

US withdrawal from the Iran Nuclear Deal and Trump - Kim summit in Singapore

PRESIDENT TRUMP'S STRATEGY OF 'DIPLOMATIC UNPREDICTABILITY'



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On May 8, 2018, US' President Trump announced his decision to pull the USA out of the Joint Comprehensive Plan of Action (JCPOA), commonly known as the Iran Nuclear Deal and to reimpose sanctions on Tehran. That decision did not come as a surprise as it was one of his main promises from the presidential campaign and was highly anticipated not only by the Republican party hawks but also by the mainstream supporters of the incumbent American president. It was also a part of the larger project of Donald Trump which can be defined as the 'comprehensive' process of dismantling Barack Obama's legacy at the White House. Taken together with the decision to move the US Embassy to Jerusalem, President Trump's latest actions sent shocks across the world, deepening transatlantic divide and strengthening the strategic mistrust in the other part of the globe - in China - just weeks ahead of the highly anticipated, historic summit with North Korea's leader Kim Jong-un that took place on June 12, 2018 in Singapore.

As it's probably too late to save the nuclear accord of 2015, in European Union's best interest is bringing Iran and other stakeholders again to the negotiating table even if the task looks like a 'mission impossible' at the moment.

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The backdrop of the US pullout of the Iran Nuclear Deal

The Joint Comprehensive Plan of Action (JCPOA), concluded on 14 July 2015 between Iran and five permanent members of the UN Security Council - USA, China, Russia, France and UK plus Germany, was an effect of lengthy negotiations and for sure it isn't perfect. The label it was given by President Trump as 'the worst deal ever' comes from some genuine 'flaws' which, however, allowed for cutting the deal by the interested parties. In opinion of the deal's opponents, these 'flaws' have enabled the development of Iran's ballistic missiles program and its expansion from Iraq to Syria to Yemen. The issue is also its time limit of ten years without clear assurances on what happens after 2025.

According to the International Atomic Energy Agency (IAEA) – the UN nuclear watchdog – Iran has respected the agreement and hasn't violated its provisions, including the uranium enrichment. Howev-

er, the assertion has been rejected by Israel's Prime Minister Benjamin Netanyahu who just before the May 8 withdrawal had accused Iran of lying and disclosed spectacular files concerning Iran's alleged nuclear program that were secretly brought to Israel from Iran. The files in question, however - as far as is known – do not contradict with the prevalent opinion of experts that Iran has not continued developing its nuclear program after 2015, so after the conclusion of the accord with world powers.

US withdrawal from JCPOA as a part of President Trump's strategy of 'diplomatic unpredictability'

There are both personal as well as tactical reasons why the US withdrawal from JCPOA was announced on May 8, 2018. Recently, the US administration was 're-structured' again and received more 'hawkish' senior staff: former CIA Chief, Mike Pompeo replaced Rex Tillerson as the new secretary of state. The same happened to the post of national security advisor where John Bolton got the job held before by H.R. McMaster. Both John Bolton and Mike

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Pompeo have been well and long known for their preferences for a much tougher stance on Iran, not excluding pressure for regime change in that country. After all, in 2019, Iranians will mark 40th anniversary of the Islamic Revolution 'triggered' and led by late Ayatollah Khomeini. The revolution and especially the 'Iran hostage crisis' started decades of enmity between Iran and USA.

Tactical reasons: When President Trump was announcing the US withdrawal from the JCPOA, his new secretary of state Mike Pompeo was travelling to Pyongyang for the second time to meet with Kim Jong-un and prepare the upcoming 'nuclear' summit between Donald Trump and the North Korean leader scheduled for June 12 on a neutral ground in Singapore. This coincidence may seem strange but was perfectly designed to send a strong, clear message both to North Korean leadership and its powerful allies in Beijing. These tactics are already called 'aggressive diplomacy' and are based on the conclusion apparently drawn by President Trump that the 'soft' and 'predictable' diplomatic approach or a

kind of 'appeasement' of rogue regimes as well as US global 'competitors', supposedly practiced by some of his predecessors in the White House hasn't brought any actual, significant or commendable fruits. That approach has allegedly only emboldened the countries in question in threatening US strategic interests and compromised its allies' security from the Middle East to the Indo-Pacific region.

The Asia-Pacific context

For sure, the coincidence of Pompeo's visit with the announcement of US withdrawal from the Iran Nuclear Deal was not meant to jeopardize the summit with Kim Jong-un. Quite the opposite: its real reason was to exert maximum pressure on the regime in Pyongyang to make it fully realize that this is its very last chance to cut a meaningful, serious and genuine 'nuclear' deal with the USA and to save their face and power in North Korea. Already some time ago, a special UNSC envoy to Pyongyang made it clear to Kim Jong-un that no tactical game on the part of the North Korean regime is to

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be tolerated this time. So far, this approach has proved successful as shown by the recent Trump - Kim Jong-un summit in Singapore, meeting (on two occasions) of both Korean leaders in the border 'truce village' of Panmunjom, and dismantling of the main nuclear test site. In the age of a 'trade war' looming between China and the USA, Beijing has to act on two fronts simultaneously: the Korean and that of trade. Massive tariffs on steel and aluminium and other Chinese products announced by the Trump administration combined with devastating punitive sanctions imposed on the Chinese telecom giant ZTE will 'force' Beijing to faster and deeper open up its market for American goods and services (to reduce large trade imbalance) but it's hard to expect President Xi Jinping to agree for a compromise on his (and Prime Minister Li Keqiang's) signature Made in China 2025 strategic plan. But China may invite foreign firms to engage in that project. However, the Trump Administration is evidently playing a 'carrot and stick' game both with Beijing and Pyongyang as evidenced by the latest Trump's declaration to „give massive

Chinese phone company, ZTE, a way to get back into business" because „Too many jobs in China lost". In fact, ZTE and US government cut a deal - costly but of existential importance for the Chinese telecom giant.

In the North Korean context, Mike Pompeo announced that US private companies could invest in that communist country and that Kim Jong-un may get security assurances. Furthermore: USA is "prepared to help North Korea flourish". The precondition is genuine denuclearization.

Despite all these solemn declarations and promises it's quite obvious that the very fact of the US withdrawal from the Iran Nuclear Deal has made China's President Xi Jinping and his political and economic team much more cautious on the prospects of striking a win-win 'deal' with Donald Trump.

Recent visits of high-level US officials in Beijing and the Chinese delegation in Washington, and their negotiations declared by both parties as a 'success' show that the US strategy produces desirable results, and China is willing to make signifi-

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cant trade concessions, especially to widely open up for American services and goods, including agricultural products, cars and energy. The trade war has been temporarily put on hold. Similarly, prohibitive tariffs. But recently, Washington threatened China with new punitive measures, including tariffs. It was meant to boost US standing at the negotiating table with the Chinese delegation. However, any Beijing's concessions may also be interpreted as a Chinese strategy to 'wait out' the Trump administration. It is also difficult to say how much the Chinese government will actually fulfill from the promises given to the current US administration. The dynamic situation surrounding the US withdrawal from the nuclear deal with Iran will cause Beijing to maintain 'strategic distrust' towards Washington and to look for a way to gradually gain some 'leverage' over the United States.

The same is say also about the much anticipated Korea summit on June 12, 2018 in Singapore where Mr Kim Jong-un of North Korea played a role written for him by Beijing he had visited twice recently.

In fact, the nuclear summit itself and its enigmatic results seem to mean China's success, as President Trump announced the freezing of military exercises with South Korea, which he surprisingly described as "provocative" and "expensive". The North Korean regime - long seen as a pariah - also gained international legitimacy. On the other hand, US allies might be concerned with a possibility of reduced American presence in the region.

The after-summit declaration to work on the denuclearization of the Korean Peninsula and, on the security guarantees for the Pyongyang regime, was vague and poor in substance. It can be seen as Beijing's 'victory' rather than Washington's, although it can not be ruled out that the Singapore summit could be as important for the US and the region as President Nixon's famous meeting with Mao Zedong. It may result in the gradual opening of the communist regime to the world and economic reforms similar to those carried out by Deng Xiaoping in the Middle Kingdom. However, in this case, the main investors would be Beijing and Seoul. This is exactly what

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China wants: more opportunities for trade and investments in Pyongyang. Russia is a stakeholder too: it may only gain from business with North Korea.

Middle Eastern rivalries and the US pullout's consequences for the region

Obviously, the main reason for the US to withdraw from the JCPOA was the American administration's and the wider Republican belief that the 'worst deal ever' has emboldened Iran in its pursuit to 'conquer' a large part of the Middle East, in particular: Iraq, Syria, Lebanon and Yemen – as well as to foment the sectarian unrest in Bahrain and the oil-rich, Shia-populated eastern provinces of Saudi Arabia. The financial benefits from the relaxed sanctions allegedly enabled Iran to exploit the chaos and wars in Iraq, Syria and Yemen and expand its military capabilities (including the ballistic missile program) and build its presence as far as the Mediterranean and the Gulf of Aden - which is perceived by the American allies: Israel and Saudi Arabia as a genuine

threat to their security or even their very existence. This threat has been confronted actively by Israel's military (IDF) with destruction of a large part of Iran's military infrastructure in Syria in recent weeks. Meanwhile, Iran's influence in Iraq has been checked by the unexpected electoral success of the influential nationalist Shiite cleric, Moqtada al-Sadr who wants to get rid of foreign forces in Iraq: those from Iran, USA and Turkey. But he is a flexible and able politician ready for talks with critical partners.

The US withdrawal from the nuclear accord with Iran was welcomed by both Israel and Saudi Arabia as the Iran's strengthened foreign policy assertiveness made it possible for the conservative Muslim Kingdom on the Arabian Peninsula and the Jewish State to warm their ties and intensify the quiet cooperation between the two Middle Eastern powers.

However, it remains to be seen how Trump's diplomatic move and the latest strong declaration on Iran of his new secretary of state - Mike Pompeo - contributes to further destabilization of the volatile region

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plagued by permanent political and social convulsions since decades, and in particular since the American invasion of Iraq in 2003.

There are good chances that Iranian ultra-conservatives and foreign policy hardliners will exploit the blow to the diplomatic efforts of the 'moderate' president Rouhani, his foreign minister Javad Zarif and their team. The situation may become tense, especially when the reimposed sanctions start biting again after six months.

On 21 May, US secretary of state Mike Pompeo demanded from Iran not only to give up its nuclear ambitions and that Iran stops developing ballistic missiles, but also to pull out its forces and militias from Syria and stop supporting Houthi rebels in Yemen as well as Hezbollah. It put a critical question as to Washington's intentions. It is: Has the Trump administration chosen to economically squeeze the 'regime' in Tehran and encourage a 'popular uprising' or a large scale social unrest, or just to force Iranian government into a new 'comprehensive' deal on Washington's terms. Mike Pompeo's words on „Iranian people” and their 'decisions' on the regime indicate that

Washington may have already decided to exert extreme pressure on Iranians to put an end to the 40 years old theocracy in their country. Iran's ruling establishment has interpreted Pompeo's threats as Trump's plan to change the regime in Tehran.

There is also third option: if the hardliners topple President Rouhani's government and the new one starts acting like the infamous former President Ahmadinejad – the USA and its allies may feel tempted to wage war on Iran. Both attempting to topple the regime and change the socio-political system in Iran by a 'popular uprising' or a war would bring disastrous and completely unpredictable consequences for the entire region and beyond, including millions of new refugees knocking on the door of the 'fortress Europe'. The Middle East has terrible experience with what happened in Iraq after 2003. And such a crisis in Iran has huge potential to blow up even boldest predictions of military and political experts. On the other hand, one cannot exclude that the dark predictions are wrong and the time for the regime change in Iran is rife, especially among the younger generation of

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Iranians fed up with the poverty, hopelessness and the bigotry of the religious/state establishment. The 'problem' is that the USA has no reliable 'credentials' relating to 'assisted' regime changes in the Middle East. So Washington is trying to build a broad 'coalition of willing' countries to support its efforts to put pressure on Iran.

European Union, Turkey, Russia and 'secondary' sanctions

For the European Union, Trump's withdrawal constitutes a well-planned, perfect embarrassment. It demonstrates clearly that despite being a huge economy taken as a one 'entity', the European bloc is helplessly weak in strategic, geopolitical terms. Ironically enough, the EU leaders are on the same page as Russia's President Putin is in this drama. With his Iran Nuclear Deal withdrawal, President Donald Trump has sent Vladimir Putin a spectacular gift for his new term as Russia's President: higher oil

prices, Iran's bigger dependence on the Kremlin, Putin's 'indispensable' role as a mediator between Iran, West and Israel, deepening frictions among the Western 'allies' as well as now the much more widespread feeling in the world that you cannot trust the collective West. It doesn't mean that Russian businesses won't suffer from the Trump's move: no doubt, they are affected too. Russian firms and consumers already pay higher prices for petrol. But Russia is affected by various sanctions imposed on it by the EU and USA and waging a kind of disinformation war with the West. The US withdrawal will be exploited by Russia as just another weapon in that war.

„We will all save it together” – EU's Chief diplomat – Federica Mogherini tried to reassure Iran's Foreign Minister Javad Zarif on his European tour: but the reality is rather grim. The presence of European companies in the USA and American dominance of the world economic and financial system exclude any robust European measures to confront the USA in order to save the Iran nuclear accord. German, Ital-

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Iranian or French firms investing in Iran will be an easy target for American authorities and they would face punitive measures for possible violation of US sanctions imposed on Tehran and the firms trading with Iran. Even EU's attempts to launch the so-called blocking statute and (unlikely) involvement of the European Investment Bank will probably fail to save both the JCPOA and those few European companies who decide to remain in business with Iran.

The same is valid for Iran's north-western neighbor – Turkey. Turkish President Erdoğan condemned both the US pullout of the Iran nuclear deal and Trump's decision to move the US embassy from Tel Aviv to Jerusalem as being against international standards and rules. These two Trump actions have good chances to help the Turkish government and the ruling AK Party to win the sympathy of genuinely angered voters in the snap presidential and parliamentary elections to take place on 24 June this year.

However, the US withdrawal is bad news for Turkish economy, already suffering from high inflation, weak lira, capital out-

flow and current account deficit that hit USD 4.8 billion in March. Turkey, dependent on energy imports, will have to much more diversify its oil purchases or somehow circumvent US sanctions that are set to make it difficult (as it was the case in the past) to invest in Iran and trade with that country.

Conclusions

The JCPOA of 2015 was designed to solve the Iran nuclear issue or to mitigate the risks to regional security and to the very idea of non-proliferation. It wasn't a perfect accord but also not the most „horrible deal ever”. It had a very limited scope and within its framework it really worked. However, regional upheavals: wars and chaos in Iraq and Syria with the following expansion of Iran to the west, have changed the whole picture and created new threats perceived as existential ones in such countries as Israel. Therefore, the new US administration of President Trump decided to withdraw from the accord. Other states – parties, among them EU3: UK, France and Germany, as

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well as China, Russia and the main stakeholder: Iran, have vowed to uphold their part of bargain. This, however, seems highly unrealistic.

It remains to wait and see, how effective the US action will be in this area, and what can be achieved by the European Union as well as by China and Russia - and of course - what Iran will do. And above all, whether large western companies will decide to take the risk of further investment and trade with Iran, which does not seem likely. The same firms have significant interests in the US. Indeed, the process of withdrawing serious economic players from Iran has already begun and is rather quick.

As it's probably too late to save the nuclear accord of 2015, in European Union's best interest is bringing Iran and other stakeholders again to the negotiating table even if the task looks like a 'mission impossible' at the moment.

The recent statement of Iran's president about the possibility of withdrawing their forces from Syria, and the president Trump's - that he is really waiting for the

conditions to come for a new agreement with Tehran is presenting the world with some hope.

The question, however, remains whether the 'success' of the Singapore Summit will rather contribute to the escalation of tensions between Iran and the USA, as Washington can now concentrate its efforts on Iran's 'denuclearization' and increased pressure on that country.

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Centre for International Relations (CIR) is an independent, non-government analytical centre established in 1996 which deals with Polish foreign policy and the most important issues of international politics. CIR is active in research, education and publishing, organises conferences and meetings, and participates in international projects in collaboration with similar institutions in many countries. CIR creates a forum for debate and exchange of ideas in matters of international politics, relations between states and challenges in the global world. CIR's activities are addressed above all to local-government officials and to entrepreneurs, as well as to officials of the central administration, politicians, diplomats, political scientists and the media. In 2014, CIR was again recognised as one of the best think-tanks in East-Central Europe in the study "The Leading Public Policy Research Organisations in the World" conducted by the University of Pennsylvania.

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