

Briefing Memo

The Trump Administration's Withdrawal from the Iran Nuclear Agreement: Its Impact on the Middle East

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On May 8, 2018, President Trump announced that the United States will withdraw from the Joint Comprehensive Plan of Action (JCPOA), the so-called final accord on the Iranian nuclear issue reached on July 14, 2015 during the previous Obama administration between the five permanent members of the United Nations (UN) Security Council + Germany/EU and Iran.

The JCPOA is a breakthrough agreement in international politics. It found a solution for the first time by diplomatic negotiations, rather than an international agreement, to the economic sanctions imposed on Iran by a total of six UN Security Council resolutions under Chapter VII of the UN Charter. In summary, the JCPOA is intended to strengthen the nuclear non-proliferation arrangements. It limits Iran to 5,060 of the 19,000 uranium enrichment centrifuges it had already installed before the agreement, for an approximately 10-year period from 2016 to October 18, 2025, the termination day of Security Council Resolution 2231 which endorsed the JCPOA. Furthermore, for 15 years, the JCPOA restricts Iran's enriched uranium stockpile to under 300 kg of uranium enriched up to 3.67%, enabling the extension of Iran's breakout time—the time it needs to produce nuclear materials for one nuclear weapon—to one year or longer. In return for Iran's implementation of the JCPOA, many of the economic sanctions imposed by the UN and the West were lifted or were suspended, and Iran emerged from isolation and returned to the international community.

Since the presidential campaign in 2016, President Trump had claimed that the JCPOA was biased in favor of Iran and would not bring peace to the Middle East. Scrapping the JCPOA framework was part of the President's pledge since taking office, along with moving the U.S. Embassy in Israel to West Jerusalem. By withdrawing from the JCPOA, together with moving the U.S. Embassy on May 14, President Trump has fulfilled his Middle East policy pledges. In the region, Israel and Saudi Arabia, countries strongly at odds with Iran, immediately endorsed the U.S. withdrawal from the JCPOA.

Some analyze that, looking ahead to the congressional midterm elections in November this year, President Trump withdrew the United States from the JCPOA in order to secure a solid Republican support base among Christian evangelicals who defend the Jewish people. The Trump administration has, however, strong pro-Israel and anti-Iran tendencies along the same lines of traditional Republican conservatives. The problem lies in President Trump's isolationist ideas and attempts to withdraw U.S. troops from Syria, even by overriding the opposition of Secretary of Defense Mattis, who advocates keeping the U.S. troops in Syria that are needed to continue the mop-up operations against IS.

The reason it is a problem is that for the United States to resume its sanctions against Iran following the

withdrawal from the JCPOA, coupled with strengthening containment of Iran in partnership with Israel and Saudi Arabia, there needs to be stronger engagement by U.S. troops rather than their withdrawal from the Middle East including Syria and Iraq. If Iran, for example, were to withdraw from the JCPOA and resume nuclear development in retaliation against the U.S. resumption of sanctions, Saudi Arabia could follow Iran and pursue nuclear development, as stated by Saudi Arabian Minister of Foreign Affairs Al-Jubeir in an interview with CNN on May 9. To prevent a nuclear domino effect from occurring in the Middle East, allies' commitment to defense must be strengthened by keeping the U.S. troops stationed. President Trump's lack of foresight in this regard presents the risk that he may have an erroneous assessment of the future situation. Whether it is containment of Iran or limited military clashes with Iran, in either scenario U.S. military support is essential for both Israel and Saudi Arabia, and both countries will likely seize the Trump administration's withdrawal from the JCPOA as an opportunity to encourage the active engagement of the United States.

In fact, since shortly after the United States announced its withdrawal from the JCPOA, military clashes between Iran and Israel have intensified near the Golan Heights—Syrian territory occupied by Israel. Prime Minister Netanyahu criticized the Islamic Revolutionary Guard Corps (IRGC) operating on Syrian territory for firing approximately 20 missiles against the Israeli forces in the Golan Heights after midnight on May 10. On the same day, the Israeli Air Force retaliated with heavy airstrikes on IRGC military facilities on Syrian territory. The attacks killed at least 23 people, according to the Syrian Observatory for Human Rights (SOHR), a UK-based NGO. Although Iran claims that the IRGC's attacks on the Golan Heights have been fabricated by Israel, it cannot be ruled out that the U.S. withdrawal from the JCPOA triggered the IRGC's proactive attacks against Israeli forces. Hezbollah, a Lebanese Shiite militant group stationed in Syria to support Al-Assad's regime with the IRGC's assistance, has been making preparations to attack the Israeli forces deployed to the Golan Heights, amidst the turmoil of the Syrian civil war. The Golan Heights overlooking northern Israel that contains the western part of the Sea of Galilee has strategic importance for the security of Israel, and Hezbollah's attacks on the Golan Heights, mainly by rockets with the help of the IRGC, represent a direct threat to Israel. While the Israeli Air Force has also conducted repeated airstrikes on Syrian territory in the past, their purpose had solely been to cut off the arms supply from Iran to Hezbollah.

Like Israel, Saudi Arabia faces the threat of missile attacks by a militant group that is believed to be currently supported by the IRGC. The military threat to Saudi Arabia is not so much Iran's nuclear arms; at this point in time it is more about ballistic missile attacks on Saudi Arabian territory by Shiite militant groups, including the Houthis in Yemen. Since November 2017, Saudi Arabia's capital city Riyadh has been a target of numerous Houthi ballistic missile attacks, resulting in a casualty. From late March 2015, a Sunni coalition led by Crown Prince Mohammed bin Salman has begun to intervene in the Yemeni civil war to reinstate interim President Hadi who was overthrown by the Houthis. The contest between Saudi Arabia and the Houthis has dragged on since then. To counter the Houthis, the coalition has blockaded both the sea and air routes of Yemen, causing a serious humanitarian crisis affecting more than 27 million Yemeni people.

Also in November 2017, the same month as the Houthis' missile attacks, Prime Minister Saad Hariri (Sunni) of Lebanon was forced to announce his resignation under pressure from Saudi Arabia during a visit to the country. Some consider that this announcement brought into clarity the contest with the Hezbollah in the Cabinet.

After sanctions were lifted as a result of the JCPOA and Iran returned to the international community, Iran's gross

domestic product (GDP) that had fallen to -7.4% in 2012 recovered to 13.4% in 2016. According to the data of the Stockholm International Peace Research Institute (SIPRI), the recovery of the GDP in turn led to a 37% increase in Iran's military spending from 2014 to 2017 to approximately US\$14.5 billion. In contrast, Saudi Arabia's military spending in 2017 was approximately US\$69.4 billion, overtaking Russia's US\$66.3 billion to reach third place after the United States and China. Military spending as a share of GDP was 10.3%, an astoundingly high figure that is more than double the 4.3% GDP share of Russia. Even then, Iran has still expanded its influence in the "Shiite Crescent" comprised of Iraq, Syria, and Lebanon. Through the mop-up operations against IS in 2017, Iran succeeded in deploying the IRGC from Tehran to the Mediterranean and creating a corridor for providing military assistance to Shiite military groups. Saudi Arabia, as a result, is directly threatened from Iran-backed Shiite military groups from both Iraq in the north and Yemen in the south.

The increased risk of limited but direct military clashes between Iran and both Israel and Saudi Arabia, as noted above, is the first of the adverse effects that the Trump administration's withdrawal from the JCPOA had on the destabilization of the Middle East. In fact, there are three additional similar adverse effects on the destabilization of the Middle East related to rising military tensions and resumption of sanctions against Iran. The second adverse effect is intensified friction between the United States and Russia. The third adverse effect is the weakening of moderates in Iran and the expanded momentum of hardliners. Lastly, the fourth adverse effect is the potential establishment of a tri-polar paradigm in the region due to divisions between the United States and European countries over the response to Iran and Syria. The last point will be examined first.

Aside from Iran, the three EU countries of the United Kingdom, France, and Germany have already joined Russia in expressing regret over the U.S. withdrawal from the JCPOA. Iran and the three EU countries have confirmed that they would continue to implement the JCPOA for the time being. However, U.S. sanctions apply to a large number of foreign companies doing business with Iran, which could intensify confrontation between EU countries and the United States sooner or later. This in turn could strengthen the divisions among the United States and European countries over the Middle East, leading to a reorganization of the power balance in the region into a tri-polar structure of: the pro-U.S. camp including Israel and Saudi Arabia; the pro-Russian camp including Iran and Syria; and the European camp which will engage in the region independently. With the United States tacitly permitting the expansion of the autonomous region in West Kurdistan (Rojava) in Syria out of necessity to execute the IS mop-up operations, Turkey's Erdogan administration has recently stepped up criticisms of the United States and forged closer ties with President Putin of Russia and its posture remains uncertain. Based on Turkey's actions, the security situation in the Middle East could become even more intricate and unstable.

Furthermore, if Israel and Iran become embroiled in repeated military clashes on Syrian territory such as the Golan Heights and if Russian forces stationed in Syria were to become caught in the fighting, the confrontation between the United States and Russia could intensify depending on the two countries' response to the Syrian situation. Moreover, there is a large cause for concern that the U.S. withdrawal from the JCPOA would threaten the domestic political base of President Hassan Rouhani, who was reelected in the May 2017 presidential election by pledging to revitalize the Iranian economy and increase freedom of expression by continuing to implement the JCPOA. From the foreign policy perspective of conservative hardliners who advocate resuming nuclear

development, countering the United States, and excluding Israel, the Trump administration's announcement of the U.S. withdrawal from the JCPOA presents an excellent opportunity to loudly proclaim the diplomatic blunders of moderates including President Rouhani, who has intentionally made the IRGC bear the brunt of the criticism. The U.S. revocation of the agreement will likely provide Iranian conservative hardliners a perfect opportunity to expand the domestic concessions of their factions and their external influence through arousing anti-U.S. sentiments in Iran.

The Islamic Republic of Iran is nothing like North Korea, where the national will is exercised uniformly under the dictatorship regime of Chairman Kim Jong-un. Rather, an intense political contest exists between religious conservative hardliners who compete with each other for influence on domestic and foreign policies, and moderates who seek to pursue an open policy and international cooperation to revitalize the economy. Iran holds regular elections, though imperfect, even under its unique political system of governance under Islamic legal scholars (ulama). Namely, the Guardian Council consisting of selected Islamic legal scholars evaluates the qualifications of member candidates such as for the Assembly of Experts which chooses the supreme leader, or parliament members, and the president. The Guardian Council also has the authority to supervise whether or not parliament statutes are in agreement with Islamic law. Accordingly, the general public is able to express its political will in Iran, albeit there are certain limits. Between December 28, 2017 and January 2018, regions across Iran witnessed protests over soaring prices, the high unemployment rate of young people, and the government's interventionist foreign policy, resulting in many people killed and injured. While the anti-government protests were brought under control, they spilled over to more than 40 cities. Clashes with security authorities and other factors caused 23 deaths, and over a thousand people were allegedly detained. These developments have shown that the lifting of sanctions by implementing the JCPOA, promoted under the Rouhani administration, has not, in and by itself, necessarily delivered achievements to the point of improving the livelihood of the people of Iran, given also Iran's development of ballistic missiles and U.S. continuation of some sanctions against the IRGC. In this light, the U.S. withdrawal from the nuclear agreement and resumption of its sanctions are expected to cause outcomes that would further add to the difficulties of President Rouhani's administration of the government.

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(Completed on May 31, 2018)

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