

# The Effect of the Geneva Accord on the Sanctions in Iran

Hadi Semati\*  
Shani Hormozi\*\*

## Abstract

Geneva agreement is a milestone for the country's foreign policy in general and for the dispute over Iran's nuclear program specifically. This accord reached shortly after the inauguration of the Rouhani government changed international mindsets towards Iran and demonstrated the new government's political will with regards to taking strong action in order to engage the international community. Though this interim agreement is not without shortcomings, it has had noticeably positive ramifications in both foreign and domestic arenas. This article will answer the question: What effect has the Geneva Accord had on the sanctions against Iran? In the opinion of the authors, the Geneva Accord or the Joint Plan of Action has significantly affected the sanctions against Iran on four levels. A) The sanctions themselves: the implementation of the Accord leads to some sanctions relief. B) The environment of the sanctions: this also weakened the global sanctions environment against Iran, and introduced a trend of desecuritization of Iran and the nuclear program. C) The sanctioning countries: The Accord has led to disagreements between the sanction imposing countries and has shifted the balance between the supporters and the dissenters of the sanctions regime. D) The goals of sanctions: The Accord has uncovered friction between sanction the goals of the sanction imposing countries and divided them into the two camps of those who wish to eliminate Iran's nuclear program and those who wish for it to have limitations and transparency.

**Keywords:** Geneva Accord, Sanctions, Nuclear Program, Desecuritization

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\* Former Faculty Member, University of Tehran

\*\* Ph.D. Candidate, University of Waterloo

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## **Introduction**

Due to a successful process of securitization from the West but also due to a few domestic failures, the Iranian nuclear program was introduced to the world as a risk to global security, leading to the passing and implementation of a number of United Nations Security Council resolutions and broad sanctions. In fact, the broadening and deepening of the sanctions was itself an important part of the puzzle in the process of securitizing Iran in general and the nuclear program in particular. While long extensions of the nuclear negotiations and the ever increasing threats and sanctions dim hopes for diplomatic conflict resolution, the two sides have, by signing the agreement, begun moving down a path few would have predicted. Understanding the different dimensions of the effect of the Geneva Accord on the process of the nuclear file and in general the new perception and status of Iran is very important. Clearly the opportunity to assess all the different dimensions of the Accord is not at hand, however, the authors will analyze the effects of this treaty on one of the most important dimensions, that being the sanctions. If the effect of the Geneva Accord on the sanctions against Iran has been in a sense positive, then it can be claimed that one of the most important steps in reversing the securitization of Iran has been taken. In other words, a step has been taken towards turning the nuclear file from a security file to a political file. In this sense, analyzing the effects of the Accord on the sanctions against Iran is very important.

But what have been the effects of the Geneva Accord on the broad and complicated sanctions regime against Iran? The answer to

the questions is important not only because of the aforementioned reasons but also in order to understand current developments as we continue towards a final status agreement. For this purpose, this article will first briefly attend to the construct of the sanctions from the United Nations, the United States and the European Union, then assess the success of the sanctions on the basis of the goals of the sanctions, and evaluate their effects on Iranian society. Finally the effects of the Geneva Accord on the mentioned sanctions will be studied.

### 1. Structure of the Sanctions

The economic sanctions, especially from the Security Council, during the course of the last 20 years have found a greater role in international governance, to the extent that the 1990s became known as “the decade of the Sanction”<sup>(1)</sup> (Cortright and Lopez, 2002: 1). The underpinning of the policy is that through the application of political and economic pressures, a nation can be weakened and compelled to submit to the requests of the sanctions imposing country or countries. On the nation-state level, economic sanctions have always been considered a prospective tool among many policymakers when dealing with other countries – regardless of the efficacy of sanctions in reaching the aforementioned aims (Baldwin, 199: 81-88).

In other words, when choosing among diplomatic or military options and economic pressure tools, policymakers are not exclusively focused on efficacy and the success of the policy in reaching final objectives. Successfulness can be one of many criteria being considered. The second criterion for the selection of sanctions is reaching the specific foreign policy goal or goals that are to be achieved, for example regime change, non-proliferation of weapons of mass destruction, human rights, or terrorism. Of course there are always hidden motives but we are not able to study this aspect. With regards to Iran there are a series of aims outlined to explain the change in behavior by the US and its allies. Most of the sanctions



against Iran have been established on the basis of the nuclear program, or to be clearer, they have been rationalized using the nuclear program. The third criterion is the refining of the definition of the success of sanctions and their attainment of outlined objectives. It has been said that sanctions are at their most effective when the sanctioned countries surrenders to the will of the sanction imposing countries before the actual conflict arises. Threats of sanctions, implementation of sanctions, punishment of third party violators, are all stages of sanctions policies that can determinative towards success or failure of the policy. The literature available has been unable to settle the debate over the efficacy of sanctions as a tool of foreign policy. The academic community and researchers, as opposed to those in the sanctions implementation bureaucracy, have been pessimistic as to the effectiveness of sanctions. Though new research in recent years based on more recent examples have reduced this pessimism. In any case, the objective of this study is not to assess sanction in general or sanctions against Iran in particular from a theoretical standpoint. Any sanction is composed of four main elements: 1) Senders, 2) Targets, 3) Measures, 4) Objectives (Charon, 2011: 2).

In general the term sanction can apply to all limitations in the arenas of culture, science, sports, as well as diplomatic and economic pressures (Orkin, 1990: 2). Sanctions can be divided into two categories: 1) Comprehensive sanctions, 2) targeted sanctions. Comprehensive sanctions are broad as well as government and society centered, while targeted sanctions are issue and player centered and only focus on individuals, products, and industries that have been specified (Eriksson, 2011: 3) Targeted sanctions are also referred to as smart sanctions, meaning that they, like smart bombs, target only the policymakers and experts who are being held responsible and the sectors they control while only having a limited effect on third parties or regular people (Hufbauer and Oegg, 2000:1). The Inhumane consequences of comprehensive sanctions (Classic)

were so broad that some denounced them as "weapons of mass destruction"<sup>(2)</sup> (Arnove, 2002: 219). Sanctions implemented against Iraq's agricultural, education, and health sectors were devastating to the foundations of the country and its people (Said in Arnove, 2002: 219). The experience of the Iraq sanctions created the basis for the creation and implementation of targeted sanctions as to limit humanitarian effect. Until 1994, all of the sanctions imposed by the United Nations were targeted sanctions (Biersteker, Eckert and Tourinho, 2012: 6). Sanctions against Iran are a combination of many different kinds of sanctions imposed by the United Nations, the US, the EU, the United Kingdom, and several other countries including Japan, South Korea, Australia, New Zealand, Canada, Switzerland, and Norway. The three main branches of these sanctions have been categorized in group 1.

**Table Number 1. Main Branches of the Sanctions Based on Their Elements**

Sanctions type/Measures	Aim	Time	Sanctions
Targeted: Arms, finance, logistics, travel bans, and seizure of individual and institutions	Non-proliferation	From 2006 until now	UN
Comprehensive	Nuclear program, Human Rights, Terrorism	From 1979 until now	US
Restrictive measures to comprehensive	Non-proliferation (2007) Human Rights (2011)	From 2007 until now	EU

With the report of the International Atomic Energy Agency (IAEA) claiming Iran's violation of the non-proliferation treaty in February of 2006, the agency referred the Iranian nuclear file to the Security Council that led to a series of resolutions against Iran and with each report of Iranian non-compliance, new harsher measures were passed. The term "sanctions" does not exist in the UN Charter, however, article 41 is usually considered the sanctions article. Based on this article, the Council has the authority to impose measures not including the use of force to make its resolutions effective and call upon UN member-states to execute these measures. These measures include termination of diplomatic relations, partial or total



termination of economic relations, termination of connections by rail, sea, air, postal system, and others (Charter of the UN, Article 41). The pre-sanctions actions are framed by article 40 that is formatted as a request and is not binding, the post-sanctions stage is in article 42 that involves military options. Violation or noncompliance with sanctions imposed by the Security Council requires the passage of new resolutions. Since 2010, due to the opposition of China and Russia, the Security Council has been unable to pass additional sanctions against Iran (International Crisis Group Report, 25 February 2013: 15).

**The Sanctions of the United States:** The passage of sanctions in the US occurred in two ways: Executive Orders from the President and the enactment of laws by Congress. The First sanctions passed against Iran by the US was in 1979 in response to the hostage crisis involving US diplomats in Tehran through an Executive Order signed by President Jimmy Carter. The aim of the sanctions was to free the hostages and its means of doing so was freezing of the assets of the Iranian government. Some years later other goals such as limiting military might and regional influence, limiting Iranian financial support for organization that the US regards as terrorist, and alteration of domestic policies in Iran (including on the issue of human rights) with the ultimate goal of behavior modification was added to the list of aims for the US sanctions<sup>(3)</sup> (The Iran Project, 2012: 7-13). From the mid-1990s on, American sanctions became increasingly focused on convincing Iran to limit its nuclear program and from 2006, and in a broader sense in 2010; the international community began to cooperate with American sanctions with the same goal in mind (Katzman, 2014: 1). Though UN sanctions against Iran go back to 2006, American efforts to compel other countries to impose sanctions on Iran outside of the UN framework predate that. In fact, from 1996 onward, the US institutionalized its efforts to compromise the flow of investment to Iran's energy sector with the passage of the Iran Sanctions Act (ISA) and forced international firms

to choose between continuing their involvement in the Iranian economy and having access to US markets (Katzman, 2013, 1).

Even though the ISA is only one of the US imposed sanctions against Iran, it has received a tremendous amount of attention because it is based on the measures in this law that authorization for punitive action against foreign firms has been issued<sup>(4)</sup> (Katzman, 2009: 1). In addition to this, two other acts of Congress have completed the current sanctions regime against Iran by codifying into law already existing executive orders and introducing new measures. These two laws are the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) and an amendment to the National Defense Authorization Act of 2012. It should be noted that two other laws as the Iran Threat Reduction and Syria Human Rights Act and the Iran North Korea Syria Non-Proliferation Act (INKSNA) that also exerted pressure on certain Iranian sectors and are therefore somewhat important. Therefore, the US has, unilaterally and based on the policy of punishment and reward, compelled other countries to also impose sanctions against Iran outside of the UN framework.

**The Sanctions of the European Union:** The sanctions of the European Union against Iran were imposed in 2007 based on what they considered Iran's efforts to attain a nuclear weapon, though in 2011 Human Rights were also added to the list of goals. This was the strongest sanctions regime ever levied on any country by the European Union. One of the harshest measures of this regime was the disconnections of Iranian banks from the international electronic financial system, known as the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which effectively bans any foreign transactions with Iranian banks on the grounds that Iranian banks have violated EU sanctions. SWIFT is the foundation for global financial and commercial interactions. This restriction was into effect in March of 2012 by the EU<sup>(5)</sup>.

One of the reasons for the EU capitulation to US demand



regarding the imposition of sanctions against Iran was their concern about US military action against Iran and the endangerment of their critical interests in the region (Emery, 2010: 371). As noted by Zbigniew Brzezinski, the likelihood of other countries joining the US in sanctions against Iran increases when they are convinced that the US is busy drawing up plans for a military confrontation against Iran (Emery, 2010: 387). EU sanctions against Iran have no clearly defined sunset date or criteria; they can only be lifted with a new decision made by the 27 member body (Vaez, 2013: 5).

## **2. Efficacy of Sanctions Against Iran**

In relation to the effectiveness or ineffectiveness of sanctions against Iran there are generally two viewpoints. The first is that sanctions have been ineffective against Iran because the goals of these sanctions – being the halting of the nuclear program, human rights, and ending support for terrorism – have not been achieved. The other point of view believes that the sanctions have been effective and that the recent positive developments involving Iran and the US, including the Joint Plan of Action, are the result of sanctions. US Congressional research report claimed that the sanctions – especially the ones targeting Iran’s energy and banking sectors – have so affected the Iranian economy that they were forced to capitulate to the terms of the Interim Accord which halts the progress of the Iranian nuclear program in return for some sanctions relief. This report also describes the election of Hassan Rouhani on the 14<sup>th</sup> of June 2013 as a sign of increased public pressure on the Iranian government to get some sanctions relief (Katzman, 2014: 47-60).

As previously mentioned, the success of the sanctions depends greatly on the operational definition of success. In addition, the perception of effectiveness is more important than the objective assessment of effectiveness in decision making for policymakers. It seems that from this perspective, the sanctions against Iran have been more effective. Many experts have contended that the principle

reason for the “success” of multilateral sanctions against Iran has been their unprecedented implementation by many third party countries – European, Asian, and regional nations. But the fact is both of these viewpoints are reductionist and the reality of the effect of sanctions on Iran is somewhere in between the two. Generally speaking, the effectiveness of sanctions against Iran can be assessed by balancing their three main goals: coercion; constraining; and signaling and stigmatizing (Biersteker, Eckert, Tourinho, 2012: 14).

**Coercion:** the sanctions have until now been unable to force Iran to abolish its nuclear program, though the Interim Accord does suggest that Iran will not be operating its nuclear program in the same way. In other words, the Interim Accord, which is frequently cited to claim the sanctions as a success neither demonstrates behavior modification (abolition of the nuclear program) nor the unaffected continuation of behavior (unmodified continuation of the program). In the aftermath of the Geneva Accord, Iran has neither ended the nuclear program nor abandoned nuclear enrichment – under 5 percent; though enrichment is no longer to the extent that it was – over 5 percent. But the explanation for Iran’s chosen path is related to many issues aside from the sanctions including domestic and regional issues. The first such issue to consider is the unfortunate state of the Iranian economy. This condition is not the result of sanctions alone but rather the “dual effect of both sanctions and domestic mismanagement” especially in the period preceding the Presidency of Hassan Rouhani. Other domestic issues include the July 2013 Presidential election that was largely effected by the economy. To understand Iran’s behavior on international affairs and ultimately the Geneva Accord, we must take a counterfactual approach. Meaning we must imagine a state in which Rouhani was not elected and someone from the competing faction closer to the former President was elected (those who follow and complexity of Iranian politics know that this scenario was very likely as even those who were significantly affected economically had not committed to



participate in the election). Under such circumstances it would be unlikely that recent developments would have taken place, even with the variable of sanction continuing to exist; therefore, if the elections did not transpire as they did, even with economic hardship and sanctions, Iran's foreign policy posture would likely be very different than it is now. In addition to domestic factors, regional factors such as the crisis in Syria also played a significant role in Iran's foreign policy. From the mentioned factors we can surmise that Iran's foreign policy in the Rouhani era is not merely a product of sanctions-based "coercion". Economic sanctions have damaged the economy but not to the extent that it would convince Iran to abandon its nuclear program.

**Constraint:** Though it's difficult to argue that sanctions have achieved the coercive goal, it can be argued, to a point, that they have been able to "constrain" the program, meaning slowing it down. The Congressional report claims that sanctions may have slowed down both the Iranian missile program and nuclear program, but this evaluation of the US suggests that sanctions have not prevented Iran from achieving indigenous conventional weapons and others objectives (stopping Iran from supporting terrorist groups and human rights) have also not been achieved (Katzman, 2013: 49-50). This reasoning holds that due to Iran's attachment to the nuclear program, sanctions can limit or slow down Iran's activities and are therefore generally successful and should be maintained (Fitzpatrick, 2010: 1). Though it should not be forgotten that between 2003 and 2005 when Rouhani was leader of the negotiation team, Iran was in the midst of completing 164 uranium enrichment centrifuges (before the UN and EU sanctions, and the concentrated wave of US sanctions), today however, after the application of economic and political pressure, Iran has over 18000 centrifuges (Vaez, 9 Oct, 2013). Although one can reasonably argue that Iran's speed in achieving these capabilities could have been greater in the absence of sanctions.

**Signaling and Stigmatizing:** This part of the three goals of the

sanctions is achieved through UN sanctions more than the other goals. Broad sanctions against Iran have raised the sensitivity of non-proliferation norms and the authority of the IAEA on the international stage (Sanctionsapp.com). This is to signal to Iran that there is a cost to noncompliance with the demands of the Security Council, as well as, a signal to the world of the importance of supporting norms involving non-proliferation. In general, it must be said that the sanctions have been effective at labeling Iran as a threat. Also, they have succeeded in raising the matter of non-proliferation and the profile of the relevant international institutions in an unprecedented manner. The weapon of signaling and stigmatization has two dimensions: on one hand, highlighting non-proliferation norms (signaling), and on the other hand, identifying players who are in violation of it (stigmatizing). This occurs simultaneously with the securitization of the Iranian nuclear program and has been more effective than the first two goals of the sanctions.

Ultimately, one must see that the reasons for the use of international sanctions despite the ineffectiveness of the primary goals, is the effectiveness of the tertiary goal. In other words, in most cases sanctions achieve at least one goal in the form of “international punishment” (Nossal, 1989: 303). Also, in many cases, there is a domestic benefit for politicians in the sanctions imposing countries. Much has been said and written about the role of American domestic politics in the passage of sanctions against Iran. Two key points must be recognized in this context: the first being the absence of any cost to opposition towards Iran, and the political benefit of hawks favoring confrontationalism towards Iran. Many rightwing politicians are naturally hardline and aggressive disposition regarding foreign policy specifically as it applies to Iran, and as the new generation of conservatives have closer ideological ties with Israel, it would be expected that policy convergence with Israel would be beneficial for them. The Democrats and Liberals of America, due to their reliance on the financial resources and support of the American Jewish

community, always prefer cooperation with anti-Iran policies. Therefore, there is a very unique broad anti-Iranian coalition in favor of passing legislation between Democrats and Republicans, to the extent that many sanctions against Iran have passed without any significant objection even as the sanctions do not reach their objectives and are mainly for symbolic purposes (Whang, 2011). Therefore the policy is considered successful without meeting the defined criteria.

### 3. The Results of the Iran Sanctions

The flip side of the coin from the matter of the efficacy of the sanctions is the results of the sanctions on the lives of ordinary people whose lives are affected by the sanctions. Any assessment of the sanctions without consideration of the effect it has on regular people is an inhuman view and the international community must be sensitive to that. As previously mentioned, it was concern over the human consequences of the comprehensive sanctions that resulted in the objections that lead to the introduction of a new kind of sanctions known as targeted or smart sanctions. Though due to the comprehensiveness of the sanctions aimed at major economic arteries by many international actors, it would be incorrect to refer to the sanctions against Iran as being targeted or smart. In addition, the effects of the sanctions have affected all Iranians. Sanctions against Iran have resulted in inflation, the fall of the value of the Rial, and vast financial corruption in heavily effected sections such as commerce and trade, aerospace, and medicine. It also set the stage for new phenomena such as “sanctions mafias”, though it should be said, that these results are not strictly due to sanctions but the result of “mismanagement and sanctions”. The interconnectedness of the sanctions and domestic mismanagement is to the extent that deciphering economic problems as being exclusively the result of one or the other is difficult if not impossible.

The negative consequences of the sanctions passed in 2011

onwards in Ahmadinejad's second term as the US and EU were ratcheting up pressure was unprecedentedly harsh on people's daily lives. Iran's oil exports that accounted for 80% of the country's foreign currency reserves fell from 2.5 million barrels a day in 2011 to half of that, meaning 1.25 million barrels a day, in 2013. At the same time the considerable increase in inflation and fall in the value of the Rial was in part caused by the Iranian banking system (Katzman, 2013: 51-59). By affecting the main arteries of the Iranian economy especially in the banking and energy sectors, the sanctions have had a direct impact on people's lives. In the opinion of the former president of the Iranian Central Bank, Sayed Mohammad Hussein Adeli, the most important effect of the sanctions of the Iranian Central Bank is the blocking of Iran's petroleum income<sup>(6)</sup>. This is while the Central Bank has immunity due to the fact that it deals with nations<sup>(7)</sup> (Adeli, 2011). Every sanction imposed against the energy sector has reduced Iran's petroleum exports and the Central Bank sanctions have blocked Iran's oil income while cutting off Iranian banks from the SWIFT system which in effect restricts them in carrying out transactions not just in energy related commerce but all commerce. Despite this, the supporters of the sanctions continue to maintain that the target of the sanctions are not regular people, but that some harm will come to them that must be seen as collateral damage. Meaning that despite the original intent of the sanctions, it is possible that regular people are harmed during the process of implementation. This rationalization is incredibly weak and inadequate due to the fact that in general for the implementation of sanctions, harming regular people is necessary.

Even smart and targeted sanction, that were designed with much hope and optimism in the 1990s, failed to solve the problem of the inhuman consequences and collateral damage, and in truth, they were not what they were advertised to be (Gordon, 2011: 332). For example, though medicine is not in the list of sanctioned sectors, due to the sanctions on other key sectors such as banking, the purchase



and shipping of the medicine encounters numerous problems<sup>(8)</sup>. Not only Iranians inside the country but also those living abroad have experienced negative consequences as a result of the sanctions, especially regarding financial transaction with Iran and have even had trouble maintaining their own personal assets<sup>(9)</sup>.

Now the question is whether these negative consequences are the result of UN sanctions or the unilateral sanctions of the United States, or the multilateral sanctions of the EU? The answer to this question is very complex, but what can be said with certainty is that the UN sanctions, though possessing softer and more limited language, became the foundation of the much harsher US and EU sanctions and have ultimately caused great harm to Iranian civilians. The UN resolutions against Iran asked member-states to block technology transfers or financial transactions that could aid Iran's nuclear or ballistic missile programs. This resolution also asked members to "exercise vigilance" regarding Iran, especially regarding the Melli Bank and Saderat Bank. The term "exercise vigilance" in the language of the resolution is both important and vague; because claiming to do just that, the US, EU, Canada, Japan, and South Korea have implemented much harsher sanctions (Gordon, 2013). The sanctions imposing countries can claim that they are not acting unilaterally and that they are merely showing the "vigilance" that the Security Council demanded of them. While the Security Council can also claim that it has not enacted comprehensive sanctions and that it has only fought nuclear arms while limiting human consequences. This is what Joy Gordon referred to as "mutual deniability" (Gordon, 2013). The result of this "mutual deniability" is the implementation of expansive sanctions against Iran, some of which are advertised as smart or targeted, but in practice take a tremendously inhuman toll on the Iranian people.

#### **4. The Geneva Accord and the Sanctions**

The Geneva Accord or the Joint Plan of Action (JPOA) has clearly

affected sanctions against Iran on 4 distinct levels: A) The sanctions: The Geneva Accord involved some sanctions reduction. B) The environment of sanction: This Accord weakened the sanctions environment around Iran and initiated the desecuritization of Iran and the nuclear program. C) The sanctions imposing countries: The Geneva Accord has caused some friction among the sanctions imposing countries and lead to a shift in the balance of power between those who support and oppose sanctions. D) The goals of sanctions: The JPOA exposed the gap between those who demand the nuclear program be dismantled and those who want transparency and limitations.

**A) The Sanctions: Limited Relief:** When the JPOA became active, Iran received some limited sanctions relief. This interim agreement included \$7 billion of relief during a six month period. According to this agreement, there will be no additional sanctions passed against Iran (regarding the nuclear issue) and some of the existing sanctions were suspended. The suspension of sanctions applies to such fields as petrochemical exports, precious metals, the automotive industry, and civilian airplane parts. Also, due to the severing of ties between Iran and the international financial system, a new financial channel was established to facilitate humanitarian transactions as well those transactions not covered by sanctions (Joint Plan of Action, 2014).

**B) The Environment of Sanctions: Weakening:** The JPOA not only resulted in direct sanctions relief for Iran, but it also disrupted the environment of sanctions against Iran. The relative desecuritization of Iran and the nuclear program can be explained by the Geneva agreement. Over the past many years the Iranian nuclear program has been introduced to the world as a threat to global peace and security. This can be considered a successful case of securitization as the general public began to see the program as a threat. The Geneva Accord is considered a major step in reversing this process. This agreement presents Iran as a country that is more reasonable and



also capable of mustering the political will necessary to solve its disagreements with the world. The result is an environment in which others cannot with ease display the nuclear program as a threat and convince the international community of the immediate necessity to imposing more sanctions. Iranian negotiators have clearly been able to reduce the ability of others to label Iran as a security threat to the international community. Of course the change in the international environment regarding Iran began with the election of President Rouhani, the signing of the JPOA reinforced this change and also affected the international sanctions environment. This change in environment has great potential for attracting foreign investment, though it must be clear that it is fragile, uncertain, and reversible, and its sustaining depends largely on the continuation of the talks and reaching a final agreement.

**C) Sanction Imposers: Differences:** The JPOA resulted in some disagreements arising among sanction imposing countries, their political elites, and allies. However one cannot be too optimistic regarding the depth or endurance of these differences and it is expected that these disputes will quickly evaporate and their unity will be reestablished by a breakdown in talks. Among these disagreements one can point to the refusal of Canada to participate in sanctions relief. Although in the aftermath of the JPOA, the US and the EU announced some sanctions relief, Canada announced that its sanctions on Iran will remain intact<sup>(10)</sup>. On the other hand, Saudi Arabia and Israel are among the disgruntled allies of sanctions imposing countries. Many Arab countries in the region lead by Saudi Arabia fear the relief of sanctions and pressure against Iran and the rise of Iran in the region. The principle reason why they want sanctions to remain at their current levels, Iran's nuclear issue to not be solved, and America's relations with Iran not to improve is that they do not want to see a shift in the regional balance of power (Mousavian, Online News, February 3th, 2014); the JPOA amplified the differences in purpose between sanction imposing countries and

their allies. The JPOA also further displeased Israel, America's closest ally in the region, and even lead to greater partisanship and friction inside Israel; Benjamin Netanyahu, the Prime Minister of Israel, even referred to the deal as a "historic mistake" (Fox News, Nov. 24, 2013). Although it is not clear to what extent the friction and statements made in this context are real or dramatized. In any case, due to the announced displeasure by Israel, the Obama administration has on numerous occasions reaffirmed its commitment to Israel and Israel's right to defend itself. It cannot be denied that the adoption of policies by the United States in the region without relative Israeli consent is far-fetched.

Additionally, the Geneva Accord created such friction among the political elites of the sanctions imposing countries that at least in the United States political poles were created for and against the implementation of new sanctions, which even lead to confrontation between the Executive Branch and Congress. Obama believes that sanctions were effective in leading to the Geneva Accord; however, additional sanctions at this time would damage the ongoing diplomatic process and has threatened to veto such legislation if it was passed (Jakes, 2014). One of the most foundational achievements of the current diplomatic trend and the adoption of the JPOA has been the reinforcement of those who favor diplomacy and peaceful conflict resolution in the nuclear debate. The activation of such platforms and building new circles that support dialogue has to some extent, though in a fragile way, changed the balance of forces within elite policymaking circles and non-proliferation expert in favor of a verification approach rather than a "dismantling or suspension" approach.

In addition to the voices of both Democratic and Republican lawmakers in Congress supporting new sanctions, a number of powerful pro-Israel lobby groups lead by the America Israel Public Affairs Committee (AIPAC) have also lined up in support of this measure. AIPAC redoubled its efforts to pass additional sanctions



against Iran after the signing of the Geneva Accord. This effort was eventually thwarted by pressure from the White House and AIPAC was forced to retreat from its position, express support for the administration – at least publically – and back a delay of the new sanctions legislation to reduce the level of criticism it was receiving (Shalev, 2014). It seems this lobby has placed itself in dire straits regarding this issue and is experiencing some political isolation.

**D) The Goals of the Sanctions, Fracture:** The Geneva Accord exposed a gap between the goals of the sanctions imposing countries. While many of them wanted a complete dismantling of the Iranian nuclear program, many others desired more transparency and limitations, and these differences resulted in friction. Though the sanctions against Iran were imposed due to a general suspicion about the peacefulness of Iran's nuclear program and a desire for transparency tools and assurances from Iran regarding the civilian nature of the program, some more hawkish forces demanded a complete dismantling of the program. Their claim is that the international community can only have confidence in the intentions of the Iranian government if the nuclear program is dismantled and that transparency and limitation will not suffice. The dismantling rhetoric is forcefully argued by many American politicians. Among them is Republican Senator Lindsey Graham who stated that “until the time when the agreement demands the dismantling of the centrifuges, we have gained nothing” (Porter, 2014). The Accord isolates and challenges those who take such positions by denying Iran's nuclear rights, on the other hand, those in support of transparency and limitations wish to limit Iran's nuclear program in terms of quantity (number of centrifuges) and quality (purity and enrichment), as well as strengthen monitoring mechanisms. This is while Iran's position on this matter also favors temporary limitations and transparency. The friction between those supporting the dismantling rhetoric and those supporting transparency and limitations has been displayed in an unprecedented manner, which is a

reflection of their broad disagreements with regards to the objective of the sanctions regime.

Israel and its powerful lobby in Washington lead the campaign in support of the dismantling approach. Even after AIPAC unprecedented retreat on its demand for more sanctions against Iran, it did not withdraw its support for dismantlement. AIPAC's statements still claim that it continues to be committed to seeking assurances that Iran's nuclear program will be dismantled (JTA, 2014).

This is while Iran has announced that the dismantling of its nuclear infrastructure is a red line, and Abbas Aragchi, Iran's Deputy Foreign Minister and Chief Nuclear Negotiator, has stated that Iran will do all it can to address any perceivable concerns the international community may have (transparency) but will not dismantle its nuclear infrastructure (Press Club Website, February 2<sup>nd</sup>, 2014) The governments of the P5+1 countries have designed the Joint Plan of Action based on the limitation and transparency framework and not dismantlement, and if that was not the case there would be no agreement<sup>(1)</sup>. This approach undertaken in the JPOA, is itself a significant achievement because it implies the acceptance of the continuation of Iran's nuclear program, which, even if not written explicitly does mean movement towards a comprehensive agreement.

### **Conclusion**

In conclusion, it must be said that the primary importance of the Geneva Accord is in the process currently underway. The importance of this process is exponentially greater than its conclusion, because its initiation and continuation has created an appropriate environment for mutual understanding and interaction. The platform of dialogue between the Iran and the West has for many historic reasons been stained with mistrust, misunderstanding, and enmity; and the prerequisite for peaceful conflict resolution, in particular on matters involving nuclear energy, is a minimum understanding of interests, necessities, and limitations on both sides. The Geneva Accord is an



important step in reaching such a mutual understanding. In fact the positive effects of the Geneva Accord have marred the structure and implementation of the sanctions; they have also compromised the securitization of Iran and have paved the way for desecuritization. In other words, the Geneva Accord has redefined the row over the Iranian nuclear file as a political, rather than a security-based, dispute. Therefore, Iran must continue to take political initiative and measured steps to further destabilize the coalition built against it that has materialized in the form on resolutions and sanctions. As explained, the Geneva Accord has had an effect on the coalition built against Iran, both in terms of aims and tools, but these outcomes are still weak, fragile, and reversible. Therefore the current negotiations need to be supported in an environment free of tension and controversy. The strategic environment of the region is changing, the makeup and positioning of forces and players have never before been this fluid, and unexpected events may at any moment change the existing dynamic. This environment could potentially at once lead to both opportunities and challenges for Iran. Continuing the existing policy of process-focused diplomacy has a strong potential for dismantling the existing sanctions regime against Iran.

## Notes

1. In fact, before 1990, only the two countries of South Rhodesia (now Zimbabwe) (1968-1979) and South Africa (1977-1994) had ever been subject to UN sanctions.
2. A number of scholars including Noam Chomsky, David Said, and Howard Zain signed a letter in response to the inhumane outcome of the sanctions, stating that that sanctions are not policy but rather mass destruction (Arno, 2002: 219).
3. The United States Department of State added Iran to the list of countries who support terrorism in 1984 which results in new restrictions including export control of items with dual use capabilities (The Iran Project, 2012: 23-25).
4. ISA is essentially ILSA or The Iran and Libya Sanctions Act that was signed in 1996, but it was renamed ISA after the sanctions against Libya were lifted in 2006 (Katzman, 2013: 2).
5. Though the restrictions of access to SWIFT is considered an EU sanction it began in the US where a group named United Against Nuclear Iran (UANI) demanded that the SWIFT system cut all ties with Iran contending that it violates already existing EU and US sanctions. The SWIFT system rejected this claim but in 2012, the US Senate Banking Committee passed sanctions against Iran's access to the SWIFT system to satisfy SWIFT and the EU (Wikipedia).
6. The advantage of Central Bank sanctions, as opposed to oil sanctions, is that by denying Iran its oil revenue rather than barring Iran from selling oil, you create less of a shock to third party countries complying with sanctions. The goal here is clearly to limit cost to sanctions imposers (Adeli, 2011).
7. The two theories of absolute and limited immunity apply to this case. The theory of Absolute Immunity states that since Central Banks are publically owned around the world, they should be entitled to total immunity. However Limited Immunity states that Iran having access to its oil revenue is a matter of commercial activity which should not be immune (Adeli, 2011).
8. Many firms and companies, including pharmaceutical and medical companies, are unwilling to partake in any transactions with Iran even if there is no legal prohibition. For example the Swiss company GAVI that produces vaccines for developing countries faces tremendous difficulty sending medicine to counties like Cuba and Sudan due to US imposed restriction on logistics companies (Gordon, 2013).

9. The Canadian Bank TD closed a number of accounts belonging to Iranian costumers without explanation or evidence of wrongdoing based on Canadian sanctions against Iran (Kalbasi, 2012).
10. Canadian Prime Minister Stephen Harper said: “Our sanctions against Iran will remain in place even if the P5+1 requests that we reduce sanctions” (Fars News Agency, January 14, 2014)
11. The White House and US Secretary of State John Kerry have repeatedly said that Tehran must eliminate parts of its nuclear program. But the truth is, in the language of the Accord, there is no mention of any elimination. However, in the Fact Sheet issued by the White House on November 23<sup>rd</sup>, 2013, it is stated that Iran has agreed to eliminate all technical equipment necessary to enrich uranium above 5 percent. Many believe that the use of the elimination language by US officials is for domestic consumption and especially the pacification of the pro-Israel groups (Porter, 2014).

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