

**CHAPTER III**  
**THE DILEMMA OF UNITED STATES IN SANCTIONING**  
**IRANIAN GOVERNMENT**

The nuclear development issue of Iran created the apprehension in international community. The issue attracted the world attention because Iran clandestinely developed their nuclear energy after the Iranian Islamic Revolution in 1979. The unfavorable responses from the international community show the rejection towards this issue especially from United States. In the third chapter of this undergraduate thesis covers the response and policy from United States regarding the nuclear development of Iran. Then, it continues to the dilemma situation of United States after the changing behavior of Iran at the midst of 2015.

**A. The United States Policy on Nuclear Proliferation**

United States of America or commonly mentioned as United States is one of the most developed countries in the world which actively campaigns about democracy and liberal notion. United States which consists of 50 states is located between Canada (north) and Mexico (south). United States started to show as an aggressive country at the end of the World War II in 1939 – 1945. As it is mentioned briefly in the second chapter, the nuclear bombs which were dropped at Japan, were privately made by United States through ‘Manhattan Project’. Practically, United States proved their capability in manufacturing nuclear energy that turned into nuclear bomb. Then, the development of the nuclear energy was impressively high when the world enters the era of Cold War (Plous, 1993).

According to Plous (1993), the researcher of Wesleyan University, analyzed the psychological situation during the Cold War among United States and Soviet Union. He says that the dilemma situation was faced by the superpowers, the United States and Soviet Union, because both of them were prepared their nuclear arms race to compete with one another. Both of the superpowers analyzed their rival capacity and capability and try to increase their number or nuclear arms of their own. The spread of the nuclear arms was pioneer by the superpowers during the spread of their influence in the world. By this time, it was clearly that United States as one of the factors that contribute to the development and the proliferation of nuclear in the world (Plous, 1993).

In 1950s, the nuclear development in the world got into the advancement decade of nuclear energy. United States attempted to promote nuclear in some states through 'Atoms for Peace' project, as it has been explained in the previous chapter. During this time, the United Nations was initiated by President Eisenhower to establish an international organization that concerned on the nuclear energy in peaceful objectives. The creation of International Atomic Energy Agency (IAEA) portrayed the deep interest and anxiety as the response towards the nuclear development in the world (Fischer, 1997).

The international community was clearly worried about the rapid nuclear energy proliferation in the world. Nuclear energy was not only considered as the material to create bombs because in the early of the invention of nuclear energy, it was purposed for the electricity power. The dilemma of the states in the world regarding the continually of both superpowers in testing their own nuclear

significantly increased each year since 1960s especially in United States. Unfortunately, the early establishment of IAEA, was hampered by the Cuban Missile Crisis in 1962 that happened between United States and Soviet Union. The Cuban Missile Crisis showed the weakness of the enforcement of IAEA role. Therefore, the international community demanded to the establishment of a legal binding safeguard of nuclear development, called Non-Proliferation Treaty (NPT). In 1963, President John F. Kennedy, through the press conference, estimated that in 1970s there would be nations in the world that conducted the nuclear proliferation activity especially for nuclear arms as ‘the greatest possible danger and hazard’ (Caves & Carus, 2014).

The unstable situation during Cold War motivated the occurrence of the role of the international community to collectively maintain the nuclear power in the world. Therefore, it emerged the Non-Proliferation Treaty in 1968. The Non-Proliferation Treaty has three main pillars which are Non-Proliferation, Peaceful Uses and Disarmament. The NPT consists of articles that showed the commitment of the states (as the signatory of NPT) to convert their technology and material from the nuclear weapon to non-nuclear weapon. For those states that are proven acquiring the capability and technology to produce nuclear weapon, they must dismantle their nuclear weapons by accordance of international safeguards (Charnysh, 2009).

The role of NPT in terms of security issue is very substantial. Especially in terms of tackling the global threat such as nuclear terrorism or nuclear war. The three main pillars of NPT had shows the intention to create the world becomes

non-nuclear-weapon states. The importance of the role of NPT had been explained comprehensively in a report written by Gareth Evans and Yoriko Kawaguchi entitled 'Eliminating Nuclear Threat'. The writers attempt to analyze the role of the NPT and IAEA in managing and decreasing the number of states which are proved as the states with nuclear arms. The report was completed with the practical solution for the policy makers that could be possibly taken in the future (Evans & Kawaguchi, 2009).

According to Evans & Kawaguchi, the NPT is the main guideline for the states as it consists of the three main pillars. Meanwhile IAEA, as the international special agency which is assigned to monitor the nuclear development, verifies the nuclear energy possession and gives assessment regarding the compliance toward the obligations of the states. The NPT classifies the states into Nuclear-Weapon State (NWS) which are the five permanent members of United Nations Security Council (UNSC), South Sudan, India, Pakistan, Libya, North Korea, and Syria and Non-Nuclear-Weapon State (NNWS)(Evans & Kawaguchi, 2009). The nuclear development of the NWS varied as it has been mentioned by Ramesh Thakur, Jane Boulden and Thomas G. Weiss, that each state has their own reason in developing nuclear weapons. For instance Libya, Pakistan, Syria, North Korea, Iran.

Beside the three main pillars of NPT, the NPT regime also regulates the nuclear testing. For instance The Partial Test Ban Treaty (1963) which prohibited the nuclear tests in the underwater, atmosphere, and outer space; The Threshold Test Ban Treaty (1974) which regulated the nuclear limitation on the underground

weapon test which surpassing 150.000 tons of TNT. In 1996, the Comprehensive Test Ban Treaty (CTBT) was created as the multilateral treaty that prohibits any kinds of nuclear explosions, either for military or civilian objective. Unfortunately, the CTBT did not come into force due to the rejection from the eight states which are China, United States, Egypt, Israel, Iran, India, Pakistan, and North Korea (Thakur, Boulden, & Weiss, 2004). The effort of NPT in upholding the three main pillars in the world was hampered by the interest of the state itself. It has been clear the contribution of NPT in securing the world from one of the most dangerous global threat that exist in the world, which is the nuclear weapon.

United States itself had special concern toward the nuclear proliferation in the world since United States was able to produce their nuclear energy through 'Atom for Peace' project. Unfortunately, the development of nuclear energy during the Cold War was dominated by the non-peaceful objective such as bombs, warhead, and missile of nuclear. United States realized that the nuclear proliferation could be gone too far and nuclear war could be happening anytime from any state. United States had specific policy towards the nuclear proliferation in the world. President Obama, through his speech in Prague on April 5<sup>th</sup>, 2009, mentioned the fundamental issues which are peace and security. President Obama realized the threat of nuclear energy is real and it becomes one of the central issues. At that time, the states which are proved acquiring nuclear are increasing over the years. The danger of misuse of nuclear energy such as bombs and warhead would significantly increase if it is used by terrorist group. Therefore,

President Obama would like to commit to make the world without nuclear weapon as one of the fundamental goals for United States (Perry, Scowcroft, & Ferguson, 2009).

United States urged the states, both NWS and NNWS to have commitment in reducing their nuclear development program for preserving the world peace. United States also intended to create multilateral agreement with the NWS and NNWS to achieve this goal. United States committed actively to campaign in order to attract the states not to develop nuclear. The strong moral responsibility in preserving the global security firmly motivated United States. United States realized that it was not easy to secure the world alone, the allies and the states in the world were expected to have the same vision and mission in realizing the policy (Perry, Scowcroft, & Ferguson, 2009).

The United States policy was applied the different obligation among the NWS and NNWS. The NSW was expected to abolish their nuclear weapon reactor or to convert their nuclear bombs capability into the peaceful objectives. The NNSW was actually not expected to enroll the nuclear energy in order to prevent the possible damage. The assessment about the transparency of any nuclear activity of NSW and NNSW was monitored by IAEA. Meanwhile, the position of Iran as the NPT signatory which later was found in developing nuclear energy is confusing and threatening the global security. The Iranian government still insisted that the nuclear energy was only for civilian purpose. "... While Iran continues to test the limits of its credibility and the world's patience by arguing

that it is pursuing peaceful uses of potentially fissile materials.” (Thakur, Boulden, & Weiss, 2004, p. 3)

## **B. United States Response Towards Nuclear Development in Iran**

The relationship of United States and Iran was dynamics. According to Sayyed Hossein Mousavian (2014), it was divided into three periods. Since 1856 – 1953 as the beginning, the relationship of the United States and Iran was in the fruitful period. United States supported the Iranian independence and the establishment of Iran as the democratic country. Meanwhile, the second period was in between 1953 – 1979, started with United States backed the Shah Pahlavi to topple down Prime Minister Mosaddegh. In this period, the White revolution and Iranian Islamic Revolution happened, it was started the rivalry between United States and Iran. The third period was since 1979 until the midst of 2015. During this period, the opposition side emerged and United States started to see Iran disobedience toward United States. By this period the series of sanction from United States in terms of military, economic and social aspect also began (Mousavian, 2014).

During this time, it was the Cold War era of Soviet Union and United States. United States saw this as the opportunity to intervene the internal of Iran and to make Iran stand on United States side. United States tried to have closer relationship with Iran by approaching to Shah Pahlavi. At that time, Shah Pahlavi was not the Head of the State yet but it was Prime Minister Mossadeq. United

States tried to approach Shah Pahlavi to 'help' him to topple down the Prime Minister of Mossadeq by creating SAVAK. United States interest to Iran was clearly because of the Iranian possession of oil.

The good relationship of United States stopped during the Iranian Islamic Revolution in 1979. The good relationship was altered into bad relationship. Therefore, United States started to impose sanction against Iran regarding the behavior of Iran. The series of sanction of United States toward Iran was started from the Iranian Islamic Revolution in 1979. The revolutionist seized the United States Embassy in Tehran in which many of the hostages were American. The anger of President Carter towards Iran's action triggered the first sanction against Iran through Executive Order (EO) 12170. The Executive Order is an order which was issued by president to the government through the executive branch. The EO 12170 about the Iran situation has been the threat for the national security, economy, and foreign policy of United States. Therefore, United States decided to block the Iranian Government properties owned by Central Bank of Iran. Later the other unilateral sanction from United States continued as the behavior of Iran was still seen as the threat of United States (Belfer Center for Science and International Affairs, 2015).

In 1980, the United States declared EO 12205 about the prohibition of certain transactions to Iran such as the sale, supply or other transfer by any person, groups, Non-Governmental Organization of United States, commodities or products, except food, medicine and supplies intended strictly for medical purposes, donations which used to relieve human suffering. The EO 12205 was



expanded to EO 12211 in 1980 about the prohibition of any transaction to Iran and the import of products from Iran direct or indirect. In 1984, United States considered Iran as the State-sponsor of terrorism. Therefore, the government of United States released the 'State Sponsor of Terror Designation' which covers the restriction from any foreign assistance and the arms sale to Iran.

Under the President Reagan administration, there were two Executive Orders released in five years. The EO 12613 was imposed because United States discovered that Iran aggressively attacked the United States-flag vessel. It made the restriction of import from Iran. In 1992, the Iran and Iraq were suspected to own and proliferate the WMD. Therefore, United States was sanctioned against any person or group of United States that was proved to give aid and assist Iran.

Under the President Clinton administration, there were five EOs and two acts regarding the same behavior of Iran. United States was still suspicious regarding the nuclear development of Iran particularly on the military defense purpose. The EO 12938 in 1994 was purposed for sanction against any nation that was proved to transfer technology to Iran, especially nuclear-related technology. In 1995, United States imposed about Iranian oil in two sanctions. Having realized that one of the main incomes of Iran was from oil, the EO 12959 was created to prohibit the certain transaction about petroleum recourses. Several months later, the sanction was expanded through EO 12959 about all transactions of oil and certain non-oil with Iran.

In 1996, the states which were assumed as the rebel to United States were sanctioned collectively through Iran and Libya Sanction Act (ILSA). It was about the sanction for those who had investment in Iran for more than \$20 million and prohibited for the United States company to have any oil and gas related business. In 1997, as the expansion from the prior EO, the EO 13059 was concerned on the prohibition toward the distribution or export to Iran. The Iranian government was still suspected regarding their nuclear development. In 2000, United States firmly gave sanction against any state or party that provided any technology of Weapon Mass Destruction or ballistic missile. After the 9/11 2001 attack in United States, the terrorist activity was completely condemned in United States. Iran actually suspected to support the terrorist action from arms, fund and train, also received sanction.

In 2002, according to IAEA assessment about Iranian nuclear, it was found that Iran clandestinely developed nuclear energy and did not report it to IAEA. During the President George administration, United States was started to give sanction harsher. In 2005, through EO 13282, the Iranian property of WMD was blocked. The nuclear development at that time increased compare with the previous year, some states such as North Korea and Syria also showed their nuclear development which created worry among international community especially United States. In 2006, United States released the sanction for Iran, North Korea and Syria Nonproliferation Act Sanction (INKSNA). The sanction was about the involvement of any party from transferring any technology or material of WMD for those three states.

Under President Obama administration, the sanction was harshest compare with the previous United States presidents. President Obama actually intended to have better relationship with Middle East country particularly Iran which was continuously sanctioned since 1979. The sanction called Comprehensive Iran Sanctions, Accountability & Divestment Act (CISADA) was about the wrap of the previous sanction against Iran, the prohibition of Iran sale of oil, and sanction for any nation that have investment in Iran especially those related with WMD and terrorism. In the same year, United States also released the EO 13553 which was about the human right abuses by blocking the property of the government of NGO involved. In 2011, United States was released the sanction against Iran about money laundering.

In 21<sup>st</sup> century, not only United States which actively sanctioned Iran, but there were United Nations, European Union, and some other countries such as Japan, South Korea. Although the truth is EU, Japan and South Korea was involved in 5 biggest buyers of Iranian oil, but they intended to sanction Iran. The sanctions imposed from International community were mainly purposed to prevent the development of nuclear capability of Iran especially in military aspect. The more comprehensive sanctions from International community could not be denied that it gave impact to the economics of Iran. Moreover, oil and gas sector as the main income for state, were the sector that were most sanctioned by international community.

In June 2013, Iran held the presidential election democratically. The victory of the election, surprisingly, was not the Ayatollah Khomeini personal

choice. Hassan Rouhani who was well-known as the most moderate candidate from conservative party was elected. Under Rouhani administration, Iran started to break the international isolation which was suffered for more than 30 years especially in economic sector. The economic sector was the main object of the sanction against Iran. Therefore, since President Rouhani led Iran, there were a lot of changes to restore the image of Iran in the International community especially with the possession of nuclear power in Iran (Shanahan, 2015).

There are differences between President Rouhani and the prior president. His predecessor, President Ahmadinejad, sees that the economic matter as the domestic matter. For Rouhani, the struggle to expand the economic sector is compulsory. By strengthening the Iranian domestic economic, it was expected to increase the influence and the bargaining position of Iran in Middle East or in the international community. Therefore, the sanction as the burden for Iranian government that needs to be removed to smooth the way achieved the economic betterment. Iran was expected to stop the proliferation of nuclear if the international isolation wanted to be removed. The nuclear energy that was proliferated by Iran was seen as distrustful action and it could destabilize security in Middle East. The sanction against Iran is the most extensive sanction ever. In order to decrease the distrust from international community, Iran realized that they have to fulfill the standard from International Atomic Energy Agency. By this time, compared with the prior president, the current president of Iran is more negotiable and conservative-moderate leadership (Shanahan, 2015).