

How Much Do the EU and Russia Care about Iran?

by [Patrick Clawson \(/experts/patrick-clawson\)](/experts/patrick-clawson)

Apr 11, 2006

ABOUT THE AUTHORS



[Patrick Clawson \(/experts/patrick-clawson\)](/experts/patrick-clawson)

Patrick Clawson is Morningstar senior fellow and director of research at the Washington Institute for Near East Policy.



Brief Analysis

On April 3, 2006, Walter Posch, Vladimir Esveev, and Patrick Clawson addressed The Washington Institute's Special Policy Forum. Walter Posch is a research fellow at the European Union's Institute for Security Studies in Paris. Vladimir Esveev is a senior associate at the Center for International Security at the Institute for World Economy and International Relations in Moscow. Patrick Clawson, a senior fellow and deputy director for research at The Washington Institute, is coauthor with Michael Rubin of *Eternal Iran: Continuity and Chaos* (Palgrave, 2005). The following is a rapporteur's summary of their remarks.

WALTER POSCH

For the European Union (EU), preventing the emergence of a nuclear-ready Iran is of utmost importance. If accession negotiations result in Turkish membership in the EU, Iran would become the EU's neighbor.

Before the nuclear issue rose to the top of the agenda, EU-Iranian negotiations about a substantial economic agreement, called a trade cooperation agreement, had already come to a standstill over the issue of human rights.

Beginning in 2004, talks about the nuclear issue became difficult. After Iran was persuaded in November 2004 to resume its freeze on fuel-cycle activities, the relationship between the EU and Iran began to deteriorate. The relationship finally collapsed in August 2005 when Iran backed out of its agreement with the EU, labeling its terms "unacceptable." This lack of cooperation forced the EU to suspend negotiations with Iran until it resumes the freeze on enrichment and conversion -- though there have been "talks about resuming talking."

Currently, many in EU governments believe that Iran will resume the negotiated freeze of its nuclear fuel-cycle activities. However, should Iran refuse to cooperate, there are several alternatives to explore: the EU could continue in its diplomatic efforts, support the effort to place sanctions on Iran, or agree to at least defensive military action. While the EU is not particularly enthusiastic about imposing sanctions, that course is still considered to be a plausible option for pressuring Iran. Currently, the EU's favored option is to engage Iran. The EU hopes to avoid pushing Tehran into a position where it feels it must retaliate. However, should Iran refuse to cooperate, the EU is ready to put significant pressure on Iran until the nuclear issue comes to a satisfactory conclusion.

Though the EU wants to take an effective stance against Iran's dangerous nuclear activities, it believes that there are other important areas on which cooperation with Iran is the best path, including the fight against drugs.

VLADIMIR EVSEEV

From at least the late Soviet years, maintaining political ties with Iran has given Russia a somewhat influential position in the Middle East. Furthermore, Iran has become an important trading partner for Russia, with the annual revenue from bilateral trade reaching \$2.2 billion. Iran is an important Russian customer for high-technology products, such as military equipment and the construction of nuclear reactors in Bushehr.

In confronting the issue of Iran's nuclear activities, Russia now finds itself confronting a complex set of options. It can either support the West in increasing pressure on Iran, potentially at the expense of its position in the Islamic world, or it can harm its relations with the West and risk the possibility of creating global bipolarization. In order to preserve its relationship with Iran, which is important for political, economic, and security reasons, Russia has protested against any plans to impose economic sanctions on Iran. Since Russia maintains the strongest economic ties to Iran among the current negotiating coalition -- including the United States, the EU, and China -- it will be the most likely to suffer the repercussions of economic sanctions.

Russia has established clear boundaries. Should Iran overstep them, Moscow would take a very different approach. Those boundaries include the accumulation of stocks of highly enriched uranium or plutonium, severing diplomatic ties to the International Atomic Energy Agency, or withdrawing from the Nuclear Non-Proliferation Treaty. Only if such boundaries were crossed would Russia consider moving away from "diplomatic inducements" and putting significant pressure on Iran. In the interim, Russia believes that isolating Iran from the international arena, by severing diplomatic ties to the regime, would further destabilize the region. Though Russia understands that Iran is a difficult negotiating partner, Moscow believes that it must engage with Tehran in hopes of finding a peaceful resolution to the nuclear debate.

Though policymakers must act promptly to address the nuclear issue, Iran will need several more years before it could complete a military nuclear program. This time frame allows the coalition of great powers ample time to generate the responsible and effective approach necessary to prevent the situation from escalating to a truly dangerous level. And, unless Iran acts hazardously in the near future, the coalition should use this time period to reach a cohesive position that will yield results and ensure both short- and long-term stability and security for the world.

PATRICK CLAWSON

After Iran's Islamic Revolution, Iran's leaders were confident that they did not need alliances because their message would lead to the overthrow of governments in many Middle Eastern countries. However, the Iran-Iraq War proved to Iran how dangerous its isolation from the international community could be. Iran was forced to end that war far short of its goals when, in 1987-88, Iranian leaders became convinced that the United States was entering the war on Iraq's side. Shortly thereafter, Iran decided that it had to have good relations with some world powers to provide a counterweight to the United States. In the late 1980s, Iran decided on a strategic relationship with the Soviet Union, which promptly collapsed. Throughout the 1990s, Iran placed great importance on maintaining good relations with Europe in order to create a balance against U.S. pressure.

However, Iran's leaders are now remarkably self-confident, given the conjunction of favorable circumstances: the end to threats to Iran from Iraq and Afghanistan; the United States being tied down in Iraq; victories by pro-Iranian forces in Iraqi and Palestinian elections; high oil prices; and several years of strong economic growth based on domestic industry. Many in the Iranian leadership are no longer convinced that it must maintain strong ties with Russia and Europe, nor do they think that these relationships have brought Iran any benefits to date.

To the extent that this self-reliant attitude prevails, it will be harder to persuade Iran to cooperate with the international community. However, if the great powers can remind Iran about the true danger of isolation, the terms

of the nuclear debate in Iran will change. Conceding will be difficult for Iran, but the Islamic Republic has in the past made difficult compromises with its revolutionary principles, such as ending the Iran-Iraq War.

While the United States, the EU, Russia, and China are in broad agreement that the advancement of a military nuclear program in Iran is unacceptable, they have not yet reached a consensus on how to stop Iran. Russia and China seem genuinely to believe that the most effective means is "inducement," not pressure. That is overly optimistic. As they discover that Iran does not respond to inducements, hopefully they will join with the United States and the EU in putting sufficient pressure on Iran to make the Islamic Republic's leaders fear for their hold on power.

This Special Policy Forum Report was prepared by Pantea Ahmadi ❖

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