

"The confrontation between the U.S. and Iran in West Asia could snowball with damaging economic consequences."

On July 7, Iran announced that it would begin enriching uranium above a concentration of 3.67% permitted under the nuclear deal, known as the Joint Comprehensive Plan of Action (JCPOA), reached by Iran and the P5+1 (China, France, Germany, Russia, the United Kingdom, and the United States) on July 14, 2015.

This followed its July 1 announcement that it had breached the limit of the 300 kg of enriched uranium stockpile that was allowed by the JCPOA. It appears Iran's patience is wearing out.

These steps come in the wake of increasing tensions between the U.S. and Iran following the shooting down of an unmanned U.S. drone over the Strait of Hormuz in June. The circumstances surrounding this event and the locale of the downing are contested. However, it led to the U.S. President, Donald Trump, first ordering a retaliatory strike on Iran and then rescinding it at the last minute. It is possible that had this strike taken place it would have become the first act in a major military confrontation between the U.S. and Iran.

The mayhem could have spread to the entire West Asian region with Iran attacking strategic American, Saudi and Emirati targets around the Gulf and attempting to block the Strait of Hormuz in an effort to choke off the supply of Gulf oil to the international market. Further, Iranian allies in Lebanon, Iraq and Syria might have launched attacks against American troop concentrations as well as against U.S. ally Israel, thus inviting further American and Israeli counter-retaliation and dragging the U.S. into its third major war in the region.

The downward spiral in U.S.-Iran relations started with Mr. Trump's decision (announced in May 2018) to withdraw from the JCPOA against the advice of the U.S.'s European allies France, Germany, and the U.K. that are parties to the deal. The Trump administration followed it up with the re-imposition of stringent economic sanctions against Iran that were being gradually dismantled following the 2015 nuclear deal. These included sanctions against foreign companies doing business with Iran and against countries buying Iranian oil.

List of demands

Finally, the U.S. announced in April this year that it would not extend waivers granted earlier to eight countries (China, India, Japan, South Korea, Taiwan, Turkey, Italy and Greece) which had been the largest importers of Iranian oil. This decision was aimed at totally choking off the export of Iranian oil — the primary foreign exchange earner for Tehran — in order to bring Iran to its knees and force it to accept American demands spelt out by U.S. Secretary of State, Mike Pompeo. These included further curbs on Iran's nuclear programme including total stoppage of uranium enrichment even at low levels permitted by the JCPOA and monitored by the International Atomic Energy Agency.

Further, Mr. Pompeo demanded that Iran stop all support to Hezbollah and Hamas which the U.S. considers to be "terrorist" groups, permit the disarming of Shia militias in Iraq, and stop aiding Houthis in Yemen fighting Saudi and Emirati forces in that country. Above all, Mr. Pompeo demanded that Iran end building of ballistic missiles and halt further launching or development of nuclear-capable missile systems.

All these demands went far beyond the limits placed on Iran by the JCPOA and most were unrelated to Iran's nuclear programme. Iran's government rejected these demands while still keeping the door open for negotiations, hoping against hope to draw the U.S. back into the nuclear deal. However, persisting and escalating moves by the U.S. during the past year now seem to have made it impossible for Tehran to simultaneously maintain the contradictory position of resisting American demands while continuing to comply with restrictions imposed on its nuclear programme by the JCPOA.

The stance of Iran's Hassan Rouhani government became increasingly untenable in the light of recent American actions. The latter provided the hardline opposition in Iran, composed of right-wing factions and the Islamic Revolutionary Guard Corps, the opportunity to attack the government for conforming to an agreement that had been rejected by the U.S. and that had provided no economic relief to the Iranian people, the primary selling point in favour of the JCPOA. Moreover, the Iranian Supreme Leader, Ayatollah Ali Khamenei, whose support for the JCPOA was crucial, has for all practical purposes withdrawn his endorsement of the agreement in turn leaving the duo of President Rouhani and Iran's Foreign Minister Mohammad Javad Zarif without any protective political cover.

Tit-for-tat measures

Therefore, the Iranian government, in order to maintain its standing with the populace, has been left with no option but to undertake tit-for-tat measures, further heightening the political temperature in the Persian Gulf. This has turned the U.S.-Iran standoff into a game of chicken in which either one of the parties to the game blinks and concedes victory to the other or a "crash" becomes inevitable. The American-Iranian confrontation seems to be inexorably heading towards the latter outcome. If taken to its logical conclusion this scenario can turn out to be catastrophic for the entire West Asian region as well as for the international economy. Oil supplies from the Persian Gulf are likely to be greatly reduced if not totally eliminated sending oil prices sky-rocketing, especially threatening the vulnerable economies of the global South.

GS World Team...

Rising dispute between US-Iran

Why in the discussion?

- Recently, Iran violated the limits set for the production of enriched uranium in the 2015 nuclear deal and cautioned against counteracting Europe.
- Along with this, it is believed that Iran has stepped in to break the historic agreement with P5+1 and the European Union in 2015, during which the limit of uranium storage was fixed.
- Significantly, Iran has crossed the 300-kilogram limit on the basis of its plans announced in May.
- Behrouz Kamalvandi the spokesperson of Iran's Nuclear Energy Organization has announced to cross the limit (3.7%) and reach enrichment to (4.5%).

- Kamalwandi has indicated that the Islamic Republic may retain this level of enrichment for some time, which is far below the required 90% level for making a nuclear weapon.

Background

- The US had withdrawn itself from the nuclear deal last year and again imposed strong restrictions on Iran's important oil exports and financial transactions and other areas.
- Iran, who had announced an attempt to increase the pressure on its other partners to save the agreement, would not accept the limit imposed on the enriched uranium and heavy water reserves.
- He also threatened that he would not accept nuclear commitments until Britain, China, France, Germany



and Russia, the remaining partners of the agreement - do not get rid of these restrictions, especially with restrictions on the sale of oil.

- Under the deal in 2015, Iran has committed to keep an eye on the IAEA in return for not keeping a nuclear bomb, accepting the harsh restrictions imposed on its nuclear program and partial removal of international sanctions.

Hormuz Strait

- It is also known as the Ormuz Strait. It connects the Gulf of Persian to the Gulf of Oman and the Arabian Sea.
- It separates Iran from the Arabian peninsula and is 55 to 95 km wide.
- It is mainly located in Kisham, Hormuz and Henzam (Hengm) Island.
- Most of the crude oil exported from Saudi Arabia, Iran, UAE, Kuwait and Iraq are sent through this waterway.

Joint Comprehensive Plan of Action (JCPOA)

- An agreement was reached between Iran and P5 + 1 countries (US, China, UK, France, Russia and Germany) in 2015 to monitor Iran's nuclear program. It is known as the Vienna Agreement.
- According to this, Iran agreed to regular checkup of its nuclear plants to ensure that there is no work to build nuclear weapons.
- This agreement includes reducing Iran's refined uranium reserves by 96 percent and opening all its plants to international observers.
- Under this agreement, Iran had accepted the condition of reducing its nearly nine tonnes of enriched uranium reserves to 300 kg.
- The purpose of this agreement was to stop nuclear programs. In exchange for these conditions, the western countries had agreed to remove the economic sanctions imposed on Iran.

Expected Questions (Prelims Exams)

1. In the context of Hormuz Strait, consider the following statements-

- It connects the Gulf of Persia with the Gulf of Oman and Arabian Sea.
- Kishm and Henzum like islands are situated here.

Which of the above statement is/are correct?

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Expected Questions (Mains Exams)

Q. Discussing the main points of disputes between America and Iran explain the effects of it at global level. (250 Words)

Note: Answer of Prelims Expected Question given on 12 July. is 1(c).