developed for the World Economic Forum. The GCI is based on a number of competitiveness considerations, and provides a comprehensive picture of the competitiveness landscape in countries around the world. The competitiveness considerations are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The rankings are calculated from both publicly available data and the Executive Opinion Survey.

| Country/Economy | GCI 2010<br>Rank | GCI 2010<br>Score | GCI 2009<br>Rank | Change 2009-2010 |
|-----------------|------------------|-------------------|------------------|------------------|
| Switzerland     | 1                | 5.63              | 1                | 0                |
| Sweden          | 2                | 5.56              | 4                | 2                |
| Singapore       | 3                | 5.48              | 3                | 0                |

| United States  | 4  | 5.43 | 2  | -2 |
|----------------|----|------|----|----|
| Germany        | 5  | 5.39 | 7  | 2  |
| Japan          | 6  | 5.37 | 8  | 2  |
| Finland        | 7  | 5.37 | 6  | -1 |
| Netherlands    | 8  | 5.33 | 10 | 2  |
| Denmark        | 9  | 5.32 | 5  | -4 |
| Canada         | 10 | 5.30 | 9  | -1 |
| Hong Kong SAR  | 11 | 5.30 | 11 | 0  |
| United Kingdom | 12 | 5.25 | 13 | 1  |
| Taiwan, China  | 13 | 5.21 | 12 | -1 |
| Norway         | 14 | 5.14 | 14 | 0  |
| France         | 15 | 5.13 | 16 | 1  |
| Australia      | 16 | 5.11 | 15 | -1 |
| Qatar          | 17 | 5.10 | 22 | 5  |
| Austria        | 18 | 5.09 | 17 | -1 |
| Belgium        | 19 | 5.07 | 18 | -1 |
| Luxembourg     | 20 | 5.05 | 21 | 1  |
| Saudi Arabia   | 21 | 4.95 | 28 | 7  |

| Korea, Rep.          | 22 | 4.93 | 19 | -3 |
|----------------------|----|------|----|----|
| New Zealand          | 23 | 4.92 | 20 | -3 |
| Israel               | 24 | 4.91 | 27 | 3  |
| United Arab Emirates | 25 | 4.89 | 23 | -2 |
| Malaysia             | 26 | 4.88 | 24 | -2 |
| China                | 27 | 4.84 | 29 | 2  |
| Brunei Darussalam    | 28 | 4.75 | 32 | 4  |
| Ireland              | 29 | 4.74 | 25 | -4 |
| Chile                | 30 | 4.69 | 30 | 0  |
| Iceland              | 31 | 4.68 | 26 | -5 |
| Tunisia              | 32 | 4.65 | 40 | 8  |
| Estonia              | 33 | 4.61 | 35 | 2  |
| Oman                 | 34 | 4.61 | 41 | 7  |
| Kuwait               | 35 | 4.59 | 39 | 4  |
| Czech Republic       | 36 | 4.57 | 31 | -5 |
| Bahrain              | 37 | 4.54 | 38 | 1  |
| Thailand             | 38 | 4.51 | 36 | -2 |
| Poland               | 39 | 4.51 | 46 | 7  |

| Puerto Rico414.49421Spain424.4933-9Barbados434.454441Indonesia444.435410Slovenia454.4237-8Portugal464.3843-3Lithuania474.38536Italy484.37480Montenegro494.366213Mata504.34522India514.3349-2Hungary524.33586South Africa544.3245-9Mauritius554.32572Costa Rica564.3155-1Azerbaijan574.2951-6  | Cyprus       | 40 | 4.50 | 34 | -6 |
|---|--------------|----|------|----|----|
| Barbados         43         4.45         44         1           Indonesia         44         4.43         54         10           Slovenia         45         4.42         37         -8           Portugal         46         4.38         43         -3           Lithuania         47         4.38         53         6           Italy         48         4.37         48         0           Montenegro         49         4.36         62         13           Malta         50         4.33         49         -2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.32         45         -9           Mauritius         55         4.32         57         2 | Puerto Rico  | 41 | 4.49 | 42 | 1  |
| Indonesia         44         4.43         54         10           Slovenia         45         4.42         37         -8           Portugal         46         4.38         43         -3           Lithuania         47         4.38         53         6           Italy         48         4.37         48         0           Montenegro         49         4.36         62         13           Mata         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           South Africa         54         4.32         45         -9           Mauritius         55         4.32         57         2   | Spain        | 42 | 4.49 | 33 | -9 |
| Slovenia         45         4.42         37         -8           Portugal         46         4.38         43         -3           Lithuania         47         4.38         53         6           Italy         48         4.37         48         0           Montenegro         49         4.36         62         13           Malta         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1   | Barbados     | 43 | 4.45 | 44 | 1  |
| Portugal         46         4.38         43        3           Lithuania         47         4.38         53         6           Italy         48         4.37         48         0           Montenegro         49         4.36         62         13           Mata         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1   | Indonesia    | 44 | 4.43 | 54 | 10 |
| Lithuania         47         4.38         53         6           Italy         48         4.37         48         0           Montenegro         49         4.36         62         13           Malta         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1   | Slovenia     | 45 | 4.42 | 37 | -8 |
| Italy       48       4.37       48       0         Montenegro       49       4.36       62       13         Malta       50       4.34       52       2         India       51       4.33       49       -2         Hungary       52       4.33       58       6         Panama       53       4.32       45       -9         Mauritius       55       4.32       57       2         Costa Rica       56       4.31       55       -1  | Portugal     | 46 | 4.38 | 43 | -3 |
| Montenegro         49         4.36         62         13           Malta         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.33         59         6           South Africa         54         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1   | Lithuania    | 47 | 4.38 | 53 | 6  |
| Malta         50         4.34         52         2           India         51         4.33         49         -2           Hungary         52         4.33         58         6           Panama         53         4.32         59         6           South Africa         54         4.32         45         -9           Mauritius         55         4.31         55         -1  | Italy        | 48 | 4.37 | 48 | 0  |
| India       51       4.33       49       -2         Hungary       52       4.33       58       6         Panama       53       4.33       59       6         South Africa       54       4.32       45       -9         Mauritius       55       4.32       57       2         Costa Rica       56       4.31       55       -1   | Montenegro   | 49 | 4.36 | 62 | 13 |
| Hungary       52       4.33       58       6         Panama       53       4.33       59       6         South Africa       54       4.32       45       -9         Mauritius       55       4.32       57       2         Costa Rica       56       4.31       55       -1   | Malta        | 50 | 4.34 | 52 | 2  |
| Panama         53         4.33         59         6           South Africa         54         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1  | India        | 51 | 4.33 | 49 | -2 |
| South Africa         54         4.32         45         -9           Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1  | Hungary      | 52 | 4.33 | 58 | 6  |
| Mauritius         55         4.32         57         2           Costa Rica         56         4.31         55         -1   | Panama       | 53 | 4.33 | 59 | 6  |
| Costa Rica         56         4.31         55         -1  | South Africa | 54 | 4.32 | 45 | -9 |
|   | Mauritius    | 55 | 4.32 | 57 | 2  |
| Azerbaijan 57 4.29 51 -6  | Costa Rica   | 56 | 4.31 | 55 | -1 |
|   | Azerbaijan   | 57 | 4.29 | 51 | -6 |

| Slovak Republic       60       4.25       47       47         Turkey       61       4.25       61       4.25         Sri Lanka       62       4.25       79       40         Russian Federation       63       4.24       63       40         Uruguay       64       4.23       65       40       40         Mexico       66       4.19       60       40       40       40       40 | 16<br>-13<br>0 |
|--|----------------|
| Turkey       61       4.25       61         Sri Lanka       62       4.25       79         Russian Federation       63       4.24       63         Uruguay       64       4.23       65         Jordan       65       4.21       50       9         Mexico       66       4.19       60       9         Romania       67       4.16       64       9                                 |                |
| Sri Lanka624.2579Russian Federation634.2463Uruguay644.2365Jordan654.2150Mexico664.1960Romania674.1664  | 0              |
| Russian Federation       63       4.24       63         Uruguay       64       4.23       65         Jordan       65       4.21       50          Mexico       66       4.19       60          Romania       67       4.16       64  |                |
| Uruguay       64       4.23       65         Jordan       65       4.21       50       100         Mexico       66       4.19       60       100         Romania       67       4.16       64       64   | 17             |
| Jordan       65       4.21       50         Mexico       66       4.19       60         Romania       67       4.16       64   | 0              |
| Mexico         66         4.19         60           Romania         67         4.16         64   | 1              |
| Romania674.1664  | -15            |
|  | -6             |
| Colombia 68 4.14 69  | -3             |
|  | 1              |
| Iran 69 4.14 n/a   | n/a            |
| Latvia 70 4.14 68  | -2             |
| Bulgaria 71 4.13 76  | 5              |
| Kazakhstan 72 4.12 67  | -5             |
| Peru 73 4.11 78  | 5              |
| Namibia 74 4.09 74   | 0              |
| Morocco 75 4.08 73   | -2             |

| Botswana            | 76 | 4.05 | 66  | -10 |
|---------------------|----|------|-----|-----|
| Croatia             | 77 | 4.04 | 72  | -5  |
| Guatemala           | 78 | 4.04 | 80  | 2   |
| Macedonia, FYR      | 79 | 4.02 | 84  | 5   |
| Rwanda              | 80 | 4.00 | n/a | n/a |
| Egypt               | 81 | 4.00 | 70  | -11 |
| El Salvador         | 82 | 3.99 | 77  | -5  |
| Greece              | 83 | 3.99 | 71  | -12 |
| Trinidad and Tobago | 84 | 3.97 | 86  | 2   |
| Philippines         | 85 | 3.96 | 87  | 2   |
| Algeria             | 86 | 3.96 | 83  | -3  |
| Argentina           | 87 | 3.95 | 85  | -2  |
| Albania             | 88 | 3.94 | 96  | 8   |
| Ukraine             | 89 | 3.90 | 82  | -7  |
| Gambia, The         | 90 | 3.90 | 81  | -9  |
| Honduras            | 91 | 3.89 | 89  | -2  |
| Lebanon             | 92 | 3.89 | n/a | n/a |
| Georgia             | 93 | 3.86 | 90  | -3  |
|                     |    |      |     |     |

| 94  | 3.86  | n/a   | n/a   |
|-----|---|---|---|
| 95  | 3.85  | 91  | -4  |
| 96  | 3.84  | 93  | -3  |
| 97  | 3.79  | 94  | -3  |
| 98  | 3.76  | 97  | -1  |
| 99  | 3.75  | 117   | 18  |
| 100 | 3.74  | 88  | -12   |
| 101 | 3.72  | 95  | -6  |
| 102 | 3.70  | 109   | 7   |
| 103 | 3.69  | 103   | 0   |
| 104 | 3.67  | 92  | -12   |
| 105 | 3.65  | 105   | 0   |
| 106 | 3.65  | 98  | -8  |
| 107 | 3.64  | 106   | -1  |
| 108 | 3.64  | 120   | 12  |
| 109 | 3.63  | 110   | 1   |
| 110 | 3.62  | 104   | -6  |
| 111 | 3.58  | 111   | 0   |
|     | 95<br>96<br>97<br>98<br>99<br>100<br>101<br>102<br>103<br>104<br>105<br>104<br>105<br>106<br>107<br>108<br>109<br>110 | 953.85963.84973.79983.76993.751003.741013.721023.701033.691043.671053.651063.651073.641083.641093.631103.62 | 95         3.85         91           96         3.84         93           97         3.79         94           98         3.76         97           99         3.75         117           100         3.74         88           101         3.72         95           102         3.70         109           103         3.69         103           104         3.67         92           105         3.65         105           106         3.65         98           107         3.64         106           108         3.64         120           109         3.63         110 |

| Nicaragua       | 112 | 3.57 | 115 | 3   |
|-----------------|-----|------|-----|-----|
| Tanzania        | 113 | 3.56 | 100 | -13 |
| Ghana           | 114 | 3.56 | 114 | 0   |
| Zambia          | 115 | 3.55 | 112 | -3  |
| Tajikistan      | 116 | 3.53 | 122 | 6   |
| Cape Verde      | 117 | 3.51 | n/a | n/a |
| Uganda          | 118 | 3.51 | 108 | -10 |
| Ethiopia        | 119 | 3.51 | 118 | -1  |
| Paraguay        | 120 | 3.49 | 124 | 4   |
| Kyrgyz Republic | 121 | 3.49 | 123 | 2   |
| Venezuela       | 122 | 3.48 | 113 | -9  |
| Pakistan        | 123 | 3.48 | 101 | -22 |
| Madagascar      | 124 | 3.46 | 121 | -3  |
| Malawi          | 125 | 3.45 | 119 | -6  |
| Swaziland       | 126 | 3.40 | n/a | n/a |
| Nigeria         | 127 | 3.38 | 99  | -28 |
| Lesotho         | 128 | 3.36 | 107 | -21 |
| Côte d'Ivoire   | 129 | 3.35 | 116 | -13 |
| Côte d'Ivoire   | 129 | 3.35 | 116 | -13 |

| Nepal        | 130 | 3.34 | 125 | -5  |
|--------------|-----|------|-----|-----|
| Mozambique   | 131 | 3.32 | 129 | -2  |
| Mali         | 132 | 3.28 | 130 | -2  |
| Timor-Leste  | 133 | 3.23 | 126 | -7  |
| Burkina Faso | 134 | 3.20 | 128 | -6  |
| Mauritania   | 135 | 3.14 | 127 | -8  |
| Zimbabwe     | 136 | 3.03 | 132 | -4  |
| Burundi      | 137 | 2.96 | 133 | -4  |
| Angola       | 138 | 2.93 | n/a | n/a |
| Chad         | 139 | 2.73 | 131 | -8  |

#### Methodology:

The competitiveness rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

Highlights according to WEF --

- The <u>United States</u> falls two places to fourth position, overtaken by <u>Sweden</u> and <u>Singapore</u> in the rankings of the World Economic Forum's Global Competitiveness Report 2010-2011

- The People's Republic of <u>China</u> continues to move up the rankings, with marked improvements in several other Asian countries

- <u>Germany</u> moves up two places to fifth place, leading the Eurozone countries
- <u>Switzerland</u> tops the rankings

#### Source:

World Economic Forum; available at URL: http://www.weforum.org

Updated:

2011 using most recent ranking available; reviewed in 2015.

# **Taxation**

#### Corporate tax

Corporate income tax is applied at 25 percent on taxable income.

#### Socia security

Social security contributions (social insurance contributions) are applied at 23 percent on gross salaries.

#### Sales tax

Sales tax is applied at three percent on sales.

# **Stock Market**

The Tehran Stock Exchange opened in 1968. At the end of the 1990's, the Tehran Stock Exchange had more than 242 listed companies.

For more information on the Tehran Stock Exchange, see URL: http://www.tse.or.ir/.

### **Partner Links**

Partner Links

# Chapter 5

# **Social Overview**

# People

#### **Cultural Demography**

Most Iranians are thought to be of Aryan ancestry, descended from Asiatic peoples who migrated to the area in the first millennium before the common era, or B.C.E. These Aryan groups, who make up the majority of Iran's population today, include Persians, Kurds, Lurs, Baloks, Gilakis and Mazandaranis. Over time, Turks, Mongols and Arabs added to the population. The most substantial minority group in Iran is made up of people with origins in Azerbaijan.

Aryan peoples originate from the Indo-European ethnic and linguistic group. They are believed to be the ancestors of the people of present-day Europe, India and Iran. Their language was closely related to the ancient Indian language, Sanskrit, which was derived from the Indo-European family of languages. The official language of Iran today, Persian (also known as Farsi), is also a derivative of the Indo-European linguistic family. Persian and Persian dialects are the major lingua francas of contemporary Iran. In additio n, Kurdish, Luri, Balok, Turkish, Arabic and Azeri are also spoken.

Islam has been the predominant religion in Iran since the arrival of Muslim Arabs 1,400 years ago. The extensive legacy of Islam extends to contemporary Iran, which was officially designated as a theocratic Islamic republic as a result of the 1979 Iranian revolution. Most Iranians belong to the orthodox Shiite sect of Islam, while about 10 percent of the Muslim population belongs to the Sunni sect. In addition, there are Zoroastrian, Jewish, Christian and Baha'i minorities. Under fundamentalist Islamic state rule, however, these minorities have often been victims of persecution.

#### Human Development

In terms of health and welfare, Iran's infant mortality rate is 36.93 deaths per 1,000 live births. Life expectancy at birth for the total population is 70.86 years of age ( 69.39 years for males and 72.4 years for females). According to recent estimates, the population growth was estimated at .66 percent, and the fertility rate at 1.77 children per woman. The literacy rate for the total population is estimated to be 77 percent. By gender, literacy rates for males range around 83.5 percent, and literacy rates for females range around 70.4 percent.

About 3.9 percent of GDP in this country is spent on health expenditures; about 4.7 percent of GDP in this country is spent on education. Access to water and sanitation in this country is regarded to be generally good, although there may be some obstacles in rural areas.

One notable indicator used to measure a country's quality of life is the Human Development Index (HDI), which is compiled annually since 1990 by the United Nations Development Programme (UNDP). The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. In a ranking of 169 countries, the HDI placed Iran in the high human development category at 70th place.

Note: Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in c ertain countries, not based solely upon traditional economic and financial indicators.

Written by Dr. Denise Youngblood Coleman, Editor in Chief, <u>www.countrywatch.com</u>. See Bibliography for list of general research sources.

#### **Human Development Index**

Human Development Index

#### Human Development Index (Ranked Numerically)

The <u>Human Development Index</u> (HDI) is used to measure quality of life in countries across the world. The HDI has been compiled since 1990 by the United Nations Development Programme (UNDP) on a regular basis. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, education, and economic standard of living. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators. For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this review.

| Very High<br>Human<br>Development | High Human<br>Development | Medium Human<br>Development | Low Human<br>Development |
|-----------------------------------|---------------------------|-----------------------------|--------------------------|
| 1. Norway                         | 43. Bahamas               | 86. Fiji                    | 128. Kenya               |
| 2. Australia                      | 44. Lithuania             | 87. Turkmenistan            | 129. Bangladesh          |
| 3. New Zealand                    | 45. Chile                 | 88. Dominican<br>Republic   | 130. Ghana               |
| 4. United States                  | 46. Argentina             | 89. China                   | 131. Cameroon            |
| 5. Ireland                        | 47. Kuwait                | 90. El Salvador             | 132. Myanmar<br>(Burma)  |
| 6. Liechtenstein                  | 48. Latvia                | 91. Sri Lanka               | 133. Yemen               |
| 7. Netherlands                    | 49. Montenegro            | 92. Thailand                | 134. Benin               |
| 8. Canada                         | 50. Romania               | 93. Gabon                   | 135.<br>Madagascar       |
| 9. Sweden                         | 51. Croatia               | 94. Surname                 | 136. Mauritania          |
| 10. Germany                       | 52. Uruguay               | 95. Bolivia                 | 137. Papua<br>New Guinea |
| 11. Japan                         | 53. Libya                 | 96. Paraguay                | 138. Nepal               |
| 12. South Korea                   | 54. Panama                | 97. Philippines             | 139. Togo                |
| 13. Switzerland                   | 55. Saudi Arabia          | 98. Botswana                | 140. Comoros             |
| 14. France                        | 56. Mexico                | 99. Moldova                 | 141. Lesotho             |
| 15. Israel                        | 57. Malaysia              | 100. Mongolia               | 142. Nigeria             |

| 16. Finland           | 58. Bulgaria                                     | 101. Egypt        | 143. Uganda           |
|-----------------------|--|-------------------|-----------------------|
| 17. Iceland           | 59. Trinidad and Tobago                          | 102. Uzbekistan   | 144. Senegal          |
| 18. Belgium           | 60. Serbia                                       | 103. Micronesia   | 145. Haiti            |
| 19. Denmark           | 61. Belarus                                      | 104. Guyana       | 146. Angola           |
| 20. Spain             | 62. Costa Rica                                   | 105. Namibia      | 147. Djibouti         |
| 21. Hong King         | 63. Peru   | 106. Honduras     | 148. Tanzania         |
| 22. Greece            | 64. Albania                                      | 107. Maldives     | 149. Cote<br>d'Ivoire |
| 23. Italy             | 65. Russian Federation                           | 108. Indonesia    | 150. Zambia           |
| 24. Luxembourg        | 66. Kazakhstan                                   | 109. Kyrgyzstan   | 151. Gambia           |
| 25. Austria           | 67. Azerbaijan                                   | 110. South Africa | 152. Rwanda           |
| 26. United<br>Kingdom | 68. Bosnia and<br>Herzegovina                    | 111. Syria        | 153. Malawi           |
| 27. Singapore         | 69. Ukraine                                      | 112. Tajikistan   | 154. Sudan            |
| 28. Czech<br>Republic | 70. Iran   | 113. Vietnam      | 155.<br>Afghanistan   |
| 29. Slovenia          | 71. The former Yugoslav<br>Republic of Macedonia | 114. Morocco      | 156. Guinea           |
| 30. Andorra           | 72. Mauritius                                    | 115. Nicaragua    | 157. Ethiopia         |
| 31. Slovakia          | 73. Brazil                                       | 116. Guatemala    | 158. Sierra<br>Leone  |

| 32. United Arab<br>Emirates | 74. Georgia   | 117. Equatorial<br>Guinea     | 159. Central<br>African<br>Republic |
|-----------------------------|---------------|-------------------------------|-------------------------------------|
| 33. Malta                   | 75. Venezuela | 118. Cape Verde               | 160. Mali                           |
| 34. Estonia                 | 76. Armenia   | 119. India                    | 161. Burkina<br>Faso                |
| 35. Cyprus                  | 77. Ecuador   | 120. East Timor               | 162. Liberia                        |
| 36. Hungary                 | 78. Belize    | 121. Swaziland                | 163. Chad                           |
| 37. Brunei                  | 79. Colombia  | 122. Laos                     | 164. Guinea-<br>Bissau              |
| 38. Qatar                   | 80. Jamaica   | 123. Solomon<br>Islands       | 165.<br>Mozambique                  |
| 39. Bahrain                 | 81. Tunisia   | 124. Cambodia                 | 166. Burundi                        |
| 40. Portugal                | 82. Jordan    | 125. Pakistan                 | 167. Niger                          |
| 41. Poland                  | 83. Turkey    | 126. Congo RC                 | 168. Congo<br>DRC                   |
| 42. Barbados                | 84. Algeria   | 127. Sao Tome<br>and Principe | 169. Zimbabwe                       |
|                             | 85. Tonga     |                               |                                     |

## Methodology:

For more information about the methodology used to calculate the HDI, please see the "Source

Materials" in the appendices of this Country Review.

Reference:

As published in United Nations Development Programme's Human Development Report 2010.

Source:

United Nations Development Programme's <u>Human Development Index</u> available at URL: <u>http://hdr.undp.org/en/statistics/</u>

Updated:

Uploaded in 2011 using ranking available; reviewed in 2015

#### **Life Satisfaction Index**

Life Satisfaction Index

#### **Life Satisfaction Index**

Created by Adrian G. White, an Analytic Social Psychologist at the University of Leicester, the "Satisfaction with Life Index" measures subjective life satisfaction across various countries. The data was taken from a metastudy (see below for source) and associates the notion of subjective happiness or life satisfaction with qualitative parameters such as health, wealth, and access to basic education. This assessment serves as an alternative to other measures of happiness that tend to rely on traditional and quantitative measures of policy on quality of life, such as GNP and GDP. The methodology involved the responses of 80,000 people across the globe.

| Rank | Country     | Score  |
|------|-------------|--------|
|      |             |        |
| 1    | Denmark     | 273.4  |
| 2    | Switzerland | 273.33 |
|      |             |        |

| 3  | Austria            | 260    |
|----|--------------------|--------|
| 4  | Iceland            | 260    |
| 5  | The Bahamas        | 256.67 |
| 6  | Finland            | 256.67 |
| 7  | Sweden             | 256.67 |
| 8  | Iran               | 253.33 |
| 9  | Brunei             | 253.33 |
| 10 | Canada             | 253.33 |
| 11 | Ireland            | 253.33 |
| 12 | Luxembourg         | 253.33 |
| 13 | Costa Rica         | 250    |
| 14 | Malta              | 250    |
| 15 | Netherlands        | 250    |
| 16 | Antiguaand Barbuda | 246.67 |
| 17 | Malaysia           | 246.67 |
| 18 | New Zealand        | 246.67 |
| 19 | Norway             | 246.67 |
| 20 | Seychelles         | 246.67 |

| 21 | Saint Kitts and Nevis | 246.67 |
|----|-----------------------|--------|
| 22 | United Arab Emirates  | 246.67 |
| 23 | United States         | 246.67 |
| 24 | Vanuatu               | 246.67 |
| 25 | Venezuela             | 246.67 |
| 26 | Australia             | 243.33 |
| 27 | Barbados              | 243.33 |
| 28 | Belgium               | 243.33 |
| 29 | Dominica              | 243.33 |
| 30 | Oman                  | 243.33 |
| 31 | Saudi Arabia          | 243.33 |
| 32 | Suriname              | 243.33 |
| 33 | Bahrain               | 240    |
| 34 | Colombia              | 240    |
| 35 | Germany               | 240    |
| 36 | Guyana                | 240    |
| 37 | Honduras              | 240    |
| 38 | Kuwait                | 240    |
|    |                       |        |

| 40 41 | Saint Vincent and the Grenadines<br>United Kingdom | 240    |
|-------|--|--------|
| 41    | United Kingdom                                     |        |
|       |  | 236.67 |
| 42    | Dominican Republic                                 | 233.33 |
| 43    | Guatemala  | 233.33 |
| 44    | Jamaica  | 233.33 |
| 45    | Qatar  | 233.33 |
| 46    | Spain  | 233.33 |
| 47    | Saint Lucia  | 233.33 |
| 48    | Belize   | 230    |
| 49    | Cyprus   | 230    |
| 50    | Italy  | 230    |
| 51    | Mexico   | 230    |
| 52    | Samoa  | 230    |
| 53    | Singapore  | 230    |
| 54    | Solomon Islands                                    | 230    |
| 55    | Trinidad and Tobago                                | 230    |
| 56    | Argentina  | 226.67 |

| 57 | Fiji                  | 223.33 |
|----|-----------------------|--------|
| 58 | Israel                | 223.33 |
| 59 | Mongolia              | 223.33 |
| 60 | São Tomé and Príncipe | 223.33 |
| 61 | El Salvador           | 220    |
| 62 | France                | 220    |
| 63 | Hong Kong             | 220    |
| 64 | Indonesia             | 220    |
| 65 | Kyrgyzstan            | 220    |
| 66 | Maldives              | 220    |
| 67 | Slovenia              | 220    |
| 68 | Taiwan                | 220    |
| 69 | East Timor            | 220    |
| 70 | Tonga                 | 220    |
| 71 | Chile                 | 216.67 |
| 72 | Grenada               | 216.67 |
| 73 | Mauritius             | 216.67 |
| 74 | Namibia               | 216.67 |

| 75 | Paraguay         | 216.67 |
|----|------------------|--------|
| 76 | Thailand         | 216.67 |
| 77 | Czech Republic   | 213.33 |
| 78 | Philippines      | 213.33 |
| 79 | Tunisia          | 213.33 |
| 80 | Uzbekistan       | 213.33 |
| 81 | Brazil           | 210    |
| 82 | China            | 210    |
| 83 | Cuba             | 210    |
| 84 | Greece           | 210    |
| 85 | Nicaragua        | 210    |
| 86 | Papua New Guinea | 210    |
| 87 | Uruguay          | 210    |
| 88 | Gabon            | 206.67 |
| 89 | Ghana            | 206.67 |
| 90 | Japan            | 206.67 |
| 91 | Yemen            | 206.67 |
| 92 | Portugal         | 203.33 |
|    |                  |        |

| 93  | Sri Lanka             | 203.33 |
|-----|-----------------------|--------|
| 94  | Tajikistan            | 203.33 |
| 95  | Vietnam               | 203.33 |
| 96  | Bhutan                | 200    |
| 97  | Comoros               | 196.67 |
| 98  | Croatia               | 196.67 |
| 99  | Poland                | 196.67 |
| 100 | Cape Verde            | 193.33 |
| 101 | Kazakhstan            | 193.33 |
| 102 | South Korea           | 193.33 |
| 103 | Madagascar            | 193.33 |
| 104 | Bangladesh            | 190    |
| 105 | Republic of the Congo | 190    |
| 106 | The Gambia            | 190    |
| 107 | Hungary               | 190    |
| 108 | Libya                 | 190    |
| 109 | South Africa          | 190    |
| 110 | Cambodia              | 186.67 |

| 112         Kenya         186.67           113         Lebanon         186.67           114         Morocco         186.67           115         Peru         186.67           116         Senegal         186.67           117         Bolivia         183.33           118         Haiti         183.33           119         Nepal         183.33           120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180 | 111 | Ecuador               | 186.67 |
|--|-----|-----------------------|--------|
| 114         Morocco         186.67           115         Peru         186.67           116         Senegal         186.67           117         Bolivia         183.33           118         Haiti         183.33           119         Nepal         183.33           120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180   | 112 | Kenya                 | 186.67 |
| 115         Peru         186.67           116         Senegal         186.67           117         Bolivia         183.33           118         Haiti         183.33           119         Nepal         183.33           120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180  | 113 | Lebanon               | 186.67 |
| 116         Senegal         186.67           117         Bolivia         183.33           118         Haiti         183.33           119         Nepal         183.33           120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180  | 114 | Morocco               | 186.67 |
| Interface         Interface           117         Bolivia         183.33           118         Haiti         183.33           119         Nepal         183.33           120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180   | 115 | Peru                  | 186.67 |
| 118       Haiti       183.33         119       Nepal       183.33         120       Nigeria       183.33         121       Tanzania       183.33         122       Benin       180         123       Botswana       180         124       Guinea-Bissau       180         125       India       180         126       Laos       180         127       Mozambique       180  | 116 | Senegal               | 186.67 |
| 119       Nepal       183.33         120       Nigeria       183.33         121       Tanzania       183.33         122       Benin       180         123       Botswana       180         124       Guinea-Bissau       180         125       India       180         126       Laos       180         127       Mozambique       180   | 117 | Bolivia               | 183.33 |
| 120         Nigeria         183.33           121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180  | 118 | Haiti                 | 183.33 |
| 121         Tanzania         183.33           122         Benin         180           123         Botswana         180           124         Guinea-Bissau         180           125         India         180           126         Laos         180           127         Mozambique         180   | 119 | Nepal                 | 183.33 |
| 122Benin180123Botswana180124Guinea-Bissau180125India180126Laos180127Mozambique180  | 120 | Nigeria               | 183.33 |
| 123       Botswana       180         124       Guinea-Bissau       180         125       India       180         126       Laos       180         127       Mozambique       180   | 121 | Tanzania              | 183.33 |
| 124       Guinea-Bissau       180         125       India       180         126       Laos       180         127       Mozambique       180  | 122 | Benin                 | 180    |
| 125       India       180         126       Laos       180         127       Mozambique       180  | 123 | Botswana              | 180    |
| 126     Laos     180       127     Mozambique     180  | 124 | Guinea-Bissau         | 180    |
| 127 Mozambique 180   | 125 | India                 | 180    |
|  | 126 | Laos                  | 180    |
| 129 Delectinian Authority 190  | 127 | Mozambique            | 180    |
| 120 Palesuman Authority 180  | 128 | Palestinian Authority | 180    |

| Slovakia                 | 180   |
|--------------------------|---|
| Myanmar                  | 176.67  |
| Mali                     | 176.67  |
| Mauritania               | 176.67  |
| Turkey                   | 176.67  |
| Algeria                  | 173.33  |
| Equatorial Guinea        | 173.33  |
| Romania                  | 173.33  |
| Bosnia and Herzegovina   | 170   |
| Cameroon                 | 170   |
| Estonia                  | 170   |
| Guinea                   | 170   |
| Jordan                   | 170   |
| Syria                    | 170   |
| Sierra Leone             | 166.67  |
| Azerbaijan               | 163.33  |
| Central African Republic | 163.33  |
| Republic of Macedonia    | 163.33  |
|                          | MyanmarMaliMauritaniaTurkeyAlgeriaEquatorial GuineaBosnia and HerzegovinaGameroonEstoniaGuineaJordanSyriaSierra LeoneAzerbaijanCentral African Republic |

| 147 | Togo          | 163.33 |
|-----|---------------|--------|
| 148 | Zambia        | 163.33 |
| 149 | Angola        | 160    |
| 150 | Djibouti      | 160    |
| 151 | Egypt         | 160    |
| 152 | Burkina Faso  | 156.67 |
| 153 | Ethiopia      | 156.67 |
| 154 | Latvia        | 156.67 |
| 155 | Lithuania     | 156.67 |
| 156 | Uganda        | 156.67 |
| 157 | Albania       | 153.33 |
| 158 | Malawi        | 153.33 |
| 159 | Chad          | 150    |
| 160 | Côte d'Ivoire | 150    |
| 161 | Niger         | 150    |
| 162 | Eritrea       | 146.67 |
| 163 | Rwanda        | 146.67 |
| 164 | Bulgaria      | 143.33 |
|     |               |        |

| 165 | Lesotho                          | 143.33 |
|-----|----------------------------------|--------|
| 166 | Pakistan                         | 143.33 |
| 167 | Russia                           | 143.33 |
| 168 | Swaziland                        | 140    |
| 169 | Georgia                          | 136.67 |
| 170 | Belarus                          | 133.33 |
| 171 | Turkmenistan                     | 133.33 |
| 172 | Armenia                          | 123.33 |
| 173 | Sudan                            | 120    |
| 174 | Ukraine                          | 120    |
| 175 | Moldova                          | 116.67 |
| 176 | Democratic Republic of the Congo | 110    |
| 177 | Zimbabwe                         | 110    |
| 178 | Burundi                          | 100    |

#### Commentary:

European countries, such as <u>Denmark</u>, <u>Iceland</u>, <u>Finland</u>, <u>Sweden</u>, <u>Switzerland</u>, <u>Austria</u> resided at the top of the ranking with highest levels of self-reported life satisfaction. Conversely, European countries such as <u>Latvia</u>, <u>Lithuania</u>, <u>Moldova</u>, <u>Belarus</u> and <u>Ukraine</u> ranked low on the index. African countries such as Democratic Republic of Congo, <u>Zimbabwe</u> and <u>Burundi</u> found themselves at the very bottom of the ranking, and indeed, very few African countries could be

found in the top 100. Japan was at the mid-way point in the ranking, however, other Asian countries such as Brunei and Malaysia were in the top tier, while Pakistan was close to the bottom with a low level of self-identified life satisfaction. As a region, the Middle East presented a mixed bad with Saudi Arabians reporting healthy levels of life satisfaction and Egyptians near the bottom of the ranking. As a region, Caribbean countries were ranked highly, consistently demonstrating high levels of life satisfaction. The findings showed that health was the most crucial determining factor in life satisfaction, followed by prosperity and education.

#### Source:

White, A. (2007). A Global Projection of Subjective Well-being: A Challenge To Positive Psychology? Psychtalk 56, 17-20. The data was extracted from a meta-analysis by Marks, Abdallah, Simms & Thompson (2006).

#### Uploaded:

Based on study noted above in "Source"; reviewed in 2015

# **Happy Planet Index**

#### Happy Planet Index

The Happy Planet Index (HPI) is used to measure human well-being in conjunction with environmental impact. The HPI has been compiled since 2006 by the New Economics Foundation. The index is a composite of several indicators including subjective life satisfaction, life expectancy at birth, and ecological footprint per capita.

As noted by NEFA, the HPI "reveals the ecological efficiency with which human well-being is delivered." Indeed, the index combines environmental impact with human well-being to measure the environmental efficiency with which, country by country, people live long and happy lives. The countries ranked highest by the HPI are not necessarily the ones with the happiest people overall, but the ones that allow their citizens to live long and fulfilling lives, without negatively impacting this opportunity for either future generations or citizens of other countries. Accordingly, a country like the <u>United States</u> will rank low on this list due to its large per capital ecological footprint, which uses more than its fair share of resources, and will likely cause planetary damage.

It should be noted that the HPI was designed to be a counterpoint to other well-established indices of countries' development, such as Gross Domestic Product (GDP), which measures overall national wealth and economic development, but often obfuscates the realities of countries with stark variances between the rich and the poor. Moreover, the objective of most of the world's people is not to be wealthy but to be happy. The HPI also differs from the <u>Human Development</u> Index (HDI), which measures quality of life but not ecology, since it [HPI] also includes sustainability as a key indicator.

| Rank | Country            | HPI  |
|------|--------------------|------|
| 1    | Costa Rica         | 76.1 |
| 2    | Dominican Republic | 71.8 |
| 3    | Jamaica            | 70.1 |
| 4    | Guatemala          | 68.4 |
| 5    | Vietnam            | 66.5 |
| 6    | Colombia           | 66.1 |
| 7    | Cuba               | 65.7 |
| 8    | El Salvador        | 61.5 |
| 9    | Brazil             | 61.0 |
| 10   | Honduras           | 61.0 |
| 11   | Nicaragua          | 60.5 |
| 12   | Egypt              | 60.3 |
|      |                    |      |

| 13 | Saudi Arabia        | 59.7 |
|----|---------------------|------|
| 14 | Philippines         | 59.0 |
| 15 | Argentina           | 59.0 |
| 16 | Indonesia           | 58.9 |
| 17 | Bhutan              | 58.5 |
| 18 | Panama              | 57.4 |
| 19 | Laos                | 57.3 |
| 20 | China               | 57.1 |
| 21 | Morocco             | 56.8 |
| 22 | Sri Lanka           | 56.5 |
| 23 | Mexico              | 55.6 |
| 24 | Pakistan            | 55.6 |
| 25 | Ecuador             | 55.5 |
| 26 | Jordan              | 54.6 |
| 27 | Belize              | 54.5 |
| 28 | Peru                | 54.4 |
| 29 | Tunisia             | 54.3 |
| 30 | Trinidad and Tobago | 54.2 |
|    |                     |      |

|    | Bangladesh  | 54.1 |
|----|-------------|------|
| 32 | Moldova     | 54.1 |
| 33 | Malaysia    | 54.0 |
| 34 | Tajikistan  | 53.5 |
| 35 | India       | 53.0 |
| 36 | Venezuela   | 52.5 |
| 37 | Nepal       | 51.9 |
| 38 | Syria       | 51.3 |
| 39 | Burma       | 51.2 |
| 40 | Algeria     | 51.2 |
| 41 | Thailand    | 50.9 |
| 42 | Haiti       | 50.8 |
| 43 | Netherlands | 50.6 |
| 44 | Malta       | 50.4 |
| 45 | Uzbekistan  | 50.1 |
| 46 | Chile       | 49.7 |
| 47 | Bolivia     | 49.3 |
| 48 | Armenia     | 48.3 |

| 49 | Singapore              | 48.2 |
|----|------------------------|------|
| 50 | Yemen                  | 48.1 |
| 51 | Germany                | 48.1 |
| 52 | Switzerland            | 48.1 |
| 53 | Sweden                 | 48.0 |
| 54 | Albania                | 47.9 |
| 55 | Paraguay               | 47.8 |
| 56 | Palestinian Authority  | 47.7 |
| 57 | Austria                | 47.7 |
| 58 | Serbia                 | 47.6 |
| 59 | Finland                | 47.2 |
| 60 | Croatia                | 47.2 |
| 61 | Kyrgyzstan             | 47.1 |
| 62 | Cyprus                 | 46.2 |
| 63 | Guyana                 | 45.6 |
| 64 | Belgium                | 45.4 |
| 65 | Bosnia and Herzegovina | 45.0 |
| 66 | Slovenia               | 44.5 |
|    |                        |      |

| 67 | Israel         | 44.5 |
|----|----------------|------|
| 68 | South Korea    | 44.4 |
| 69 | Italy          | 44.0 |
| 70 | Romania        | 43.9 |
| 71 | France         | 43.9 |
| 72 | Georgia        | 43.6 |
| 73 | Slovakia       | 43.5 |
| 74 | United Kingdom | 43.3 |
| 75 | Japan          | 43.3 |
| 76 | Spain          | 43.2 |
| 77 | Poland         | 42.8 |
| 78 | Ireland        | 42.6 |
| 79 | Iraq           | 42.6 |
| 80 | Cambodia       | 42.3 |
| 81 | Iran           | 42.1 |
| 82 | Bulgaria       | 42.0 |
| 83 | Turkey         | 41.7 |
| 84 | Hong Kong      | 41.6 |
|    |                |      |

| Azerbaijan     | 41.2  |
|----------------|---|
| Lithuania      | 40.9  |
| Djibouti       | 40.4  |
| Norway         | 40.4  |
| Canada         | 39.4  |
| Hungary        | 38.9  |
| Kazakhstan     | 38.5  |
| Czech Republic | 38.3  |
| Mauritania     | 38.2  |
| Iceland        | 38.1  |
| Ukraine        | 38.1  |
| Senegal        | 38.0  |
| Greece         | 37.6  |
| Portugal       | 37.5  |
| Uruguay        | 37.2  |
| Ghana          | 37.1  |
| Latvia         | 36.7  |
| Australia      | 36.6  |
|                | Lithuania<br>Djibouti<br>Norway<br>Canada<br>Ganada<br>Hungary<br>Kazakhstan<br>Czech Republic<br>Mauritania<br>Iceland<br>Iceland<br>Ukraine<br>Ukraine<br>Greece<br>Portugal<br>Ghana<br>Iatvia |

| 103 | New Zealand                      | 36.2 |
|-----|----------------------------------|------|
| 104 | Belarus                          | 35.7 |
| 105 | Denmark                          | 35.5 |
| 106 | Mongolia                         | 35.0 |
| 107 | Malawi                           | 34.5 |
| 108 | Russia                           | 34.5 |
| 109 | Chad                             | 34.3 |
| 110 | Lebanon                          | 33.6 |
| 111 | Macedonia                        | 32.7 |
| 112 | Republic of the Congo            | 32.4 |
| 113 | Madagascar                       | 31.5 |
| 114 | United States                    | 30.7 |
| 115 | Nigeria                          | 30.3 |
| 116 | Guinea                           | 30.3 |
| 117 | Uganda                           | 30.2 |
| 118 | South Africa                     | 29.7 |
| 119 | Rwanda                           | 29.6 |
| 120 | Democratic Republic of the Congo | 29.0 |

| 121 | Sudan                    | 28.5 |
|-----|--------------------------|------|
| 122 | Luxembourg               | 28.5 |
| 123 | United Arab Emirates     | 28.2 |
| 124 | Ethiopia                 | 28.1 |
| 125 | Kenya                    | 27.8 |
| 126 | Cameroon                 | 27.2 |
| 127 | Zambia                   | 27.2 |
| 128 | Kuwait                   | 27.0 |
| 129 | Niger                    | 26.9 |
| 130 | Angola                   | 26.8 |
| 131 | Estonia                  | 26.4 |
| 132 | Mali                     | 25.8 |
| 133 | Mozambique               | 24.6 |
| 134 | Benin                    | 24.6 |
| 135 | Togo                     | 23.3 |
| 136 | Sierra Leone             | 23.1 |
| 137 | Central African Republic | 22.9 |
| 138 | Burkina Faso             | 22.4 |
|     |                          |      |

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|-----|----|--|
|     |    |  |

| 139 | Burundi  | 21.8 |
|-----|----------|------|
| 140 | Namibia  | 21.1 |
| 141 | Botswana | 20.9 |
| 142 | Tanzania | 17.8 |
| 143 | Zimbabwe | 16.6 |

**Source:** This material is derived from the Happy Planet Index issued by the New Economics Foundation (NEF).

*Methodology:* The methodology for the calculations can be found at URL: <u>http://www.happyplanetindex.org/</u>

# **Status of Women**

# Gender Related Development Index (GDI) Rank:

78th out of 140

Gender Empowerment Measure (GEM) Rank:

75th out of 80

### **Female Population:**

34.9 million

### Female Life Expectancy at birth:

72.4 years

**Total Fertility Rate:** 

2.5

Maternal Mortality Ratio (2000):

76

### **Total Number of Women Living with HIV/AIDS:**

5,200-28,000

#### Ever Married Women, Ages 15-19 (%):

18%

### Mean Age at Time of Marriage:

22

# Contraceptive Use Among Married Women, Any Method (%):

74%

#### **Female Adult Literacy Rate:**

70.4 %

# Combined Female Gross enrollment ratio for Primary, Secondary and Tertiary schools:

65%

### Female-Headed Households (%):

6%

#### **Economically Active Females (%):**

30.5%

### Female Contributing Family Workers (%):

46%

#### **Female Estimated Earned Income:**

\$3,094

### Seats in Parliament held by women (%):

Lower or Single House: 4.1%

Upper House or Senate: N/A

#### Year Women Received the Right to Vote:

1963

### Year Women Received the Right to Stand for Election:

1963

\*The Gender Development Index (GDI) is a composite index which measures the average achievement in a country. While very similar to the Human Development Index in its use of the same variables, the GDI adjusts the average achievement of each country in terms of life expectancy, enrollment in schools, income, and literacy in accordance to the disparities between males and females.

\*The Gender Empowerment Measure (GEM) is a composite index measuring gender inequality in three of the basic dimensions of empowerment; economic participation and decision-making, political participation and decision-making, and power over economic resources.

\*Total Fertility Rate (TFR) is defined as the average number of babies born to women during their reproductive years. A TFR of 2.1 is considered the replacement rate; once a TFR of a population reaches 2.1 the population will remain stable assuming no immigration or emigration takes place. When the TFR is greater than 2.1 a population will increase and when it is less than 2.1 a population will eventually decrease, although due to the age structure of a population it will take years before a low TFR is translated into lower population.

\*Maternal Mortality Rate is the number of deaths to women per 100,000 live births that resulted from conditions related to pregnancy and or delivery related complications.

\*Economically Active Females are the share of the female population, ages 15 and above, whom supply, or are able to supply, labor for the production of goods and services.

\*Female Contributing Family Workers are those females who work without pay in an economic enterprise operated by a relative living in the same household.

\*Estimated Earned Income is measured according to Purchasing Power Parity (PPP) in US dollars.

# **Global Gender Gap Index**

Global Gender Gap Index

### Editor's Note:

The Global Gender Gap Index by the World Economic Forum ranks most of the world's countries in terms of the division of resources and opportunities among males and females. Specifically, the ranking assesses the gender inequality gap in these four arenas:

1. Economic participation and opportunity (salaries and high skilled employment participation levels)

- 2. Educational attainment (access to basic and higher level education)
- 3. Political empowerment (representation in decision-making structures)
- 4. Health and survival (life expectancy and sex ratio)

|         | 2010<br>rank | 2010<br>score | 2010<br>rank<br>among<br>2009<br>countries | 2009<br>rank | 2009<br>score | 2008<br>rank | 2008<br>score | 2007<br>rank |
|---------|--------------|---------------|--|--------------|---------------|--------------|---------------|--------------|
| Country |              |               |  |              |               |              |               |              |
| Iceland | 1            | 0.8496        | 1  | 1            | 0.8276        | 4            | 0.7999        | 4            |

| Norway            | 2  | 0.8404 | 2  | 3  | 0.8227 | 1  | 0.8239 | 2  |
|-------------------|----|--------|----|----|--------|----|--------|----|
| Finland           | 3  | 0.8260 | 3  | 2  | 0.8252 | 2  | 0.8195 | 3  |
| Sweden            | 4  | 0.8024 | 4  | 4  | 0.8139 | 3  | 0.8139 | 1  |
| New<br>Zealand    | 5  | 0.7808 | 5  | 5  | 0.7880 | 5  | 0.7859 | 5  |
| Ireland           | 6  | 0.7773 | 6  | 8  | 0.7597 | 8  | 0.7518 | 9  |
| Denmark           | 7  | 0.7719 | 7  | 7  | 0.7628 | 7  | 0.7538 | 8  |
| Lesotho           | 8  | 0.7678 | 8  | 10 | 0.7495 | 16 | 0.7320 | 26 |
| Philippines       | 9  | 0.7654 | 9  | 9  | 0.7579 | 6  | 0.7568 | 6  |
| Switzerland       | 10 | 0.7562 | 10 | 13 | 0.7426 | 14 | 0.7360 | 40 |
| Spain             | 11 | 0.7554 | 11 | 17 | 0.7345 | 17 | 0.7281 | 10 |
| South Africa      | 12 | 0.7535 | 12 | 6  | 0.7709 | 22 | 0.7232 | 20 |
| Germany           | 13 | 0.7530 | 13 | 12 | 0.7449 | 11 | 0.7394 | 7  |
| Belgium           | 14 | 0.7509 | 14 | 33 | 0.7165 | 28 | 0.7163 | 19 |
| United<br>Kingdom | 15 | 0.7460 | 15 | 15 | 0.7402 | 13 | 0.7366 | 11 |
| Sri Lanka         | 16 | 0.7458 | 16 | 16 | 0.7402 | 12 | 0.7371 | 15 |
| Netherlands       | 17 | 0.7444 | 17 | 11 | 0.7490 | 9  | 0.7399 | 12 |
| Latvia            | 18 | 0.7429 | 18 | 14 | 0.7416 | 10 | 0.7397 | 13 |

| United<br>States       | 19 | 0.7411 | 19 | 31 | 0.7173 | 27 | 0.7179 | 31  |
|------------------------|----|--------|----|----|--------|----|--------|-----|
| Canada                 | 20 | 0.7372 | 20 | 25 | 0.7196 | 31 | 0.7136 | 18  |
| Trinidad and<br>Tobago | 21 | 0.7353 | 21 | 19 | 0.7298 | 19 | 0.7245 | 46  |
| Mozambique             | 22 | 0.7329 | 22 | 26 | 0.7195 | 18 | 0.7266 | 43  |
| Australia              | 23 | 0.7271 | 23 | 20 | 0.7282 | 21 | 0.7241 | 17  |
| Cuba                   | 24 | 0.7253 | 24 | 29 | 0.7176 | 25 | 0.7195 | 22  |
| Namibia                | 25 | 0.7238 | 25 | 32 | 0.7167 | 30 | 0.7141 | 29  |
| Luxembourg             | 26 | 0.7231 | 26 | 63 | 0.6889 | 66 | 0.6802 | 58  |
| Mongolia               | 27 | 0.7194 | 27 | 22 | 0.7221 | 40 | 0.7049 | 62  |
| Costa Rica             | 28 | 0.7194 | 28 | 27 | 0.7180 | 32 | 0.7111 | 28  |
| Argentina              | 29 | 0.7187 | 29 | 24 | 0.7211 | 24 | 0.7209 | 33  |
| Nicaragua              | 30 | 0.7176 | 30 | 49 | 0.7002 | 71 | 0.6747 | 90  |
| Barbados               | 31 | 0.7176 | 31 | 21 | 0.7236 | 26 | 0.7188 | n/a |
| Portugal               | 32 | 0.7171 | 32 | 46 | 0.7013 | 39 | 0.7051 | 37  |
| Uganda                 | 33 | 0.7169 | 33 | 40 | 0.7067 | 43 | 0.6981 | 50  |
| Moldova                | 34 | 0.7160 | 34 | 36 | 0.7104 | 20 | 0.7244 | 21  |
| Lithuania              | 35 | 0.7132 | 35 | 30 | 0.7175 | 23 | 0.7222 | 14  |

| Bahamas               | 36 | 0.7128 | 36 | 28 | 0.7179 | n/a | n/a    | n/a |
|-----------------------|----|--------|----|----|--------|-----|--------|-----|
| Austria               | 37 | 0.7091 | 37 | 42 | 0.7031 | 29  | 0.7153 | 27  |
| Guyana                | 38 | 0.7090 | 38 | 35 | 0.7108 | n/a | n/a    | n/a |
| Panama                | 39 | 0.7072 | 39 | 43 | 0.7024 | 34  | 0.7095 | 38  |
| Ecuador               | 40 | 0.7072 | 40 | 23 | 0.7220 | 35  | 0.7091 | 44  |
| Kazakhstan            | 41 | 0.7055 | 41 | 47 | 0.7013 | 45  | 0.6976 | 32  |
| Slovenia              | 42 | 0.7047 | 42 | 52 | 0.6982 | 51  | 0.6937 | 49  |
| Poland                | 43 | 0.7037 | 43 | 50 | 0.6998 | 49  | 0.6951 | 60  |
| Jamaica               | 44 | 0.7037 | 44 | 48 | 0.7013 | 44  | 0.6980 | 39  |
| Russian<br>Federation | 45 | 0.7036 | 45 | 51 | 0.6987 | 42  | 0.6994 | 45  |
| France                | 46 | 0.7025 | 46 | 18 | 0.7331 | 15  | 0.7341 | 51  |
| Estonia               | 47 | 0.7018 | 47 | 37 | 0.7094 | 37  | 0.7076 | 30  |
| Chile                 | 48 | 0.7013 | 48 | 64 | 0.6884 | 65  | 0.6818 | 86  |
| Macedonia,<br>FYR     | 49 | 0.6996 | 49 | 53 | 0.6950 | 53  | 0.6914 | 35  |
| Bulgaria              | 50 | 0.6983 | 50 | 38 | 0.7072 | 36  | 0.7077 | 25  |
| Kyrgyz<br>Republic    | 51 | 0.6973 | 51 | 41 | 0.7058 | 41  | 0.7045 | 70  |
| Israel                | 52 | 0.6957 | 52 | 45 | 0.7019 | 56  | 0.6900 | 36  |

| Croatia           | 53 | 0.6939 | 53 | 54 | 0.6944 | 46  | 0.6967 | 16 |
|-------------------|----|--------|----|----|--------|-----|--------|----|
| Honduras          | 54 | 0.6927 | 54 | 62 | 0.6893 | 47  | 0.6960 | 68 |
| Colombia          | 55 | 0.6927 | 55 | 56 | 0.6939 | 50  | 0.6944 | 24 |
| Singapore         | 56 | 0.6914 | 56 | 84 | 0.6664 | 84  | 0.6625 | 77 |
| Thailand          | 57 | 0.6910 | 57 | 59 | 0.6907 | 52  | 0.6917 | 52 |
| Greece            | 58 | 0.6908 | 58 | 85 | 0.6662 | 75  | 0.6727 | 72 |
| Uruguay           | 59 | 0.6897 | 59 | 57 | 0.6936 | 54  | 0.6907 | 78 |
| Peru              | 60 | 0.6895 | 60 | 44 | 0.7024 | 48  | 0.6959 | 75 |
| China             | 61 | 0.6881 | 61 | 60 | 0.6907 | 57  | 0.6878 | 73 |
| Botswana          | 62 | 0.6876 | 62 | 39 | 0.7071 | 63  | 0.6839 | 53 |
| Ukraine           | 63 | 0.6869 | 63 | 61 | 0.6896 | 62  | 0.6856 | 57 |
| Venezuela         | 64 | 0.6863 | 64 | 69 | 0.6839 | 59  | 0.6875 | 55 |
| Czech<br>Republic | 65 | 0.6850 | 65 | 74 | 0.6789 | 69  | 0.6770 | 64 |
| Tanzania          | 66 | 0.6829 | 66 | 73 | 0.6797 | 38  | 0.7068 | 34 |
| Romania           | 67 | 0.6826 | 67 | 70 | 0.6805 | 70  | 0.6763 | 47 |
| Malawi            | 68 | 0.6824 | 68 | 76 | 0.6738 | 81  | 0.6664 | 87 |
| Paraguay          | 69 | 0.6804 | 69 | 66 | 0.6868 | 100 | 0.6379 | 69 |
| Ghana             | 70 | 0.6782 | 70 | 80 | 0.6704 | 77  | 0.6679 | 63 |

| Slovak<br>Republic    | 71 | 0.6778 | 71 | 68  | 0.6845 | 64  | 0.6824 | 54  |
|-----------------------|----|--------|----|-----|--------|-----|--------|-----|
| Vietnam               | 72 | 0.6776 | 72 | 71  | 0.6802 | 68  | 0.6778 | 42  |
| Dominican<br>Republic | 73 | 0.6774 | 73 | 67  | 0.6859 | 72  | 0.6744 | 65  |
| Italy                 | 74 | 0.6765 | 74 | 72  | 0.6798 | 67  | 0.6788 | 84  |
| Gambia,<br>The        | 75 | 0.6762 | 75 | 75  | 0.6752 | 85  | 0.6622 | 95  |
| Bolivia               | 76 | 0.6751 | 76 | 82  | 0.6693 | 80  | 0.6667 | 80  |
| Brueni<br>Darussalem  | 77 | 0.6748 | 77 | 94  | 0.6524 | 99  | 0.6392 | n/a |
| Albania               | 78 | 0.6726 | 78 | 91  | 0.6601 | 87  | 0.6591 | 66  |
| Hungary               | 79 | 0.6720 | 79 | 65  | 0.6879 | 60  | 0.6867 | 61  |
| Madagascar            | 80 | 0.6713 | 80 | 77  | 0.6732 | 74  | 0.6736 | 89  |
| Angola                | 81 | 0.6712 | 81 | 106 | 0.6353 | 114 | 0.6032 | 110 |
| Bangladesh            | 82 | 0.6702 | 82 | 93  | 0.6526 | 90  | 0.6531 | 100 |
| Malta                 | 83 | 0.6695 | 83 | 88  | 0.6635 | 83  | 0.6634 | 76  |
| Armenia               | 84 | 0.6669 | 84 | 90  | 0.6619 | 78  | 0.6677 | 71  |
| Brazil                | 85 | 0.6655 | 85 | 81  | 0.6695 | 73  | 0.6737 | 74  |
| Cyprus                | 86 | 0.6642 | 86 | 79  | 0.6706 | 76  | 0.6694 | 82  |

| Indonesia               | 87  | 0.6615 | 87  | 92  | 0.6580 | 93  | 0.6473 | 81  |
|-------------------------|-----|--------|-----|-----|--------|-----|--------|-----|
| Georgia                 | 88  | 0.6598 | 88  | 83  | 0.6680 | 82  | 0.6654 | 67  |
| Tajikistan              | 89  | 0.6598 | 89  | 86  | 0.6661 | 89  | 0.6541 | 79  |
| El Salvador             | 90  | 0.6596 | 90  | 55  | 0.6939 | 58  | 0.6875 | 48  |
| Mexico                  | 91  | 0.6577 | 91  | 98  | 0.6503 | 97  | 0.6441 | 93  |
| Zimbabwe                | 92  | 0.6574 | 92  | 95  | 0.6518 | 92  | 0.6485 | 88  |
| Belize                  | 93  | 0.6536 | 93  | 87  | 0.6636 | 86  | 0.6610 | 94  |
| Japan                   | 94  | 0.6524 | 94  | 101 | 0.6447 | 98  | 0.6434 | 91  |
| Mauritius               | 95  | 0.6520 | 95  | 96  | 0.6513 | 95  | 0.6466 | 85  |
| Kenya                   | 96  | 0.6499 | 96  | 97  | 0.6512 | 88  | 0.6547 | 83  |
| Cambodia                | 97  | 0.6482 | 97  | 104 | 0.6410 | 94  | 0.6469 | 98  |
| Malaysia                | 98  | 0.6479 | 98  | 100 | 0.6467 | 96  | 0.6442 | 92  |
| Maldives                | 99  | 0.6452 | 99  | 99  | 0.6482 | 91  | 0.6501 | 99  |
| Azerbaijan              | 100 | 0.6446 | 100 | 89  | 0.6626 | 61  | 0.6856 | 59  |
| Senegal                 | 101 | 0.6414 | 101 | 102 | 0.6427 | n/a | n/a    | n/a |
| Suriname                | 102 | 0.6407 | 102 | 78  | 0.6726 | 79  | 0.6674 | 56  |
| United Arab<br>Emirates | 103 | 0.6397 | 103 | 112 | 0.6198 | 105 | 0.6220 | 105 |
| Korea, Rep.             | 104 | 0.6342 | 104 | 115 | 0.6146 | 108 | 0.6154 | 97  |

| Kuwait          | 105 | 0.6318 | 105 | 105 | 0.6356 | 101 | 0.6358        | 96  |
|-----------------|-----|--------|-----|-----|--------|-----|---------------|-----|
| Zambia          | 106 | 0.6293 | 106 | 107 | 0.6310 | 106 | 0.6205        | 101 |
| Tunisia         | 107 | 0.6266 | 107 | 109 | 0.6233 | 103 | 0.6295        | 102 |
| Fiji            | 108 | 0.6256 | 108 | 103 | 0.6414 | n/a | n/a           | n/a |
| Guatemala       | 109 | 0.6238 | 109 | 111 | 0.6209 | 112 | 0.6072        | 106 |
| Bahrain         | 110 | 0.6217 | 110 | 116 | 0.6136 | 121 | 0.5927        | 115 |
| Burkina<br>Faso | 111 | 0.6162 | 111 | 120 | 0.6081 | 115 | 0.6029        | 117 |
| India           | 112 | 0.6155 | 112 | 114 | 0.6151 | 113 | 0.6060        | 114 |
| Mauritania      | 113 | 0.6152 | 113 | 119 | 0.6103 | 110 | 0.6117        | 111 |
| Cameroon        | 114 | 0.6110 | 114 | 118 | 0.6108 | 117 | 0.6017        | 116 |
| Nepal           | 115 | 0.6084 | 115 | 110 | 0.6213 | 120 | 0.5942        | 125 |
| Lebanon*        | 116 | 0.6084 | n/a | n/a | n/a    | n/a | n/a           | n/a |
| Qatar           | 117 | 0.6059 | 116 | 125 | 0.5907 | 119 | 0.5948        | 109 |
| Nigeria         | 118 | 0.6055 | 117 | 108 | 0.6280 | 102 | 0.6339        | 107 |
| Algeria         | 119 | 0.6052 | 118 | 117 | 0.6119 | 111 | 0.6111        | 108 |
| Jordan          | 120 | 0.6048 | 119 | 113 | 0.6182 | 104 | 0.6275        | 104 |
| Ethiopia        | 121 | 0.6019 | 120 | 122 | 0.5948 | 122 | 0.5867        | 113 |
| Oman            | 122 | 0.5950 | 121 | 123 | 0.5938 | 118 | <u>0.5960</u> | 119 |

| Iran              | 123 | 0.5933 | 122 | 128 | 0.5839 | 116 | 0.6021 | 118 |
|-------------------|-----|--------|-----|-----|--------|-----|--------|-----|
| Syria             | 124 | 0.5926 | 123 | 121 | 0.6072 | 107 | 0.6181 | 103 |
| Egypt             | 125 | 0.5899 | 124 | 126 | 0.5862 | 124 | 0.5832 | 120 |
| Turkey            | 126 | 0.5876 | 125 | 129 | 0.5828 | 123 | 0.5853 | 121 |
| Morocco           | 127 | 0.5767 | 126 | 124 | 0.5926 | 125 | 0.5757 | 122 |
| Benin             | 128 | 0.5719 | 127 | 131 | 0.5643 | 126 | 0.5582 | 123 |
| Saudi Arabia      | 129 | 0.5713 | 128 | 130 | 0.5651 | 128 | 0.5537 | 124 |
| Côte<br>d'Ivoire* | 130 | 0.5691 | n/a | n/a | n/a    | n/a | n/a    | n/a |
| Mali              | 131 | 0.5680 | 129 | 127 | 0.5860 | 109 | 0.6117 | 112 |
| Pakistan          | 132 | 0.5465 | 130 | 132 | 0.5458 | 127 | 0.5549 | 126 |
| Chad              | 133 | 0.5330 | 131 | 133 | 0.5417 | 129 | 0.5290 | 127 |
| Yemen             | 134 | 0.4603 | 132 | 134 | 0.4609 | 130 | 0.4664 | 128 |
| Belarus           | n/a | n/a    | n/a | 34  | 0.7141 | 33  | 0.7099 | 23  |
| Uzbekistan        | n/a | n/a    | n/a | 58  | 0.6913 | 55  | 0.6906 | 41  |
|                   |     |        |     |     |        |     |        |     |

\*new country 2010

#### Commentary:

According to the report's index, Nordic countries, such as Iceland, Norway, Finland, and Sweden have continued to dominate at the top of the ranking for gender equality. Meanwhile, France has seen a notable decline in the ranking, largely as a result of decreased number of women holding ministerial portfolios in that country. In the Americas, the United States has risen in the ranking to top the region, predominantly as a result of a decreasing wage gap, as well as higher number of women holding key positions in the current Obama administration. <u>Canada</u> has continued to remain as one of the top ranking countries of the Americas, followed by the small Caribbean island nation of Trinidad and Tobago, which has the distinction of being among the top three countries of the Americans in the realm of gender equality. Lesotho and South African ranked highly in the index, leading not only among African countries but also in global context. Despite Lesotho still lagging in the area of life expectancy, its high ranking was attributed to high levels of female participation in the labor force and female literacy. The **<u>Philippines</u>** and <u>Sri Lanka</u> were the top ranking countries for gender equality for Asia, ranking highly also in global context. The <u>Philippines</u> has continued to show strong performance in all strong performance on all four dimensions (detailed above) of the index. Finally, in the Arab world, the United Arab Emirates held the highest-rank within that region of the world; however, its placement near the bottom of the global list highlights the fact that Arab countries are generally poor performers when it comes to the matter of gender equality in global scope.

#### Source:

This data is derived from the latest edition of The Global Gender Gap Report by the World Economic Forum.

#### Available at URL:

http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/Gende

#### Updated:

Based on latest available data as set forth in chart; reviewed in 2014

# **Culture and Arts**

# **Cultural Summary**

Despite increasing movements toward modernization, Iran is still a theocracy, with all aspects of political and social life dictated by its Islamic religious fulcrum. Visitors should acquaint themselves with the Islamic traditions as well as the laws, which are influenced by the Shari'a - the religious book upon which most of the legal and juridical framework is based. Note that all people in Iran, regardless of their citizenship, are subject to Iran's strict laws and uncompromising social structure.

Due to years and years of conquest and migration, Iran's population is decidedly multiethnic and multicultural, including Kurds and Armenians, among others. About half the population speaks Persian while the rest speaks a variety of other languages including Turkic, Arabic and Syriac. Persian is the name for the main language spoken in Iran although some mistakenly describe it as Farsi.

Despite Western criticism of the Iranian government, it is well known that poor Iranians are given the ability to build themselves in terms of status and wealth.

Iran is the only Middle Eastern nation that uses the solar calendar and the only nation in general that marks the advent of the New Year as the spring equinox.

Although Iran has rich and elaborate artistic traditions, they are sometimes hindered since Islamic leaders frown upon many forms of artistic expression, which is often subject to moral censorship. The country's art sector suffers some from two Islamic prohibitions – one against music and one against the depiction of humans and animals in art.

Still, over time Iranian poets have written notable pieces. The nation's most popular poets include Firdawsi, Hafez, Sa'adi, and Jalal ad-D n ar-R m. The country boasts miniature paintings that illustrate Iranian classics and classic stories. Iran too has a history of making a developed art out of calligraphy.

Persian carpet making is known all over the world, with carpets serving as Iran's most important export item behind oil. Each region of the country has its own traditional designs. They are considered investments and treasures of sorts with the older carpets carrying more value than new ones.

Film in Iran has won several major international prizes in recent times and helped earn the country a bit of a progressive, positive image.

The country's classical music system has influenced the country's more popular music forms. But since religious authorities disapprove of much of the modern music, many popular Iranian musicians choose to live outside the country. Women are not allowed to perform music in public

under the current government.

In November 2010, a group of Iranian artists banded together to form the Art Tomorrow International Foundation, a group aiming to spread the nation's contemporary art around the world. The country has also made headlines for its recent battle with Great Britain over the Cyrus Cylinder, an ancient stone piece engraved with an early document of human rights. In the summer of 2010, the British Museum said it would be willing to loan the piece to the National Museum of Iran.

Research sources include:

http://www.everyculture.com/Ge-It/Iran.html

http://news.yahoo.com/s/artinfo/20101109/en artinfo/iranian artists band together to reach a glob

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# Etiquette

#### **Cultural Dos and Taboos**

Titles are preferable to first names, especially in the case of elders or superiors.

Normally, one should be prepared to remove one's shoes before entering a building or a home. When one removes one's shoes, the soles of the shoes are placed together, preventing the sole from being pointed at anyone. Also, among Muslims, one should never show the bottom of one's feet as it is considered offensive. Be sure not to walk on prayer mats, which will likely be present within homes.

If one is invited into the home of a local family, it is customary to take a gift to the host or hostess. Baked goods, chocolates, or a bag of sweets, are good choices. More elaborate offerings, such as a beautiful ornament, possibly from one's own country, would constitute an acceptable gift between business associates. A finely made compass, symbolizing the direction of Mecca to a devout Muslim, would constitute a thoughtful gesture on the part of the giver, and would most assuredly be treasured by the recipient.

There are also a number of prohibitions and customs involving food that one should adhere to in a Muslim country. For example, one should also note that the consumption of alcohol or pork is strictly disallowed. One should also avoid wasting bread. Breadcrumbs should never be brushed to the ground as it is considered to be sacred.

In conversation, good topic choices include the country's history, current or modern achievements, sports and culture. Generally, discussions about politics or religion should be avoided. Before embarking upon any kind of business discussion, one should ask after one's counterpart's health and life. Men should be careful not to bring up the subject of women unless one's counterpart does so first. A simple inquiry as to the health of a wife or daughter can be considered inappropriate.

One should always use the right hand in preference to the left. The left hand is considered unclean in the Muslim world and as such, one should never eat with the left hand. Likewise, one should avoid gesturing with the left hand while making sure that gifts are received with the right hand. Of course, it is acceptable to use both hands when one is insufficient. One should also avoid pointing at another person, and one should never use the North American "thumbs up" gesture as is considered to be vulgar throughout the Muslim world.

In the realm of protocol, one should not enter a room or home without knocking or coughing to announce one's presence. One should also not shout, laugh too loudly or sing during meal times. Note that it is appropriate to cover the mouth when laughing.

Generally, visitors are urged to acquaint themselves with the calendar and traditions of Islam, such as the fasting, daily prayer and practices. Praying five times daily, for example, is customary and affects the schedule of all events and practices in Muslim countries. During the period of Ramadan, for instance, fasting and prayer is mandatory for Muslims.

Be prepared for the separation between the genders and the rules concerning the appropriate behavior of each sex, especially in social situations. Men and women should not kiss, hug, hold hands or mingle in public. Even married couples should exercise reticence in their displays of affection.

This is a predominantly Muslim culture and as such, clothing should be appropriate to this environment. Business wear is typically more conventional; suits are the norm for both men and women, although more casual attire may also be permissible. Western women should try to be more restrained in regard to makeup and jewelry. Both men and women should dress modestly. Tight, revealing clothing is simply not acceptable, while shorts, bikinis and short hems are objectionable. Necklines should be high and sleeves should come to the elbows. Hemlines should be well below the knee, if not ankle length. While the rules for men's attire is not as strict, men must keep their chest covered in public and should never wear shorts in public.

# Please note the following:

Do not photograph anything concerning the military or government.

Note that although Iran is a Muslim theocracy, most Iranians are of the Shi'ia sect if Islam. Try to learn about the differences between this sect and Sunni Islam.

Despite increasing movements toward modernization, Iran is still a theocracy, with all aspects of political and social life dictated by its Islamic religious fulcrum. Visitors should acquaint themselves with the Islamic traditions as well as the laws, which are influenced by the Shari'a - the religious book upon which most of the legal and juridical framework is based. Note that all people in Iran, regardless of citizenship, are subject to Iran's strict laws and uncompromising social structure.

# **Travel Information**

# Please Note:

This is a generalized travel guide and it is intended to coalesce several resources, which a traveler might find useful, regardless of a particular destination. As such, it does not include travel warnings for specific "hot spot" destinations.

For travel alerts and warnings, please see the United States Department of State's listings available at URL:

http://travel.state.gov/content/passports/english/alertswarnings.html

Please note that travel to the following countries, based on these warnings, is ill-advised, or should be undertaken with the utmost precaution:

Afghanistan, Algeria, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Ethiopia, Guinea, Honduras, Iraq, Iran, Lebanon, Liberia, Libya, Mali, Mauritania, Mexico, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestinian Territories of West Bank and Gaza, Philippines areas of Sulu Archipelago, Mindanao, and southern Sulu Sea, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela, and Yemen.

#### \*\*\*

#### **Please Note:**

The Department of State warns U.S. citizens to carefully consider the risks of travel to Iran. Dual national Iranian-American citizens may encounter difficulty in departing Iran. U.S. citizens should stay current with media coverage of local events and carefully consider nonessential travel. Some elements in Iran remain hostile to the United States. As a result, U.S. citizens may be subject to harassment or arrest while traveling or residing in Iran. Since 2009, Iranian authorities have prevented the departure, in some cases for several months, of a number of Iranian-American citizens, including journalists and academics, who traveled to Iran for personal or professional reasons. Iranian authorities also have unjustly detained or imprisoned U.S. citizens on various charges, including espionage and posing a threat to national security. U.S. citizens of Iranian origin should consider the risk of being targeted by authorities before planning travel to Iran. Iranian authorities deny the U.S. Interests Section in Tehran access to imprisoned dual national Iranian-American citizens without dual nationality is often denied as well.

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# **International Travel Guide**

#### **Checklist for Travelers**

**1.** Take out travel insurance to cover hospital treatment or medical evacuation. Overseas medical costs are expensive to most international travelers, where one's domestic, nationalized or even private health insurance plans will not provide coverage outside one's home country. Learn about "reciprocal insurance plans" that some international health care companies might offer.

**2.** Make sure that one's travel insurance is appropriate. If one intends to indulge in adventurous activities, such as parasailing, one should be sure that one is fully insured in such cases. Many traditional insurance policies do not provide coverage in cases of extreme circumstances.

3. Take time to learn about one's destination country and culture. Read and learn about the place

one is traveling. Also check political, economic and socio-cultural developments at the destination by reading country-specific travel reports and fact sheets noted below.

**4.** Get the necessary visas for the country (or countries) one intends to visit - but be aware that a visa does not guarantee entry. A number of useful sites regarding visa and other entry requirements are noted below.

**5.** Keep in regular contact with friends and relatives back at home by phone or email, and be sure to leave a travel itinerary.

**6.** Protect one's personal information by making copies of one's passport details, insurance policy, travelers checks and credit card numbers. Taking copies of such documents with you, while leaving another collection copies with someone at home is also good practice for travelers. Taking copies of one's passport photograph is also recommended.

7. Stay healthy by taking all possible precautions against illness. Also, be sure to take extra supplies of prescription drugs along for the trip, while also taking time to pack general pharmaceutical supplies, such as aspirin and other such painkillers, bandages, stomach ailment medication, anti-inflammatory medication and anti-bacterial medication.

**8.** Do not carry illicit drugs. Understand that the punishment for possession or use of illegal drugs in some countries may be capital punishment. Make sure your prescription drugs are legal in the countries you plan to visit.

**9.** Know the laws of one's destination country and culture; be sure to understand the repercussions of breaking those laws and regulations. Often the transparency and freedoms of the juridical system at home is not consistent with that of one's destination country. Become aware of these complexities and subtleties before you travel.

**10.** For longer stays in a country, or where the security situation is volatile, one should register one's self and traveling companions at the local embassy or consulate of one's country of citizenship.

**11.** Women should take care to be prepared both culturally and practically for traveling in a different country and culture. One should be sure to take sufficient supplies of personal feminine products and prescription drugs. One should also learn about local cultural standards for women, including norms of dressing. Be aware that it is simply inappropriate and unsafe for women to travel alone in some countries, and take the necessary precautions to avoid risk-filled situations.

**12.** If one is traveling with small children, one should pack extra supplies, make arrangements with the travel carrier for proper seating that would adequately accommodate children, infants or toddlers. Note also that whether one is male of female, traveling with children means that one's hands are thus not free to carry luggage and bags. Be especially aware that this makes one vulnerable to pickpockets, thieves and other sorts of crime.

**13.** Make proper arrangements for accommodations, well in advance of one's arrival at a destination. Some countries have limited accommodation, while others may have culturally distinctive facilities. Learning about these practicalities before one travels will greatly aid the enjoyment of one's trip.

14. Travel with different forms of currency and money (cash, traveler's checks and credit cards) in anticipation that venues may not accept one or another form of money. Also, ensuring that one's

financial resources are not contained in one location, or by one person (if one is traveling with others) can be a useful measure, in the event that one loses a wallet or purse.

**15.** Find out about transportation in the destination country. In some places, it might be advisable to hire a local driver or taxi guide for safety reasons, while in other countries, enjoying one's travel experience may well be enhanced by renting a vehicle and seeing the local sights and culture independently. Costs may also be prohibitive for either of these choices, so again, prior planning is suggested.

#### **Tips for Travelers**

• Obtain the appropriate visa well in advance of travel and arrange comprehensive insurance for your trip. Check with your embassy, consulate, or appropriate government institution related to travel before traveling.

• Bring enough hard currency (particularly US Dollars) to cover your stay but make sure to declare this on entry. You can only exchange money in banks - not on the street, as this is illegal. Credit cards are of very limited use and, even then, only European Mastercards. Bank transfers are impossible and there is no Western Union or similar institution.

• It is very important to obey Islamic laws and customs at all times during your stay, paying particular attention to dress standards and abstaining from the consumption of alcohol. You are not allowed to import alcohol, pornography, pork products, CDs, videos or audio cassettes. Displays of affection between members of the opposite sex are illegal.

• Always carry identification. Your passport is the best option and visitors are advised to bring a certified copy with them.

• Enter next of kin details into the back of your passport.

• Please register with your embassy on arrival in Tehran, no matter how short your stay, and consult the consular staff should any problem arise.

• Do not get involved with drugs in any way. The penalties are extremely severe and can result in the death penalty.

• Don't overstay your welcome. Visa extensions are time-consuming and must be lodged at least one week in advance of the expiry date.

• It is forbidden to take photos of or near government or military installation.

<u>Note</u>: This information is directly quoted from the United Kingdom Foreign and Commonwealth Office.

Sources: United Kingdom Foreign and Commonwealth Office

#### **Business Culture: Information for Business Travelers**

Please note the following:

Do not photograph anything concerning the military or government.

Note that although Iran is a Muslim theocracy, most Iranians are of the Shi'ia sect if Islam. Try to learn about the differences between this sect and Sunni Islam.

Despite increasing movements toward modernization, Iran is still a theocracy, with all aspects of political and social life dictated by its Islamic religious fulcrum. Visitors should acquaint themselves with the Islamic traditions as well as the laws, which are influenced by the Shari'a - the religious book upon which most of the legal and juridical framework is based. Note that all people in Iran, regardless of citizenship, are subject to Iran's strict laws and uncompromising social structure.

For general information on etiquette in Iran, please see our Cultural Etiquette page.

#### **Online Resources Regarding Entry Requirements and Visas**

Foreign Entry Requirements for Americans from the United States Department of State <u>http://travel.state.gov/travel/cis\_pa\_tw/cis/cis\_1765.html</u>

Visa Services for Non-Americans from the United States Department of State <u>http://travel.state.gov/visa/visa\_1750.html</u>

Visa Bulletins from the United States Department of State <u>http://travel.state.gov/visa/frvi/bulletin/bulletin\_1360.html</u>

Visa Waivers from the United States Department of State http://travel.state.gov/visa/temp/without/without\_1990.html - new Passport and Visa Information from the Government of the United Kingdom <a href="http://www.bia.homeoffice.gov.uk/">http://www.bia.homeoffice.gov.uk/</a>

Visa Information from the Government of Australia http://www.dfat.gov.au/visas/index.html

Passport Information from the Government of Australia https://www.passports.gov.au/Web/index.aspx

Passport Information from the Government of Canada http://www.voyage.gc.ca/preparation\_information/passport\_passeport-eng.asp

Visa Information from the Government of Canada http://www.voyage.gc.ca/preparation\_information/visas-eng.asp

Online Visa Processing by Immigration Experts by VisaPro http://www.visapro.com

Sources: United States Department of State, United Kingdom Foreign and Commonwealth Office, Government of Australia: Department of Foreign Affairs and Trade, Government of Canada Department of Foreign Affairs and International Trade

Useful Online Resources for Travelers

Country-Specific Travel Information from United States <u>http://travel.state.gov/travel/cis\_pa\_tw/cis/cis\_1765.html</u>

Travel Advice by Country from Government of United Kingdom <a href="http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/">http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/</a>

General Travel Advice from Government of Australia http://www.smartraveller.gov.au/zw-cgi/view/Advice/General

Travel Bulletins from the Government of Australia http://www.smartraveller.gov.au/zw-cgi/view/TravelBulletins/

Travel Tips from Government of Australia http://www.smartraveller.gov.au/tips/index.html

Travel Checklist by Government of Canada

http://www.voyage.gc.ca/preparation\_information/checklist\_sommaire-eng.asp

Travel Checklist from Government of United Kingdom http://www.fco.gov.uk/en/travelling-and-living-overseas/staying-safe/checklist

Your trip abroad from United States Department of State http://travel.state.gov/travel/tips/brochures/brochures\_1225.html

A safe trip abroad from United States Department of State <u>http://travel.state.gov/travel/tips/safety/safety\_1747.html</u>

Tips for expatriates abroad from United States Department of State <u>http://travel.state.gov/travel/living/residing\_1235.html</u>

Tips for students from United States Department of State <u>http://travel.state.gov/travel/living/studying\_1238.html http://travel.state.gov/travel/tips/brocl</u>

Medical information for travelers from United States Department of State <u>http://travel.state.gov/travel/tips/health/health\_1185.html</u>

US Customs Travel information http://www.customs.gov/xp/cgov/travel/

Sources: United States Department of State; United States Customs Department, United Kingdom Foreign and Commonwealth Office, Foreign and Commonwealth Office, Government of Australia; Government of Canada: Department of Foreign Affairs and International Trade

Other Practical Online Resources for Travelers

Foreign Language Phrases for Travelers http://www.travlang.com/languages/ http://www.omniglot.com/language/phrases/index.htm

World Weather Forecasts http://www.intellicast.com/ http://www.wunderground.com/ http://www.worldweather.org/

Worldwide Time Zones, Map, World Clock <a href="http://www.timeanddate.com/">http://www.timeanddate.com/</a>

http://www.worldtimezone.com/

International Airport Codes http://www.world-airport-codes.com/

International Dialing Codes http://www.kropla.com/dialcode.htm http://www.countrycallingcodes.com/

International Phone Guide <u>http://www.kropla.com/phones.htm</u>

International Mobile Phone Guide http://www.kropla.com/mobilephones.htm

International Internet Café Search Engine <a href="http://cybercaptive.com/">http://cybercaptive.com/</a>

Global Internet Roaming http://www.kropla.com/roaming.htm

World Electric Power Guide http://www.kropla.com/electric.htm http://www.kropla.com/electric2.htm

World Television Standards and Codes http://www.kropla.com/tv.htm International Currency Exchange Rates http://www.xe.com/ucc/

Banking and Financial Institutions Across the World <a href="http://www.123world.com/banks/index.html">http://www.123world.com/banks/index.html</a>

International Credit Card or Automated Teller Machine (ATM) Locator http://visa.via.infonow.net/locator/global/ http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html

International Chambers of Commerce http://www.123world.com/chambers/index.html

World Tourism Websites

#### http://123world.com/tourism/

Diplomatic and Consular Information

United States Diplomatic Posts Around the World <a href="http://www.usembassy.gov/">http://www.usembassy.gov/</a>

United Kingdom Diplomatic Posts Around the World http://www.fco.gov.uk/en/about-the-fco/embassies-and-posts/find-an-embassy-overseas/

Australia's Diplomatic Posts Around the World http://www.dfat.gov.au/missions/ http://www.dfat.gov.au/embassies.html

Canada's Embassies and High Commissions http://www.international.gc.ca/ciw-cdm/embassies-ambassades.aspx

Resources for Finding Embassies and other Diplomatic Posts Across the World <a href="http://www.escapeartist.com/embassy1/embassy1.htm">http://www.escapeartist.com/embassy1/embassy1.htm</a>

Safety and Security

Travel Warnings by Country from Government of Australia <u>http://www.smartraveller.gov.au/zw-cgi/view/Advice/</u>

Travel Warnings and Alerts from United States Department of State <u>http://travel.state.gov/travel/cis\_pa\_tw/tw/tw\_1764.html</u> <u>http://travel.state.gov/travel/cis\_pa\_tw/pa/pa\_1766.html</u>

Travel Reports and Warnings by Government of Canada <u>http://www.voyage.gc.ca/countries\_pays/menu-eng.asp</u> <u>http://www.voyage.gc.ca/countries\_pays/updates\_mise-a-jour-eng.asp</u>

Travel Warnings from Government of United Kingdom <u>http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/</u> <u>http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/?</u> action=noTravelAll#noTravelAll

Sources: United Kingdom Foreign and Commonwealth Office, the United States Department of

State, the Government of Canada: Department of Foreign Affairs and International Trade, Government of Australia: Department of Foreign Affairs and Trade

Other Safety and Security Online Resources for Travelers

United States Department of State Information on Terrorism <u>http://www.state.gov/s/ct/</u>

Government of the United Kingdom Resource on the Risk of Terrorism <u>http://www.fco.gov.uk/servlet/Front?</u> pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926

Government of Canada Terrorism Guide http://www.international.gc.ca/crime/terrorism-terrorisme.aspx?lang=eng

Information on Terrorism by Government of Australia <u>http://www.dfat.gov.au/icat/index.html</u>

FAA Resource on Aviation Safety <u>http://www.faasafety.gov/</u>

In-Flight Safety Information for Air Travel (by British Airways crew trainer, Anna Warman) http://www.warman.demon.co.uk/anna/inflight.html

Hot Spots: Travel Safety and Risk Information http://www.airsecurity.com/hotspots/HotSpots.asp

Information on Human Rights <u>http://www.state.gov/g/drl/hr/</u>

Sources: The United States Department of State, the United States Customs Department, the Government of Canada, the Government of United Kingdom, the Government of Australia, the Federal Aviation Authority, Anna Warman's In-flight Website, Hot Spots Travel and Risk Information

## **Diseases/Health Data**

Please Note: Most of the entry below constitutes a generalized health advisory, which a traveler might find useful, regardless of a particular destination.

As a supplement, however, reader will also find below a list of countries flagged with current health notices and alerts issued by the Centers for Disease Control and Prevention (CDC). Please note that travel to the following countries, based on these 3 levels of warnings, is ill-advised, or should be undertaken with the utmost precaution:

Level 3 (highest level of concern; avoid non-essential travel) --

Guinea - Ebola Liberia - Ebola Nepal - Eathquake zone Sierra Leone - Ebola

Level 2 (intermediate level of concern; use utmost caution during travel) --

Cameroon - Polio Somalia - Polio Vanuatu - Tropical Cyclone zone Throughout Middle East and Arabia Peninsula - MERS ((Middle East Respiratory Syndrome)

Level 1 (standard level of concern; use practical caution during travel) -

Australia - Ross River disease Bosnia-Herzegovina - Measles Brazil - Dengue Fever Brazil - Malaria Brazil - Zika China - H7N9 Avian flu Cuba - Cholera Egypt - H5N1 Bird flu **Ethiopia - Measles Germany - Measles** Japan - Hand, foot, and mouth disease (HFMD) Kyrgyzstan - Measles **Malaysia** -Dengue Fever Mexico - Chikungunya Mexico - Hepatitis A Nigeria - Meningitis **Philippines - Measles Scotland - Mumps** Singapore - Hand, foot, and mouth disease (HFMD) South Korea - MERS ((Middle East Respiratory Syndrome) **Throughout Caribbean - Chikungunya Throughout Central America - Chikungunya Throughout South America - Chikungunya Throughout Pacific Islands - Chikungunya** 

For specific information related to these health notices and alerts please see the CDC's listing available at URL: http://wwwnc.cdc.gov/travel/notices

#### Health Information for Travelers to Iran

The preventive measures you need to take while traveling in the Middle East depend on the areas you visit and the length of time you stay. You should observe the precautions listed in this document in most areas of this region. However, in highly developed areas of Israel, you should observe health precautions similar to those that would apply while traveling in the United States.

Travelers' diarrhea, the number one illness in travelers, can be caused by viruses, bacteria, or parasites, which can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli, Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

Malaria is a preventable infection that can be fatal if left untreated. Prevent infection by taking prescription antimalarial drugs and protecting yourself against mosquito bites (see below). A low risk for malaria exists in parts of Iran, Iraq, Oman, Saudi Arabia, Syrian Arab Republic, Turkey, United Arab Emirates, and Yemen. Travelers to risk areas of Oman, Iran, Saudi Arabia, United Arab Emirates, and Yemen should take mefloquine for malaria prevention. Travelers to risk areas of Iraq, Syria, and Turkey should take chloroquine. For specific locations, see Malaria Information for Travelers to the Middle East (http://www.cdc.gov/travel/regionalmalaria/mideast.htm).

A certificate of yellow fever vaccination may be required for entry into certain of these countries, but only if you are coming from a country in tropical South America or sub-Saharan Africa. (There is no risk for yellow fever in the Middle East.) For detailed information, see Comprehensive Yellow Fever Vaccination Requirements (http://www.cdc.gov/travel/yelfever.htm).

Dengue, filariasis, leishmaniasis, onchocerciasis, and plague are diseases carried by insects that also occur in this region. Protecting yourself against insect bites (see below) will help to prevent these diseases.

#### CDC Recommends the Following Vaccines (as Appropriate for Age):

See your doctor at least 4-6 weeks before your trip to allow time for shots to take effect.

• Hepatitis A or immune globulin (IG).

• Hepatitis B, if you might be exposed to blood (for example, health-care workers), have sexual contact with the local population, stay longer than 6 months, or be exposed through medical treatment.

• Meningococcal vaccine is required for pilgrims to Mecca for the annual Hajj. However, CDC currently recommends the vaccine for all travelers to Mecca, including those traveling for the Umra. (For more information, please see Meningococcal Disease Among Travelers to Saudi Arabia at URL <u>http://www.cdc.gov/travel/saudimenin.htm.)</u>

- Rabies, if you might be exposed to wild or domestic animals through your work or recreation.
- Typhoid, particularly if you are visiting developing countries in this region.

• As needed, booster doses for tetanus-diphtheria and measles, and a one-time dose of polio for adults. Hepatitis B vaccine is now recommended for all infants and for children ages 11-12 years who have not completed the series.

#### All travelers should take the following precautions, no matter the destination:

- Wash hands often with soap and water.
- Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid travel at night if possible and always use seat belts.
- Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.
- Don't eat or drink dairy products unless you know they have been pasteurized.
- Don't share needles with anyone.

• Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: boil it, cook it, peel it, or forget it.

• Never eat undercooked ground beef and poultry, raw eggs, and unpasteurized dairy products. Raw shellfish is particularly dangerous to persons who have liver disease or compromised immune systems.

#### Travelers visiting undeveloped areas should take the following precautions:

#### To Stay Healthy, Do:

• Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water. "Absolute 1-micron filters" are found in camping/outdoor supply stores.

• If you visit an area where there is risk for malaria, take your malaria prevention medication before, during, and after travel, as directed. (See your doctor for a prescription.)

• Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals), and wearing long-sleeved shirts and long pants from dusk through dawn.

• To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.

#### **To Avoid Getting Sick:**

• Don't eat food purchased from street vendors.

• Don't drink beverages with ice.

• Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague). (For more information, please see the Animal-Associated Hazards on the Making Travel Safe page at URL <a href="http://www.cdc.gov/travel/safety.htm">http://www.cdc.gov/travel/safety.htm</a>.)

• Don't swim in fresh water. Salt water is usually safer. (For more information, please see the Swimming Precautions on the Making Travel Safe page.)

#### What You Need To Bring with You:

• Long-sleeved shirt and long pants to wear while outside whenever possible, to prevent illnesses carried by insects (e.g., malaria, dengue, filariasis, leishmaniasis, and onchocerciasis).

• Insect repellent containing DEET (diethylmethyltoluamide), in 30%-35% strength for adults and 6%-10% for children.

• Over-the-counter antidiarrheal medicine to take if you have diarrhea.

• Iodine tablets and water filters to purify water if bottled water is not available. See Do's above for more details about water filters.

• Sunblock, sunglasses, hat.

• Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

#### After You Return Home:

If you have visited an area where there is risk for malaria, continue taking your malaria medication

weekly for 4 weeks after you leave the area. If you become ill-even as long as a year after your trip-tell your doctor the areas you have visited.

#### For More Information:

Ask your doctor or check the CDC web sites for more information about protecting yourself against diseases that occur in the Middle East, such as:

#### For information about diseases-

Carried by Insects Dengue, Malaria, Plague

Carried in Food or Water Cholera, *Escherichia coli*, diarrhea, Hepatitis A, Schistosomiasis, Typhoid Fever

Person-to-Person Contact Hepatitis B, HIV/AIDS

For more information about these and other diseases, please check the Diseases (<u>http://www.cdc.gov/travel/diseases.htm</u>) section and the Health Topics A-Z (<u>http://www.cdc.gov/health/diseases.htm</u>).

Note:

Iran is located in the Middle East health region.

Sources:

*The Center for Disease Control Destinations Website:* <u>http://www.cdc.gov/travel/destinat.htm</u>

# Chapter 6

## **Environmental Overview**

## **Environmental Issues**

#### **Current Issues:**

- air pollution (especially in urban areas, from vehicle emissions, refinery operations, and industrial effluents)

- deforestation
- overgrazing
- desertification
- oil pollution in the Persian Gulf
- inadequate supplies of potable water

#### **Total Greenhouse Gas Emissions (Mtc):**

119.7

#### **Country Rank (GHG output):**

18th

#### **Natural Hazards:**

-periodic droughts -floods -dust storms -sandstorms -earthquakes

## **Environmental Policy**

#### **Regulation and Jurisdiction:**

The regulation and protection of the environment in Iran is under the jurisdiction of the following:

• Department of the Environment

#### **Major Non-Governmental Organizations:**

N/A

#### **International Environmental Accords:**

Party to:

- Biodiversity
- Climate Change
- Desertification
- Endangered Species
- Hazardous Wastes
- Marine Dumping
- Nuclear Test Ban
- Ozone Layer Protection
- Wetlands

#### Signed but not ratified:

- Environmental Modification
- Law of the Sea
- Marine Life Conservation

#### Kyoto Protocol Status (year ratified):

2005

#### **Greenhouse Gas Ranking**

Greenhouse Gas Ranking

### **GHG Emissions Rankings**

| Country<br>Rank | Country        |
|-----------------|----------------|
| 1               | United States  |
| 2               | China          |
| 4               | Russia         |
| 5               | Japan          |
| 6               | India          |
| 7               | Germany        |
| 8               | United Kingdom |
| 9               | Canada         |
| 10              | Korea, South   |

| 11 | Italy        |
|----|--------------|
| 12 | Mexico       |
| 13 | France       |
| 14 | South Africa |
| 15 | Iran         |
| 16 | Indonesia    |
| 17 | Australia    |
| 18 | Spain        |
| 19 | Brazil       |
| 20 | Saudi Arabia |
| 21 | Ukraine      |
| 22 | Poland       |
| 23 | Taiwan       |
| 24 | Turkey       |
| 25 | Thailand     |
| 26 | Netherlands  |
| 27 | Kazakhstan   |
| 28 | Malaysia     |

| 29 | Egypt                |
|----|----------------------|
| 30 | Venezuela            |
| 31 | Argentina            |
| 32 | Uzbekistan           |
| 33 | Czech Republic       |
| 34 | Belgium              |
| 35 | Pakistan             |
| 36 | Romania              |
| 37 | Greece               |
| 38 | United Arab Emirates |
| 39 | Algeria              |
| 40 | Nigeria              |
| 41 | Austria              |
| 42 | Iraq                 |
| 43 | Finland              |
| 44 | Philippines          |
| 45 | Vietnam              |
| 46 | Korea, North         |

| 48Portugal49Colombia50Belarus51Kuwait52Hungary53Chile54Denmark55Serbia & Montenegro56Sweden57Syria58Libya60Singapore61Switzerland62Ireland63Turkmenistan64Slovakia | 47 | Israel              |
|--|----|---------------------|
| 50Belarus51Kuwait52Hungary53Chile54Denmark55Serbia & Montenegro56Sweden57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan                     | 48 | Portugal            |
| 51Kuwait52Hungary53Chile54Denmark55Serbia & Montenegro56Sweden57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan                              | 49 | Colombia            |
| 52Hungary53Chile54Denmark55Serbia & Montenegro56Sweden57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan                                      | 50 | Belarus             |
| 53Chile54Denmark55Serbia & Montenegro56Sweden57Syria58Libya60Singapore61Switzerland62Ireland63Turkmenistan   | 51 | Kuwait              |
| 54Denmark55Serbia & Montenegro56Sweden57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan  | 52 | Hungary             |
| 55Serbia & Montenegro56Sweden57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan   | 53 | Chile               |
| 56Sweden57Syria57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan   | 54 | Denmark             |
| 57Syria58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan  | 55 | Serbia & Montenegro |
| 58Libya59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan   | 56 | Sweden              |
| 59Bulgaria60Singapore61Switzerland62Ireland63Turkmenistan  | 57 | Syria               |
| 60Singapore61Switzerland62Ireland63Turkmenistan  | 58 | Libya               |
| 61Switzerland62Ireland63Turkmenistan   | 59 | Bulgaria            |
| 62   Ireland     63   Turkmenistan   | 60 | Singapore           |
| 63 Turkmenistan  | 61 | Switzerland         |
|  | 62 | Ireland             |
| 64 Slovakia  | 63 | Turkmenistan        |
|  | 64 | Slovakia            |

| 65 | Bangladesh         |
|----|--------------------|
| 66 | Morocco            |
| 67 | New Zealand        |
| 68 | Oman               |
| 69 | Qatar              |
| 70 | Azerbaijan         |
| 71 | Norway             |
| 72 | Peru               |
| 73 | Cuba               |
| 74 | Ecuador            |
| 75 | Trinidad & Tobago  |
| 76 | Croatia            |
| 77 | Tunisia            |
| 78 | Dominican Republic |
| 79 | Lebanon            |
| 80 | Estonia            |
| 81 | Yemen              |
| 82 | Jordan             |
|    |                    |

| 83  | Slovenia             |
|-----|----------------------|
| 84  | Bahrain              |
| 85  | Angola               |
| 86  | Bosnia & Herzegovina |
| 87  | Lithuania            |
| 88  | Sri Lanka            |
| 89  | Zimbabwe             |
| 90  | Bolivia              |
| 91  | Jamaica              |
| 92  | Guatemala            |
| 93  | Luxembourg           |
| 94  | Myanmar              |
| 95  | Sudan                |
| 96  | Kenya                |
| 97  | Macedonia            |
| 98  | Mongolia             |
| 99  | Ghana                |
| 100 | Cyprus               |

| 101 | Moldova       |
|-----|---------------|
| 102 | Latvia        |
| 103 | El Salvador   |
| 104 | Brunei        |
| 105 | Honduras      |
| 106 | Cameroon      |
| 107 | Panama        |
| 108 | Costa Rica    |
| 109 | Cote d'Ivoire |
| 110 | Kyrgyzstan    |
| 111 | Tajikistan    |
| 112 | Ethiopia      |
| 113 | Senegal       |
| 114 | Uruguay       |
| 115 | Gabon         |
| 116 | Albania       |
| 117 | Nicaragua     |
| 118 | Botswana      |

| 119 | Paraguay         |
|-----|------------------|
| 120 | Tanzania         |
| 121 | Georgia          |
| 122 | Armenia          |
| 123 | Congo, RC        |
| 124 | Mauritius        |
| 125 | Nepal            |
| 126 | Mauritius        |
| 127 | Nepal            |
| 128 | Mauritania       |
| 129 | Malta            |
| 130 | Papua New Guinea |
| 131 | Zambia           |
| 132 | Suriname         |
| 133 | Iceland          |
| 134 | Тодо             |
| 135 | Benin            |
| 136 | Uganda           |
|     |                  |

| 137 | Bahamas           |
|-----|-------------------|
| 138 | Haiti             |
| 139 | Congo, DRC        |
| 140 | Guyana            |
| 141 | Mozambique        |
| 142 | Guinea            |
| 143 | Equatorial Guinea |
| 144 | Laos              |
| 145 | Barbados          |
| 146 | Niger             |
| 147 | Fiji              |
| 148 | Burkina Faso      |
| 149 | Malawi            |
| 150 | Swaziland         |
| 151 | Belize            |
| 152 | Afghanistan       |
| 153 | Sierra Leone      |
| 154 | Eritrea           |

| 155 | Rwanda                         |
|-----|--------------------------------|
| 156 | Mali                           |
| 157 | Seychelles                     |
| 158 | Cambodia                       |
| 159 | Liberia                        |
| 160 | Bhutan                         |
| 161 | Maldives                       |
| 162 | Antigua & Barbuda              |
| 163 | Djibouti                       |
| 164 | Saint Lucia                    |
| 165 | Gambia                         |
| 166 | Guinea-Bissau                  |
| 167 | Central African Republic       |
| 168 | Palau                          |
| 169 | Burundi                        |
| 170 | Grenada                        |
| 171 | Lesotho                        |
| 172 | Saint Vincent & the Grenadines |

| 173        | Solomon Islands     |
|------------|---------------------|
| 174        | Samoa               |
| 175        | Cape Verde          |
| 176        | Nauru               |
| 177        | Dominica            |
| 178        | Saint Kitts & Nevis |
| 179        | Chad                |
| 180        | Tonga               |
| 181        | Sao Tome & Principe |
| 182        | Comoros             |
| 183        | Vanuatu             |
| 185        | Kiribati            |
| Not Ranked | Andorra             |
| Not Ranked | East Timor          |
| Not Ranked | Holy See            |
| Not Ranked | Hong Kong           |
| Not Ranked | Liechtenstein       |
| Not Ranked | Marshall Islands    |

| Not Ranked | Micronesia |
|------------|------------|
| Not Ranked | Monaco     |
| Not Ranked | San Marino |
| Not Ranked | Somalia    |
| Not Ranked | Tuvalu     |

\* European Union is ranked 3rd Cook Islands are ranked 184th Niue is ranked 186th

## **Global Environmental Snapshot**

#### **Introduction**

The countries of the world face many environmental challenges in common. Nevertheless, the nature and intensity of problem vary from region to region, as do various countries' respective capacities, in terms of affluence and infrastructure, to remediate threats to environmental quality.

Consciousness of perils affecting the global environment came to the fore in the last third or so of the 20<sup>th</sup> century has continued to intensify well into the new millennium. According to the United Nations Environment Programme, considerable environmental progress has been made at the level of institutional developments, international cooperation accords, and public participation. Approximately two-dozen international environmental protection accords with global implications have been promulgated since the late 1970s under auspices of the United Nations and other international organizations, together with many additional regional agreements. Attempts to address and rectify environmental problems take the form of legal frameworks, economic instruments, environmentally sound technologies and cleaner production processes as well as conservation efforts. Environmental impact assessments have increasingly been applied across the globe.

Environmental degradation affects the quality, or aesthetics, of human life, but it also displays potential to undermine conditions necessary for the sustainability of human life. Attitudes toward

the importance of environmental protection measures reflect ambivalence derived from this bifurcation. On one hand, steps such as cleaning up pollution, dedicating parkland, and suchlike, are seen as embellishments undertaken by wealthy societies already assured they can successfully perform those functions deemed, ostensibly, more essential-for instance, public health and education, employment and economic development. On the other hand, in poorer countries, activities causing environmental damage-for instance the land degradation effects of unregulated logging, slash-and-burn agriculture, overgrazing, and mining-can seem justified insofar as such activities provide incomes and livelihoods.

Rapid rates of resource depletion are associated with poverty and high population growth, themselves correlated, whereas consumption per capita is much higher in the most developed countries, despite these nations' recent progress in energy efficiency and conservation. It is impossible to sequester the global environmental challenge from related economic, social and political challenges.

First-tier industrialized countries have recently achieved measurable decreases in environmental pollution and the rate of resource depletion, a success not matched in middle income and developing countries. It is believed that the discrepancy is due to the fact that industrialized countries have more developed infrastructures to accommodate changes in environmental policy, to apply environmental technologies, and to invest in public education. The advanced industrialized countries incur relatively lower costs in alleviating environmental problems, in comparison to developing countries, since in the former even extensive environmental programs represent a rather minuscule percentage of total expenditures. Conversely, budget constraints, lagged provision of basic services to the population, and other factors such as debt service and militarization may preclude institution of minimal environmental protection measures in the poorest countries.

A synopsis for the current situation facing each region of the world follows:

#### **Regional Synopsis: Africa**

The African continent, the world's second-largest landmass, encompasses many of the world's least developed countries. By global standards, urbanization is comparatively low but rising at a rapid rate. More heavily industrialized areas at the northern and southern ends of the continent experience the major share of industrial pollution. In other regions the most serious environmental problems typically stem from inefficient subsistence farming methods and other forms of land degradation, which have affected an increasingly extensive area under pressure of a widely impoverished, fast-growing population. Africa's distribution of natural resources is very uneven. It is the continent at greatest risk of desertification, especially in the Sahel region at the edge of the Sahara but also in other dry-range areas. Yet at the same time, Africa also harbors some of the earth's richest and most diverse biological zones.

#### Key Points:

Up to half a billion hectares of African land are moderately to severely degraded, an occurrence reflecting short-fallow shifting cultivation and overgrazing as well as a climatic pattern of recurrent droughts.

Soil degradation is severe along the expanse directly south of the Sahara, from the west to the east coasts. Parts of southern Africa, central-eastern Africa, and the neighboring island of Madagascar suffer from serious soil degradation as well.

Africa contains about 17 percent of the world's forest cover, concentrated in the tropical belt of the continent. Many of the forests, however, are severely depleted, with an estimated 70 percent showing some degree of degradation.

Population growth has resulted in continuing loss of arable land, as inefficient subsistence farming techniques affect increasingly extensive areas. Efforts to implement settled, sustainable agriculture have met with some recent success, but much further progress in this direction is needed. Especially in previously uninhabited forestlands, concern over deforestation is intensifying.

By contrast, the African savanna remains the richest grassland in the world, supporting a substantial concentration of animal and plant life. Wildlife parks are sub-Saharan Africa's greatest tourist attraction, and with proper management-giving local people a stake in conservation and controlling the pace of development-could greatly enhance African economies.

Significant numbers of mammal species in parts of northern, southern and eastern Africa are currently threatened, while the biological diversity in Mauritania and Madagascar is even further compromised with over 20 percent of the mammal species in these two countries currently under threat.

With marine catch trends increasing from 500,000 metric tons in the 1950s to over 3,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Water resource vulnerability is a major concern in northeastern Africa, and a moderate concern across the rest of the continent. An exception is central Africa, which has plentiful water supplies.

Many Africans lack adequate access to resources, not just (if at all) because the resources are unevenly distributed geographically, but also through institutional failures such as faulty land tenure systems or political upheaval. The quality of Africa's natural resources, despite their spotty distribution, is in fact extraordinarily rich. The infrastructure needed to protect and benefit from this natural legacy, however, is largely lacking.

#### **Regional Synopsis: Asia and the Pacific**

Asia-earth's largest landmass-and the many large and nearly innumerable small islands lying off its Pacific shore display extraordinarily contrasting landscapes, levels of development, and degrees of environmental stress. In the classification used here, the world's smallest continent, Australia, is also included in the Asia-Pacific region.

The Asia-Pacific region is home to 9 of the world's 14 largest urban areas, and as energy use for utilities, industry and transport increases in developing economies, urban centers are subject to worsening air quality. Intense population density in places such as Bangladesh or Hong Kong is the quintessential image many people have of Asia, yet vast desert areas such as the Gobi and the world's highest mountain range, the Himalayas, span the continent as well. Forested areas in Southeast Asia and the islands of Indonesia and the Philippines were historically prized for their tropical hardwood, but in many places this resource is now severely depleted. Low-lying small island states are extremely vulnerable to the effects of global warming, both rising sea levels and an anticipated increase in cyclones.

#### Key Points:

Asian timber reserves are forecast to be depleted in the next 40 years. Loss of natural forest is irreversible in some areas, but plantation programs to restore tree cover may ameliorate a portion of the resulting land degradation.

Increased usage of fossil fuels in China and other parts of southern Asia is projected to result in a marked increase in emissions, especially in regard to carbon dioxide. The increased usage of energy has led to a marked upsurge in air pollution across the region.

Acidification is an emerging problem regionally, with sulfur dioxide emissions expected to triple by 2010 if the current growth rate is sustained. China, Thailand, India, and Korea seem to be suffering from particularly high rates of acid deposition. By contrast, Asia's most highly developed economy, Japan, has effected substantial improvements in its environmental indicators.

Water pollution in the Pacific is an urgent concern since up to 70 percent of the water discharged into the region's waters receives no treatment. Additionally, the disposal of solid wastes, in like manner, poses a major threat in a region with many areas of high population density.

The Asia-Pacific region is the largest expanse of the world's land that is adversely affected by soil degradation.

The region around Australia reportedly suffers the largest degree of ozone depletion.

The microstates of the Pacific suffer land loss due to global warming, and the consequent rise in the levels of ocean waters. A high-emissions scenario and anthropogenic climate impact at the upper end of the currently predicted range would probably force complete evacuation of the lowest-elevation islands sometime in this century.

The species-rich reefs surrounding Southeast Asia are highly vulnerable to the deleterious effects of coastal development, land-based pollution, over-fishing and exploitative fishing methods, as well as marine pollution from oil spills and other activities.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of China and south-east Asia are currently threatened, while the biological diversity in India, Japan, Australia, the Philippines, Indonesia and parts of Malaysia is even further compromised with over 20 percent of the mammal species in these countries currently under threat.

Water resource vulnerability is a serious concern in areas surrounding the Indian subcontinent.

#### **Regional Synopsis: Central Asia**

The Central Asian republics, formerly in the Soviet Union, experience a range of environmental problems as the result of poorly executed agricultural, industrial, and nuclear programs during the Soviet era. Relatively low population densities are the norm, especially since upon the breakup of the U.S.S.R. many ethnic Russians migrated back to European Russia. In this largely semi-arid region, drought, water shortages, and soil salinization pose major challenges.

#### Key Points:

The use of agricultural pesticides, such as DDT and other chemicals, has contributed to the contamination of soil and groundwater throughout the region.

Land and soil degradation, and in particular, increased salinization, is mostly attributable to faulty irrigation practices.

Significant desertification is also a problem in the region.

Industrial pollution of the Caspian Sea and the Aral Sea, as a result of industrial effluents as well as mining and metal production, presents a challenge to the countries bordering these bodies of water.

One of the most severe environmental problems in the region is attributable to the several billion tons of hazardous materials stored in landfills across Central Asia.

Uzbekistan's particular problem involves the contraction of the Aral Sea, which has decreased in size by a third, as a consequence of river diversions and poor irrigation practices. The effect has been the near-total biological destruction of that body of water.

Kazakhstan, as a consequence of being the heartland of the former Soviet Union's nuclear program, has incurred a high of cancerous malignancies, biogenetic abnormalities and radioactive contamination.

While part of the Soviet Union, the republics in the region experienced very high levels of greenhouse gas emissions, as a consequence of rapid industrialization using cheap but dirty energy sources, especially coal.

By contrast, however, there have recently been substantial reductions in the level of greenhouse gas emissions, especially those attributable to coal burning, with further decreases anticipated over the next decade. These changes are partially due to the use of cleaner energy technologies, such as natural gas, augmented by governmental commitment to improving environmental standards.

#### **Regional Synopsis: Europe**

Western Europe underwent dramatic transformation of its landscape, virtually eliminating largescale natural areas, during an era of rapid industrialization, which intensified upon its recovery from World War II. In Eastern Europe and European Russia, intensive land development has been less prevalent, so that some native forests and other natural areas remain. Air and water pollution from use of dirty fuels and industrial effluents, however, are more serious environmental problems in Eastern than in Western Europe, though recent trends show improvement in many indicators. Acid rain has inflicted heavy environmental damage across much of Europe, particularly on forests. Europe and North America are the only regions in which water usage for industry exceeds that for agriculture, although in Mediterranean nations agriculture is the largest water consumer.

#### Key Points:

Europe contributes 36 percent of the world's chlorofluorocarbon emissions, 30 percent of carbon dioxide emissions, and 25 percent of sulfur dioxide emissions.

Sulfur and nitrogen oxide emissions are the cause of 30 to 50 percent of Central and Eastern Europe's deforestation.

Acid rain has been an environmental concern for decades and continues to be a challenge in parts of Western Europe.

Overexploitation of up to 60 percent of Europe's groundwater presents a problem in industrial and urban areas.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of western Europe, Eastern Europe and Russia are currently threatened, while the biological diversity on the Iberian Peninsula is even further compromised with over 40 percent of the mammal species in this region currently under threat. As a result, there has been a 10 percent increase in protected areas of Europe.

A major environmental issue for Europe involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Some estimates suggest that up to 50 percent of the continent's fish species may be considered endangered species. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species.

Fortunately, in the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Recently, most European countries have adopted cleaner production technologies, and alternative methods of waste disposal, including recycling.

The countries of Eastern Europe have made air quality a major environmental priority. This is exemplified by the Russian Federation's addition to the 1995 "Berlin Mandate" (transnational legislation based on resolutions of the Rio Earth Summit) compelling nations to promote "carbon sinks" to absorb greenhouse gases.

On a relative basis, when compared with the degree of industrial emissions emitted by many Eastern European countries until the late 1980s, there has been some marked increase in air quality in the region, as obsolete plants are closed and a transition to cleaner fuels and more efficient

energy use takes place.

#### **Regional Synopsis: The Middle and Near East**

Quite possibly, the Middle East will exemplify the adage that, as the 20<sup>th</sup> century was a century fixated on oil, the 21<sup>st</sup> century will be devoted to critical decisions about water. Many (though far from all) nations in the Middle East rank among those countries with the largest oil and gas reserves, but water resources are relatively scarce throughout this predominantly dry region. Effects of global warming may cause moderately high elevation areas that now typically receive winter "snowpack" to experience mainly rain instead, which would further constrain dry-season water availability. The antiquities and religious shrines of the region render it a great magnet for tourism, which entails considerable economic growth potential but also intensifies stresses on the environment.

#### Key Points:

Water resource vulnerability is a serious concern across the entire region. The increased usage of, and further demand for water, has exacerbated long-standing water scarcity in the region. For instance, river diversions and industrial salt works have caused the Dead Sea to shrink by one-third from its original surface area, with further declines expected.

The oil industry in the region contributes to water pollution in the Persian Gulf, as a result of oil spills, which have averaged 1.2 million barrels of oil spilt per year (some sources suggest that this figure is understated). The consequences are severe because even after oil spills have been cleaned up, environmental damage to the food webs and ecosystems of marine life will persist for a prolonged period.

The region's coastal zone is considered one of the most fragile and endangered ecosystems of the world. Land reclamation, shoreline construction, discharge of industrial effluents, and tourism (such as diving in the Red Sea) contribute to widespread coastal damage.

Significant numbers of mammal species in parts of the Middle East are currently threatened.

Since the 1980s, 11 percent of the region's natural forest has been depleted.

#### **Regional Synopsis: Latin America and the Caribbean**

The Latin American and Caribbean region is characterized by exceedingly diverse landforms that

have generally seen high rates of population growth and economic development in recent decades. The percentage of inhabitants residing in urban areas is quite high at 73.4 percent; the region includes the megacities of Mexico City, Sao Paulo, and Rio de Janeiro. The region also includes the world's second-highest mountain range, the Andes; significant expanses of desert and grassland; the coral reefs of the Caribbean Sea; and the world's largest contiguous tropical forest in the Amazon basin. Threats to the latter from subsistence and commercial farming, mineral exploitation and timbering are well publicized. Nevertheless, of eight countries worldwide that still retain at least 70 percent of their original forest cover, six are in Latin America. The region accounts for nearly half (48.3 percent) of the world's greenhouse gas emissions derived from land clearing, but as yet a comparatively minuscule share (4.3 percent) of such gases from industrial sources.

#### Key Points:

Although Latin America is one of the most biologically diverse regions of the world, this biodiversity is highly threatened, as exemplified by the projected extinction of up to 100,000 species in the next few decades. Much of this loss will be concentrated in the Amazon area, although the western coastline of South America will also suffer significant depletion of biological diversity. The inventory of rainforest species with potentially useful commercial or medical applications is incomplete, but presumed to include significant numbers of such species that may become extinct before they are discovered and identified.

Up to 50 percent of the region's grazing land has lost its soil fertility as a result of soil erosion, salinization, alkalinization and overgrazing.

The Caribbean Sea, the Atlantic Ocean, and the Pacific Ocean have all been contaminated by agricultural wastes, which are discharged into streams that flow into these major waters. Water pollution derived from phosphorous, nitrates and pesticides adversely affects fish stocks, contributes to oxygen depletion and fosters overgrowth of aquatic vegetation. Marine life will continue to be severely compromised as a result of these conditions.

Due to industrial development in the region, many beaches of eastern Latin America and the Caribbean suffer from tar deposits.

Most cities in the region lack adequate sewage treatment facilities, and rapid migration of the rural poor into the cities is widening the gap between current infrastructure capacity and the much greater level needed to provide satisfactory basic services.

The rainforest region of the Amazon Basin suffers from dangerously high levels of deforestation, which may be a significant contributory factor to global warming or "the greenhouse effect." In the late 1990s and into the new millennium, the rate of deforestation was around 20 million acres of rainforest being destroyed annually.

Deforestation on the steep rainforest slopes of Caribbean islands contributes to soil erosion and landslides, both of which then result in heavy sedimentation of nearby river systems. When these sedimented rivers drain into the sea and coral reefs, they poison the coral tissues, which are vital to the maintenance of the reef ecosystem. The result is marine degradation and nutrient depletion. Jamaica's coral reefs have never quite recovered from the effects of marine degradation.

The Southern Cone of Latin America (Argentina, Brazil, Chile, Paraguay, and Uruguay) suffers the effects of greatly increased ultraviolet-B radiation, as a consequence of more intense ozone depletion in the southern hemisphere.

Water resource vulnerability is an increasingly major concern in the northwestern portion of South America.

# **Regional Synopsis: North America**

North American nations, in particular the United States and Canada, rank among the world's most highly developed industrial economies-a fact which has generated significant pollution problems, but also financial resources and skills that have enabled many problems to be corrected. Although efforts to promote energy efficiency, recycling, and suchlike have helped ease strains on the environment in a part of the world where per capita consumption levels are high, sprawling land development patterns and recent preferences many households have demonstrated for larger vehicles have offset these advances.

Meanwhile, a large portion of North America's original forest cover has been lost, though in many cases replaced by productive second-growth woodland. In recent years, attitudes toward best use of the region's remaining natural or scenic areas seem to be shifting toward recreation and preservation and away from resource extraction. With increasing attention on the energy scarcity in the United States, however, there is speculation that this shift may be short-lived. Indeed, the energy shortage on the west coast of the United States and associated calls for energy exploration, indicate a possible retrenchment toward resource extraction. At the same time, however, it has also served to highlight the need for energy conservation as well as alternative energy sources.

Despite generally successful anti-pollution efforts, various parts of the region continue to suffer significant air, water and land degradation from industrial, vehicular, and agricultural emissions and runoff. Mexico, as a middle-income country, displays environmental problems characteristic of a developing economy, including forest depletion, pollution from inefficient industrial processes and dirty fuels, and lack of sufficient waste-treatment infrastructure.

Because of significantly greater motor vehicle usage in the United States (U.S.) than in the rest of the world, the U.S. contribution of urban air pollution and greenhouse gas emissions, especially carbon dioxide, is disproportionately high in relation to its population.

Acid rain is an enduring issue of contention in the northeastern part of the United States, on the border with Canada.

Mexico's urban areas suffer extreme air pollution from carbon monoxide, nitrogen oxides, sulfur dioxide, and other toxic air pollutants. Emissions controls on vehicles are in their infancy, compared to analogous regulations in the U.S.

The cities of Mexico, including those on the U.S. border, also discharge large quantities of untreated or poorly treated sewage, though officials are currently planning infrastructure upgrades.

Deforestation is noteworthy in various regions of the U.S., especially along the northwest coastline. Old growth forests have been largely removed, but in the northeastern and upper midwestern sections of the United States, evidence suggests that the current extent of tree cover probably surpasses the figure for the beginning of the 20<sup>th</sup> century.

Extreme weather conditions in the last few years have resulted in a high level of soil erosion along the north coast of California; in addition, the coastline itself has shifted substantially due to soil erosion and concomitant landslides.

Agricultural pollution-including nitrate contamination of well water, nutrient runoff to waterways, and pesticide exposure-is significant in various areas. Noteworthy among affected places are California's Central Valley, extensive stretches of the Midwest, and land in the Chesapeake Bay watershed.

Inland waterways, especially around the Great Lakes, have substantially improved their water quality, due to concentrated efforts at reducing water pollution by governmental, commercial and community representatives. Strict curbs on industrial effluents and near-universal implementation of sewage treatment are the chief factors responsible for this improvement.

A major environmental issue for Canada and the United States involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species. In the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Due to the decay of neighboring ecosystems in Central America and the Caribbean, the sea

surrounding Florida has become increasingly sedimented, contributing to marine degradation, nutrient depletion of the ecosystem, depletion of fish stocks, and diseases to coral species in particular.

### **Polar Regions**

### Key Points:

The significant rise in sea level, amounting 10 to 25 centimeters in the last 100 years, is due to the melting of the Arctic ice sheets, and is attributed to global warming.

The Antarctic suffers from a significant ozone hole, first detected in 1976. By 1985, a British scientific team reported a 40 percent decrease in usual regeneration rates of the ozone. Because a sustained increase in the amount of ultraviolet-B radiation would have adverse consequences upon all planetary life, recent environmental measures have been put into effect, aimed at reversing ozone depletion. These measures are projected to garner significant results by 2050.

Due to air and ocean currents, the Arctic is a sink for toxic releases originally discharged thousands of miles away. Arctic wildlife and Canada's Inuit population have higher bodily levels of contaminants such as PCB and dioxin than those found in people and animals in much of the rest of the world.

# **Global Environmental Concepts**

### **1. Global Warming and Greenhouse Gases**

### The Greenhouse Effect:

In the early 19<sup>th</sup> century, the French physicist, Jean Fourier, contended that the earth's atmosphere functions in much the same way as the glass of a greenhouse, thus describing what is now understood as the "greenhouse effect." Put simply, the "greenhouse effect" confines some of the sun's energy to the earth, preserving some of the planet's warmth, rather than allowing it to flow back into space. In so doing, all kinds of life forms can flourish on earth. Thus, the "greenhouse effect" is necessary to sustain and preserve life forms and ecosystems on earth.

In the late 19<sup>th</sup> century, a Swedish chemist, Svante Arrhenius, noticed that human activities, such as the burning of coal and other fossil fuels for heat, and the removal of forested lands for urban development, led to higher concentrations of greenhouse gases, like carbon dioxide and methane, in the atmosphere. This increase in the levels of greenhouse gases was believed to advance the "greenhouse effect" exponentially, and might be related to the trend in global warming.

In the wake of the Industrial Revolution, after industrial development took place on a large scale and the total human population burgeoned simultaneously with industrialization, the resulting increase in greenhouse gas emissions could, many scientists believe, be significant enough to have some bearing on climate. Indeed, many studies in recent years support the idea that there is a linkage between human activities and global warming, although there is less consensus on the extent to which this linkage may be relevant to environmental concerns.

That said, some scientists have argued that temperature fluctuations have existed throughout the evolution of the planet. Indeed, Dr. S. Fred Singer, the president of the Science and Environment Policy Project has noted that 3,000-year-old geological records of ocean sediment reveal changes in the surface temperature of the ocean. Hence, it is possible that climate variability is merely a normal fact of the planet's evolution. Yet even skeptics as to anthropogenic factors concur that any substantial changes in global temperatures would likely have an effect upon the earth's ecosystems, as well as the life forms that inhabit them.

# The Relationship Between Global Warming and Greenhouse Gases:

A large number of climatologists believe that the increase in atmospheric concentrations of "greenhouse gas emissions," mostly a consequence of human activities such as the burning of fossil fuels, are contributing to global warming. The cause notwithstanding, the planet has reportedly warmed 0.3°C to 0.6°C over the last century. Indeed, each year during the 1990s was one of the very warmest in the 20<sup>th</sup> century, with the mean surface temperature for 1999 being the fifth warmest on record since 1880.

In early 2000, a panel of atmospheric scientists for the National Research Council concluded in a report that global warming was, indeed, a reality. While the panel, headed by Chairman John Wallace, a professor of atmospheric sciences at the University of Washington, stated that it remained unclear whether human activities have contributed to the earth's increasing temperatures, it was apparent that global warming exists.

In 2001, following a request for further study by the incoming Bush administration in the <u>United</u> <u>States</u>, the National Academy of Sciences again confirmed that global warming had been in existence for the last 20 years. The study also projected an increase in temperature between 2.5 degrees and 10.4 degrees Fahrenheit by the year 2100. Furthermore, the study found the leading cause of global warming to be emissions of carbon dioxide from the burning of fossil fuels, and it noted that greenhouse gas accumulations in the earth's atmosphere was a result of human activities.

Within the scientific community, the controversy regarding has centered on the difference between surface air and upper air temperatures. Information collected since 1979 suggests that while the earth's surface temperature has increased by about a degree in the past century, the atmospheric temperature five miles above the earth's surface has indicated very little increase. Nevertheless, the panel stated that this discrepancy in temperature between surface and upper air does not invalidate the conclusion that global warming is taking place. Further, the panel noted that natural events, such as volcanic eruptions, can decrease the temperature in the upper atmosphere.

The major consequences of global warming potentially include the melting of the polar ice caps, which, in turn, contribute to the rise in sea levels. Many islands across the globe have already experienced a measurable loss of land as a result. Because global warming may increase the rate of evaporation, increased precipitation, in the form of stronger and more frequent storm systems, is another potential outcome. Other consequences of global warming may include the introduction and proliferation of new infectious diseases, loss of arable land (referred to as "desertification"), destructive changes to existing ecosystems, loss of biodiversity and the isolation of species, and concomitant adverse changes in the quality of human life.

# **International Policy Development in Regard to Global Warming:**

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.

2. To ensure and enable sustainable development and food production on a global scale.

\*\*\* See section on "International Environmental Agreements and Associations" for information related to international policies related to limiting greenhouse gases and controlling climate change

emanating from historic summits at Kyoto, Copenhagen, Doha, and Paris. \*\*\*

# 2. Air Pollution

Long before global warming reared its head as a significant issue, those concerned about the environment and public health noted the deleterious effects of human-initiated combustion upon the atmosphere. Killer smogs from coal burning triggered acute health emergencies in London and other places. At a lower level of intensity motor vehicle, power plant, and industrial emissions impaired long-range visibility and probably had some chronic adverse consequences on the respiratory systems of persons breathing such air.

In time, scientists began associating the sulfur dioxide and nitrogen oxides released from coal burning with significant acid deposition in the atmosphere, eventually falling as "acid rain." This phenomenon has severely degraded forestlands, especially in Europe and a few parts of the <u>United States</u>. It has also impaired some aquatic ecosystems and eaten away the surface of some human artifacts, such as marble monuments. Scrubber technology and conversion to cleaner fuels have enabled the level of industrial production to remain at least constant while significantly reducing acid deposition. Technologies aimed at cleaning the air and curtailing acid rain, soot, and smog may, nonetheless, boomerang as the perils of global warming become increasingly serious. In brief, these particulates act as sort of a sun shade -- comparable to the effect of volcanic eruptions on the upper atmosphere whereby periods of active volcanism correlate with temporarily cooler weather conditions. Thus, while the carbon dioxide releases that are an inevitable byproduct of combustion continue, by scrubbing the atmosphere of pollutants, an industrial society opens itself to greater insolation (penetration of the sun's rays and consequent heating), and consequently, it is likely to experience a correspondingly greater rise in ambient temperatures.

The health benefits of removing the sources of acid rain and smog are indisputable, and no one would recommend a return to previous conditions. Nevertheless, the problematic climatic effects of continually increasing emissions of carbon dioxide and other greenhouse gases pose a major global environmental challenge, not as yet addressed adequately.

# 3. Ozone Depletion

The stratospheric ozone layer functions to prevent ultraviolet radiation from reaching the earth. Normally, stratospheric ozone is systematically disintegrated and regenerated through natural photochemical processes. The stratospheric ozone layer, however, has been depleted unnaturally as a result of anthropogenic (man-made) chemicals, most especially chlorine and bromide compounds such as chloroflorocarbons (CFCs), halons, and various industrial chemicals in the form of solvents, refrigerants, foaming agents, aerosol propellants, fire retardants, and fumigants. Ozone depletion is of concern because it permits a greater degree of ultraviolet-B radiation to reach the earth, which then increases the incidences of cancerous malignancies, cataracts, and human immune deficiencies. In addition, even in small doses, ozone depletion affects the ecosystem by disturbing food chains, agriculture, fisheries and other forms of biological diversity.

Transnational policies enacted to respond to the dangers of ozone depletion include the 1985 Vienna Convention on the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was subsequently amended in London in 1990, Copenhagen in 1992 and Vienna in 1995. By 1996, 155 countries had ratified the Montreal Protocol, which sets out a time schedule for the reduction (and eventual elimination) of ozone depleting substances (OPS), and bans exports and imports of ODS from and to nonparticipant countries.

In general, the Protocol stipulates that developed countries must eliminate halon consumption by 1994 and CFC consumption by 1996, while developing countries must eliminate these substances by 2010. Consumption of methyl bromide, which is used as a fumigant, was to be frozen at the 1995 in developed countries, and fully eliminated in 2010, while developing countries are to freeze consumption by 2002, based on average 1995-1998 consumption levels. Methyl chloroform is to be phased out by 2005. Under the Montreal Protocol, most ODS will be completely eliminated from use by 2010.

# 4. Land Degradation

In recent decades, land degradation in more arid regions of the world has become a serious concern. The problem, manifest as both "desertification" and "devegetation," is caused primarily by climate variability and human activities, such as "deforestation," excessive cultivation, overgrazing, and other forms of land resource exploitation. It is also exacerbated by inadequate irrigation practices. Although the effects of droughts on drylands have been temporary in the past, today, the productivity and sustainability of these lands have been severely compromised for the long term. Indeed, in every region of the world, land degradation has become an acute issue.

# **Desertification and Devegetation:**

"Desertification" is a process of land degradation causing the soil to deteriorate, thus losing its nutrients and fertility, and eventually resulting in the loss of vegetation, known as "devegetation." As aforementioned, "desertification" and "devegetation" are caused by human activities, yet human beings are also the greatest casualties. Because these forms of land degradation affect the ability of the soil to produce crops, they concomitantly contribute to poverty. As population increases and

demographic concentrations shift, the extent of land subject to stresses by those seeking to wrest subsistence from it has inexorably risen.

In response, the United Nations has formed the Convention to Combat Desertification-aimed at implementing programs to address the underlying causes of desertification, as well as measures to prevent and minimize its effects. Of particular significance is the formulation of policies on transboundary resources, such as areas around lakes and rivers. At a broader level, the Convention has established a Conference of Parties (COP), which includes all ratifying governments, for directing and advancing international action.

To ensure more efficacious use of funding, the Convention intends to reconfigure international aid to utilize a consultative and coordinated approach in the disbursement and expenditure of donor funds. In this way, local communities that are affected by desertification will be active participants in the solution-generation process. In-depth community education projects are envisioned as part of this new international aid program, and private donor financing is encouraged. Meanwhile, as new technologies are developed to deal with the problem of desertification, they need to be distributed for application across the world. Hence, the Convention calls for international cooperation in scientific research in this regard.

Desertification is a problem of sustainable development. It is directly connected to human challenges such as poverty, social and economic well-being and environmental protection as well. Broader environmental issues, such as climate change, biological diversity, and freshwater supplies, are indirectly related, so any effort to resolve this environmental challenge must entail coordinated research efforts and joint action.

# **Deforestation:**

Deforestation is not a recent phenomenon. For centuries, human beings have cut down trees to clear space for land cultivation, or in order to use the wood for fuel. Over the last 200 years, and most especially after World War II, deforestation increased because the logging industry became a globally profitable endeavor, and so the clearing of forested areas was accelerated for the purposes of industrial development. In the long term, this intensified level of deforestation is considered problematic because the forest is unable to regenerate itself quickly. The deforestation that has occurred in tropical rainforests is seen as an especially serious concern, due to the perceived adverse effects of this process upon the entire global ecosystem.

The most immediate consequence of deforestation is soil degradation. Soil, which is necessary for the growth of vegetation, can be a fragile and vital property. Organically, an extensive evolution process must take place before soil can produce vegetation, yet at the same time, the effects of natural elements, such as wind and rain, can easily and quickly degrade this resource. This phenomenon is known as soil erosion. In addition, natural elements like wind and rain reduce the amount of fertile soil on the ground, making soil scarcity a genuine problem. When fertile topsoil that already exists is removed from the landscape in the process of deforestation, soil scarcity is further exacerbated. Equally significant is the fact that once land has been cleared so that the topsoil can be cultivated for crop production, not only are the nutrient reserves in the soil depleted, thus producing crops of inferior quality, but the soil structure itself becomes stressed and deteriorates further.

Another direct result of deforestation is flooding. When forests are cleared, removing the cover of vegetation, and rainfall occurs, the flow of water increases across the surface of land. When extensive water runoff takes place, the frequency and intensity of flooding increases. Other adverse effects of deforestation include the loss of wildlife and biodiversity within the ecosystem that supports such life forms.

At a broader level, tropical rainforests play a vital role in maintaining the global environmental system. Specifically, destruction of tropical rainforests affects the carbon dioxide cycle. When forests are destroyed by burning (or rotting), carbon dioxide is released into the air, thus contributing to an intensified "greenhouse effect." The increase in greenhouse gas emissions like carbon dioxide is a major contributor to global warming, according to many environmental scientists. Indeed, trees themselves absorb carbon dioxide in the process of photosynthesis, so their loss also reduces the absorption of greenhouse gases.

Tropical rainforest destruction also adversely affects the nitrogen cycle. Nitrogen is a key nutrient for both plants and animals. Plants derive nitrogen from soil, while animals obtain it via nitrogenenriched vegetation. This element is essential for the formation of amino acids, and thereby for proteins and biochemicals that all living things need for metabolism and growth. In the nitrogen cycle, vegetation acquires these essential proteins and biochemicals, and then cyclically returns them to the atmosphere and global ecosystem. Accordingly, when tropical rainforest ecosystems are compromised, not only is vegetation removed; the atmosphere is also affected and climates are altered. At a more immediate level, the biodiversity within tropical rainforests, including wildlife and insect species and a wealth of plant varieties, is depleted. Loss of rare plants is of particular concern because certain species as yet unknown and unused could likely yield many practical benefits, for instance as medicines.

As a result of the many challenges associated with deforestation, many environmental groups and agencies have argued for government policies on the sustainable development of forests by governments across the globe. While many countries have instituted national policies and programs aimed at reducing deforestation, and substantial research has been advanced in regard to sustainable and regenerative forestry development, there has been very little progress on an international level. Generally speaking, most tropical rainforests are located in developing and less developed countries, where economic growth is often dependent upon the exploitation of tropical

rainforests. Timber resources as well as wildlife hunting tend to be particularly lucrative arenas.

In places such as the Amazon, where deforestation takes place for the construction of energy plants aimed at industrialization and economic development, there is an exacerbated effect on the environment. After forests are cleared in order to construct such projects, massive flooding usually ensues. The remaining trees then rot and decay in the wake of the flooding. As the trees deteriorate, their biochemical makeup becomes more acidic, producing poisonous substances such as hydrogen sulphide and methane gases. Acidified water subsequently corrodes the mechanical equipment and operations of the plants, which are already clogged by rotting wood after the floodwaters rise.

Deforestation generally arises from an economically plausible short-term motivation, but nonetheless poses a serious global concern because the effects go beyond national boundaries. The United Nations has established the World Commission on Forest and Sustainable Development. This body's task is to determine the optimal means of dealing with the issue of deforestation, without unduly affecting normal economic development, while emphasizing the global significance of protecting tropical forest ecosystems.

# 5. Water Resources

For all terrestrial fauna, including humans, water is the most immediate necessity to sustain life. As the population has increased and altered an ever-greater portion of the landscape from its natural condition, demand on water resources has intensified, especially with the development of industrialization and large-scale irrigation. The supply of freshwater is inherently limited, and moreover distributed unevenly across the earth's landmasses. Moreover, not just demand for freshwater but activities certain to degrade it are becoming more pervasive. By contrast, the oceans form a sort of "last wilderness," still little explored and in large part not seriously affected by human activity. However, coastal environments - the biologically richest part of the marine ecosystem-are experiencing major depletion due to human encroachment and over-exploitation.

### **Freshwater:**

In various regions, for instance the Colorado River in the western <u>United States</u>, current withdrawals of river water for irrigation, domestic, and industrial use consume the entire streamflow so that almost no water flows into the sea at the river's mouth. Yet development is ongoing in many such places, implying continually rising demand for water. In some areas reliant on groundwater, aquifers are being depleted at a markedly faster rate than they are being replenished. An example is the San Joaquin Valley in California, where decades of high water withdrawals for agriculture have caused land subsidence of ten meters or more in some spots.

Naturally, the uncertainty of future water supplies is particularly acute in arid and semi-arid regions. Speculation that the phenomenon of global warming will alter geographic and seasonal rainfall patterns adds further uncertainty.

Water conservation measures have great potential to alleviate supply shortages. Some city water systems are so old and beset with leaking pipes that they lose as much water as they meter. Broad-scale irrigation could be replaced by drip-type irrigation, actually enhancing the sustainability of agriculture. In many areas where heavy irrigation has been used for decades, the result is deposition of salts and other chemicals in the soil such that the land becomes unproductive for farming and must be abandoned.

Farming is a major source of water pollution. Whereas restrictions on industrial effluents and other "point sources" are relatively easy to implement, comparable measures to reform hydraulic practices at farms and other "nonpoint sources" pose a significantly knottier challenge. Farm-caused water pollution takes the following main forms:

- Nitrate pollution found in wells in intensive farming areas as a consequence of heavy fertilizer use is a threat to human health. The most serious danger is to infants, who by ingesting high-nitrate water can contract methemoglobinemia, sometimes called "blue baby syndrome," a potentially fatal condition.

- Fertilizer runoff into rivers and lakes imparts unwanted nutrients that cause algae growth and eventual loss of oxygen in the body of water, degrading its ability to support fish and other desirable aquatic life.

- Toxic agricultural chemicals - insecticides, herbicides, and fungicides - are detectable in some aquifers and waterways.

In general, it is much easier to get a pollutant into water than to retrieve it out. Gasoline additives, dry cleaning chemicals, other industrial toxins, and in a few areas radionucleides have all been found in water sources intended for human use. The complexity and long time scale of subterranean hydrological movements essentially assures that pollutants already deposited in aquifers will continue to turn up for decades to come. Sophisticated water treatment processes are available, albeit expensive, to reclaim degraded water and render it fit for human consumption. Yet source protection is unquestionably a more desirable alternative.

In much of the developing world, and even some low-income rural enclaves of the developed world, the population lacks ready access to safe water. Surface water and shallow groundwater supplies are susceptible to contamination from untreated wastewater and failing septic tanks, as well as chemical hazards. The occurrence of waterborne disease is almost certainly greatly underreported.

### **Marine Resources:**

Coastal areas have always been desirable places for human habitation, and population pressure on them continues to increase. Many types of water degradation that affect lakes and rivers also affect coastal zones: industrial effluents, untreated or partially treated sewage, nutrient load from agriculture figure prominently in both cases. Prospects for more extreme storms as a result of global warming, as well as the pervasiveness of poorly planned development in many coastal areas, forebode that catastrophic hurricanes and landslides may increase in frequency in the future. Ongoing rise in sea levels will force remedial measures and in some cases abandonment of currently valuable coastal property.

Fisheries over much of the globe have been overharvested, and immediate conservation measures are required to preserve stocks of many species. Many governments subsidized factory-scale fishing fleets in the 1970s and 1980s, and the resultant catch increase evidently surpassed a sustainable level. It is uncertain how much of the current decline in fish stocks stems from overharvesting and how much from environmental pollution. The deep ocean remains relatively unaffected by human activity, but continental shelves near coastlines are frequently seriously polluted, and these close-to-shore areas are the major biological nurseries for food fish and the smaller organisms they feed on.

### **<u>6. Environmental Toxins</u>**

Toxic chemical pollution exploded on the public consciousness with disclosure of spectacularly polluted industrial areas such as Love Canal near Buffalo, New York. There is no question that pollutants such as organophosphates or radionucleides can be highly deleterious to health, but evidence to date suggests that seriously affected areas are a localized rather than universal problem.

While some explore the possibilities for a lifestyle that fully eschews use of modern industrial chemicals, the most prevalent remediative approach is to focus on more judicious use. The most efficient chemical plants are now able to contain nearly all toxic byproducts of their production processes within the premises, minimizing the release of such substances into the environment. Techniques such as Integrated Pest Management (IPM) dictate limited rather than broadcast use of pesticides: application only when needed using the safest available chemical, supplemented as much as possible with nontoxic controls.

While heightened public awareness and growing technical sophistication suggest a hopeful outlook on limiting the damage from manmade environmental toxins, one must grant that previous incidents of their misuse and mishandling have already caused environmental damage that will have to be dealt with for many years to come. In the case of the most hazardous radioactive substances, the time scale for successful remediation actually extends beyond that of the recorded history of civilization. Moreover, in this era of high population density and rapid economic growth, quotidian activities such as the transport of chemicals will occasionally, seemingly inevitably result in accidents with adverse environmental consequences.

# 7. "Islandization" and Biodiversity

With increased awareness regarding the adverse effects of unregulated hunting and habitat depletion upon wildlife species and other aspects of biodiversity, large-scale efforts across the globe have been initiated to reduce and even reverse this trend.

In every region of the world, many species of wildlife and areas of biodiversity have been saved from extinction. Nationally, many countries have adopted policies aimed at preservation and conservation of species, and one of the most tangible measures has been the proliferation of protected habitats. Such habitats exist in the form of wildlife reserves, marine life reserves, and other such areas where biodiversity can be protected from external encroachment and exploitation.

Despite these advances in wildlife and biodiversity protection, further and perhaps more intractable challenges linger. Designated reserves, while intended to prevent further species decline, exist as closed territories, fragmented from other such enclaves and disconnected from the larger ecosystem. This environmental scenario is referred to as "islandization." Habitat reserves often serve as oversized zoos or game farms, with landscapes and wildlife that have effectively been "tamed" to suit. Meanwhile, the larger surrounding ecosystem continues to be seriously degraded and transformed, while within the islandized habitat, species that are the focus of conservation efforts may not have sufficient range and may not be able to maintain healthy genetic variability.

As a consequence, many conservationists and preservationists have demanded that substantially larger portions of land be withheld as habitat reserves, and a network of biological corridors to connect continental reserves be established. While such efforts to combat islandization have considerable support in the <u>United States</u>, how precisely such a program would be instituted, especially across national boundaries, remains a matter of debate. International conservationists and preservationists say without a network of reserves a massive loss of biodiversity will result.

The concept of islandization illustrates why conservation and preservation of wildlife and biodiversity must consider and adopt new, broader strategies. In the past, conservation and preservation efforts have been aimed at specific species, such as the spotted owl and grizzly bear in North America, the Bengal tiger in Southeast Asia, the panda in <u>China</u>, elephants in Africa. Instead, the new approach is to simultaneously protect many and varied species that inhabit the same ecosystem. This method, referred to as "bio-regional conservation," may more efficaciously

generate longer-term and more far-reaching results precisely because it is aimed at preserving entire ecosystems, and all the living things within.

# More About Biodiversity Issues:

This section is directly taken from the United Nations Environmental Program: "Biodiversity Assessment"

The Global Biodiversity Assessment, completed by 1500 scientists under the auspices of United Nations Environmental Program in 1995, updated what is known (or unknown) about global biological diversity at the ecosystem, species and genetic levels. The assessment was uncertain of the total number of species on Earth within an order of magnitude. Of its working figure of 13 million species, only 13 percent are scientifically described. Ecological community diversity is also poorly known, as is its relationship to biological diversity, and genetic diversity has been studied for only a small number of species. The effects of human activities on biodiversity have increased so greatly that the rate of species extinctions is rising to hundreds or thousands of times the background level. These losses are driven by increasing demands on species and their habitats, and by the failure of current market systems to value biodiversity adequately. The Assessment calls for urgent action to reverse these trends.

There has been a new recognition of the importance of protecting marine and aquatic biodiversity. The first quantitative estimates of species losses due to growing coral reef destruction predict that almost 200,000 species, or one in five presently contributing to coral reef biodiversity, could die out in the next 40 years if human pressures on reefs continue to increase.

Since Rio, many countries have improved their understanding of the status and importance of their biodiversity, particularly through biodiversity country studies such as those prepared under the auspices of UNEP/GEF. The <u>United Kingdom</u> identified 1250 species needing monitoring, of which 400 require action plans to ensure their survival. Protective measures for biodiversity, such as legislation to protect species, can prove effective. In the USA, almost 40 percent of the plants and animals protected under the Endangered Species Act are now stable or improving as a direct result of recovery efforts. Some African countries have joined efforts to protect threatened species through the 1994 Lusaka Agreement, and more highly migratory species are being protected by specialized cooperative agreements among range states under the Bonn Agreement.

There is an emerging realization that a major part of conservation of biological diversity must take place outside of protected areas and involve local communities. The extensive agricultural areas occupied by small farmers contain much biodiversity that is important for sustainable food production. Indigenous agricultural practices have been and continue to be important elements in the maintenance of biodiversity, but these are being displaced and lost. There is a new focus on the interrelationship between agrodiversity conservation and sustainable use and development practices in smallholder agriculture, with emphasis on use of farmers' knowledge and skills as a source of information for sustainable farming.

Perhaps even more important than the loss of biodiversity is the transformation of global biogeochemical cycles, the reduction in the total world biomass, and the decrease in the biological productivity of the planet. While quantitative measurements are not available, the eventual economic and social consequences may be so significant that the issue requires further attention.

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Online resources used generally in the Environmental Overview:

Environmental Protection Agency Global Warming Site. URL: http://www.epa.gov/globalwarming

Food and Agriculture Organization of United Nations: Forestry. URL: <u>http://www.fao.org/forestry/site/sofo/en/</u>

Global Warming Information Page. URL: <u>http://globalwarming.org</u>

United Nations Environmental Program. URL: <u>http://www.unep.org/GEO/GEO\_Products/Assessment\_Reports/</u>

United Nations Global Environmental Outlook. URL: http://www.unep.org/geo/geo4/media/

### Note on Edition Dates:

The edition dates for textual resources are noted above because they were used to formulate the original content. We also have used online resources (cited above) to update coverage as needed.

### Information Resources

For more information about environmental concepts, CountryWatch recommends the following resources:

The United Nations Environmental Program Network (with country profiles)

<http://www.unep.net/>

The United Nations Environment Program on Climate Change

<http://climatechange.unep.net/>

The United Nations Environmental Program on Waters and Oceans

<http://www.unep.ch/earthw/Pdepwat.htm>

The United Nations Environmental Program on Forestry: "Forests in Flux"

<http://www.unep-wcmc.org/forest/flux/homepage.htm>

FAO "State of the World's Forests"

<http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm>

World Resources Institute.

<http://www.wri.org/>

Harvard University Center for Health and the Global Environment

<http://www.med.harvard.edu/chge/the-review.html>

The University of Wisconsin Center for Sustainability and the Global Environment

http://sage.aos.wisc.edu/

# **International Environmental Agreements and Associations**

### **International Policy Development in Regard to Global Warming:**

### Introduction

Regardless of what the precise nature of the relationship between greenhouse gas emissions and

global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.

2. To ensure and enable sustainable development and food production on a global scale.

Following are two discussions regarding international policies on the environment, followed by listings of international accords.

# Special Entry: The Kyoto Protocol

The UNFCCC was adopted at the Rio Earth Summit in 1992, and entered into force in 1994. Over 175 parties were official participants.

Meanwhile, however, many of the larger, more industrialized nations failed to reach the emissions' reduction targets, and many UNFCCC members agreed that the voluntary approach to reducing emissions had not been successful. As such, UNFCCC members reached a consensus that legally binding limits were necessitated, and agreed to discuss such a legal paradigm at a meeting in Kyoto, Japan in 1997. At that meeting, the UNFCCC forged the Kyoto Protocol. This concord is the first legally binding international agreement that places limits on emissions from industrialized countries. The major greenhouse gas emissions addressed in the Kyoto Protocol include carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and methane.

The provisions of the Kyoto Protocol stipulate that economically advanced nations must reduce their combined emissions of greenhouse gases, by approximately five percent from their 1990 levels, before the 2008-2010 deadline. Countries with the highest carbon dioxide emissions, such as the <u>United States</u> (U.S.), many of the European Union (EU) countries, and <u>Japan</u>, are to reduce emissions by a scale of 6 to 8 percent. All economically advanced nations must show "demonstrable progress" by 2005. In contrast, no binding limits or timetable have been set on developing countries. Presumably, this distinction is due to the fact that most developing countries - with the obvious exceptions of <u>India</u> and <u>China</u> -- simply do not emit as many greenhouse gases

as do more industrially advanced countries. Meanwhile, these countries are entrenched in the process of economic development.

Regardless of the aforementioned reasoning, there has been strong opposition against the asymmetrical treatment assigned to emissions limits among developed and developing countries. Although this distinction might be regarded as unfair in principle, associations such as the Alliance of Small Island States have been vocal in expressing how global warming -- a result of greenhouse gas emissions - has contributed to the rise in sea level, and thus deleteriously affected their very existence as island nation states. For this reason, some parties have suggested that economically advanced nations, upon returning to their 1990 levels, should be required to further reduce their greenhouse gas emissions by a deadline of 2005. In response, interested parties have observed that even if such reductions were undertaken by economically advanced nations, they would not be enough to completely control global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming.

As such, the Protocol established a "Clean Development Mechanism" which permits developed countries to invest in projects aimed at reducing emissions within developing countries in return for credit for the reductions. Ostensibly, the objective of this mechanism is to curtail emissions in developing countries without unduly penalizing them for their economic development. Under this model, the countries with more potential emissions credits could sell them to other signatories of the Kyoto Protocol, whose emissions are forecast to significantly rise in the next few years. Should this trading of emissions credits take place, it is estimated that the Kyoto Protocol's emissions targets could still be met.

In 1999, the International Energy Outlook projected that Eastern Europe, the former Soviet Union and Newly Independent States, as well as parts of Asia, are all expected to show a marked decrease in their level of energy-related carbon emissions in 2010. Nations with the highest emissions, specifically, the U.S., the EU and Japan, are anticipated to reduce their emissions by up to 8 percent by 2012. By 2000, however, the emissions targets were not on schedule for achievement. Indeed, the U.S. Department of Energy estimates forecast that by 2010, there will be a 34 percent increase in carbon emissions from the 1990 levels, in the absence of major shifts in policy, economic growth, energy prices, and consumer trends. Despite this assessment in the U.S., international support for the Kyoto Protocol remained strong, especially among European countries and island states, who view the pact as one step in the direction away from reliance on fossil fuels and other sources of greenhouse gases.

In 2001, U.S. President, George W. Bush, rejected his country's participation in the Kyoto Protocol, saying that the costs imposed on the global economic system, and especially, on the US, overshadowed the benefits of the Protocol. He also cited the unfair burden on developed nations to

reduce emissions, as another primary reasons for withdrawal from the international pact, as well as insufficient evidence regarding the science of global warming. Faced with impassioned international disapproval for his position, the U.S. president stated that his administration remained interested in dealing with the matter of global warming, but would endorse alternative measures to combat the problem, such as voluntary initiatives limiting emissions. Critics of Bush's position, however, have noted that it was the failure of voluntary initiatives to reduce emissions following the Rio Summit that led to the establishment of the Kyoto Protocol in the first place.

In the wake of the Bush administration's decision, many participant countries resigned themselves to the reality that the goals of the Kyoto Protocol might not be achieved without U.S. involvement. Nevertheless, in Bonn, <u>Germany</u>, in July 2001, the remaining participant countries struck a political compromise on some of the key issues and sticking points, and planned to move forward with the Protocol, irrespective of the absence of the U.S. The key compromise points included the provision for countries to offset their targets with carbon sinks (these are areas of forest and farmland which can absorb carbon through the process of photosynthesis). Another compromise point within the broader Bonn Agreement was the reduction of emissions cuts of six gases from over 5 percent to a more achievable 2 percent. A third key change was the provision of funding for less wealthy countries to adopt more progressive technologies.

In late October and early November 2001, the UNFCC's 7<sup>th</sup> Conference of the Parties met in Marrakesh, <u>Morocco</u>, to finalize the measures needed to make the Kyoto Protocol operational. Although the UNFCC projected that ratification of the Protocol would make it legally binding within a year, many critics noted that the process had fallen short of implementing significant changes in policy that would be necessary to actually stop or even slow climate change. They also maintained that the absence of U.S. participation effectively rendered the Protocol into being a political exercise without any substance, either in terms of transnational policy or in terms of environmental concerns.

The adoption of the compromises ensconced within the Bonn Agreement had been intended to make the provisions of the Kyoto Protocol more palatable to the U.S. In this regard, it failed to achieve its objective as the Bush administration continued to eschew participation in the international accord. Still, however, the Bonn Agreement did manage to render a number of other positive outcomes. Specifically, in 2002, key countries, such as <u>Russia</u>, <u>Japan</u> and <u>Canada</u> agreed to ratify the protocol, bringing the number of signatories to 178. The decision by key countries to ratify the protocol was regarded as "the kiss of life" by observers.

By 2005, on the eve of a climate change conference in London, British Prime Minister Tony Blair was hoping to deal with the problems of climate change beyond the provisions set forth in the Kyoto Protocol. Acknowledging that the Kyoto Protocol could not work in its current form, Blair wanted to open the discussion for a new climate change plan.

Blair said that although most of the world had signed on to Kyoto, the protocol could not meet any of its practical goals of cutting greenhouse gas emissions without the participation of the United States, the world's largest polluter. He also noted that any new agreement would have to include India and China -- significant producers of greenhouse gas emissions, but exempt from Kyoto because they have been classified as developing countries. Still, he said that progress on dealing with climate change had been stymied by "a reluctance to face up to reality and the practical action needed to tackle problem."

Blair also touted the "huge opportunities" in technology and pointed toward the possibilities offered by wind, solar and nuclear power, along with fuel cell technology, eco-friendly biofuels, and carbon capture and storage which could generate low carbon power. Blair also asserted that his government was committed to achieving its domestic goal of reducing carbon dioxide emissions by 20 percent by 2010.

In the United States, President George W. Bush has said that global warming remained a debatable issue and despite conclusions reached by his own Environmental Protection Agency, he has not agreed with the conclusion that global warming and climate change are linked with human activities. Bush has also refused to ratify Kyoto on the basis of its economic costs.

Australia, an ally of the United States, has taken a similarly dim view of the Kyoto Protocol. Ahead of the November 2005 climate change meeting in Canada in which new goals for the protocol were to be discussed, Australia's Environment Minister, Ian Campbell, said that negotiating new greenhouse gas emission levels for the Kyoto Protocol would be a waste of time. Campbell said, "There is a consensus that the caps, targets and timetables approach is flawed. If we spend the next five years arguing about that, we'll be fiddling and negotiating while Rome burns." Campbell, like the Bush administration, has also advocated a system of voluntary action in which industry takes up new technologies rather than as a result of compelling the reduction of emissions. But the Australian Conservation Foundation (ACF) has called on its government to ratify the Kyoto Protocol, to establish a system of emissions trading, and to set binding limits on emissions target by 2012 (an 8 percent increase in 1990 levels in keeping with the country's reliance on coal). But this success has nothing to do with new technologies and is due to state-based regulations on land clearing.

Note: The Kyoto Protocol calls for developed nations to cut greenhouse emissions by 5.2 percent of 1990 levels by 2012.

# Special Entry: Climate Change Summit in Copenhagen (2009) --

In December 2009, the United Nations Climate Change Summit opened in the Danish capital of

Copenhagen. The summit was scheduled to last from Dec. 7-18, 2009. Delegates from more than 190 countries were in attendance, and approximately 100 world leaders, including British Prime Minister Gordon Brown and <u>United States</u> President Barack Obama, were expected to participate. At issue was the matter of new reductions targets on greenhouse gas emissions by 2020.

Despite earlier fears that little concurrence would come from the conference, effectively pushing significant actions forward to a 2010 conference in <u>Mexico</u> City, negotiators were now reporting that the talks were productive and several key countries, such as <u>South Africa</u>, had pledged to reduce greenhouse gas emissions. The two main issues that could still lead to cleavages were questions of agreement between the industrialized countries and the developing countries of the world, as well as the overall effectiveness of proposals in seriously addressing the perils of climate change.

On Dec. 9, 2009, four countries -- the <u>United Kingdom</u>, <u>Australia</u>, <u>Mexico</u> and <u>Norway</u> -- presented a document outlining ideas for raising and managing billions of dollars, which would be intended to help vulnerable countries dealing with the perils of climate change. Described as a "green fund," the concept could potentially help small island states at risk because of the rise in sea level. <u>Bangladesh</u> identified itself as a potential recipient of an assistance fund, noting that as a country plagued by devastating floods, it was particularly hard-hit by climate change. The "green fund" would fall under the rubric of the United Nations Framework Convention on Climate Change, for which developed countries have been committed to quantifying their emission reduction targets, and also to providing financial and technical support to developing countries.

The <u>United Kingdom</u>, <u>Australia</u>, <u>Mexico</u> and <u>Norway</u> also called for the creation of a new legal treaty that would replace the Kyoto Protocol. This new treaty, which could go into force in 2012, would focus largely on the reduction of greenhouse gas emissions by 2020. But <u>Australia</u> went even further in saying that the successor treaty to the Kyoto Protocol, should be one with provisions covering all countries. Such a move would be a departure from the structure of the Kyoto Protocol, which contained emissions targets for industrialized countries due to the prevailing view that developed countries had a particular historic responsibility to be accountable for climate change. More recently, it has become apparent that substantial reductions in greenhouse gas emissions demanded by scientists would only come to pass with the participation also of significant developing nation states, such as <u>China</u> and <u>India</u>. Indeed, one of the impact of the actions of the Kyoto Protocol was that it was a "paper tiger" that failed to address the impact of the actions of emerging economies like <u>China</u> and <u>India</u>, with its focus on the developed economies.

Now, in 2009, <u>China</u> -- as the world's biggest greenhouse gas emitter -- was responding this dubious distinction by vocalizing its criticism of the current scenario and foregrounding its new commitments. Ahead of the Copenhagen summit, <u>China</u> had announced it would reduce the intensity of its carbon emissions per unit of its GDP in 2020 by 40 to 45 percent against 2005 levels. With that new commitment at hand, <u>China</u> was now accusing the <u>United States</u> and the European Union of shirking their own responsibilities by setting weak targets for greenhouse gas

emissions cuts. Senior Chinese negotiator, Su Wei, characterized the goals of the world's second largest greenhouse gas emitter -- the <u>United States</u> -- as "not notable," and the European Union's target as "not enough." Su Wei also took issue with <u>Japan</u> for setting implausible preconditions.

On Dec. 11, 2009, <u>China</u> demanded that developed and wealthy countries in Copenhagen should help deliver a real agreement on climate change by delivering on their promises to reduce carbon emissions and provide financial support for developing countries to adapt to global warming. In so doing, China's Vice Foreign Minister He Yafei said his country was hoping that a "balanced outcome" would emerge from the discussions at the summit. Echoing the position of the Australian government, He Yafei spoke of a draft agreement as follows: "The final document we're going to adopt needs to be taking into account the needs and aspirations of all countries, particularly the most vulnerable ones."

China's Vice Foreign Minister emphasized the fact that climate change was "a matter of survival" for developing countries, and accordingly, such countries need wealthier and more developed countries to accentuate not only their pledges of emissions reduction targets, but also their financial commitments under the aforementioned United Nations Framework Convention on Climate Change. To that end, scientists and leaders of small island states in the Indian Ocean, the Pacific Ocean and the Caribbean Sea, have highlighted the existential threat posed by global warming and the concomitant rise in sea level.

China aside, attention was also on <u>India</u> -- another major player in the developing world and a country with an industrializing economy that was impacting the environment. At issue was the Indian government's decision to set a carbon intensity target, which would slow emissions growth by up to 25 percent by the 2020 deadline. This strong position was resisted by some elements in <u>India</u>, who argued that their country should not be taking such a strong position when developed wealthy countries were yet to show accountability for their previous commitments to reduce greenhouse gas emissions. The matter grew so heated that the members of the opposition stormed out of the parliament in protest as Indian Environment Minister Jairam Ramesh defended the policy. But the political pressure at home in <u>India</u> was leaving the Indian delegation in Copenhagen in a state of chaos as well. In fact, India's top environmental negotiator refused to travel to Copenhagen in protest of the government's newly-announced stance.

China and <u>India</u> were joined by <u>Brazil</u> and <u>South Africa</u> in the crafting of a draft document calling for a new global climate treaty to be completed by June 2010. Of concern has been the realization that there was insufficient time to find concurrence on a full legal treaty, which would leave countries only with a politically-binding text by the time the summit at Copenhagen closed. But Guyana's leader, President Bharrat Jagdeo, warned that the summit in <u>Denmark</u> would be classified as a failure unless a binding document was agreed upon instead of just political consensus. He urged his cohorts to act with purpose saying, "Never before have science, economics, geo-strategic self-interest and politics intersected in such a way on an issue that impacts everyone on the planet."

Likewise, <u>Tuvalu</u> demanded that legally binding agreements emerge from Copenhagen. Its proposal was supported by many of the vulnerable countries, from small island states and sub-Saharan Africa, all of whom warned of the catastrophic impact of climate change on their citizens. <u>Tuvalu</u> also called for more aggressive action, such as an amendment to the 1992 agreement, which would focus on sharp greenhouse gas emissions and the accepted rise in temperatures, due to the impact the rise in seas. The delegation from Kiribati joined the call by drawing attention to the fact that one village had to be abandoned due to waist-high water, and more such effects were likely to follow. Kiribati's Foreign Secretary, Tessie Lambourne, warned that the people of Kiribati could well be faced with no homeland in the future saying, "Nobody in this room would want to leave their homeland." But despite such impassioned pleas and irrespective of warnings from the Intergovernmental Panel on Climate Change that the rise in sea level from melting polar ice caps would deleteriously affect low-lying atolls such as such as <u>Tuvalu</u> and <u>Kiribati</u> in the Pacific, and the <u>Maldives</u> in the Indian Ocean, the oil-giant <u>Saudi Arabia</u> was able to block this move.

Meanwhile, within the developed countries, yet another power struggle was brewing. The European Union warned it would only agree to raise its target of 20 percent greenhouse gas emissions reductions to 30 percent if the <u>United States</u> demonstrated that it would do more to reduce its own emissions. It was unknown if such pressure would yield results. <u>United States</u> President Barack Obama offered a "provisional" 2020 target of 17 percent reductions, noting that he could not offer greater concessions at Copenhagen due to resistance within the <u>United States</u> Congress, which was already trying to pass a highly controversial "cap and trade" emissions legislation. However, should that emissions trading bill fail in the Senate, the <u>United States</u> Environment Protection Agency's declaration that greenhouse gases pose a danger to human health and the environment was expected to facilitate further regulations and limits on power plants and factories at the national level. These moves could potentially strengthen the Obama administration's offering at Copenhagen. As well, President Obama also signaled that he would be willing to consider the inclusion of international forestry credits.

Such moves indicated willingness by the Obama administration to play a more constructive role on the international environmental scene than its predecessor, the Bush administration. Indeed, ahead of his arrival at the Copenhagen summit, President Barack Obama's top environmental advisors promised to work on a substantial climate change agreement. To that end, <u>United States</u> Environmental Protection Agency Administrator Lisa Jackson said at a press conference, "We are seeking robust engagement with all of our partners around the world." But would this pro-engagement assertion yield actual results?

By Dec. 12, 2009, details related to a draft document prepared by Michael Zammit Cutajar, the head of the Ad-hoc Working Group on Long-Term Cooperative Action, were released at the Copenhagen climate conference. Included in the document were calls for countries to make major

reductions in carbon emissions over the course of the next decade. According to the Washington Post, industrialized countries were called on to make cuts of between 25 percent and 40 percent below 1990 levels -- reductions that were far more draconian than the <u>United States</u> was likely to accept. As discussed above, President Obama had offered a provisional reduction target of 17 percent. The wide gap between the released draft and the United States' actual stated position suggested there was much more negotiating in the offing if a binding agreement could be forged, despite the Obama administration's claims that it was seeking greater engagement on this issue.

In other developments, the aforementioned call for financial support of developing countries to deal with the perils of climate change was partly answered by the European Union on Dec. 11, 2009. The European bloc pledged an amount of 2.4 billion euros (US\$3.5 billion) annually from 2010 to 2012. Environment Minister Andreas Carlgren of <u>Sweden</u> -- the country that holds the rotating presidency of the European Union at the time of the summit -- put his weight behind the notion of a "legally binding deal." Meanwhile, Yvo de Boer, a top United Nations climate change official, focused less on the essence of the agreement and more on tangible action and effects saying, "Copenhagen will only be a success if it delivers significant and immediate action that begins the day the conference ends."

The division between developed and developing countries in Copenhagen reached new heights on Dec. 14, 2009, when some of the poor and less developed countries launched a boycott at the summit. The move, which was spurred by African countries but backed by <u>China</u> and <u>India</u>, appeared to be geared toward redirecting attention and primary responsibility to the wealthier and more industrialized countries. The impasse was resolved after the wealthier and more industrialized countries offered assurances that they did not intend on shirking from their commitments to reducing greenhouse gases. As a result, the participating countries ceased the boycott.

Outside the actual summit, thousands of protestors had gathered to demand crucial global warming, leading to clashes between police and demonstrators elsewhere in the Danish capital city. There were reports of scattered violence across Copenhagen and more than 1,000 people were arrested.

Nevertheless, by the second week of the climate change summit, hopes of forging a strong deal were eroding as developed and developing nations remained deadlocked on sharing cuts in greenhouse gases, and particularly on the matters of financing and temperature goals. In a bid to shore up support for a new climate change, <u>United States</u> President Barack Obama joined other world leaders in Copenhagen. On Dec. 14, 2009, there was a standoff brewing between the <u>United States</u> and <u>China</u>. At issue was China's refusal to accept international monitoring of its expressed targets for reducing greenhouse gas emissions. The <u>United States</u> argued that China's opposition to verification could be a deal-breaker.

By the close of the summit, the difficult process eventually resulted in some consensus being

cultivated. A draft text called for \$100 billion a year by 2020 to assist poor nations cope with climate change, while aiming to limit global warming to two degrees Celsius compared with preindustrial levels. The deal also included specific targets for developed countries to reduce greenhouse gas emissions, and called for reductions by developing countries as a share of their economies. Also included in the agreement was a mechanism to verify compliance. The details of the agreement were supported by President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and Brazilian President Luiz Inacio Lula da Silva.

This draft would stand as an interim agreement, with a legally-binding international pact unlikely to materialize until 2010. In this way, the summit in Copenhagen failed to achieve its central objective, which was to negotiate a successor to the Kyoto Protocol on greenhouse gas emissions.

### Editor's Note

In the background of these developments was the growing global consciousness related to global warming and climate change. Indeed, as the Copenhagen summit was ongoing, it was clear there was enormous concurrence on the significance of the stakes with an editorial on the matter of climate change being published in 56 newspapers in 45 countries. That editorial warned that without global action, climate change would "ravage our planet." Meanwhile, a global survey taken by Globescan showed that concern over global warming had exponentially increased from 1998 -- when only 20 percent of respondents believed it to be a serious problem -- to 64 percent in 2009. Such survey data, however, was generated ahead of the accusations by climate change skeptics that some climate scientists may have overstated the case for global warming, based on emails derived in an illicit manner from a British University.

# Special Entry: Climate change talks in Doha in <u>Qatar</u> extend life of Kyoto Protocol (2012)

December 2012 saw climate talks ensue in the Qatari city of Doha as representatives from countries across the world gathered to discuss the fate of the Kyoto Protocol, which seeks to minimize greenhouse gas emissions. The summit yielded results with decisions made (1) to extend the Kyoto Protocol until 2020, and (2) for wealthier countries to compensate poorer countries for the losses and damage incurred as a result of climate change.

In regards to the second matter, Malia Talakai of <u>Nauru</u>, a leading negotiator for the Alliance of Small Island States, explained the necessity of the compensation package as follows: "We are trying to say that if you pollute you must help us."

This measure was being dubbed the "Loss and Damage" mechanism, and was being linked with <u>United States</u> President Barack Obama's request for \$60 billion from Congress to deal with the devastation caused by Hurricane Sandy months before. The sight of a hurricane bearing down on

the northern Atlantic seaboard, along with the reality of the scope of reconstruction, appeared to have illustrated the economic costs of climate change -- not so much as a distant environmental issue -- but as a danger to the quotidian lives of people. Still, there was blame to be placed on the <u>United States</u> and European countries -- some of world's largest emitters -- for failing to do more to reduce emissions.

To that latter end, there was in fact little progress made on the central issue of reducing greenhouse gas emissions. Had those emissions been reduced, there would have been less of a need to financially deal with the devastation caused by climate change. One interpretation was that the global community was accepting the fact that industrialization was contributing to global warming, which had deleterious effects on the polar ice caps and concomitantly on the rise of sea level, with devastating effects for small island nations. Thus, wealthier countries were willing to pay around \$10 billion a year through 2020, effectively in "damages," to the poor countries that could be viewed as the "collateral damage" of industrial progress. But damages today could potentially be destruction tomorrow, leaving in place the existential challenges and burdens to be born by some of the world's smallest and least wealthy island countries.

Perhaps not surprisingly, the representative for the small island nation states at the Doha summit responded with ire, characterizing the lack of progress on reducing emissions as follows: "We see the package before us as deeply deficient in mitigation (carbon cuts) and finance. It's likely to lock us on the trajectory to a 3,4,5C rise in global temperatures, even though we agreed to keep the global average temperature rise of 1.5C to ensure survival of all islands. There is no new finance (for adapting to climate change and getting clean energy) -- only promises that something might materialize in the future. Those who are obstructive need to talk not about how their people will live, but whether our people will live."

Indeed, in most small island countries not just in the Pacific, but also the Caribbean and Indian Ocean, ecological concerns and the climate crisis have been dominant themes with dire life and death consequences looming in the background for their people. Small island nations in these region are already at risk from the rise of sea-level, tropical cyclones, floods. But their very livelihoods of fishing and subsistence farming were also at risk as a result of ecological and environmental changes. Increasingly high storm surges can wipe out entire villages and contaminate water supplies. Accordingly, the very existence of island nations, such as Kiribati and Tuvalu, are at severe risk of being obliterated from the map. Yet even with the existential threat of being wiped off the map in the offing, the international community has been either slow or restrictive in its efforts to deal with global warming, climate change, economic and ecological damage, as well as the emerging global challenge of environmental refugees.

A 2012 report from the United Nations Environment Program (UNEP) and the Pacific Regional Environment Program underlined the concerns of small island nations and their people as it concluded that the livelihoods of approximately 10 million people in Pacific island communities

were increasingly vulnerable to climate change. In fact, low-lying islands in that region would likely confront losses of up to 18 percent of gross domestic product due to climate change, according to the report. The report covers 21 countries and territories, including Fiji, Kiribati, Samoa and Tonga, and recommended environmental legislation intended to deal with the climate crisis facing the small island countries particularly. As noted by David Sheppard, the director general of the Pacific Regional Environment Program that co-sponsored this study: "The findings... emphasize the need more than ever to raise the bar through collective actions that address the region's environmental needs at all levels."

Regardless of the failures of the summit in <u>Qatar</u> (discussed above), the meeting did facilitate a process starting in 2015, which would bind both wealthy and poor countries together in the mission of forging a new binding treaty that would replace the Kyoto Protocol and tackle the central causes of climate change.

For more information on the threats faced in small island nations by climate change and the measures being undertaken to lobby for international action, please see the Alliance for Small Island States available online at the URL: http://aosis.org/

# Special Report

# COP 21 summit in Paris ends with historic agreement to tackle climate change; rare international consensus formed on environmental crisis facing the planet (2015) --

In mid-December 2015, the highly-anticipated United Nations climate conference of parties (COP) in Paris, France, ended with a historic agreement. In fact, it would very likely be understood as the most significant international agreement signed by all the recognized countries of the world since the Cold War. Accordingly, the Paris Agreement was being distinguished as the first multilateral pact that would compel all countries across the world to cut its carbon emissions -- one of the major causes of increasing greenhouse gas emissions, which contribute to global warming, and its deleterious effects ranging from the dangerous rise in sea level to catastrophic climate change.

The accord, which was dubbed to be the "Paris Agreement," was the work of rigorous diplomacy and fervent environmental advocacy, and it aimed to address the climate change crisis facing the planet. As many as 195 countries were represented in the negotiations that led to the landmark climate deal. Indeed, it was only after weeks of passionate debate that international concurrence was reached in addressing the environmental challenges confronting the world, with particular attention to moving beyond fossil fuels and reducing greenhouse gas emissions.

The success of the COP 21 summit in Paris and the emergence of the landmark Paris Agreement

was, to some extent, attributed to the efforts of France's Foreign Minister Laurent Fabius who presided over the negotiations. The French foreign minister's experience and credentials as a seasoned diplomat and respected statesman paid dividends. He skillfully guided the delegates from almost 200 countries and interest groups along the negotiations process, with ostensibly productive results and a reasonably robust deal to show for it.

On Dec. 12, 2015, French Foreign Minister Fabius officially adopted the agreement, declaring: "I now invite the COP to adopt the decision entitled Paris Agreement outlined in the document. Looking out to the room I see that the reaction is positive, I see no objections. The Paris agreement is adopted." Once Foreign Minister Fabius' gavel was struck, symbolically inaugurating the Paris Agreement into force, the COP delegate rushed to their feet with loud and bouyant cheers as well as thunderous applause.

In general, the Paris Agreement was being hailed as a victory for environmental activists and a triumph for international diplomats, while at the same time being understood as simply an initial -- and imperfect -- move in the direction of a sustainable future. China's chief negotiator, Xie Zhenhua, issued this message, saying that while the accord was not ideal, it should "not prevent us from marching historical steps forward."

United States President Barack Obama lauded the deal as both "ambitious" and "historic," and the work of strenuous multilateral negotiations as he declared, "Together, we've shown what's possible when the world stands as one." The <u>United States</u> leader acknowledged that the accord was not "perfect," but he reminded the critics that it was "the best chance to save the one planet we have. "

Former <u>United States</u> Vice President Al Gore, one of the world's most well known environmental advocates, issued a lengthy statement on the accompishments ensconced in the Paris Agreement. He highlighted the fact that the Paris Agreement was a first step towards a future with a reduced carbon footprint on Planet Earth as he said, "The components of this agreement -- including a strong review mechanism to enhance existing commitments and a long-term goal to eliminate global-warming pollution this century -- are essential to unlocking the necessary investments in our future. No agreement is perfect, and this one must be strengthened over time, but groups across every sector of society will now begin to reduce dangerous carbon pollution through the framework of this agreement."

The central provisions of the Paris Agreement included the following items:

Greenhouse gas emissions should peak as quickly as possible, with a move towards balancing energy sources, and ultimately the decrease of greenhouse gases in the second half of this century
Global temperature increase would be limited to 1.5 degrees Centigrade above pre-industrial levels and would be held "well below" the two degrees Centigrade threshold

- Progress on these goals would be reviewed every five years beginning in 2020 with new

greenhouse gas reduction targets issued every five years

- \$100 billion would be expended each year in climate finance for developing countries to move forward with green technologies, with further climate financing to be advanced in the years beyond

It should be noted that there both legally binding and voluntary elements contained within the Paris Agreement. Specifically, the submission of an emissions reduction target and the regular review of that goal would be legally mandatory for all countries. Stated differently, there would be a system in place by which experts would be able to track the carbon-cutting progress of each country. At the same time, the specific targets to be set by countries would be determined at the discretion of the countries, and would not be binding. While there was some criticism over this non-binding element, the fact of the matter was that the imposition of emissions targets was believed to be a major factor in the failure of climate change talks in Copenhagen, <u>Denmark</u>, in 2009.

In 2015, the talks faced challenges as several countries, such as <u>China</u> and <u>India</u>, objected to conditions that would stymie economic and development. In order to avoid that kind of landmine, a system Intended Nationally Determined Contributions (INDCs) was developed and formed the basis of the accord. As such, the Paris Agreement would, in fact, facilitate economic growth and development, as well as technological progress, but with the goal of long-term ecological sustainability based on low carbon sources. In fact, the agreement heralded as "the beginning of the end of the fossil fuel era." As noted by Nick Mabey, the head of the climate diplomacy organization E3G, said, "Paris means governments will go further and faster to tackle climate change than ever before. The transition to a low carbon economy is now unstoppable, ensuring the end of the fossil fuel age."

A particular sticking point in the agreement was the \$100 billion earmarked for climate financing for developing countries to transition from traditional fossil fuels to green energy technologies and a low carbon future. In 2014, a report by the International Energy Agency indicated that the cost of that transition would actually be around \$44 trillion by the mid-century -- an amount that would render the \$100 billion being promised to be a drop in the proverbial bucket. However, the general expectation was that the Republican-controlled Senate in the <u>United States</u>, which would have to ratify the deal in that country, was not interested in contributing significant funds for the cause of climate change.

A key strength of the Paris Agreement was the ubiquitous application of measures to all countries. Of note was the frequently utilized concept of "flexibility" with regard to the Paris Agreement. Specifically, the varying capacities of the various countries in meeting their obligations would be anticipated and accorded flexibility. This aspect presented something of a departure from the 1997 Kyoto Protocol, which drew a sharp distinction between developed and developing countries, and mandated a different set of obligations for those categories of countries. Thus, under Kyoto, <u>China</u> and <u>India</u> were not held to the same standards as the <u>United States</u> and European

countries. In the Paris Agreement, there would be commitments from all countries across the globe.

Another notable strength of the Paris Agreement was the fact that the countries of the world were finally able to reach consensus on the vital necessity to limit global temperature increases to 1.5 degrees Centrigrade. Ahead of the global consensus on the deal, and as controversy continued to surface over the targeted global temperature limits, the leaders of island countries were sounding the alarm about the melting of the Polar ice caps and the associated rise in seal level. Prime Minister Enele Sopoaga of <u>Tuvalu</u> issued this dismal reminder: "Tuvalu's future ... is already bleak and any further temperature increase will spell the total demise of <u>Tuvalu</u>. No leader in this room carries such a level of worry and responsibility. Just imagine you are in my shoes, what would you do?" It was thus something of a victory for environmental advocates that the countries of the world could find ensensus on the lower number -- 1.5 degrees rather than 2 degrees.

A significant weak point with regard to the Paris deal was a "loss and damage" provision, which anticipates that even with all the new undertakings intended to reduce greenhouse gas emissions and move to a low carbon future, there would nonetheless be unavoidable climate change consequences. Those consequences ranged from the loss of arable land for farmers as well as soil erosion and contamination of potable water by sea water, to the decimation of territory in coastal zones and on small islands, due to the rise in sea level, with entire small island countries being rendered entirely uninhabitable. The reality was that peoples' homes across the world would be destroyed along with their way of life.

With that latter catastrophic effect being a clear and present danger for small island countries, the Association of Small Island States (AOSIS) demanded that the developed world acknowledge its responsibility for this irreversible damage. Despite the fact that greenhouse gas emissions and the ensuing plague of global warming was, indeed, the consequence of development in the West (the <u>United States</u> and Europe) and the large power house countries, such as <u>Russia</u>, <u>China</u> and <u>India</u>, there was no appetite by those countries to sign on to unlimited liability. Under the Paris Agreement, there was a call for research on insurance mechanisms that would address loss and damage issues, with recommendations to come in the future.

The call for research was being regarded as an evasion of sorts and constituted the weakest aspect of the Paris Agreement. Not surprisingly, a coalition of small island nations demanded a "Marshall Plan" for the Pacific. Borrowing the term "Marshall Plan" from the post-World War II reconstruction effort, the coalition of Pacific island nation, which included <u>Kiribati</u>, <u>Tuvalu</u>, <u>Fiji</u>, and the <u>Marshall Islands</u>, called for an initiative that would include investment in renewable energy and shoreline protection, cultural preservation, economic assistance for economies in transition, and a plan for migration and resettlement for these countries as they confront the catastrophic effects of the melting of the Polar ice caps and the concomitant rise in sea level. The precise contours of the initiative remained unknown, unspecified, and a mere exercise in theory at the time of writing. Yet such an initiative would, at some point, have to be addressed, given the realities of climate change and the slow motion calamity unfolding each day for low-lying island nations across the world.

As noted by Vice President Greg Stone of Conservation International, who also functions as an adviser to the government of <u>Kiribati</u>, "Imagine living in a place where you know it's going to go away someday, but you don't know what day that wave's going to come over and wash your home away." He added, "It's a disaster we know is going to happen." Meanwhile, the intervening years promised to be filled with hardship for small island nations, such as <u>Kiribati</u>. Stone explained, "For every inch of sea-level rise, these islands lose 10 feet of their freshwater table to saltwater intrusion," Stone explained. "So it's not just about the day the water finally goes over the island; it's also about the day that there's just not enough water left and everyone has to move off the island." Presaging the future for island nations that could face submersion, Stone said, "If you look ahead 50 years, a country like <u>Kiribati</u> could become the first aqueous nation. possibility of migration. That is, they own this big patch of ocean, and they administer it from elsewhere."

Foreign Minister Minister Tony Debrum of the <u>Marshall Islands</u> emerged as the champion advocating on behalf of small island nation states and a loose coalition of concerned countries from the Pacific to the Caribbean, but with support from the <u>United States</u>. He addressed the comprehensive concerns of small island nations regarding the weaknesses of the deal, while simultaneously making clear that the Paris Agreement signified hope for the countries most at risk. In a formal statement, Debrum declared: "We have made history today. Emissions targets are still way off track, but this agreement has the tools to ramp up ambition, and brings a spirit of hope that we can rise to this challenge. I can go back home to my people and say we now have a pathway to survival." Debrum highlighted the imperatives of Pacific island nations, saying, "Our High Ambition Coalition was the lightning rod we needed to lift our sights and expectations for a strong agreement here in Paris. We were joined by countries representing more than half the world. We said loud and clear that a bare-bones, minimalist agreement would not fly. We instead demanded an agreement to mark a turning point in history, and the beginning of our journey to the post-carbon era."

Debrum of the <u>Marshall Islands</u> espoused the quintessential synopsis of the accord and its effects for those most likely to be affected by climate change as he noted, "Climate change won't stop overnight, and my country is not out of the firing line just yet, but today we all feel a little safer."

Editor's Entry on Environmental Policy:

The low-lying Pacific island nations of the world, including <u>Kiribati</u>, <u>Tuvalu</u>, the <u>Marshall Islands</u>, <u>Fiji</u>, among others, are vulnerable to the threats posed by global warming and cimate change</u>, derived from carbon emissions, and resulting in the rise in sea level. Other island nations in the Caribbean, as well as poor countries with coastal zones, were also at particular risk of suffering the deleterious effects of climate change.

Political policy in these countries are often connected to ecological issues, which have over time morphed into an existential crisis of sorts. Indeed, ecological concerns and the climate crisis have also been dominant themes with life and death consequences for the people of island nations in the Pacific. Indeed, the very livelihoods of fishing and subsistence farming remain at risk as a result of ecological and environmental changes. Yet even so, these countries are threatened by increasingly high storm surges, which could wipe out entire villages and contaminate water supplies. Moreover, because these are low lying island nations, the sustained rise in sea level can potentially lead to the terrain of these countries being unihabitable at best, and submerged at worst. Stated in plain terms, these countries are at severe risk of being obliterated from the map and their plight illuminates the emerging global challenge of environmental refugees. In these manifold senses, climate change is the existential crisis of the contemporary era.

Since the time of the 1997 Kyoto Protocol, there have been efforts aimed at extending the life of that agreement, with an eye on minimizing greenhouse gas emissions, and thus minimizing the effects of climate change. Those endeavors have largely ended in failure, as exemplified by the unsuccessful Copenhagen talks in 2009 and the fruitless Doha talks in 2012 respectively. The success of the COP 21 talks in France, with the adoption of the landmark Paris Agreement in 2015, was regarded as the first glimmer of hope. Not only did the Paris Agreement signify the triumph of international diplomacy and global consensus, but it also marked the start of the end of the fossil fuel era, with the path forward toward a low carbon future reliant on greener technologies. Most crucially, the Paris Agreement stood as the first significant response in recent times to the central challenge of climate change and its quotidian effects on the lives of real human beings across the world.

# **<u>1. Major International Environmental Accords:</u>**

### **General Environmental Concerns**

Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, 1991.

### Accords Regarding Atmosphere

Annex 16, vol. II (Environmental Protection: Aircraft Engine Emissions) to the 1044 Chicago Convention on International Civil Aviation, Montreal, 1981

Convention on Long-Range Transboundary Air Pollution (LRTAP), Geneva, 1079

United Nations Framework Convention on Climate Change (UNFCCC), New York, 1002

Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985 including the Montreal Protocol on Substances that Depleted the Ozone Layer, Montreal, 1987

### **Accords Regarding Hazardous Substances**

Convention on the Ban of the Import into Africa and the Control of Transboundary Movements and Management of Hazardous Wastes within Africa, Bamako, 1991

Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), Geneva, 1989

Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), Basel, 1989

Convention on the Transboundary Effects of Industrial Accidents, Helsinki, 1992

Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region (Waigani Convention), Waigani, 1995

European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR), Geneva 1957

FAO International Code of Conduct on the Distribution and Use of Pesticides, Rome, 1985

### 2. Major International Marine Accords:

### **Global Conventions**

Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention 1972), London, 1972

International Convention for the Prevention of Pollution from Ships, 1973, as modified by Protocol of 1978 relation thereto (MARPOL 73/78), London, 1973 and 1978

International Convention on Civil Liability for Oil Pollution Damage 1969 (1969 CLC), Brussels, 1969, 1976, and 1984

International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971 (1971 Fund Convention), Brussels, 1971

Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS), London 1996

International Convention on Oil Pollution Preparedness, Response, and Co-operation (OPRC), London, 1990

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United Nations Convention on the Law of the Sea (UNCLOS), Montego Bay, 1982

# **Regional Conventions**

Convention for the Prevention of Marine Pollution by Dumping from Ships and Aircraft (Oslo Convention), Oslo, 1972

Convention for the Prevention of Marine Pollution from Land-based Sources (Paris Convention), Paris, 1974

Convention for the Protection of the Marine Environment of the North East Atlantic (OSPAR Convention), Paris, 1992

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1974 Helsinki Convention), Helsinki 1974

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1992 Helsinki Convention), Helsinki 1992

Conventions within the UNEP Regional Seas Programme

Convention on the Protection of the Black Sea against Pollution, Bucharest, 1992

Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena de Indias, 1983 Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the Eastern African Region, Nairobi, 1985

Kuwait Regional Convention for Co-operation on the Protection of the Marine Environment from Pollution, <u>Kuwait</u>, 1978

Convention for the Protection and Development of the Marine Environment and Coastal Region of the Mediterranean Sea (Barcelona Convention), Barcelona, 1976

Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment, Jeddah, 1982

Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, Noumea, 1986

Convention for the Protection of the Marine Environment and Coastal Area of the South-East Pacific, Lima, 1981

Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region, Abidjan, 1981

# **<u>3. Major Conventions Regarding Living Resources:</u>**

### **Marine Living Resources**

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Canberra, 1980

International Convention for the Conservation of Atlantic Tunas (ICCAT), Rio de Janeiro, 1966

International Convention for the Regulation of Whaling (ICRW), Washington, 1946

# Nature Conservation and Terrestrial Living Resources

Antarctic Treaty, Washington, D.C., 1959

Convention Concerning the Protection of the World Cultural and Natural Heritage (World Heritage Convention), Paris, 1972

Convention on Biological Diversity (CBD), Nairobi, 1992

Convention on the Conservation of Migratory Species of Wild Animals (CMS), Bonn, 1979

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Washington, D.C., 1973

Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention), Ramsar, 1971

Convention to Combat Desertification (CCD), Paris 1994

FAO International Undertaking on Plant Genetic Resources, Rome, 1983

International Tropical Timber Agreement, 1994 (ITTA, 1994), Geneva, 1994

#### **Freshwater Resources**

Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Helsinki, 1992

#### 4. Major Conventions Regarding Nuclear Safety:

Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (Assistance Convention), Vienna, 1986

Convention on Early Notification of a Nuclear Accident (Notification Convention), Vienna, 1986

Convention on Nuclear Safety, Vienna, 1994

Vienna Convention on Civil Liability for Nuclear Damage, Vienna, 1963

#### 5. Major Intergovernmental Organizations

Commission on Sustainable Development (CSD)

European Union (EU): Environment

Food and Agriculture Organization (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Council for the Exploration of the Sea (ICES)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Oil Pollution Compensation Funds (IOPC Funds)

Organization for Economic Co-operation and Development (OECD), Environment Policy Committee (EPOC)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Industrial Development Organization (UNIDO)

United Nations Population Fund (UNFPA)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)

#### 6. Major Non-Governmental Organizations

Atmosphere Action Network East Asia (AANEA) Climate Action Network (CAN) Consumers International (CI) Earth Council Earthwatch Institute Environmental Liaison Centre International (ELCI) European Environmental Bureau (EEB) Forest Stewardship Council (FSC) Friends of the Earth International (FoEI) Greenpeace International International Chamber of Commerce (ICC) International Confederation of Free Trade Unions (ICFTU) International Planned Parenthood Federation (IPPF) International Solar Energy Society (ISES) **IUCN-The World Conservation Union** Pesticide Action Network (PAN) Sierra Club

Society for International Development (SID)

Third World Network (TWN)

Water Environment Federation (WEF)

Women's Environment and Development Organization (WEDO)

World Business Council for Sustainable Development (WBCSD)

World Federalist Movement (WFM)

World Resources Institute (WRI)

World Wide Fund For Nature (WWF)

#### 7. Other Networking Instruments

Arab Network for Environment and Development (RAED) Global Legislators for a Balanced Environment (GLOBE) Regional Environmental Center for Central and Eastern Europe (REC) United Nations Non-Governmental Liaison Service (UN-NGLS)

# Appendices

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#### Methodology Note for Demographic Data:

The demographic numbers for cities and national populations listed in CountryWatch content are derived from the Geoba.se website, which analyzes data from the World Bank. The current demographic numbers displayed on the Countrywatch website are reflective of the latest available estimates.

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-- See also list of News Wires services below, which are also used for research purposes. --

Note on Edition Dates:

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Methodology Notes for Economic Data:

Estimates by CountryWatch.com of GDP in dollars in most countries are made by converting local currency GDP data from the International Monetary Fund World Economic Outlook to US dollars by market exchange rates estimated from the International Monetary Fund International Financial Statistics and projected out by the CountryWatch Macroeconomic Forecast. Real GDP was estimated by deflating current dollar values by the US GDP Implicit Price Deflator.

Exceptions to this method were used for:

- Bosnia-Herzegovina
- Nauru
- Cuba
- Palau
- Holy See
- San Marino
- Korea, North
- <u>Serbia</u> & Montenegro
- Liberia
- Somalia
- Liechtenstein
- Tonga
- Monaco
- Tuvalu

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#### Methodology Notes for the HDI:

Since 1990, the United Nations Development Programme, in concert with organizations across the globe, has produced the <u>Human Development Index</u> (or HDI). According to the UNDP, the index measures average achievement in basic human development in one simple composite index, and produces from this index a ranking of countries. The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by combination of adult literacy and mean

years of schooling. Standard of living is measured by purchasing power, based on real GDP per capita (in constant US\$) adjusted for differences in international living costs (or, purchasing power parity, PPP). While the index uses these social indicators to measure national performance with regard to human welfare and development, not all countries provide the same level of information for each component needed to compute the index; therefore, as in any composite indicator, the final index is predicated on projections, predictions and weighting schemes. The index is a static measure, and thus, an incomplete measure of human welfare. In fact, the UNDP says itself the concept of human development focuses on the ends rather than the means of development and progress, examining in this manner, the average condition of all people in a given country.

Specifically, the index is calculated by determining the maximum and minimum for each of the three components (as listed above) and then measuring where each country stands in relation to these scales-expressed as a value between 0 and 1. For example, the minimum adult literary rate is zero percent, the maximum is 100 percent, and the reading skills component of knowledge in the HDI for a country where the literacy rate is 75 percent would be 0.75. The scores of all indicators are then averaged into the overall index.

For a more extensive examination of human development, as well as the ranking tables for each participating country, please visit: <u>http://www.undp.org</u>

#### Note on History sections

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<u>Note:</u> Some or all these news services have been used to research various sections of this Country Review.

#### USING COUNTRYWATCH.COM AS AN ELECTRONIC SOURCE:

MLA STYLE OF CITATION

#### **Commentary**

For items in a "Works Cited" list, CountryWatch.com suggests that users follow recommended patterns forindentation given in the *MLA Handbook*, 4th edition.

#### **Individual Works**

#### Basic form, using an Internet protocol:

Author/editor. *Title of Print Version of Work*. Edition statement (if given). Publication information (Place of publication: publisher, date), if given. *Title of Electronic Work*. Medium. Available Protocol (if applicable):Site/Path/File. Access date.

#### **Examples:**

Youngblood-Coleman, Denise. *Country Review: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *Country Review: France*. Online. Available URL: <u>http://www.countrywatch.com/cw\_country.asp?vCOUNTRY=61</u> October, 12, 2003. Note:

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#### **Examples:**

Youngblood-Coleman, Denise. "People." *CountryWatch.com: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *CountryWatch.com: France*. Online. Available URL : <u>http://www.countrywatch.com/cw\_topic.asp?</u> <u>vCOUNTRY=61&SECTION=SOCIAL&TOPIC=CLPEO&TYPE=TEXT</u>. October 12, 2003.

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*For further source citation information, please email:* editor@countrywatch.com or education@countrywatch.com.

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