

- M. Zalewski, eds. *International Theory: Positivism and Beyond*. Cambridge: Cambridge University Press. pp. 128–146.
- Ruggie, J., 1998. What Makes the World Hang Together? Neo-Utilitarianism and the Social Constructivist Challenge. *International Organization*, 52(4): 855–885.
- Sartori, G., 1970. Concept Misformation in Comparative Politics. *American Political Science Review*, 64(4): 1033–1053.
- Schroeder, P., 1994. Historical reality vs. Neo-realist theory. *International Security* 19(1): 108–148.
- Sekine, S., 1999. *Transcendancy and Symbols in the Old Testament: A Genealogy of the Hermeneutical Experiences*. Berlin: Walter de Gruyter.
- Sikkink, K., 2011. *The Justice Cascade: How Human Rights Prosecutions Are Changing World Politics*. New York: W.W. Norton.
- Sil, R. and Katzenstein, P., 2010. *Beyond Paradigms: Analytical Eclecticism in the Study of World Politics*. New York: Palgrave Macmillan.
- Schweller, R., 1998. *Deadly Imbalances: Tripolarity and Hitler's Strategy of World Conquest*. New York: Columbia University Press.
- Thies, C., 2004. Are Two Theories Better than One? A Constructivist Model of the Neorealist-Neoliberal Debate." *International Political Science Review*, 25(2): 159–183.
- Toje, A., 2008. *America, the EU and Strategic Culture*. New York: Routledge.
- Walt, S., 1986. *The Origins of Alliances*. Ithaca, NY: Cornell University Press.
- Walt, S., 2002. The Enduring Relevance of the Realist Tradition in Political Science. In: I. Katznelson and H. Milner, ed. *The State of the Discipline III*. New York: W.W. Norton Publishers. pp. 197–209.
- Waltz, K., 1979. *Theory of International Politics*. New York, NY: McGraw-Hill Humanities Publishers.
- Waltz, K., 1986. Anarchic Orders and Balance of Powers. In: R. Keohane, ed. *Neorealism and its Critics*. New York. Columbia University Press. pp. 98–130.
- Waltz, K., 1986a. Reductionist and Systemic Theories. In: R. Keohane, ed. *Neorealism and its Critics*. New York: Columbia University Press. pp. 47–69.
- Weston, B., Falk, R. and Charlesworth, H., 1997. *Supplement of Basic Documents to International Law and World Order*. 3rd ed. St. Paul, MN: West Group Publishers.
- Wohlforth, W., 1999. The Stability of a Unipolar World. *International Security*, 24(1): 5–41.

Why does cooperation work or fail? The case of EU-US sanction policy against Iran

Paulina Matera

University of Lodz, Faculty of International and Political Studies

paulinamatera@uni.lodz.pl

ORCID: 0000-0001-5453-1622

Rafał Matera

University of Lodz, Faculty of Economics and Sociology

rafal.matera@uni.lodz.pl

ORCID: 0000-0003-3683-0439

Key words:

Cooperation of the allies; relative gains; co-leadership; sanctions against Iran; the JCPOA.

Abstract

In the article, we explore the factors which brought about the transatlantic coordination of the policy of imposing sanctions on Iran. We will mainly focus on the events in the 21st century when the new incentives for cooperation appeared due to the growing concern over the development of Iran's nuclear programme. Considering the capabilities of using the tools of economic statecraft and diplomacy, we claim that the EU-US cooperation can be termed a co-leadership. The assessment and the reasons for the transatlantic break-up on this matter during the presidency of Donald Trump was examined using the concept of relative gains. We evaluate to what extent the initial goals were achieved in practice, and we also try to predict the possible consequences of the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA).

As to whether the effectiveness of the sanctions through the cooperation has been enhanced, the answer is ambivalent. On the one hand, the cooperating transatlantic partners managed to coerce Iran through isolating the country from international economic contacts and negotiated the JCPOA. On the other hand, Trump's renouncement of this agreement brought many negative consequences and undermined the earlier joint effort.

Introduction

The US government imposed sanctions against Iran in 1979 after Iran's Islamic Revolution and the subsequent hostage crisis (Mason 2015: 19-20). It should be noted that the purposes of US sanctions have changed over time. Initially, they were aimed at forcing Iran to stop supporting acts of terrorism and at reducing its influence in the Middle East. Since the mid-1990s, the focus has been on ensuring that Iran's nuclear programme was used only for peaceful purposes, i.e., increasing its energy capabilities.

European countries have conducted their policy, distinct from that of the United States, maintaining diplomatic and economic relations with Tehran. This policy was based on a so-called "critical-dialogue." As Jacques Chirac put it in 1996: "Critical dialogue is not open and friendly as it would be with countries with which we have normal trade, cultural and political relations. It is a limited organised dialogue through which the Europeans convey to Iran a certain number of ideas (...)" (Litwak 2000: 83). This policy was introduced to use economic incentives (trade credits and debt rescheduling) to change the behaviour of the Iranian regime, which was also eager to obtain European investments and technology. The EU countries opposed expanding the scope of the American sanctions.

In 1996, the US Congress passed the Iran and Libya Sanction Act to discourage economic relations between Iran and third parties by imposing, *inter alia*, secondary (extraterritorial) sanctions on European companies investing in Iran's oil and gas production infrastructure. The European Commission lodged a complaint against the United States to the WTO against this legislation. Finally, an agreement between the transatlantic allies was reached, and the threat of US sanctions against EU businesses was waived, but the issue illustrates the divergences between the transatlantic partners over Iran (Dupont 2010). In this article, we explore the factors which brought about the transatlantic coordination of the policy of sanctions towards Iran and those, which caused the divergences after the signing of the Joint Comprehensive Plan of Action (JCPOA) in 2015.

Theoretical and conceptual framework

Cooperation among actors on the international stage is commonly perceived as desirable, which is why scholars try to work out the conditions in which it is possible. According to Robert Keohane, cooperation occurs “when actors adjust their behaviour to the actual or anticipated preferences of others, through a process of policy coordination.” (Keohane 1984: 51). Sascha Lohmann observes that in international relations, “the ground between harmony and discord is occupied by cooperation,” which is chosen by the parties when they perceive it as gainful, or they are somehow forced to undertake it (Lohmann 2016: 934). Usually, the profits from it are not equal. Even though the goal of one state is not equally important to its partners, those partners are, in most cases, eager to support it, as they count on benefits in other fields, or they are anxious that the activities of companies or financial institutions may be constricted by the predominant power (Gowa 1986: 173-4).

In this context, the debate on relative and absolute gains is worth mentioning (Powell 1991). Neoliberal institutionalists believe that states are rational actors who care about their national interests. When they observe that the outcomes of cooperation are profitable for them (bring absolute gains), they do not pay too much attention to the benefits of the others (Grieco 1990; Keohane and Nye 1977; Krasner 1983; Axelrod 1984). Neorealists oppose this statement, claiming that cooperation is based on relative gains: the states compare their benefits with those of the partners, which should be more or less equal. Even when the partners are satisfied with the cooperation, namely the fulfilment of their assumptions, one side can withdraw its commitment once it realises it is achieving relatively less profit than its allies (Waltz 1959).

Robert Axelrod, who based his assumption on game theory, mentioned the circumstances of effective cooperation. According to him, “If the strategic setting allowed long enough interactions between individuals, much of the advice pointed to reasons why an egoist should be willing to cooperate even though there is a short-term incentive not to cooperate” (Axelrod 1984: 124). The underlying condition of a successful collaboration is repeatability – the stable interaction in many fields, which creates the interdependence. The partners know

they will be punished for backsliding, and they will benefit from taking collective actions. Thus, they should acknowledge that “the future is more important relative to the present” and should adopt common “values, facts, and skills that will promote cooperation” (Axelrod 1984: 126). Considering the case of US–EU cooperation, we can state that they are longstanding allies who share common aims, such as “promoting peace and stability, democracy and development around the world; responding to global challenges, and contributing to the expansion of world trade and closer economic relations” (The New Transatlantic Agenda 1995). They also declare an attachment to shared values: “freedom, democracy, equality, the rule of law, and respect for human rights” (Shared Values). As they have undertaken many actions together on the international stage, they are quite experienced in this and trust each other. They have learned to cooperate and avoid conflict for as long as possible, share information, and consult with each other regularly.

The above-mentioned exemplary approaches to the reason for cooperation were based on the voluntary decisions of the individual actors. Hegemonic stability theory brings the concept of the influence of a dominant actor of the international system or an alliance (Webb and Krasner 1989). The effective pressure of the hegemon occurs when the other states are not able to counterbalance its dominant position, at least in the field in which the pressure is exerted. The hegemon can use either incentives or coercive measures to persuade the others to yield — e.g., the threat of the deterioration of the terms of cooperation in other areas. In the case of sanctions, the hegemonic leader, besides political gains, can change the terms of trade to its own advantage (Mansfield 1995: 582). It also shapes the rhetoric: in the case of Iran, US officials kept presenting this state as a major threat to world security, and its government as an oppressive theocracy (Pieper, p. 109).

Economic sanctions are defined in diverse ways (Barber 1979: 367; Askari et al. 2003, Baldwin 2003: 271-2). We will adopt the definition proposed by Francesco Giumelli, who said they are “politically motivated penalties imposed as a declared consequence of the target’s failure to observe international standards or international obligations by one or more international actors (the senders) against one or more others (the targets)” (Giumelli 2011: 16). There is no accord among scholars about the value of cooperation in the case

of economic sanctions. Some claim that it does not enhance the effectiveness of coercion, in terms of achieving stated goals, as it is too costly once the sender wants to engage the reluctant partners (Van Bergeijk 1994: 19). Daniel Drezner was convinced that multilateral sanctions are counterproductive unless they are imposed and coordinated in the framework of an international organisation (Drezner 2000). The other group (Martin 1992; Moravcsik 1997) claims that cooperation is essential for the effectiveness of sanctions, as it depends on large-scale economic pressure. According to Inken von Borzyskowski and Clara Portela, between 1980 and 2014, the cooperation in sanction policy increased significantly, which could be interpreted as proof that governments and international organisations are more convinced about the sense of common actions (Borzyskowski and Portela 2016). It is also crucial that the major trade or/and investment partners of the targeted state form the coalition. In another case, third states or companies (“the black knights”) will take advantage of the withdrawal of the key players and enhance the presence in the abandoned market (Mansfield 1995).

Pluralist theories contain the assumption that the clash of interests of different interest groups is the main factor in creating a foreign policy (Viotti and Kauppi 2012: 136-7). However, in elite theories, we can find the hypothesis that decision-makers have a critical impact on a state's foreign policy: once they accept the particular strategy, the postulates of the interest groups mean less (Haas 1990: 55). According to Helen Milner, “for security issues, the perceptions of elites play a sizable role” (Milner 1992: 490): the authorities expect that their decisions will be accepted in the name of the superior imperative of security.

The incentives of cooperation: common goals, different priorities

The issue of the effectiveness of international sanctions is widely discussed in the literature (Barber 1979; Drezner 2000a; Giumelli 2003; Pape 1997). In this paper, the goal-driven criterion is adopted: it is assumed that the aim of the “sanctioners” or senders (the US, the EU) has been to achieve specific foreign policy goals. According to Francesco Giumelli, evaluating the effectiveness of sanctions should be placed in the broader

foreign policy context, and the aims of imposing them are multidimensional and complex (Giumelli 2003: 7). This paper identifies the different goals of the allies toward Tehran and tries to explain why these led to a severe dispute, which ended with a split that might cause a renewal of the Iranian military nuclear programme and an increase in tensions in the Greater Middle East region.

The Americans wanted to enhance the effectiveness of their long-lasting coercion against Tehran by discouraging European companies from operating on the Iranian market. Additionally, notably during the presidency of George W. Bush, EU leaders were anxious that Iran might be the target of US military intervention. Based on these facts, it could be assumed that the US, as the hegemon, had full control over imposing additional sanctions as well as the negotiation process. Nevertheless, in this analysis, we aimed at a more in-depth investigation of the leadership in this coalition. The focus will be placed on the potential of using the tools of economic statecraft: not only sanctions but also the economic incentives to convince Iran to compromise on the curtailment of its military nuclear programme. The diplomatic dimension will also be emphasised. The assessment and the future of the transatlantic cooperation on Iran's policy will be examined using the concept of relative gains.

In this framework, we formed four assumptions concerning the reasons for cooperating on a sanctions policy:

1. The US had compelling arguments to persuade the EU to introduce sanctions. It was possible because of America's supremacy in the financial system, thanks to the strong position of the US dollar in international transactions. The willingness to use this currency in the reckonings induced European financial institutions and firms to decrease their operations in Iran, and it facilitated the EU's decision to impose more restrictive sanctions on Iran.
2. The failures of the policy of offering economic incentives to Iran proved that the EU was not able to use its considerable potential of economic statecraft in this case without support from the US. Thanks to the cooperative approach of the administration of Barack Obama, the Europeans were more eager to adjust to the American strategy.

3. The EU, as the one of the major economic partners of Iran and with a wide range of economic statecraft tools, was able to conduct effective negotiation by imposing painful sanctions and, in contrast, offering economic incentives valuable to Iran (e.g., profitable trade agreements, investments, transfers of technology, or development aid).
4. The US has displayed serious constraints in dealing with Iran: namely, the strong opposition in Congress heightened during Donald Trump's presidency. The Obama administration had extremely limited possibilities to use its economic and diplomatic instruments in relation to Iran. Besides, the US hopes to maintain good relations with its major allies in the region — Israel and Saudi Arabia — which disapprove of the JCPOA.

The method proposed by Lee Jones and Clara Portela is applied to define the priorities of the US and EU's policies (Jones and Portela 2014). These priorities could be determined based on the analysis of specific events, standpoints, and decisions (before and after the introduction of the coordinated sanctions regime), and on the grounds of the available documents. Then, a framework for interpreting and categorising the aims of the economic statecraft could be made concerning the target, the sender, and the international system. It is based on the assumption that using the tools of economic statecraft has many other purposes besides those related to the behaviour of the target in a particular case, both regarding the domestic and foreign policy of the sender. On this basis, the assessment of its implementation will be presented: the priorities will be defined, and how many of them were achieved will be decided.

The EU's aims could be conceptualised as follows:

1. In relation to the target, as stated in the European Security Strategy issued in 2003, the proliferation of WMD was identified as "potentially the greatest threat to EU security." (European Security Strategy 2003). A separate strategy for dealing with this problem was also issued in 2003 (EU Strategy 2003). The coercive measure of sanctions was tailored to pave the way for diplomatic negotiations, leading to a comprehensive and long-lasting agreement on limiting the Iranian nuclear programme to peaceful purposes. The indirect aim was to restore trade and investment

relations, to eradicate corruption and change the regulation deterring foreign economic activities (Kogan 2015:93-8). The lifting of the sanctions could also be perceived as an incentive for the Iranian authorities, as the restrictions had been disastrous for the economy. Protecting the human rights of Iranian citizens was also an important goal for the EU (EU restrictive measures 2019).

2. In relation to the sender: the EU felt threatened by the development of the Iranian military nuclear programme and the consequences for the Middle East. The chance to prove the efficiency of the Common Foreign and Security Policy in such an important matter was significant to strengthen the integration (Adebahr 2017; Meier 2017). Another goal was to create better conditions for trade and investment for European companies. An essential condition of achieving this goal was signing a deal with Iran, which would be approved by the US. It could lead to the lifting of sanctions and opening broader perspectives for European firms and financial institutions. They would be able to operate in the Iranian market without the threat of American restrictions.
3. In relation to the international system, both defence and the enhancement of the Non-Proliferation of Nuclear Weapons Treaty (NPT) regime were at stake (Council Decision 2010). Moreover, the US military intervention against Iran could be avoided. The EU also wanted to act in the interests of security in the region, to reduce the danger of an arms race, and mollify the regional hostility between Iran, Israel, and Saudi Arabia (Halliday 2006). Although the United States had more adequate tools in this matter, the EU was able to augment its impact, promoting constraint on the expansion of Iranian influence in the region (Pierini 2016).

The US's primary objectives were similar to the European ones in many aspects, but there were different priorities:

1. In relation to the target, the main aim was the curtailment of the Iranian military nuclear programme. Like the Europeans, the US planned to solve the problem through diplomatic negotiations, but in case of their failure, they were ready to "use all elements of American power to achieve that objective" (US Policy towards Iran 2013). The weakening of the Iranian economy was perceived not only in terms of

forcing it to yield to the senders' demands but also to deprive the regime of the resources for improving its military nuclear programme in the future (Calabresi 2015). The immediate restoration of US-Iranian diplomatic relations was somewhat inconceivable, but it would 'open the window of opportunity,' e.g., in coordinating some activities in fighting the common enemy, ISIS (Esfandiary and Tabatabai 2015: 10-11). The perception of the US as the main enemy consolidated the conservative and radical political powers in Iran. Easing the hostility could boost the more liberal forces. Another goal articulated in the official documents was to protect the rights of Iranian citizens.

2. In relation to the sender, the plan of engagement in Iran was articulated in the National Security Strategy in 2010, as the country was perceived as a major security threat (National Security Strategy 2010). Obama wanted to achieve significant success in foreign policy in his second term of office. However, he could not count on domestic support for this solution, especially in Congress. Also, the level of public distrust towards Iran was high, due to the long-standing hostile policy towards Iran, perceived as one of the major foes of the US (Iran — Historical Trends 2018). The reestablishment of economic relations was not a goal which the US planned to achieve in the foreseeable future. It was a significant difference between the transatlantic allies.
3. In relation to the international system, enhancing the NPT regime was one of the most critical factors for the US (National Security Strategy 2010). The sanctions were also tailored to serve as a game changer in the situation in the entire Middle East region. The Americans wanted to prevent an arms race and to protect their major allies, Israel, and Saudi Arabia (US Policy towards Iran 2013). They also aimed at constraining Tehran's ambitions to broaden its influence in the region. Iran's support for Bashar al-Assad in Syria and engagement in the civil conflict in Yemen were perceived as dangers. The most important aim was to deter Iran from actively supporting terrorist organisations, e.g., Hezbollah or Hamas.

Creation of co-leadership

The credibility and strength of a leader determine the effectiveness of international cooperation. A leader must be ready to pay the economic and political costs of sanctions. The ability to organise international cooperation is also essential. A leader must convince partners with different national interests to adopt the plan and try to arrange some compensation for the losses that the sanctions usually cause for those engaged in trade with the sanctioned state—that is, the target. In the case of reluctance, the leader uses the available pressure tools to enforce the desired tactics. In the case of sanctions on Iran, we assume that the United States and the EU jointly provided leadership on the imposition of international sanctions, as they complemented each other's abilities and had the same main goal.

Nevertheless, it should be stated that the EU finally adopted the US strategy of dealing with Iran for several reasons. Beginning in 2002, when the international community learned about the fuel enrichment complex in Natanz, there was an observable change of attitude toward American sanctions on the part of the EU (Patterson 2013:137). After the American invasion of Iraq in 2003, EU policymakers were concerned that Iranian nuclear facilities could be the next target as George W. Bush included Iran, along with Iraq and North Korea, in the "axis of evil" (De Galbert 2015). To avoid that scenario, they discussed the option of imposing sanctions. However, when Iran declared its readiness to cooperate with the International Atomic Energy Agency (IAEA), the US administration rejected the proposal, which was proof of its reluctance to use only the diplomatic tools favoured by the Europeans (Kaussler 2014).

The Iranian authorities believed that maintaining a dialogue with the so-called EU3—France, Germany, and the UK—would prevent a potential American attack (Heradstveit and Bonham 2007: 425-33). The EU3 managed to work out a common standpoint, despite their different policy goals (Youngs 2006). In 2003, they proposed economic incentives for Iran in exchange for a cessation of the enrichment of uranium and the implementation of the Additional Protocol (with *additional* tools for verification) to its IAEA comprehensive safeguards agreement (Cronberg 2017: 249). The negotiations were

strengthened by putting them in the framework of the EU's Common Foreign and Security Policy. Not only did it enhance the political significance of the negotiations, but it also made the proposed package of economic incentives more robust, especially as far as the Trade and Cooperation Agreement was concerned (Adebahr 2017). On 15 November 2004, the EU-3 signed the Paris Agreement with Iran (Communication dated 26 November 2004). However, the parties could not reach an understanding on the issue of whether Iran had a right to conduct uranium enrichment. Despite the incentives package proposed by the European negotiators, it was evident that the diplomatic dialogue had not produced any noteworthy progress, even though Europe had intensified its economic relations with Iran (Roudsari 2007).

Another major issue that led to the EU comply with the US strategy towards Iran was the intense campaign of the delegates of the Treasury and State Departments. They talked with the authorities of European companies, notably the financial institutions, presenting the risk of maintaining business activities in Iran, in terms of becoming the target of US secondary sanctions. Many European economic entities yielded to this pressure, and the US Treasury fined those who resisted. By mid-2007, the significant withdrawal of European firms, banks, and insurance companies from Iran could be seen. The said was unavoidably transferred to the level of European governments — e.g., Chancellor Angela Merkel adopted a strategy to discourage German enterprises from opposing the American plan towards Iran (Lohmann 2016: 938-9). The situation was quite similar to the one in 1996, but this time the Europeans did not protest; on the contrary, the outcomes of the US campaign paved the way for the imposition of unilateral sanctions on Iran by the EU, coordinating them with the American coercive measures (Pieper 2017: 103). Because of that, some scholars claim that the US, as the hegemon, practically forced the EU to adopt the tough strategy (Lohmann 2016; Pieper 2017). However, the EU's motives should not be confused with its actions. While it is true that American pressure made the European countries impose sanctions on Iran, in fact, it was also a convenient tool for the E3, as they could continue their negotiations with Tehran from a position of strength.

In June 2005, Mahmoud Ahmadinejad, who was reluctant to negotiate with the West, won the presidential elections. It was

clear that using incentives without the threat of sanctions would not be effective in this case. Imposing them was only possible in the framework of the broad cooperation of the major actors. That was why the Europeans referred to the full scope of measures of “effective multilateralism” indicated in the European Security Strategy (ESS) from 12 December 2003. In 2005, the E3 leaders assured President Bush that they would follow the primary goal to stop the nuclear threat from Iran. The US was also ready to mitigate its standpoint: the Americans gave up their postulate of Iran, completely stopping its uranium enrichment as a precondition to negotiations (Lohmann 2016: 940-1). Although in 2005, the incentive was not attractive enough for Tehran, it was a sign for the EU that the US was ready to use diplomatic tools together with economic sanctions.

The failure of the diplomatic measures convinced the EU that the case should be brought before the UN Security Council (UNSC), according to the US postulate. The Europeans managed to gain the support of Russia (Iran’s principal security partner) and China (a major importer of Iranian oil) for their version of the resolution (Sauer 2017: 12). The first UNSC resolution, no. 1737, was passed in December 2006. It banned the supply of nuclear technology to Iran. Furthermore, the assets of individuals and organisations involved in the enrichment programme were frozen.¹ The UNSC resolutions diminish the political costs to the countries participating in the sanctions regime (i.e., accusations of violating international law, and, or undermining the autonomy of the target) and constitute an incentive for other countries to support the leaders’ policy (Drezner 2000: 73-83; Bapat and Morgan 2009: 1092-93).

The said did not mean the end of negotiations — they were conducted with new actors involved, in the formula P5+1 (the five permanent UNSC members plus Germany, with the growing role of the High Representative of the Union for Foreign Affairs and Security Policy - EU HR). It marked the beginning of greater US engagement — a period in which the close cooperation of the EU and the US was visible.

The US administration aimed at forming a coalition on sanctions with its European partners in the framework of the

1 The UNSC further strengthened the sanctions by Resolutions 1747 from March 2007, 1803 from March 2008, and 1835 from September 2008 (UN Documents for Iran 2007, 2008)

UN. Traditionally, Great Britain has had a “special relationship” with the United States, and successive governments had become increasingly convinced of the need to intensify the sanctions, notably through the financial isolation of Iran. France became more eager to coerce Iran after Nicolas Sarkozy won the presidential election in 2007. He endeavoured to build closer relations with the United States, and he claimed that the Iranian nuclear programme posed a severe danger to international security. In Germany, the political landscape changed in 2005 with new Chancellor Angela Merkel. The German position on Iran was not as severe as that of the French, as Germany was Tehran’s biggest trading partner in the EU. At first, the Germans supported a two-track approach—diplomatic dialogue together with the threat of sanctions—but in 2009, when Guido Westerwelle took charge of the Ministry of Foreign Affairs, the German government began to support the imposition of economic restrictions (Patterson 2013). While the southern countries of the EU—namely, Greece, Cyprus, Portugal, Spain, and Italy—were more dependent on Iranian oil and reluctant to adopt this solution, their opinion carried less weight, as they were suffering more severely from the financial crisis and needed assistance from the EU, notably from Germany. Also, informal pressure from the United States, with its considerable influence over the International Monetary Fund (IMF) and the financial system, should be taken into consideration (Martin 2015).

After adopting core elements of the US strategy toward the Iranian nuclear programme – sanctions within the framework of the UN and individual ones – the EU’s position as an impartial negotiator was weakened. Diplomats had to go along with the firm standpoint of George W. Bush’s administration (Kaussler 2014).

Co-leadership in action

The transatlantic cooperation got a new impetus after Barack Obama took the office of President in 2009. He was determined to reach an agreement with Iran: he went further than his predecessors and wanted to apply a new strategy containing both incentives and sanctions. This dual-track approach was a real breakthrough in the US policy. The EU felt the reduction of hegemonic pressure. The new American approach had an

inclusive character; it constituted an invitation for real co-leadership in the transatlantic sanction coalition. However, US officials, among them the Secretary of State, Hillary Clinton, underlined the necessity to keep the tight sanctions regime (Lohmann 2016: 942).

The Americans stated that the negotiations would concern only the military nuclear programme and that other problems, like terrorism, stabilisation in the Greater Middle East, and human rights violations, would be excluded from the talks. Unexpectedly, France and Great Britain were against such an approach. They claimed the strict standpoint should be maintained, especially in the face of the presidential election in Iran in June 2009, when Ahmadinejad was re-elected. The fairness of the elections was questioned by a considerable number of Iranian citizens, due to the persecution of opposition members. The EU and the US condemned those actions of the Iranian authorities. Nevertheless, the allies decided to restart negotiations in October 2009, and the European opponents finally accepted the US strategy but remained unconvinced of it. Indeed, after reaching a preliminary agreement, Iran withdrew from it. Additionally, Iran failed to report its new centrifuge facility at Qom to the IAEA; it was a blatant violation of the Subsidiary Arrangements signed in 2003. These events created the impetus for the imposition of UNSCR 1929 in June 2010. This resolution expanded the arms embargo and put restrictions on financial and shipping enterprises relating to “proliferation-sensitive activities” (Jessen 2017). After it was voted on, the boosted coordination of the sanction policy could be observed.

In June 2010, the EU banned investments in the Iranian oil and gas sector, prohibited government support for trade, and restricted financial transactions. This decision was partly caused by American pressure on European firms to withdraw from the Iranian market (Adebahr 2014). On June 24, 2010, the US Congress passed The Comprehensive Iran Sanctions, Accountability, and Divestment Act, which enhanced restrictions on Iran. Obama issued executive orders relating to Iranian officials who had been responsible for serious human rights violations and imposed further sanctions against entities under the Iran Sanctions Act of 1996 (Starr and Ighani 2016). However, the idea of simultaneous negotiations with Iran was not abandoned. In UNSC resolution 1929, the crucial role of the EU HR, Catherine Ashton, in terms of carrying on the P5+1

dialogue with Tehran, was underlined.²

In 2011, an increase in tensions between Iran and the West could be observed. In November 2011, an IAEA report was published emphasising the probable military dimension of Iran's nuclear programme. Then, on November 29, 2011, protesters attacked the British embassy in Tehran (Dehghan and Butt 2011). The US and EU authorities decided to devise a joint plan. Since military action was unthinkable, the discussion turned to choices for further sanctions. As Robert Keohane notes, reliable and durable cooperation assumes that each party obtains comparable gains, but that the losses should be shared equally (Keohane 1986: 5). In 2011, representatives of the US Treasury Department were sent to Europe to convince the governments to introduce an embargo on Iranian oil and more severe restrictions on the Iranian central bank (Lohmann 2016: 943). To minimise the costs of those sanctions, representatives of the US, the EU, Saudi Arabia, Australia, Japan, and South Korea held a meeting in Rome on December 11, 2011, to agree on the necessary measures to persuade Iran to restart negotiations. The US persuaded the Saudi diplomats to produce more oil to compensate for a possible EU oil embargo (Van de Graaf 2013: 155). However, it was still difficult for the EU to make a decision during the financial crisis, as European countries (especially from the South) were very much reliant on Iranian oil. Also, substantial Europe-based companies, like Royal Dutch Shell and Total, were linked with Iran through significant investments and contracts (Metelitsa and Asghedom 2015). Still, it was clear that the European governments would not defend corporate interests this time. The idea of Western cooperation proved to be crucial (Therme 2016: 148). Therefore, companies had to accept that the imposition of sanctions served vital national interests and, ultimately, it would be profitable for their business.

The constant threat of the US's secondary sanctions against companies operating in Iran was another significant factor of the EU policy, but it also influenced the other states' attitude to do business with Tehran. They had to consider the threat of

2 In the resolution, the leading role of EU HR in the negotiations is underlined in point 33.: "(UNSC) encourages the High Representative of the European Union for Foreign Affairs and Security Policy to continue communication with Iran in support of political and diplomatic efforts to find a negotiated solution, including relevant proposals by China, France, Germany, the Russian Federation, the United Kingdom and the United States with a view to create necessary conditions for resuming talks, and encourages Iran to respond positively to such proposals" (Security Council Imposes Additional Sanctions 2010).

penalties for not complying with specific US and EU prohibitions. Each country followed its fundamental national interests, but none could ignore the Western pressure. In 2012, Obama signed the National Defense Authorization Act to prevent transactions by foreign financial institutions with Iran's central bank, which severely affected the importers of Iranian oil. Soon after, the EU sanctions affected Iranian transportation and shipbuilding services, oil and gas technology, and investments in the petrochemical industry. The ban on insuring Iranian oil shipments (in this sector, the predominance of British companies was noticeable) was introduced. They also cut Iran off from the SWIFT banking network. The EU also decided to place an embargo on Iranian oil and natural gas, on petrochemical equipment and technology, and financial investments in this sector. Moreover, the European assets of the Central Bank of Iran (CBI) were frozen, and trade in gold and other precious materials between Europe and the CBI was banned. Travel bans on 490 entities and 150 individuals connected with the Iranian nuclear programme were also introduced (Adebahr 2014). The European and American restrictions reinforced each other. The partners had a dominant position in the sanctioned spheres; hence, their cooperation strengthened the overall effectiveness of the sanctions (Van de Graaf 2013). They have severely affected the Iranian economy, and the demanding situation had been aggravated by the government's involvement in the conflict in Syria. Unemployment was rising among young people, and the internal opposition was strengthened. This made the authorities in Tehran more willing to compromise (Hurst 2016).

The JCPOA and the process of lifting sanctions

Following the two-track approach, the P5+1 tried to work out a comprehensive deal with Tehran. It is worth underlining that this was a European idea, although it was the transatlantic cooperation that enabled this alternative. However, it was not ideal. Richard Nephew, who served as the main sanctions expert for the U.S. team negotiating with Iran from August 2013 to December, claimed the Europeans were anxious that the US wanted to reduce their share of the Iranian market by restoring trade relations with Tehran after the lifting of the sanctions. They considered it the main reason behind the pressure on European financial institutions. The Americans denied it, but distrust on this matter remained (Nephew 2018: 106).

Additionally, without consulting its European allies, from 2011, US diplomats conducted secret talks with Iranian representatives to establish the basic terms of a future agreement. They wanted to overcome the deadlock in the negotiations and to work out a deal in which “Iran would accept restrictions on its nuclear programme and transparency provisions that went beyond its existing legal obligations under the NPT, in exchange for a relaxation of the US and other international sanctions” (Nephew 2018: 121-2). They ensured the US acceptance of Iran’s enrichment of uranium for non-military purposes and worked out an outline for the future agreement. The agreement was ready in June 2013 (Jessen 2017).

Three factors can explain the secret character of the US-Iranian negotiations. First, during the P5+1 meetings, the divergences between France and the United States became apparent. The Americans applied pressure to conclude the negotiations by the end of March 2015, but French diplomats expressed the opinion that the provisions of the agreement were imprecise and not severe enough to prevent Iran from developing a military dimension to its nuclear programme.³ Joseph Bahout and Benjamin Haddad argue that this position was also because France felt marginalised when the separate US–Iranian meetings came to light (Bahout and Haddad 2015). Second, Obama’s administration wanted to conclude the agreement with Iran before the end of the President’s second term of office. The confrontational approach of the Republican majority in the US Congress, which wanted to jeopardise the agreement, was considered. The American diplomats have also been anxious about the need to compromise with the postulates of China and Russia. The election of Iranian President Hassan Rouhani, who was recognised as a moderate reformer, in June 2013, created more opportunities to shape an agreement that could be accepted by all parties.⁴ It led to the suspension of the first round of sanctions following the interim agreement negotiated in Geneva in November 2013 (Joint Plan of Action 2013). Subsequently, intensive negotiations took place in which the EU officials of the EEAS (*European External Action Service*) chaired and coordinated the central meetings of the politicians

- 3 One French diplomat concluded, “We spent more than 10 years talking, slowly setting the architecture of sanctions, of pressure, and defining principles of negotiations. Once we dismantle this, it won’t come back up. So we better get the best possible deal” (Bahout and Haddad 2015).
- 4 Hassan Rouhani was the chief Iranian negotiator with the EU-3 in 2003 and 2004 in talks, which led to concluding the Paris Agreement.

and experts, and were active in shaping the provisions of the final agreement (Jessen 2017).

On 14 July 2015, the P5+1, the EU HR, and Iran signed the JCPOA. Iran agreed to reduce by two-thirds its installed centrifuges, not to enrich uranium over a certain level during 15 years, and to reduce its existing stockpile. The IAEA must have regular access to all of Iran's nuclear facilities to monitor the country's compliance with the agreement. The JCPOA includes the assurance that the US and EU sanctions related to the nuclear programme will be lifted, as well as all UNSC resolutions concerning this issue. The condition was the fulfilment of the obligations by Iran. Before the implementation of the agreement, the UN, the EU, and the US coordinated the necessary work to lift sanctions. The Transatlantic Business Council, along with the American Chamber of Commerce for the EU, held a roundtable on the matter, and they discussed the procedures with EU and US officials. The guidelines were published jointly on Implementation Day, January 16, 2016 (Geranmayeh 2016). On that day, the IAEA stated that Iran had implemented all the required measures. Thus, the process of lifting the sanctions began. Obama signed an Executive Order revoking sanctions against Iran for pursuing a nuclear weapons programme. Moreover, the EU and the UNSC lifted most of their sanctions (Trans-Atlantic Business Council, 2016).⁵

However, US sanctions on Iran for terrorism, human rights abuses, and ballistic missiles remained in place. Because of this, it was not assured that the non-US citizens and companies who conduct business with still-sanctioned Iranian entities would avoid American penalties. It is particularly confusing for financial institutions, which could lose "their correspondent account with US banks" (The Iran nuclear deal 2015).

Trump's retreat from "effective multilateralism"

Donald Trump, who won the presidential election in

5 The EU lifted its oil and gas embargo, sanctions on financial and banking transactions, and removed certain (but not all) individuals and entities from the list of those sanctioned. The arms embargo and restrictions on the transfer of ballistic missiles have remained in place for eight years. UNSC sanctions on conventional weapons that were linked to Iran's nuclear activities will remain in place for five years, while those on Iran's missile program related to nuclear activities expire in eight years (Joint Comprehensive Plan of Action 2015).

November 2016, called the deal “disastrous” and stated that he would re-negotiate it (Tharoor 2016). On 13 October 2017, Trump refused to certify Iran’s compliance with the JCPOA; however, the IAEA and the other P5+1 countries expressed a different opinion. In a statement released the same day, the EU foreign ministers “encouraged the US to maintain its commitment to the JCPOA” (EU Statement 2017). EU officials undertook diplomatic actions to convince Congress not to break the deal, offering in return closer cooperation to hinder Iran’s activities in the Middle East and to stop its ballistic missile tests. The EU was ready to cooperate with the US to work out a supplemental agreement to the JCPOA about those issues (Rozen 2017). It seemed to be fruitful, as the deadline passed on December 12, 2017, and Congress had not taken any action. However, the EU’s diplomatic success was only temporary. On May 8, 2018, Trump declared the termination of the fulfilment of obligations of the JCPOA and re-imposed all sanctions against Iran. The EU declared a continuous commitment to the agreement (Katzman and Kerr and Heitshusen 2018). Iran had expected that the EU would bypass the EU’s financial system and pay for Iranian oil in euro to Iran’s central bank, and that the earlier investments would remain in place and new ones would flow in. However, after Trump’s announcement, some major European companies signalled that they might withdraw from Iran (Carbonnel 2018). Thus, the European Commission decided to implement the so-called Blocking Statute, which aims to protect firms that would not yield to the US’s sanction regime and continue their activities in Iran. It also pledged to enhance its cooperation with Iran (European Commission acts to protect 2018).⁶ However, without the US’s support, it may not be enough to keep Iran in the JCPOA, and a common front on this issue with China and Russia may be harmful to transatlantic relations, already severely impaired. The EU engaged in all areas of implementing the JCPOA: lifting sanctions, verification, and civil nuclear cooperation. In 2015, The EU’s “Iran Task Force” launched programmes on cooperating on nuclear safety, energy, educational exchanges, enhancing trade, and investments (Windt 2017). In 2016, EU imports from Iran increased by 344.8 per cent, and EU exports increased by 27.8 per cent. The volume of FDI also grew, and big EU multinational

6 During her visit in Tehran in April 2016, Mogherini announced cooperation in numerous fields, including “economic relations, energy, environment, migration, drugs, humanitarian aid, transport, civil protection, science, and civil nuclear cooperation, as well as culture” (EU high-level delegation 2016).

corporations, including Total, Shell, Vodafone, Siemens, and many others, announced their will to enhance their presence on the Iranian market (Cimino-Isaacs and Katzman 2017). Nevertheless, under intense pressure from the US Department of the Treasury, many corporations have withdrawn their investments from Iran. Additionally, SWIFT (a Belgian company), decided to remove Iranian banks from its system again. Most of all, the Europeans were disappointed because of the contempt shown by Trump to their long-lasting diplomatic efforts (Adebahr 2017). The “effective multilateralism” promoted by the EU helped to bring major world powers to the negotiating table, and the active coordination facilitated the consensus and implementation of the deal. However, the development of events from the beginning of Trump’s presidency has shown how fragile this consensus can be. Both sides were ready to re-introduce sanctions in case Iran violated JCPOA, but the lack of transatlantic unity has led to the devaluation of economic sanctions — the alternative to military action — as a tool of foreign policy.

The European governments and the EU authorities did not have many means to ease the outcomes of the American financial sanctions. However, on January 31, 2019, France, Germany, and the United Kingdom announced the launch of the Instrument in Support of Trade Exchanges (INSTEX). It opens a trade channel for European banks and for business with Iran, which was swamped by US sanctions. Thanks to INSTEX, Iranian exports to Europe can obtain credits that might be used to make purchases from European traders. It aims to supersede bank transfers, which might be subject to US sanctions (Rafati and Vaez 2019). This “special purpose vehicle” can be used mostly by small- and medium-sized firms that have no links to the US market. However, the project has not been brought into force yet (April 2019). It may be because of American pressure: although the US authorities stated it would not have a significant effect on their sanction policy, they condemned the European initiative, and the US sanctioned many European banks for maintaining transactions with Iran. Another factor that may undermine the European attachment to the JCPOA is the fact that the EU became more critical of the Iranian policy — notably connected with its ballistic missile programme and Tehran’s engagement in conflicts in Syria and Yemen (Peel 2019).

Relative gains after the JCPOA — causes of the disruption of the

US—EU sanction cooperation

The US withdrawal from the agreement was caused by the perception that none of the goals of the policy connected with the deal had been met. Initially, the EU was satisfied with their accomplishment.

Leaving aside the economic losses, we can try to estimate the relative gains of the JCPOA for the US and the EU, considering each side's priorities. According to the EU leaders, the most important common goal—curtailment of the Iranian military nuclear programme—was fulfilled. In July 2016, one year after signing the JCPOA, the IAEA verified that Iran had implemented the deal (Verification and Monitoring 2016). However, the US Congress criticism and the announced withdrawal from the JCPOA refutes the statement on the achieved goal. It is the main explanation of the current transatlantic drift. As far as the enhancement of security in the region is concerned, according to the US allies in the Middle East, the Iranians can easily conduct their military programme in secret, despite the IAEA controls, and re-launch it after the JCPOA terminates. Trump fully agreed with the standpoint of Saudi Arabia and Israel (Guzansky and Shapir 2015; Gause 2016). These two countries, together with Egypt, are perceived as crucial allies in Trump's strategy for the Middle East. Since the JCPOA was agreed upon, Iran has performed several missile tests, and their frequency increased in 2017 (Iran Missile Milestones 2017). The US responded by imposing a new set of sanctions against the responsible entities and individuals. However, the EU's High Representative for Common Foreign and Security Policy, Federica Mogherini, underlined that these actions could not be considered violations of the JCPOA. Nonetheless, she censured Iran for them (Sharafedin and Fioretti 2016).

During the negotiations on the JCPOA, the issue of cooperation on fighting ISIS was not officially raised, but there was hope for common informal activities. In September 2014, Iran's Supreme Leader, Ayatollah Ali Khamenei, stated that Iran would not join the American-led coalition. Anti-American rhetoric is still an essential factor in the legitimisation of the regime in Tehran (Esfandiary and Tabatabai 2015: 11). The EU did not conclude any agreement with Iran on this matter either (as Australia had done), but in the resolution of European Parliament, it was

indicated that “the EU and Iran face common enemies in the shape of ISIS/Da’esh (...); European Parliament welcomes Iran’s contribution to the fight against ISIS/Da’esh (...)” (Report on EU Strategy 2016).

As regards solving the problem of human rights violations in Iran, the efforts of both sides can be considered as a fiasco. The US and the EU continue to connect the sanctions with this issue, which means that they are not satisfied with the performance of the authorities in Tehran.

As far as restoring economic relations is concerned, we can state that the achievement of the US has been somewhat unthinkable. By contrast, the EU undertook the resilient efforts to restore them. However, most of the European companies that planned to open or re-open their business in Iran were also present in the American market, and they needed assurances that they would not be subjected to US sanctions. Furthermore, the Iranians were disappointed with the slow pace of regaining economic stabilisation, and they demanded the elimination of doubts about doing business in their country (Adebahr 2014). The discrepancies connected with the will and ability to obtain sound profits from economic cooperation with Iran significantly added to the fissure of the allies’ cooperation.

The EU countries were satisfied with the JCPOA as far as the priority issue in relation to Iran was concerned. Their main anxiety related to the US standpoint. The fact that the US did not substantially complete any of its goals caused dissatisfaction. However, we must acknowledge the fact that the primary condition of any positive outcome from the JCPOA is Iran’s compliance with the rules of the agreement. If this stipulation was not fulfilled, it would be difficult to observe any gains at all.

Concluding remarks

The theoretical approaches help to understand the gains and difficulties, the opportunities, and the barriers to the collective relations of the partners in the policy toward Iran. That framework was useful for creating a full picture of the cooperation between the allies.

Referring to Keohane’s definition of cooperation, the EU was the

partner who adjusted its strategy to the preferences of the US. It occurred due to America's economic pressure on European enterprises. The curtailment of their activities in Iran facilitated the EU's decision to impose severe sanctions and coordinate them with the US plans. This change in the EU's policy was an example of the successful employment of the financial weapon, which was possible because of the US's hegemonic dominance in the global financial system. Additionally, the US shaped the rhetoric concerning Iran, portraying this state as a major threat to world peace. According to the elite theory, it deprived interest groups (i.e., Europe-based companies operating in Iran) of any lobbying power — the decision on sanctions was taken by particular governments and EU authorities. In this context, the determination of Barack Obama is also worth noting. Despite the reluctance of Congress and most of the public opinion, he continued negotiating and decided to sign the JCPOA. He imposed sanctions and then lifted them by executive orders to avoid a vote in Congress.

Nevertheless, the European countries also recognised the opportunities to accomplish their important goals: to eliminate the threat posed by the Iranian military nuclear programme and to ensure that economic relations could be conducted with Iran in the future, without the threat of US secondary sanctions. The Obama administration was able to continue the hard-line policy of George W. Bush, and thanks to the European engagement, the American diplomats had a considerable influence on the negotiations with Tehran.

As previously stated, just after concluding the JCPOA, it seemed that the EU countries had managed to obtain more benefits from the deal; however, it proved to be illusory because of the US's secondary sanctions policy, which constrained the engagement of European businesses in Iran. European hopes for any positive outcome of the cooperation with the US were summarily dashed after President Trump decided to withdraw from the JCPOA. Based on Axelrod's game theory, we can assume that confidence in the US's reliability as a trustworthy partner in foreign policy was shaken. It was harmful to the transatlantic alliance and its future common actions, notably in the case of coordinated sanctions.

As to whether the effectiveness of the sanctions through the cooperation has been enhanced, the answer is ambivalent. On

the one hand, the transatlantic partners managed to coerce Iran through isolating the country from international economic contacts. Together, they were successfully able to discourage the “black knights.” On the other hand, Trump’s renouncement of the JCPOA brought many negative consequences and undermined the previous common effort. What is more, the deteriorating economic situation in Iran has weakened the position of the political forces which were open to a dialogue with the West. The Iranian conclusion that the agreement was a mistake could be disastrous for regional security. It would also constrict attempts at Iranian-Western negotiations in the future, if not make both sides unwilling to take part at all.

Since the Iranian government has always perceived the US as its main adversary (and vice versa), and the US has maintained sanctions against Tehran for over 30 years, the US is widely recognised as the main initiator and manager of the economic restraints. Neither the Americans nor the Europeans were able to achieve any significant outcomes vis-à-vis sanctions against Iran alone. Cornelius Adebahr noted that during the whole course of negotiations, the EU HR was the “main contact point with regard to the nuclear file” for all other parties of the dialogue (Adebahr 2017). Negotiations were possible due to the cooperation of European countries (as well as the position of Russia and China in the framework of P5+1). “Effective multilateralism” based on UN rules, was also a vital component of the EU’s foreign policy, and it was also significant in the US strategy during the presidency of Obama (Léonard and Kaunert 2012: 473; Jentleson 2013: 99). However, it must be remembered that bilateral negotiations between the US and Iran also took place. As the divergences between these two states were the major obstacle to the agreement, their weight should not be underestimated. While it could be interpreted as a US success, it is doubtful it could have been achieved without comprehensive European support. Even though one may assume the US’s engagement of the EU was only instrumental, it was efficient as far as the JCPOA is concerned. The US wanted to achieve more, but for the European countries, the deal was the maximum gain.

In the context of Trump’s policy, the EU is worried about the extraterritoriality of US sanctions, and the Americans are concerned that the allies will be reluctant to impose them again if the deal is violated. They are afraid that the re-establishment

of economic relations would cause the Europeans to treat any Iranian misbehaviour as falling short of a breach of the agreement. It is worth noting that, paradoxically, American policy could strengthen Iranian conservatives and weaken the position of President Rouhani. If he is not able to fulfil his promise that the Iranian economy will recover after the lifting of sanctions, he will be confirming the predictions of the Iranian opponents of the JCPOA (Jentleson 2013). The Americans were not very willing to improve economic relations with Iran; for them, security matters are far more critical. In Washington, the possibility of Iranian hegemony in the region is perceived as a severe threat. These differences in perceiving the problem on both sides of the Atlantic after the US withdrawal from the deal led to a return to the situation in the 1990s when the EU used diplomatic negotiations, and the US preferred hard power tools, which proved to be an ineffective strategy. Trump's policy provoked a power struggle, which is harmful to the transatlantic alliance. Iran could take advantage of these divergences and choose not to obey the regulations of the JCPOA. In the current circumstances, the previous joint action that led to the JCPOA might turn out to have been a significant failure and a waste of time and money.

Bibliography:

- Adebahr, C., 2014. Easing EU Sanctions on Iran. Carnegie Endowment for International Peace. Available at: <http://carnegieendowment.org/2014/06/16/easing-eu-sanctions-on-iran-pub-55955> [accessed 13 January 2017].
- Adebahr, C., 2017. *Europe and Iran: The Nuclear Deal and Beyond*. Oxon: Routledge.
- Askari, H. and Forrer, J. and Teegen, H. and Yang, J., eds., 2003. *Economic sanctions: examining their philosophy and efficacy*. Westport: Praeger Publishers.
- Axelrod, R., 1984. *The Evolution of Cooperation*. New York: Basic Books.
- Bahout, J. and Haddad, B., 2015. How France became an Iran hawk. Carnegie Endowment for International Peace. Available at: <http://carnegieendowment.org/2015/03/30/how-france-became-iran-hawk/i56y> [accessed 5 April 2017].
- Baldwin, D.A., 2003. Prolegomena to thinking about economic sanctions and free trade. *Chicago Journal of International Law*, 4(2): 271-281.
- Bapat, N. A. and Morgan, T. C., 2009. Multilateral versus

- unilateral sanctions reconsidered: a test using new data. *International Studies Quarterly*, 53(4): 1075-1094.
- Barber, J., 1979. Economic Sanctions as a Policy Instrument. *International Affairs*, 55(3): 367-384.
- Borzyskowski von, I. and Portela, C., 2016. Piling on: The Rise of Sanctions Cooperation between Regional Organizations, the United States, and the EU, *KFG Working Paper Series*. Available at: https://ink.library.smu.edu.sg/cgi/viewcontent.cgi?article=3131&context=soss_research [accessed 14 May 2016].
- Calabresi, M., 2015. Iran Trades Nuclear Standoff for Regional Clout. *The Time*, 27 July. pp. 20-5.
- Carbonnel, A., 2018. Iran says Europe's support for nuclear deal not enough. Reuters, 20 May. Available at: <https://www.reuters.com/article/us-iran-nuclear-zarif/iran-says-europes-support-for-nuclear-deal-not-enough-idUSKCN1I10K0> [accessed 22 May 2018].
- Cimino-Isaacs, C.D. and Katzman, K., 2017. Doing Business with Iran: EU-Iran Trade and Investment Relations. *CRS Insight*, 25 October. Available at: <https://fas.org/sgp/crs/row/IN10809.pdf> [accessed 13 February 2018].
- Communication dated 26 November 2004 received from the Permanent Representatives of France, Germany, the Islamic Republic of Iran, and the United Kingdom concerning the agreement signed in Paris on 15 November, 26 November 2004. International Atomic Energy Agency. Available at: <https://www.iaea.org/sites/default/files/publications/documents/infcircs/2004/infcirc637.pdf>. [accessed 20 May 2017].
- Council Decision Relating to the Position of the European Union for the 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons. EUR-Lex, 29 March 2010. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010D0212> [accessed 5 January 2018].
- EU Strategy against Proliferation of Weapons of Mass Destruction. Council of the European Union. 10 December 2003. Available at: https://eeas.europa.eu/sites/eeas/files/st_15708_2003_init_en.pdf [accessed 17 November 2017].
- Cronberg, T., 2017. No EU, no Iran deal: the EU's choice between multilateralism and the transatlantic link. *The Nonproliferation Review*, 24 (3-4): 243-259.
- De Galbert, S., 2015. Back to the Future. Europe, the United States, and Iran Sanctions after the Nuclear Deal. *Centre for*

- Strategic & International Studies*. Available at: <https://www.csis.org/analysis/back-future> [accessed 22 April 2017].
- Dehghan S.K., and Butt, R., 2011. Britain Withdraws Diplomats from Iran after Embassy Attack. *The Guardian*, 30 November. Available at: <https://www.theguardian.com/world/2011/nov/30/britain-withdraws-diplomats-iran> [accessed 11 October 2016].
- Drezner, D.W., 2000. Bargaining, enforcement, and multilateral sanctions: When is cooperation counterproductive?. *International Organization*, 54 (1): 73-102.
- Drezner, D.W., 2000a. *The Sanctions Paradox: Economic Statecraft and International Relations*. Cambridge: Cambridge University Press.
- Dupont, P.-E., 2010. The EU-Iran Dialogue in the context of the ongoing nuclear crisis, *The Central European Journal of International and Security Studies*, 3 (1). Available at: <http://www.cejiss.org/issue-detail/the-eu-iran-dialogue-in-the-context-of-the-ongoing-nuclear-crisis> [accessed 14 May 2016].
- Esfandiary, D. and Tabatabai, A. (2015). Iran's ISIS Policy. *International Affairs*, 91(1). pp. 1-15.
- EU high-level delegation of HR/VP Federica Mogherini and EU Commissioners to visit Iran. European Commission. 13 April 2016. Available at: http://europa.eu/rapid/press-release_IP-16-1366_en.htm [accessed 13 February 2018].
- EU restrictive measures against Iran, 2019. Council of the European Union. Available at: <http://www.consilium.europa.eu/en/policies/sanctions/iran/> [accessed 3 February 2018].
- EU Statement on the Joint Comprehensive Plan of Action Council of the European Union. Available at: <http://www.consilium.europa.eu/en/press/press-releases/2017/10/16/iran-nuclear-deal-eu-jcpoa/> [accessed 22 February 2018].
- European Commission acts to protect the interests of EU companies investing in Iran as part of the EU's continued commitment to the Joint Comprehensive Plan of Action. The European Commission. 18 May 2018. Available at: http://europa.eu/rapid/press-release_IP-18-3861_en.htm [accessed 22 May 2018].
- European Security Strategy: A Secure Europe in a Better World, 12 December 2003. European Union. Available at: <https://europa.eu/globalstrategy/en/european-security-strategy-secure-europe-better-world> [accessed 17 November 2017].

- Gause, F.G., 2016. The Future of U.S.-Saudi Relations. The Kingdom and the Power. *Foreign Affairs*, 95(4): 114-126.
- Geranmayeh, E., 2016. Iran Deal Implementation Day: How it Works. European Council on Foreign Relations. Available at: http://www.ecfr.eu/article/commentary_implementation_day_an_explainer5064 [accessed 23 May 2016].
- Giumelli, F., 2003. *The Success of Sanctions. Lessons Learned from the EU Experience*. Farnham: Routledge.
- Giumelli, F., 2011. *Coercing, Constraining and Signalling. Explaining UN and EU Sanctions After the End of the Cold War*. Colchester: ECPR Press.
- Gowa, J., 1986. Anarchy, egoism, and third images: The evolution of cooperation and international relations. *International Organization*, 40(1): 167-186.
- Grieco, J., 1990. *Cooperation among Nations*. Ithaca: Cornell University Press.
- Guzansky, Y. and Shapir, Y.S., 2015. Iran Goes Ballistic. *Middle East Quarterly*, 22(1). Available at: <https://www.inss.org.il/wpcontent/uploads/sites/2/systemfiles/Iran%20goes%20ballistic%20-%20Guzansky%20and%20Shapir%20in%20The%20Middle%20East%20Quarterly.pdf> {accessed 30 March 2016}.
- Halliday, F., 2006. Iran's Regional and Strategic Interests. In: Posch, W. (ed.) *Iranian Challenges*, Institute for Security Studies, Chaillot Papers (89). pp. 59-71. Available at: <https://www.iss.europa.eu/sites/default/files/EUISSFiles/cp089.pdf> [accessed 3 February 2018].
- Heradstveit, D. and Bonham, G. M., 2007. What the Axis of Evil Metaphor Did to Iran. *Middle East Journal*, 61(3): 421-40.
- Hurst, S., 2016. The Iranian Nuclear Negotiations as a Two-Level Game: The Importance of Domestic Politics. *Diplomacy & Statecraft*, 27(3): 552.
- Iran — Historical Trends, 2018. Gallup. Available at: <http://news.gallup.com/poll/116236/iran.aspx> [accessed 7 February 2018].
- Iran Missile Milestones, 2017. Available at: <http://www.iranwatch.org/our-publications/weapon-program-background-report/iran-missile-milestones-1985-2017> [accessed 13 February 2018].
- Jentleson, B.W., 2013. Effective Multilateralism: A US Perspective. In: Prantl, J. (ed.) *Effective multilateralism: through the looking glass of East Asia*. New York: Palgrave Macmillan.

- Jessen, E., 2017. European diplomacy in the Iran nuclear negotiations: what impact did it have?. College of Europe, Department of European Political and Governance Studies. *Bruges Political Research Papers 61*. Available at: https://www.coleurope.eu/system/files_force/research-paper/wp61_jessen.pdf [accessed 15 January 2018].
- Joint Comprehensive Plan of Action, 2015. Available at: http://eeas.europa.eu/statements-eeas/docs/iran_agreement/iran_joint-comprehensive-plan-of-action_en.pdf [accessed 13 December 2016].
- Joint Plan of Action, 2013. Geneva, 24 November. Available at: http://www.isisnucleariran.org/assets/pdf/Joint_plan_24Nov2013.pdf [accessed 12 April 2017].
- Jones, L. and Portela, C., 2014. Evaluating the "Success" of International Economic Sanctions: Multiple Goals, Interpretive Methods and Critique. *Research Collection School of Social Sciences*. Available at: http://ink.library.smu.edu.sg/cgi/viewcontent.cgi?article=2928&context=soss_research [accessed 17 November 2017].
- Katzman, K. and Kerr, P.K. and Heitshusen, V., 2018. U.S. Decision to Cease Implementing the Iran Nuclear Agreement. Congressional Research Service, Available at: <https://fas.org/sgp/crs/nuke/R44942.pdf> [accessed 10 May 2018].
- Kaussler, B., 2014. *Iran's Nuclear Diplomacy: Power Politics and Conflict Resolution*. Oxon: Routledge.
- Keohane, R.O., 1984. *After hegemony. Cooperation and discord in the global political economy*. Princeton: Princeton University Press.
- Keohane, R.O., 1986. Reciprocity in International Relations. *International Organization*, 40(1): 1-27.
- Keohane, R.O., Nye, J., 1977. *Power and interdependence: world politics in transition*. Boston: Little, Brown & Company.
- Kogan, E.B., 2015. Economic Incentives and Pressure in Nuclear Negotiations with Iran. In *Reintegrating Iran with the West: Challenges and Opportunities. International Business and Management 3*. Emerald Group Publishing Limited: 91-105.
- Krasner, S.D., 1983. Structural Causes and Regime Consequences: Regimes and Intervening Variables. In: Krasner, S.D., ed. *International Regimes*. Ithaca: Cornell University Press. pp.1-22.
- Léonard S. and Kaunert C., 2012. Between a Rock and a Hard Place?: The European Union's Financial Sanctions against Suspected Terrorists, Multilateralism and Human Rights.

- Cooperation and Conflict*, 47(4): 473-479.
- Litwak, R.S., 2000. *Rogue States and US Foreign Policy: containment after the Cold War*. Washington: Woodrow Wilson Center Press.
- Lohmann, S., 2016. The convergence of transatlantic sanction policy against Iran. *Cambridge Review of International Affairs*, 29 (3): 930-951.
- Mansfield, E.D., 1995. International institutions and economic sanctions. *World Politics*, 47(4): 575—605.
- Martin, G., 2015. European diplomacy and the Iranian nuclear negotiations. The European Institute. Available at: <http://www.europeaninstitute.org/index.php/252-european-affairs/ea-may-2015/2066-auto-generate-from-title> [accessed 6 March 2018].
- Martin, L.L., 1992. Institutions and cooperation: sanctions during the Falkland Islands conflict. *International Security*, 16(4): 143-178.
- Mason, R., 2015. *Foreign Policy in Iran and Saudi Arabia. Economics and diplomacy in the Middle East*. London: I.B.Tauris.
- Meier, O., European Efforts to Solve the Conflict over Iran's Nuclear Programme: How has the European Union performed? Available at: <https://www.nonproliferation.eu/web/documents/nonproliferationpapers/olivermeier51191b5bdb350.pdf> [accessed 22 April 2017].
- Metelitsa, A. and Asghedom, A., 2015. Under Sanctions, Iran's Crude Oil Exports Have Nearly Halved in Three Years. US Energy Information Administration. 24 June 2015. Available at: <http://www.eia.gov/todayinenergy/detail.cfm?id=21792> [accessed 25 March 2016].
- Milner, H., 1992. International theories of cooperation among nations. Strengths and weaknesses. *World Politics*, 44(3): 466-496.
- Moravcsik, A., 1997. Taking preferences seriously: a liberal theory of international politics. *International Organization*, 51(4): 513-553.
- National Security Strategy, 2010. The White House, 27 May 2010. Available at: <http://nssarchive.us/national-security-strategy-2010/> [accessed 8 March 2017].
- Nephew, R., 2018. *The art of sanctions. The view from the field*. New York: Columbia University Press.
- Pape, R.A., 1997. Why economic sanctions do not work?. *International Security*, 22(2): 90-136.
- Patterson, R., 2013. EU Sanctions on Iran: the European

- Political Context. *Middle East Policy*, 20(1): 135-146.
- Peel, M., 2019. Can Europe's new financial channel save the Iran nuclear deal?. *The Financial Times*, 4 February.
- Pieper, M., 2017. The transatlantic dialogue on Iran: the European subaltern and hegemonic constraints in the implementation of the 2015 nuclear agreement with Iran. *European Security*, 26(1): 99-119.
- Pierini, M., 2016. In Search of an EU Role in the Syrian War. *Carnegie Endowment for International Peace*. Available at: http://carnegieendowment.org/files/CP_284_Pierini_Syria_Final.pdf [accessed 22 May 2017].
- Powell, R., 1991. Absolute and Relative Gains in International Relations Theory. *The American Political Science Review*, 85(4): 1303-1320.
- Rafati N. and Vaez, A., 2019. Europe Tests the Boundaries on Iran. *Foreign Affairs*, 4 February. Available at: <https://www.foreignaffairs.com/articles/iran/2019-02-04/europe-tests-boundaries-iran> [accessed 3 March 2019].
- Report on EU Strategy towards Iran after the Nuclear Agreement. European Parliament. 12 October 2016. Available at: <http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A8-2016-0286&language=EN> [accessed 16 November 2017].
- Roudsari, S.A., 2007. Talking Away the Crisis? The E3/EU-Iran Negotiations on Nuclear Issues. College of Europe, Department of EU International Relations and Diplomacy Studies, EU Diplomacy Papers 6/2007. Available at: https://www.coleurope.eu/system/files...paper/edp_6-2007_arfazadehroudsari.pdf [accessed 15 January 2018].
- Rozen, L., 2017. Europeans Help Sway Congress to Punt on Legislation that Could Kill Iran Deal. *Al-Monitor*, 12 December. Available at: <https://www.al-monitor.com/pulse/originals/2017/12/europe-lobbying-iran-deal-congress-jcpoa.html> [accessed 22 February 2018].
- Sauer, T., 2007. Coercive diplomacy by the EU: The case of Iran. Discussion Papers in Diplomacy. Netherlands Institute of International Relations "Clingendael". Available at: https://www.clingendael.org/sites/default/files/pdfs/20070100_cdsp_diplomacy_sauer.pdf [accessed 19 March 2017].
- Security Council Imposes Additional Sanctions on Iran Voting 12 in Favour to 2 Against, with 1 Abstention'. United Nations Organization. 9 June 2010). Available at: <http://www.un.org/press/en/2010/sc9948.doc.htm> [accessed 13 January 2017].

- Sharafedin, B. and Fioretti J., 2016. Iran Seeks EU Leverage to Get Financial Concessions from US. *Reuters*, April 17. Available at: <http://www.reuters.com/article/us-iran-nuclear-usa-idUSKCN0XD0E3> [accessed 13 February 2018].
- Shared Values. Liaison Office in Washington. Available at: <http://www.europarl.europa.eu/unitedstates/en/eu-us-relations/shared-values> [accessed 12 April 2019].
- Starr, J. and Ighani, H., 2016. Timeline of US Sanctions. United States Institute of Peace. Available at: <http://iranprimer.usip.org/resource/timeline-us-sanctions> [accessed 23 February 2017].
- Tharoor, I., 2016. Donald Trump is right about tearing up the Iran deal — says a leading Iranian hard-liner. *The Washington Post*, 4 April. Available at: https://www.washingtonpost.com/news/worldviews/wp/2016/04/04/donald-trump-is-right-about-tearing-up-the-iran-deal-says-a-leading-iranian-hard-liner/?noredirect=on&utm_term=.9db3504d7ce3 [accessed 17 March 2017].
- The Iran nuclear deal: what you need to know about the JCPOA. Information sheet, 2015. White House. Available at: https://www.whitehouse.gov/sites/default/files/docs/jcpoa_what_you_need_to_know.pdf [accessed 23 May 2017].
- The New Transatlantic Agenda, December 1995. Available at: http://www.europarl.europa.eu/cmsdata/124321/new_transatlantic_agenda_en.pdf [accessed 17 February 2016].
- Therme, C., 2016. Iran and Iraq: between reconstruction and containment. In Gsthöhl S. and Lannon E. (eds.) *The neighbours of the European Union's neighbours: diplomatic and geopolitical dimension beyond the European Neighbourhood Policy*. London-New York: Routledge.
- Trans-Atlantic Business Council, 2016. The Timing/Guidelines was agreed: Trans-Atlantic Business Council roundtable discussion: US-EU cooperation on sanctions in the JCPOA agreement with Iran and the US and EU sanctions guidelines. Available at: <http://www.transatlanticbusiness.org/events/roundtable-discussion-u-s-eu-cooperation-on-sanctions-in-the-jcpoa-agreement-with-iran-and-the-u-s-and-eu-sanctions-guidelines> [accessed 23 May 2016].
- UN Documents for Iran: Security Council Resolutions, 2007, 2008. Available at: https://www.securitycouncilreport.org/un_documents_type/security-council-resolutions/?ctype=Iran&cbtype=iran [accessed 23 September 2019].
- US Policy towards Iran, 2013. Testimony of Wendy Sherman, Under Secretary for Political Affairs, Written Statement

- before the Senate Foreign Relations Committee. U.S. Department of State, 15 May 2013. Available at: <https://2009-2017.state.gov/p/us/rm/2013/202684.html> [accessed 22 May 2017].
- Van Bergeijk, P. A. G., 1994. *Economic diplomacy, trade, and commercial policy: positive and negative sanctions in a New World*. Aldershot: Edward Elgar.
- Van de Graaf, T., 2013. The "Oil Weapon" Reversed? Sanctions against Iran and US - EU Structural Power. *Middle East Policy*, 20(3): 145-163.
- Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council Resolution 2231. International Atomic Energy Agency. 16 June 2016. Available at: <https://www.iaea.org/sites/default/files/16/06/gov2016-23.pdf> [accessed 22 April 2017].
- Viotti, P.R., and Kauppi, M. V., 2012. *International relations theory*. Boston: Longman.
- Haas, P., 1990. *Saving the Mediterranean*. New York: Columbia University Press.
- Waltz, K., 1959. *Man, the State, and War*. New York: Columbia University Press.
- Webb, M.C. and Krasner S.D., 1989. Hegemonic stability theory: An empirical assessment. *Review of International Studies*, 15(2): 183-198.
- Windt, A., 2017. The Participation of the EU in the Negotiation and Implementation of the Iran Nuclear Agreement. EU Non-Proliferation Consortium, Peace Research Institute Frankfurt. Available at: <https://www.nonproliferation.eu/web/documents/other/the-participation-of-the-eu-in-the-negotiation-and-604.pdf> [accessed 20 January 2018].
- Youngs, R., 2006. *Europe and the Middle East — in the Shadow of September 11*. Boulder: Lynne Rienner Publishers.