

Iran's Centrality in Europe's Emerging Eurasian Policy



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Abstract

European leaders are placing a greater emphasis on foreign policy. The experience of the Iran nuclear agreement, which European leaders have tried to sustain in spite of the unilateral US withdrawal from it, has laid bare both the ambitions as well as the shortcomings of European diplomacy. As Europe re-evaluates its role in the world, it may find itself operating in a more Eurasian context. Iran has been central both in the transformation of European strategic thinking as well as in preparing European leaders for pursuing their interests in a Eurasian context.

European diplomacy is going through a transformative phase as the continent's leaders seek new ways to protect European interests and values in an increasingly competitive geopolitical environment. There is a new assertiveness in European foreign policy. Through its high-stakes diplomatic battle to sustain the Iran nuclear agreement, Europe has learnt the lesson of geopolitics the hard way. But the episode has also compelled European leaders to double down on their commitment to multilateral diplomacy. In this important sense, Iran has been central in preparing Europe to pursue a more assertive diplomacy in the Eurasian context.

Europe's Turn to Geopolitics

Something is brewing in European politics. A set of new ideas has risen to the forefront of the political debate in European capitals and around European institutions. While European politics was largely consumed by domestic affairs over the last decade — a development that was in many ways the logical result of the global financial crisis, a crippling economic downturn, and waves of economic and political unrest that also reflected damaging and

widespread Euroscepticism — the continent’s leaders are now increasingly shifting their focus overseas.

As a result, a number of new concepts have permeated European diplomacy. “Strategic autonomy” remains a contentious concept but can generally be said to concern the pursuit of a greater European ability to act in a coordinated and, where needed, independent fashion. It is underpinned by the idea of “European sovereignty” — the right of Europe to pursue its goals and interests irrespective of unilateral moves by other actors.¹

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These ideas remain nascent, have no universally accepted interpretations, and have yet to be translated into more specific doctrines — and, above all, into concrete action. But they are remarkable in the sense that they have put the onus firmly on Europe’s collective ability to act in the international arena. As a result, the idea that Europe not only could but should also increase its clout externally is increasingly accepted — not least at the level of the European Union. Ursula von der Leyen, the new president of the European Commission, has declared the establishment of a “geopolitical commission” and speaks of strengthening the continent’s role as a global leader. In important ways, this development is a reaction to external events rather than part of a natural trajectory. European leaders are coming to terms with the fact that they are facing unprecedented global competition from foes as well as greater unpredictability and unreliability from partners.

Russia, the traditional focus of European security policy, has become increasingly assertive and disruptive. The relationship with Moscow has had

¹ Esfandyar Batmanghelidj and Axel Hellman, “Europe, Iran, and Economic Sovereignty: A New Banking Architecture in Response to US Sanctions”, European Leadership Network/ Bourse & Bazaar, June 2018, <https://www.europeanleadershipnetwork.org/wp-content/uploads/2018/06/Europe-Iran-and-Economic-Sovereignty-07062018-updated-08062018.pdf>, 5.

a significant impact on strategic thinking across Europe over the last few years.² Meanwhile, China is emerging as a force which is not only increasingly shaping global events but is also making inroads into Europe, including through strategic investments. And, arguably of greatest impact, Europe is faced with a fraying transatlantic partnership.

In this competitive environment, European leaders have realised that they often lack the means to promote and protect their interests and as a result struggle to stand up for the values that they wish to project — multilateralism and diplomacy built on engagement and “principled pragmatism”.³

This is clearly not the first time that European leaders have openly declared their interest in assuming greater international responsibilities. Nor is it the first time in modern history that they have re-evaluated their strategic relationships, including with their closest partners, as the vigorous disagreements over the invasion of Iraq demonstrated. But the current developments signal a serious intent to find a new role for Europe amid tectonic shifts in the international geopolitical environment. As the EU's foreign policy chief, Josep Borrell, pointed out in a recent article: “This should be the year that Europe gets traction with a geopolitical approach, escaping the fate of being a player in search of its identity.”⁴

The Emerging Eurasian Vector in European Foreign Policy

As Europe seeks to carve out a more proactive role in international affairs to protect its values and interests, new opportunities are opening up for European diplomacy. One landmark achieved is the new trade agreement with Japan, which entered into force in early 2019 and created the world's largest free trade zone. At the same time, the growing influence of China is compelling

² Axel Hellman, “How has Russian geostrategic thinking towards Russia shifted since 2014?”, European Leadership Network, July 2019, <https://www.europeanleadershipnetwork.org/policy-brief/how-has-european-geostrategic-thinking-towards-russia-shifted-since-2014/>.

³ “Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy”, EU External Action Service, June 2016, https://eeas.europa.eu/sites/eeas/files/eugs_review_web_0.pdf, 8.

⁴ Josep Borrell, “Embracing Europe's Power”, Project Syndicate, 8 February 2020, <https://www.project-syndicate.org/commentary/embracing-europe-s-power-by-josep-borrell-2020-02>.

European leaders to develop coherent responses that balance the investment and trade opportunities that China offers with the security risks stemming from an autocratic leadership.

When the EU rolled out its new strategy for Central Asia in 2019, it emphasised that the region “has a century-old tradition of bringing Europe and Asia together” and that Central Asian countries “have renewed this role for the region since attaining independence”.

The EU’s willingness to strengthen relations with Asian countries was manifested in its 2018 strategy of connecting Europe and Asia. Yet, the idea of pulling Europe and Asia closer together has also shifted greater attention to Central Asia.⁵ When the EU rolled out its new strategy for Central Asia in 2019, it emphasised that the region “has a century-old tradition of bringing Europe and Asia together” and that Central Asian countries “have renewed this role for the region since attaining independence”.⁶

In this sense, the EU is buying into the changing landscape in a region that binds together Europe, Russia, the Middle East and Asia. In modern times, Central Asia has primarily been considered either a strategic transit hub — for instance, as a base for the United States’ (US) military operations in the Middle East — or, further back in history, as an arena for geopolitical competition between the British and Russian empires. Yet today the region is better understood through an appreciation of its historical role in binding together the East and the West through a web of commercial, political and cultural connections.⁷ As noted by Robert Kaplan, Eurasia is cohering into what is increasingly looking like a “comprehensible unit of trade and conflict”.⁸

⁵ “Connecting Europe & Asia: The EU Strategy”, European Union External Action, Factsheet, https://eeas.europa.eu/sites/eeas/files/europe_asia_connectivity_factsheet_1.pdf.

⁶ “EU builds a strong and modern partnership with Central Asia”, European Union External Action, https://eeas.europa.eu/sites/eeas/files/factsheet_centralasia_2019.pdf.

⁷ Peter Frankopan, *The New Silk Roads: The Present and Future of the World* (London: Bloomsbury, 2018), 2–3.

⁸ Robert Kaplan, *The Return of Marco Polo’s World: War, Strategy, and American Interests in the Twenty-First Century* (New York: Random House, 2018), 2.

No experience has been as important in affecting European strategic thinking as the standoff over the international nuclear agreement struck with Iran in 2015. It is also an experience that has accelerated Europe's Eurasian turn through its impact on the transatlantic partnership and the doubling down of the Europe-coordinated multilateral efforts to shield the nuclear agreement from the Trump administration's efforts to torpedo it.

The Joint Comprehensive Plan of Action (JCPOA), as the Iran deal is formally known, was built on an Iranian commitment to scale back its nuclear energy programme to verifiably peaceful levels in exchange for the removal of international sanctions against the country. The product of a lengthy diplomatic effort behind which European leaders were a driving force, the deal was seen by European leaders as a victory for multilateralism, engaged diplomacy and principled dialogue in place of the use of force for managing international crises. Its success and sustenance became a key European foreign policy priority.

Accordingly, the US decision to unilaterally leave the accord was seen as devastating; from a European point of view, the agreement, and its preservation, was always about more than one singular deal. As a former member of the European Parliament, Tarja Cronberg, emphasised following the US decision: "The Iran deal is also about Europe and its role in the world. During negotiations of the Iran deal, Europe achieved a global, long sought role of becoming a major power, negotiating with the world's superpowers. The collapse of the deal threatens the future of nuclear diplomacy and the credibility of European foreign and security policy."⁹

Perhaps it is therefore not surprising that the fallout from the US withdrawal from the JCPOA has affected European strategic thinking profoundly. At first, there was a sense of despair. Leaders of the so-called E3 group of countries that were driving the European effort — France, Germany and the United Kingdom — accepted the US decision with "regret and

⁹ Tarja Cronberg, "Nuclear diplomacy at stake: Can the remaining JCPOA partners join forces to save the deal?", European Leadership Network, 4 July 2019, <https://www.europeanleadershipnetwork.org/commentary/nuclear-diplomacy-at-stake-can-the-remaining-jcpoa-partners-join-forces-to-save-the-deal/>.

concern”.¹⁰ More profoundly, there was a sense of vulnerability and the realisation that Europe perhaps has to chart a new strategic course. As Angela Merkel, the German chancellor, noted in a widely quoted passage: “We Europeans truly have to take our fate into our own hands.”¹¹

But perhaps the most consequential repercussion has been a greater sense of realism in European thinking. As Borrell admitted: “We Europeans must adjust our mental maps to deal with the world as it is, not as we hoped it would be.”¹²

In more practical terms, the Iran deal imbroglio has had two discernible effects on European policy. First and most important, it has forced European leaders to re-evaluate the transatlantic partnership. The US is and will remain the most important partner to the EU, but the disagreements between them have exacerbated tensions across the Atlantic — especially as they came at the tail end of a number of other divisive issues.¹³ Second, the efforts to protect the remnants of the Iran deal have compelled European leaders to find a new working relationship on the nuclear issue with Russia and China, the other remaining parties to the agreement. This has been noticeable in the joint efforts and declarations from the Joint Commission of the JCPOA.¹⁴

Iran's Reliance on Europe

Through these developments, Iran has continued to rely heavily on Europe as the driving party to sustain the nuclear agreement. Given the difficulties in maintaining trade with Europe following the US withdrawal from the

¹⁰ Paul Dallison, “Macron, Merkel, May express ‘regret’ at Trump’s Iran move”, Politico.eu, 8 May 2018, <https://www.politico.eu/article/iran-sanctions-donald-trump-emmanuel-macron-angela-merkel-theresa-may-express-regret-at-trumps-iran-move/>.

¹¹ Giulia Paravicini, “Angela Merkel: Europe must take ‘our fate’ into own hands”, Politico.eu, 28 May 2017, <https://www.politico.eu/article/angela-merkel-europe-cdu-must-take-its-fate-into-its-own-hands-elections-2017/>.

¹² Josep Borrell, “Embracing Europe’s Power”, Project Syndicate, 8 February 2020, <https://www.project-syndicate.org/commentary/embracing-europe-s-power-by-josep-borrell-2020-02>.

¹³ Axel Hellman and Denitsa Raynova, “Transatlantic relations at a new low: What does that mean in practice?” European Leadership Network, 1 June 2018, <https://www.europeanleadershipnetwork.org/commentary/transatlantic-relations-at-a-new-low-what-does-that-mean-in-practice/>.

¹⁴ The Joint Commission is a governing body created under the JCPOA that monitors the implementation of the agreement.

nuclear agreement, Iran's focus initially shifted to other actors, above all China, that were seen as less likely to succumb to US diplomatic and economic pressure to curb trade with Iran. Nonetheless, data quickly indicated a dramatic reduction in Chinese trade with Iran, thereby suggesting that these earlier assumptions were flawed.¹⁵

As a result, Iran looked to the Europeans again. And, here, the key question for the Europeans was how to sustain legitimate economic ties with Iran in spite of far-reaching and stringent American sanctions. The idea of a so-called “special purpose vehicle” for Europe–Iran trade had been floated ever since the US withdrawal, and, at the United Nations General Assembly in 2018, the then EU foreign policy chief, Federica Mogherini, announced such an initiative. This move was welcomed by the Iranian regime and seemed to signal a first actionable step to sustain the deal.¹⁶

Even as the initiative faltered, leading to increasing tensions between Iranian and European diplomats, the only committed efforts to make any progress came from European capitals. Most notably, French President Emmanuel Macron on several occasions outlined parameters for a revised nuclear agreement. And, as tensions between Washington and Tehran seemed at risk of escalating into armed conflict, the French president reportedly sought to engineer a breakthrough dialogue between presidents Trump and Rouhani at the United Nations in late 2019 but failed at the eleventh hour.¹⁷

New Opportunities for European Diplomacy

Against this backdrop, a key question that arises is how Europe can carve out a more influential role for itself in the future and project the principles and values on which its engagement with the world is based.

¹⁵ “When the sun sets in the East: New Dynamics in China–Iran Trade Under Sanctions”, *Bourse and Bazaar*, January 2019, <https://www.bourseandbazaar.com/research-1/2018/1/11/special-report-on-china-iran-trade-under-sanctions>.

¹⁶ “Iran welcomes ‘new European initiatives’ for non-dollar trade”, *Reuters*, 21 November 2018, <https://www.reuters.com/article/us-usa-iran-sanctions-spv/iran-welcomes-new-european-initiatives-for-non-dollar-trade-idUSKCN1NQ1VW>.

¹⁷ Farnaz Fassihi and Rick Gladstone, “How Iran’s president left Trump hanging, and Macron in the hall”, *The New York Times*, 30 September 2019, <https://www.nytimes.com/2019/09/30/world/middleeast/iran-trump-rouhani-call-macron.html>.

This implies challenges. Can the emerging geopolitical mindset be squared with the EU's more traditional (and arguably more comfortable) role as a "moral" and "regulatory" superpower? And can these ambitions be translated into action? As Carl Bildt, former Swedish prime minister, recently remarked: "A 'geopolitical' commission must demonstrate geopolitical activity."¹⁸ For the EU, that increasingly seems like a fair standard to be held to.

In practical terms, the greatest tests facing European diplomacy will stem from a re-evaluation of the transatlantic partnership. Europe has largely followed the lead of the US on most issues of national security until very recently. The partnership with Washington will remain a key tenet of European security policy, but there is a real possibility that co-ordination will become limited to a narrower set of issues where interests overlap. With further disagreements over how to deal with Iran, the Middle East could be an area where policies diverge further.

In this context, operating with a new Eurasian worldview could be seen as giving Europe more flexibility to advance its security and economic interests. The Eurasian vector offers an opportunity for European leaders to take an active role in an area of emerging economic and strategic importance. As one report notes: "the rapid economic expansion of ... other nearby countries creates an unprecedented opportunity for Central Asia to emerge as an economic trade hub and a transit corridor between Europe and Asia."¹⁹

In important ways, the region is also emerging as a testing ground for multilateralism. The EU's strategy for Central Asia entails seeking a "non-exclusive partnership". As the scholar Fabienne Bossuyt suggests, this allows the EU "to show to the Central Asian leaders that it endorses their preference for multivectoral foreign policies" while stopping short of signalling to

¹⁸ Carl Bildt, "The new 'geopolitical' European Commission faces daunting challenges in 2020", *The Washington Post*, 8 January 2020, <https://www.washingtonpost.com/opinions/2020/01/07/new-geopolitical-european-commission-faces-daunting-challenges-2020/>.

¹⁹ "Investing in Central Asia: One Region, Many Opportunities", BCG.com, December 2018, https://www.bcg.com/Images/BCG-Investing-In-Central-Asia-report-ENG_tcm26-212857.pdf

Moscow and Beijing that it is seeking to increase its footprint in the region at their expense.²⁰

In these dynamics, Iran too plays a role. From a European perspective, the relationship with Iran is primarily driven by security considerations, with the overarching ambition being to maintain stability in the region: Europe's key priorities remain ensuring that Iran does not develop a nuclear weapons programme while holding Tehran to account for its behaviour in the region and dismal human rights record.

From a European perspective, the relationship with Iran is primarily driven by security considerations, with the overarching ambition being to maintain stability in the region.

Yet, through the nuclear deal, Iran has affected European thinking in a much broader sense. In important ways, Iran has been at the centre of the shifting European worldview outlined in this paper. In this sense, Iran is at the heart of Europe's emerging "Eurasian" view as well as central in preparing Europe for acting on it. In what is perhaps a telling feature, it is not the European countries' bilateral relationships with Iran that have been of greatest importance to the Europeans but rather the multilateral efforts they have made to preserve those bilateral relationships.

Conclusion

Europe is waking up to a challenging geopolitical reality, a process that has visibly affected European thinking and is likely to have a discernible effect on the EU's foreign policy and diplomacy. While questions abound over the ability to turn great ambitions into action, there is a profound sense of purpose in European strategic thinking. Several factors have contributed to these developments, including the need to counter a resurgent Russia, the need to deal with an increasingly ambitious China and the need to manage a vital

²⁰ Fabienne Bossuyt, "New EU strategy for Central Asia: All about balance", *The Diplomat*, 2 July 2019, <https://thediplomat.com/2019/07/new-eu-strategy-for-central-asia-all-about-balance/>.

transatlantic partnership that is suffering from numerous fallouts over divisive policy issues. In important ways, the Iran nuclear deal has crystallised these developments and played a central role in shaping Europe's thinking. The Iran deal has also better prepared Europe for the key challenge of carving out a more influential role for itself and projecting its principles and values.

Meanwhile, new opportunities are opening up for European diplomacy. Strengthening the EU's engagement with Asian countries has emerged as one economic and security priority, and Central Asia is opening up as an important region through which to foster greater connectivity between Europe and Asia. In a broader sense, we might be witnessing an emerging Eurasian context which could give Europe more flexibility to advance its security and economic interests. This Eurasian vector offers an opportunity for European leaders to take an active role in an area of emerging economic and strategic importance while fostering connectivity and strengthening multilateralism.