Degree Project

Bachelor’s degree

Balancing Power in the Middle East

A study of the purposes and effectiveness of the Iran Sanctions

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Abstract

This study has two main purposes; to study the reasons of why sanctions were imposed on Iran, and evaluating the success of the sanctions. The study suggests that the disclosure of the Iranian nuclear program had consequences on the power balance in the Middle East, with Iran imposing a threat to regional neighbours and worrying the international community, leading to the United Nations Security Council imposing heavy sanctions on Iran in 2006. The study aims to study why sanctions were imposed on Iran and argues that the reasons can be derived from the theories of balance of power and logic of choice, suggesting that sanctions were the best available foreign policy tool for the international community to use as a means to balance Iran’s power ambitions. Secondly, the study aims to provide a new perspective to the debate on sanctions that historically has been stating that sanctions do not work, which contradicts policy makers’ frequent choice to use them. This study shows that sanctions have been successful to a certain extent in the case of Iran, explaining some of the reasons for the success. These reasons are explained by a theoretical framework, weighing the three purposes of sanctions; coercion, constraining and signalling against conditions for success such as significant levels of pre-sanction trade, psychological factors, democracy, and clearly defined sanction goals. The study concludes that Iran being completely blocked from the international market, causing an economic decline mainly affecting the middle class, in combination with the election of the West-friendly president Rouhani has been some of the main reasons for the sanctions’ success.

Keywords

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Acronyms
EU – The European Union
EU3+3 – EU High Representative for Foreign Affairs and Security Policy, France, Germany, United Kingdom, United States, Russia and China
IAEA - International Atomic Energy Agency
ISS - EU Institute for Security Studies
JCPOA - Joint Comprehensive Plan of Action
NPT - Treaty on the Non-proliferation of Nuclear Weapons
TCS - Targeted Sanctions Consortium
UN – The United Nations
UNSC – The United Nations Security Council
US – The United States
1 Introduction

Great power has been an objective for Iran since the glory days of the Persian Empire, when Persian influence reached from Egypt to India. The revolutionary ideas of the Islamic Revolution in 1979 made way for new power ambitions, with Iranian influence spreading around the Middle East, contributing to a new power balance in the region. As the ideology was sent out to revolutionise the Muslim world, power structures and security constellations changed, putting Iran in a position where it found itself quite alone with few reliable allies and powerful opponents. At this time the Iranian nuclear program saw the light of the day, providing the Islamic Republic with a potential weapon to defend itself against hostile rivals.

When the Iranian nuclear program was disclosed, almost 20 years after it was initiated, international reactions were heavy as Iran now had the potential to become a new great power in the Middle East, imposing a serious threat to rivals such as Israel, backed by the United States (US), and Saudi Arabia. The international community, with the United Nations Security Council and the US in the front, chose to signal disapproval by imposing heavy sanctions on Iran in 2006. This study will examine the United Nations' choice of using sanctions over other possible foreign policy tools such as diplomacy and military intervention with the intent of explaining the reasons for the international reactions based on balance of power theory.

The use of sanctions have been widely debated amongst scholars and policy makers and with most academic research pointing at their ineffectiveness, it contradicts policy makers’ frequent use of them. The need for an approximation between academics and decision makers has inspired this study which attempts to bring the two fields closer together. A theoretical framework, based on academic research on previous outcomes of sanctions, has been designed in order to analyse the success of sanctions, providing an explanation that could heighten the success rate of sanctions thus making them a better optimised tool for foreign policy and security strategy.
1.1 Research aim and research questions

This research paper aims to study the case of Iran and why the sanctions were imposed on Iran by the United Nations (UN) and the international community. It tries to explain the reasons for placing sanctions through the theories of balance of power and logic of choice. The balance of power theory represents the variable that can explain the UN’s choice to use sanctions as an instrument to achieve its goals. The goals will then further be examined in order to examine the effect of the sanctions on the Iranian nuclear program. The study seeks to evaluate the use of the sanctions, trying to determine to what extent the sanctions have been successful. The background and context of the sanctions will be analysed and factors that may have contributed to the success of the sanctions will be discussed. The study analyses the case of Iran, seeking to answer the questions of why sanctions were applied, what effects the sanctions have had and how the effects can be explained.

The research questions the study seeks to answer and discuss are.

- Why were sanctions imposed on Iran?
- To what extent have the sanctions been successful?
- How can a possible success be explained?

The answer to the research questions will be discussed in chapter 4 through analysing the empirical data that will be presented in chapter 3 in order to give a contextual meaning to the analysis. The analysis of the empirical material will be conducted by using the theoretical framework introduced in chapter 2. The disposition of the research paper will be further presented in the next section.

1.2 Disposition

Having presented the research aim and questions in the previous section the study will go on to introduce the methodology that will be used to conduct the study. The chosen research method will be presented along with arguments for why this method was chosen. The material used for the study will then briefly be introduced, including a discussion on why some sources are suitable and some are not. This will followed by the limitations of the study, concluding chapter 1.
In the second chapter the theoretical perspective of the study will be presented, firstly discussing the terms of power and choice and theories on balance of power and logic of choice, and secondly providing tools for how to measure the effects of sanctions and a theoretical background to why sanctions are effective. In chapter 2 a theoretical framework for conducting the analysis will be presented, using concepts provided by the theoretical discussion on sanctions.

Chapter 3 will provide an empirical background to Iranian historic events that have led to the nuclear program and Iran’s current relations to other states. The chapter will provide some insights to the Iranian ideology and the ideas behind the Islamic Revolution. Iran’s power ambitions will be discussed followed by evidence for the nuclear weapons program and the international reactions following this evidence.

In the fourth chapter the analysis will be conducted, firstly examining why sanctions were imposed using the balance of power theory and logic of choice to explain the UN’s reasons for placing sanctions. Then the analysis goes on to examine the extent of the success of the sanctions and how the possible success can be explained. In the last part the theoretical framework will be applied as a tool to structure the results of the analysis.

Concluding the study, the last chapter will focus on answering the research questions with arguments from the analysis chapter. The study finishes by discussing areas for future studies both with regards to International Relations studies and the study of sanctions.

1.3 Methodological considerations

In this section the methodology used in the research paper will presented. The section will also give a brief introduction to the material used and it will further discuss eventual issues that could arise from using material from official sources.
1.3.1 Method

This study will be conducted as a case study of Iran through a qualitative text analysis. The study will include text material as the United Nations Security Council (UNSC) resolutions imposing the sanctions on Iran, the Joint Comprehensive Plan of Action (JCPOA) agreement that removed the sanctions, and previous literature on sanctions (UNSC, 2006, JCPOA, 2015). The material will further be presented in the next section.

The qualitative perspective is suitable for the study as it can be used to find the underlying meaning in texts and thereby it eliminates the risk of missing important points or subtle messages. Although it might be argued that UNSC resolutions and the JCPOA agreement should be formulated in such a way that very few hidden messages are included in the texts, preventing misinterpretations and discussions on its content. Even based on this assumption the qualitative text analysis is better suited than the quantitative as the latter is to be preferred when dealing with a large number of texts, looking for patterns in quantifiable data. (Bergström & Boréus, 2015, p 80) This study will rather be limited to a smaller number of texts making the qualitative method a logical choice (Bergström & Boréus, 2015, p 50).

One of the advantages using a qualitative method is that the analysis becomes more comprehensive than a quantitative one, not only giving account for the content of the text but the circumstances around it. Focus in the qualitative analysis is on the whole text, which means that fewer important details are left out, intentionally or unintentionally (Bergström & Boréus, 2015, p 88). Previous studies on the efficiency of sanctions have been mostly quantitative, providing statistical data which is suitable for comparisons, but is lacking the depth and understanding of the specific factors that have an effect on the specific case studied.

Conducting the research through a case study will facilitate the study of the real-life context, studying the phenomenon of the sanctions in Iran, using multiple sources. When the unit of analysis is complex, as the case of Iran is, a case study becomes relevant as it can consider many different aspects of the case (Backman, 2014, p 55). Since the study is a single-case study the risk of selection bias should be mentioned as this goes against the scientific principle of random selection. As the case of Iran was selected because of its unique features,
it becomes suitable for a study of sanctions, suggesting that selection bias would be a rather limited issue in this study (Landman, 2008, p 36).

In order to conduct the text analysis the basis of the study will be the theoretical perspective, rooting the research in previous International Relations theories and theories on sanctions and their effects. Concepts from these theories have been organised and defined, and for the second part of the analysis a theoretical framework has been designed so that the analysis can follow a fixed structure, thereby making it easier to follow. The concepts used in the study are clearly defined as to certify a high internal validity. These concepts could also be of importance if the framework was to be used again on a different case.

The analysis will initially answer the question; why were sanctions imposed on Iran? To answer this question Morgenthau’s four ways of balancing power will be used to examine the reasons why the UN imposed sanctions on Iran (in Kaufman, 2004). In order to analyse the reasons through the theory of balance of power the three reasons for sanctions; coercion, constraining, and signalling will be analysed (Giumelli, 2011). To add meaning to the three terms, Baldwin’s ideas on logic of choice will be used so that the reasons for the application of the sanctions can be explained (Baldwin, 1999-2000). These concepts and their significance will be further discussed in chapter 2.

The analysis then continues to the second question; what has been the effect of the sanctions in Iran? Here the aim and goal of the sanctions must be examined through a text analysis of the UN resolutions on Iran, using the concepts of coercion, constraining, and signalling to determine what the purposes of the sanctions were. These concepts are essential to be able to measure the effects of the sanctions, because in order to evaluate the effects, the initial goal must be kept in mind. The outcome of the sanctions will be found through reviewing the JCPOA agreement, although the deal might not portray actual effects on the Iranian society. To evaluate the actual consequences on the Iranian society reports on Iran will be reviewed.

Lastly the study will seek to answer why the sanctions have had the effect they have had, answering the question; how can a possible success of the sanctions be explained? The
achievements, based on the initial goals which are established by the second part of the analysis, will be analysed, giving account for the reason behind the results. To conduct the analysis on why these effects were accomplished, the seven factors for success presented in the report *On target? EU sanctions as security policy tools* by the EU Institute for Security Studies (ISS) will be used (Dreyer & Luengo-Cabrera, 2015). These seven conditions will be placed in the theoretical framework and every condition will be analysed against the purposes of sanctions; *coercion, constraining* and *signalling* in order to measure the effect for each category. The seven factors for success and the purposes of sanctions will be presented in the second part of the next chapter.

Case studies by their very nature are hard to generalise as the purpose of a case study often is to study a specific case with unique features (Bryman, 2008, p 369). They are built upon the concept of studying certain phenomena present in that particular case. Although basing the study on a well-grounded theoretical framework enables the study to be generalised to a certain degree. The theoretical framework designed for the study can be used on whichever sanctions case there is, as long as no similar results are expected. The study will generate the answer to what effect sanctions have had in the case of Iran, not the answer to what effects sanctions have in general. The latter has already been done by various scholars, including Gary Clyde Hufbauer's study on 204 sanctions episodes, and by the Targeted Sanctions Consortium (TSC) that evaluated the effects of all targeted UN sanctions since the 1990's (Hufbauer et al., 2009, Biersteker et al., 2013).

Taking away the case specific empirical facts from the study, the theoretical framework could be used as a tool for another study making it possible to use the results from the different cases in a future comparative study. Making the assumption that UNSC resolutions on sanctions on different countries are formulated in similar ways to the Iran resolutions further strengthens the idea of being able to use the study on other cases, as the analysis of the resolutions could be conducted in the same way for every case.

Using the theoretical framework, presented in this study, together with the UNSC resolutions, that are formulated in a specific pattern, the risk of *conceptual stretching* is limited, seeing that the theories used in the study are not stretched in any way to fit the
case. They are rather formulated in such a way that they could be used in various situations to begin with (Sartori, 1970, p 1035).

1.3.2 Material

For the first part of the analysis, the discussion on power and choice will be based on the works of classical political theorists where definitions made by Robert Dahl (1950), Joseph Nye (2004) and Hans J Morgenthau (1954) set the basis for the study. Dahl’s definition of power has been widely used in the field of political studies and will provide the study with an insight to the phenomenon of power that can be used quite broadly. Explaining the different kinds of power the terms soft and hard power will be used. The concepts of soft power, first presented by Nye, and hard power will lay the basis for the discussion on available policy tools (2004). Morgenthau’s realistic ideas on the balance of power and international politics will provide the study with a theoretical perspective that can be argued to be relevant in the study of sanctions and International Relations as realism has been frequently used in this type of studies (1954). The views of these three American authors will provide an interesting perspective on the study on Iran as what Iran would call Western ideas will be used to explain the characteristics of the Iranian society and the nuclear program.

Academic literature on sanctions was up until the end of the Cold War based on the idea that sanctions do not work. This study will be grounded on the ideas from the work of Gary Clyde Hufbauer who in 1985 presented a study which showed that a third of all sanctions episodes were successful. Hufbauer’s Economic Sanctions Reconsidered (2009) together with reports by the EU Institute for Security Studies (ISS) and the UN Targeted Sanctions Consortium (TCS) will provide the study with arguments for the success of the Iran Sanctions (Dreyer & Luengo-Cabrera, 2015, Biersteker et al., 2013). The ISS and TCS reports will considered with care as there might be an underlying reason for the two international organisations to portray sanctions as successful as this would support their frequent use of them. Arguments from Bryan R. Early’s work Busted Sanctions: Explaining why economic sanctions fail (2015) will offer arguments for why the extent of the success of the sanctions sometimes has been limited, complementing the positive ISS and TCS reports.
Understanding the specific sanctions placed on Iran the United Nations Security Council resolutions regarding Iran, including both resolution 1696 that threatened to sanction Iran, and resolution 1737 imposing the sanctions, will be used. These texts will be analysed as to find the details on the actual goals with the sanctions, setting the basis for the evaluation. In order to examine if the UNSC resolutions achieved their stated goals the Joint Comprehensive Plan of Action text will be analysed to extract the details of the deal.

Empirical data on Iran will be gathered through reports and books on the subject. In the collection of data on Iran special attention will be paid as information regarding the country sometimes tends to be biased. To give account for the Iranian Revolution the book *The Iranian Revolution* by American scholar Brendan January (2008) will be used, arguing that the books gives account for the actual events of the revolution without adding a Western perspective. Presenting the ideas of the Islamic Revolution Ayatollah Khomeini’s speeches will be used to explain fundamental ideas, although they will be presented in a descriptive way to provide an as objective image as possible (2007). To conduct the study in an objective way official sources from the Iranian government will be avoided as these could contain disinformation, knowing that Iran has manipulated and hidden facts on its nuclear program for decades. American-Iranian relations also makes official documents from American governmental institutions unreliable as they could lead to a certain, biased, image to be portrayed in order to strengthen arguments for the American standpoint.

1.4 Limitations

Sanctions have been imposed on Iran for several decades for various reasons, the first ones dating back to 1979 and the hostage crisis at the US embassy in Tehran. This study will be limited to the sanctions regarding Iran's nuclear program, imposed by the UN and its member states in 2006 through UNSC resolution 1737. Other, current sanctions, such as sanctions regarding human rights imposed by the EU, or sanctions against the sponsoring of terrorism imposed by the US, will not be analysed in the study, though it might not always be possible to separate economic effects caused by one set of sanctions from another.

The time period being studied dates back to the 1979 Iranian Revolution as to give a background to the Iranian nuclear ambitions, but focus is mainly on the period after 2006.
and the implementation of the sanctions. The study does not investigate the results of the lifting of the sanctions and events that have occurred since Implementation Day on January 16, 2016 as this period does not answer the study questions, although the study does take into account that an agreement was reached in 2015. Studying the period after Implementation Day would only give an answer to whether or not Iran and the sanctioning countries have complied with the agreement, which is not the focus of the research.

Two main factors also make it hard to come up with any definitive answers regarding the compliance of the agreement. Firstly, because of the short period of time that has passed since the lifting of the sanctions, accurate measures of the effects are difficult to conclude, assuming that changes in Iran’s behaviour, and implementation of the agreement, takes time. Time lags must also be considered as economic changes often take time the economic effects of the lifting of the sanctions are not yet fully visible. Secondly, since the inauguration of President Trump in the United States, the JCPOA, and the sanctions have been reviewed, jeopardising the agreement and its lifting of the sanctions. What effect the Trump administration will have on the sanctions and the agreement, signed during the Obama administration, is yet to be seen.

The study could be conducted as a comparative study, comparing the effects of sanctions in two or more cases, in the Middle East, or worldwide. The choice not to compare countries was made in order to make the study more focused, allowing a more in-depth analysis of the case of Iran to be conducted. It would be possible to use other similar cases of sanctions such as Iraq and Libya to compare the case of Iran, although this would make the study more general. The sanctions against North Korea could also be compared to Iran as the two cases are both currently under public scrutiny. The two countries have two very different approaches towards the sanctions and they have chosen to act very differently in their pursuit of nuclear weapons. Once again, the choice not to study North Korea in a comparison with Iran is because of the advantage of studying a single case and the possibilities it entails when it comes to studying the details of the subject.
2 Theoretical background

In this chapter the previous research on sanctions will be presented along with the theoretical framework that will be used for the analysis in chapter 4. The chapter starts off by creating an understanding for why sanctions are used placing them in the context of International Relations theory and the *balance of power*. It further describes the *logic of choice* theory, explaining why policy makers use sanctions. As a basis for these theories, two essential concepts will be presented; *power* and *choice*, explaining the use of sanctions as a foreign policy tool, which actors can choose to use in order to demonstrate and execute power. Further, sanctions will be described and defined, giving account for previous academic research on the subject. The last section discusses the topic on when sanctions can be considered effective and what factors to look at when explaining why sanctions are effective.

2.1 Struggling for Power

When studying international politics power becomes an important factor in understanding how actors behave, and choice becomes the factor that determines what power tools will be used. Hans Morgenthau (1954) argues that “whatever the ultimate aims of international politics, power is always the immediate aim”, and adds that “international politics, like all politics, is a struggle for power”. In International Relations studies, the struggle for power or the balance of power is frequently discussed when trying to understand relations between actors, which defend Morgenthau’s suggestion that power is always present in international politics. Why power becomes an important factor in studying sanctions will be discussed later, but first the definition of power will be further deliberated.

2.1.1 Defining Power

Many scholars have tried to define power, but most well-used definitions tend to receive as much praise as they receive criticism. Max Weber (1947) defines power as the “probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests”. Weber’s definition suggests that a conflict between actors is present to some extent in the term power. It also provides the idea that means, in the form of qualities, resources and capabilities, have to be
available for one actor to engage in the suggested conflict with the other actor. Weber’s perception of power can be seen as rather black and white; he believes that either you win or you lose, giving explanation to the theory of power balance and to why states try to achieve sufficient means to meet or exceed their adversaries’ ditto.

In a definition by Robert Dahl (1957) power is described in a simpler manner, he states that “A has power over B to the extent that he can get B to do something that B would not otherwise do”, which gives an explanation to why power is used by an actor towards a second actor, but does not necessarily state that power is a zero-sum game as Weber’s definition does. Assuming Dahl’s definition, the discussion on power balance is still applicable, and Morgenthau’s struggle for power appears valid. Dahl’s definition can be used in the study of sanctions, seeing that one of the three basic goals of sanctions studied in this paper, coercion, is included in the definition.

2.1.2 Balancing Power

On the basis of Dahl’s definition, the balance of power theory as an explanation to why sanctions are applied will be further studied. The theory of power balance explains the relations between states and why they act in a certain way toward each other. Assuming the realist perspective of the world as an anarchic system, states are bound to balance their means toward their adversaries in an attempt to find equilibrium in the means of power that allows the state to not feel threatened by its enemies. In the anarchic system a state’s primary concern is its own security interests, meaning that increasing its qualities, resources and capabilities in order not to be attacked, conquered or exploited by other states will be of utter importance (Fawcett, 2016, p 23).

Former UN Secretary General, Dag Hammarskjöld, said that “It is when we all play safe that we create a world of utmost insecurity” (Dag Hammarskjöld Foundation, n.d.), perfectly describing what is known as the security dilemma. A state, in the pursuit of its own security, forms a threat to other states by building up its military forces, mobilising its population, or boosting its economy, thus creating an incentive for its adversaries to catch up, making the situation worse than it was initially (Fawcett, 2016, p 24). According to Morgenthau "[t]he balancing process can be carried on either by diminishing the weight of the heavier scale or
by increasing the weight of the lighter one" (1985, p 198).

When more powerful states, great powers or even aspiring hegemons, start to show tendencies of wanting to dominate the international system, they pose a threat to weaker states creating an unbalanced power distribution. It lies in the nature of the anarchic state to want to balance this out by all possible means, thereby reducing the incentive, in the first place, of a state to establish hegemony as this would create an unwanted response by other states (Little, n.d., p 4), this of course, assuming that states act logically. Claude Inis (1962) argues that the endeavour for balance of power in policy making only exists “in a system that acknowledges that unbalanced power is unsafe” (Inis, 1962, p 18). Scholars have also suggested that balance of power and policies aiming toward it, is the only available choice to maintain equilibrium in a world of sovereign states (Kauppi & Viotti, 1999, p 73).

Morgenthau lists four methods of balancing power; divide and rule, compensations, armaments and alliances (in Kaufman et al., 2004, p 242). The first way has been commonly used for centuries, after the Second World War it was used by the Soviet Union, which found a way of maintaining the power balance towards Europe through opposing the unification of Germany (Kaufman et al., 2004, p 243). Compensation was mainly used during colonisation, through treaties or agreements between states allowing for the colonisers to extend their influence for commercial purposes, and political and military penetration, for example. When it comes to diplomatic negotiations this way of balancing power becomes of importance, Morgenthau argues that “no nation will agree to concede political advantages to another nation without the expectation which may or may not be well founded of receiving proportionate advantages in return” (in Kaufman et al., 2004, p 243-244).

Armament, or disarmament for that matter, is the third way Morgenthau mentions to maintain or re-establish the balance of power. When a state increases its military capacity its adversary will most likely try and balance its power by further investing in its own military thus creating an arms race that deepens fears, suspicions and insecurity amongst all actors (Kaufman et al., 2004, p 244). As the Cold War has shown, the balance of power between the two superpowers led to an arms race that resulted in a nuclear arsenal which spread the fear of global mass destruction. The fear of a nuclear war in turn led to the mutual agreement of
non-proliferation and disarmament then became an important part of balancing power in a friendlier way which did not increase insecurity (United Nations Office for Disarmament Affairs, n.d.).

Morgenthau argues that the most important manifestation of balance of power lies within the relation between one state or alliance of states, and another state or alliance, and not within the balance between two isolated states (in Kaufman, 2004, p 244). Realists argue that the self-interest of a state is what causes alliances to form, as they improve the state’s capacity of protecting itself. Although it is argued that coalitions are often fragile due to the complications of managing relations with allies and enemies parallel to each other. A policy that strengthens the alliance may deteriorate the conflict with the adversary, or a rapprochement with the enemy could lead to a failed alliance (Fawcett, 2016, p 25).

### 2.1.3 Types of Power

To understand what policy tools can be used to balance power, the types of power needs to be presented. Historically two types of power have existed; hard and soft power. A more recent addition to the types is smart power which constitutes a mixture of the two previous forms, and suggests that the two used together can achieve what they could not achieve alone (Pallaver, 2011, p 13. The term smart power will not be discussed further in this paper as its features will be presented by the terms hard power and soft power respectively.

The term soft power was first introduced by Joseph Nye, who defines it by stating that “soft power is the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes” (2011, p 20-21). Nye (2004) states that “a country may obtain the outcomes it wants in world politics because other countries - admiring its values, emulating its example, aspiring to its level of prosperity and openness - want to follow it”, although using soft power as a means to maintain equilibrium between states can be argued difficult as it is difficult to measure values. Looking at the modern arena of international politics, Nye (2004) argues that soft power can sometimes be more effective than hard power as “militaries are well suited to defeating states but they are often poor instruments to fight ideas”.

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Hard power is defined as “the capacity to get what you want through the use of economic power or through the use of military force, by threatening others that you will use against them your economic superiority or your coercive capabilities. Therefore, hard power is heavily resource-based” (Pallaver, 2011, p 81). Hard power instruments consist of military force, sanctions, aid and the suspension of aid, and positive inducements among others. The concept of hard power lays the foundation for balance of power from the realist perspective, seeing that it is hard power that is weighed against hard power in the quest for power.

2.1.4 Choice of Tools

In the study of sanctions it has been popular to seek to answer the question of when sanctions should be used, thus leading to the discussion of choice. Britain’s former ambassador to the United Nations, Sir Jeremy Greenstock, commented on the choice that states have to take action by saying "In a modern legitimacy-oriented world, military action is increasingly unpopular and in many ways ineffective, and words don’t work with hard regimes. So something in between these is necessary. What else is there?" (Oskarsson, n.d.).

Given the many instruments that states and international organisations possess for implementation of foreign policy, the expectation in many cases is that action needs to be taken, forcing actors to choose a tool. The “demonstration of resolve” has often been one of the reasons of imposing sanctions and could be used by the sender to show that they have taken action against an unwanted behaviour, the sender thereby demonstrating that it does not act indecisively, either domestically or internationally (Solingen, 2012, p 5).

Baldwin suggests the logic of choice as something which has to be considered in relation to alternatives, if there are no other logical choices for a policy maker, sanctions may be used even without any evidence of their efficiency. Sanctions having been heavily criticised does not remove them from the list of alternatives, leaving them as a possible option for when action must to be taken (Baldwin, 1999-2000, p 82).

The question “Are economic sanctions an alternative to military force?” is often asked when studying instruments for foreign policy. David Baldwin (1999-2000) argues that in the context of logic of choice sanctions are just an alternative in the same sense as diplomacy,
propaganda and military force also are tools available for states to choose from, thereby disregarding the problem posed by scholars trying to compare sanctions to military force.

2.2 What are sanctions?

Most definitions of sanctions describe them as a tool or an instrument to be used diplomatically by a sender. Hufbauer describes sanctions as “sanctions are part and parcel of international diplomacy, a tool for coercing target governments into particular avenues of response” (Hufbauer et. al., 2009, p 5). He ascribes the sanctions the function of coercion, suggesting that sanctioning can force the target into taking the sender's intended path of measures. Hufbauer continues his description of sanctions saying that “In most cases, the use of sanctions presupposes the sender country's willingness to interfere in the decision making process of another sovereign government, but in a measured way that supplements diplomatic reproach without the immediate introduction of military force” (Hufbauer et. al., 2009, p 5). Sanctions can be seen as a means of avoiding taking military action in situation where some kind of measure is required to stop or hinder a certain event or policy.

Looking at the Oxford Dictionaries' definition of sanctions, coercion once again has a significant role. The definition being; “measures taken by a state to coerce another to conform to an international agreement or norms of conduct, typically in the form of restrictions on trade or official sporting participation” (Oxford Dictionaries, n.d.). Other authors focus on sanctions as a means of either punishment or prevention of rule-breaking. Makio Miyagawa describes sanctions stating that “the essence of sanctions is to punish the rule-breaker, to prevent him from attaining his objective, and to change his policy” (1992, p 9), giving a wide ranged perspective on the possible outcomes of sanctions.

Etel Solingen gives a more narrow definition, focusing on the acquisition of nuclear weapons as a reason for sanctions. She states that sanctions are “international instruments of statecraft that punish or deny benefits to leaders, ruling coalitions, or broader constituencies in a given state, in an effort to dissuade those targets from pursuing or supporting the acquisition of nuclear weapons” (2012, p 5). This study, focusing on sanctions imposed because of Iran's nuclear program will be based on Solingen's definition. The definition is quite broad opening up for a wider interpretation of the concept, not excluding important
points regarding measures taken or underlying purposes which could unintentionally exclude important facts and analytical tools from the study.

Traditionally coercion has been the main purpose stated in literature on sanctions but in sanctions cases studied since the end of the Cold War three types or purposes are often mentioned; coercion, constraining, and signalling, proposing that there are more reasons for the use of sanctions other than coercing the target into something, or out of something. Francesco Giumelli defines these three terms by stating that coercion wins conflicts, constraining limits alternatives, and signalling shapes normality (Giumelli, 2011, p 3). These will be described later in this chapter.

2.3 Are sanctions effective?

The phrase; “[w]ith very few exceptions and under highly unusual sets of circumstances, economic sanctions have historically proven to be an ineffective means to achieve foreign-policy objectives” (Bienen & Gilpin, 1980, p 89-98) describes the main opinion among scholars regarding sanctions in most part of the literature written on the subject. But even with the theoretical discussion leaning towards sanctions being ineffective they are frequently used by policy makers as a tool towards disobedient states. This phenomenon is called the sanctions paradox. Sanctions have in many cases been preferred over military action even though there has been few evidences provided for a positive outcome in academic studies until the end of the Cold War. However some researchers asked the question whether scholars and policy makers were actually looking at the same thing. Alexander George and William Simons argue that the “question of whether sanctions "work" may be separated from the question of whether they should be used” (in Baldwin, 1999-2000, p 81).

The criticism of sanctions has been pointed towards the fact that sanctions impose economic consequences not only to the target country but to the sender country as well, making the decision to impose sanctions a choice that needs to be considered from several perspectives (Oskarsson, n.d.). If sanctions meant no cost for the sender, the discussion on whether or not to use them would not exist. The economic aspect of sanctions occurs in a misleading way, or is even ignored among the literature on the subject, according to Baldwin. Once again the
logic of choice plays a role, where the relation between costs and choice needs to be considered as well as the alternatives available (Baldwin, 1999-2000, p 82-84). The question whether sanctions should be used is thus answered with the logic of choice, arguing that a state’s decision to impose sanctions on a target is based mainly on an evaluation of available alternatives in relation to costs, and sanctions will therefore always remain a policy option (Baldwin, 1999-2000, p 83). Studies regarding the effect of sanctions should therefore be separated from the study of when to use them.

2.3.1 How to measure the effect

Within the field of sanction studies there are several discussions on how to measure the effectiveness of sanctions. As mentioned, most scholars, up until the end of the Cold War, almost unanimously agreed that sanctions did not work. First published in 1985, a study by Hufbauer on economic sanctions stated that in 204 cases of sanctions episodes studied, 34 percent had actually been successful, reconsidering previous research on the subject (Hufbauer et al., 2009). To evaluate these cases, key events of the case were evaluated, along with the goals of the sender, the response of the target, third countries’ approaches, and economic costs were studied. Hufbauer argues that the key question to ask when studying effects of sanctions is “when do they work?”, “rather than do they work?” (2009, p 43).

“[T]he formula for a successful sanctions effort is simple”, Hufbauer claims, “the political and economic costs to the target from sanctions must be greater than the political and security costs of complying with the sender’s demands” (2009, p 50). It is estimating the width of these costs and the target’s reaction to them that is challenging.

To measure the effects of sanctions their objectives must be examined. Hufbauer listed five types of goals that were used for his extensive study; to change a target’s policy in a relatively modest and limited way, to change the regime, to disrupt military activities, to weaken the target’s military potential, and to change the target’s policy in a major way (Hufbauer et al., 2009, p 65). As mentioned in the previous sections the objectives of sanctions can be summarised into three main goals; coercion, constraining and signalling (Giumelli, 2011).
Coercion is used to force the targeted country in to making a cost-benefit calculation of a certain action, the sender aiming to prevent this action from being taken. In order for coercive measures to work, the sanctions need to impose a material impact on the target forcing a change in behaviour, increasing the cost of all other alternatives than the, by the sender, desired outcome (Giumelli, 2011, p 34).

Constraining can maybe considered quite self-explanatory; targets are constrained to act as they normally would act in pursuit of its policy goals. The goal is to constrain the target, or impose a burden, so that its list of possible choices is limited to the sender’s preferred alternatives. Giumelli describes constraining as a measure that does not prevent, but limits the capabilities of the target (2011, p 35).

Signalling is not often mentioned when trying to define sanctions although it can often be found among the purposes of sanctions. Signalling is used to send a signal to the target, demonstrating that international norms and treaties need to be followed. It may also be used by the sender to signal to other countries what measures will be applied if they act in similar ways to the current target. A third purpose of signalling sanctions is to domestically, or internationally show a demonstration to resolve or act (Giumelli, 2011, p 35).

There are a number of variables listed by different scholars that are used in the evaluation of the outcome of sanctions. These are used to determine whether the main objectives of the sanctioning have been achieved or not. In the discussion of logic of choice it is argued that little focus has been put on economic costs of imposing sanctions with regards to the sender’s economy. When studying variables for the efficacy of economic sanctions the cost to the target is thoroughly examined, in some studies without any references to other factors. Miyagawa sets up seven circumstances conducive to the effect of sanctions; the target’s dependence on trade, size of economy, trade partners, availability of substitutes, foreign exchange reserves, monitoring, and economic system (1992, p 25-26).

Miyagawa’s variables are somewhat similar to the economic variables Hufbauer presents, although he adds the perspective of the sender, both in terms of consequences to the economy and in terms of relations to the target. He takes the economic costs to the target
into consideration as well as the size of the two countries and the trade linkages between them. The economic health and political stability of the target is considered alongside with the types of sanctions imposed, and the economic cost to the sender (Hufbauer et al., 2009, p 61-64). Also included in Hufbauer’s studies are political variables; measuring sanctions as a policy companion to other actions, the international cooperation, international assistance to the target, prior relations between the sender and the target, and the level of democracy in the target country (Hufbauer et al., 2009, p 56-61).

2.3.2 The Road to Success

In the ISS report from 2015 (Dreyer & Luengo-Cabrera) the conditions for success are summarised to seven conditions, being based on the variables from previous research listed in the previous section. These conditions are aimed to move the academic evidence closer to the implementation, thereby defying the sanctions paradox and directing policy makers into a more evidence-based policy making (Dreyer & Luengo-Cabrera, 2015, p 17).

Firstly, the pre-sanction trade must be of importance for the target country in order for sanctions to work. This would also suggest that significant harm will be done to the sender’s economy. It implies that the higher the level of trade before the sanctions, the higher is the chance of a successful outcome of the sanctions. Notable is also the type of products traded, sanctions on products that cannot be sold in other markets tend to result in a higher efficiency (Dreyer & Luengo-Cabrera, 2015, p 19-20).

Secondly, sanctions are more effective during the earlier years of their implementation. Economies tend to adjust to new economic situations after a while, meaning that the initial effect of the sanctions will decrease as the target country’s economy stabilises through new economic solutions (Dreyer & Luengo-Cabrera, 2015, p 21). One phenomenon limiting the immediate effect of sanctions is sanctions busting, which can “help mitigate the adverse economic impact that sanctions have on their targets’ economies and constituents” (Early, 2015, p 10).

The third condition for a successful sanctions episode is the psychological factor, meaning that expectations, credibility and strategic interaction play an important role (Dreyer &
The threat of sanctions can in fact be used as an important instrument that may attain the goal of the suggested sanction without imposing them. This, some scholars argue, have contributed to a somewhat skew picture of successful sanctions as the majority of cases studied are cases in which sanctions have been applied thus excluding a large number of successful threatened sanctions. Critics therefore argue that sanctions studies often suffer from selection bias (Baldwin, 1999-2000, p 97).

The fourth variable is democracy; the target’s level of democracy has an impact on the outcome of the sanctions, the more democratic, or less authoritarian, the target is, the better are the chances for success. In authoritarian states an outer threat, such as sanctions, can generate popular support for the regime because of the regime’s power to control media and public opinion. Coercing religiously or ideologically motivated targets with sanctions have proved to be difficult as a “change in their behaviour might undermine the rationale or basis on which they rely for political legitimation, survival and support” (Dreyer & Luengo-Cabrera, 2015, p 24-24).

Strong multilateral commitment is the fifth condition for successful sanctions. A number of states, or international organisations, imposing sanctions to a target contributes to a higher legitimacy of the sanctions and also complicates for the target to evade sanctions or commit to trade with other actors. The sixth variable states that sanctions are more likely to succeed if the goals are narrowly defined and multiple policy instruments are used in combination (Dreyer & Luengo-Cabrera, 2015, p 25). This condition suggests that measures that are taken in isolation never works, but a combination of actions tend to lead to success (Biersteker et al., 2013, p 7). In addition the formulation of what the sanctions wish to achieve plays an important role for the target’s compliance (Dreyer & Luengo-Cabrera, 2015, p 25).

The seventh and last condition represents a paradigm shift within the application of sanctions saying that targeted sanctions have proved to be as effective as comprehensive sanctions. After the heavily criticised comprehensive sanctions on Iraq in the 1990’s, protests were raised regarding the inhumanity and implications in terms of deterioration of education, lack of human rights and health issues, including famine. Scholars came to the conclusion that comprehensive sanctions “disproportionately hurt politically weak groups
and benefited target regime sympathizers” (Drezner, 2011, p 99). Sanctions effectuated by the UN since 1994 have been unanimously targeted, seeking to minimise collateral damage and to punish only those responsible for the rule-breach. While a change in strategy regarding what sanctions type to use has taken place, not much research has been made on the effects of targeted sanctions prior to the TSC study (Biersteker et al., 2013, p 9).

2.4 A Theoretical Framework

To answer the second and the third research questions; to what extent have the sanctions been effective? And how can a possible success be explained?, a theoretical framework has been set up as a tool to structure the analysis. The framework structures the seven conditions for success, presented in the previous section, analysing their impact on each of the three goals; coercion, constraining and signalling. The framework will be used to evaluate each condition in the case of Iran to provide an answer to what goals have been achieved for each category, thereby answering the question of to what extent the sanctions have been effective according to the three goals. The framework will further provide a basis for explaining why the sanctions have been successful by analysing the circumstances for the seven conditions according to what goals have been achieved. In the second part of chapter 4, the framework will be implemented and the conditions for success analysed in relation to the goals but first, in chapter 3, an overview of the case of Iran will presented as an empirical basis for the analysis.
3 Iran

Historically the Iranian, or Persian, culture has been very rich and influential with the Persian Empire stretching from Egypt to India in its glory days which suggests that great power has always been an important objective in the Persian way of thinking, perhaps giving and understanding of current power ambitions (Holmertz, 2016). Education has always been prominent in Iran and present-day levels of education are high which has led to a well-developed society with advanced technology and infrastructure (Khalek, 2015).

The ideas of the Islamic Revolution are seen throughout the Iranian society from politics, economics and culture. The political system of Iran is founded on Ayatollah Khomeini’s ideas on Governance of the Jurist, having a Supreme Leader as the religious guide for politics, diminishing the importance of the publicly elected president. In practice, Iran is a theocracy ruled by the Guardian Council affecting every aspect of the political life, including democratic elections and freedom of speech amongst others, contributing to Iran scoring 17 out of 100 on Freedom House’s democracy index (Freedom House, 2017). The Islamic Revolution and the ideas behind it will be further described later on in this chapter.

Rooted in ideological and historical ideas, self-sufficiency has been a long time goal for Iran which has a strong domestic production of agricultural goods and industrial products, being self-sufficient in wheat and gasoline for instance (Paisley, 2014). Since oil was found in Iran in 1901, Iran’s economy has been dependent on oil exports, having the third largest oil reserve in the world Iran’s income from oil export accounted for almost 80 % of its export earnings and 70 % of the government’s fiscal budget before the sanctions (Solingen, 2012, p 78).

Although having had the conditions for a strong economy, Iran has had issues with economic reforms and corruption which has contributed to a declining economy in combination with the sanctions. In 2016 Iran ranked 131 out of 176 on Transparency International’s corruption index, suggesting that large economic losses can be derived from the culture of corruption (Transparency International, 2016).
3.1 Background to Iran’s nuclear ambitions

Iranian nuclear ambitions can be dated back to the years after the Iranian Revolution that took place in 1979. To fully understand the Islamic Republic's politics the ideas of the Islamic Revolution must be reviewed. The Iranian Revolution also set off a number of events that led to a new order in the Middle East region, laying the foundation of Iran’s current relations with its neighbours and with the US (Parvaz, 2011). The following sections will present a historical background to Iranian politics and how they have been important for Iran’s international relations today.

3.1.1 The Iranian Revolution

In 1977 the Iranian people started to rise up against the ruling Shah, repression of freedom of speech and close bonds to the US being some of the reasons. The Shah had driven through a modernisation campaign during his rule, improving health care, the education system, and buying land from rich landowners and selling it to the poor at a low cost. For an outside viewer the kingdom was thriving but the Shah was also limiting the people using his secret police to persecute and punish those who did not follow his political line, forbidding all political parties but his own (January, 2008).

Living in France, in exile, religious scholar Ayatollah Khomeini supported the protest, giving the demonstrators plenty of arguments contra the Shah and his close bonds to the US and the West, promoting Islamic values and traditions. Khomeini had, before being banished from Iran for criticising the Shah, started developing thoughts about an Islamic state where the clerics would participate in politics, although he did not gain much support from the Islamic scholars at the time. The Shah had declared the importance of Persian history and values, drawing further away from Islamic and Arabic traditions, developing closer relations to the West (January, 2008, p 22-30).

When the Shah carried through reforms regarding landownership that affected the clergy and gave women the right to vote discontent started spreading among the religious clerics. As the Shah’s unpopularity grew larger, Khomeini started gaining more followers, calling the Shah’s actions un-Islamic. The discontent with the Shah led to demonstrations that were encouraged by Khomeini’s messages, smuggled in to the country on musical tapes. As the
demonstrations were violently met by the Shah's infamous secret police, killing and injuring several protesters, students joined the demonstrations with women wearing veils to denounce the Shah's approximation with Western culture. Eventually the Shah had no other option but to flee the country as his secret police could not stand up against the protesters. The same year as the Shah left Iran for good, 1979, Khomeini came back to the country, welcomed by the Iranian people, and he could form the Islamic state he had been promoting for years (January, 2008, p 22-30).

3.1.2 The Idea of Islamic Revolution

The idea of the Islamic Republic through Islamic revolution lays the foundation of Iranian contemporary politics and foreign policy, based on Khomeini's doctrine *velayat-e faqeeh*, meaning “The Governance of the Jurist”. Khomeini's idea was that all necessary laws for private and public life already existed in the Quran and in order to implement these laws on society the enforcement of a state was required, thus creating the necessity of an Islamic state. The leaders of the state had to be jurists that possessed knowledge of the Islamic law and therefore could be just and fair in order not to manipulate the law which could lead to tyranny (Khomeini, 2007).

Khomeini’s argument to why the Islamic republic did not yet exist was that the Western colonisers had presented Islam in a non-political way as to keep the Islamic countries in misery and poverty. He stated in his work from 1970 that it was the colonisers who convinced the people that Islam does not include an organised state with laws and executers of law. The colonisers claimed that Islam legislates but does not enforce, which Khomeini said was obviously a plan to prevent Muslims from politics and governance (Khomeini, 2007, p 20). The ideas of an Islamic republic presented by Khomeini can be seen as a clear indication that he wanted to distance Iran from the West and their ideas.

The Iranian Revolution has so far been the only Islamic revolution that has been carried through. Although many of the leaders in the Muslim world liked the idea of an Islamic state, free from influence from the West, they feared that the ideas would lead to their own removal from power. Some fear was based on the Sunni-Shia rift that has existed since the death of the Prophet Muhammed, giving Sunni leaders less incentive to fully commit to the
anti-West ideas spreading from the Shia dominated Iran. The success of the Islamic revolution in Iran spread the fear that the people would rise up, inspired by the Shiites in Iran, trying to create their own Islamic republic. This was threatening existing monarchies and governments thus giving Shiite Iran more influence than its regional neighbours were willing to allow. In the ideas of the Islamic revolution monarchies were considered illegitimate thus Khomeini called for “an ideological revolution in that it directly challenged the legitimacy of monarchy and advocated rule by qualified Islamic jurists” (Foran, 1993, p 368).

The Iranian foreign policy, in its quest for spreading Islamic revolutionary ideas, has led to a crossroads that Iran has had to consider. President Rouhani, before being elected, considered the two possible paths: “do we want to be ambiguous or clear, do we want the region and the world to be afraid of us or to be our friends, do we want to become every day more fearful or more attractive?... If we consider the Islamic Revolution as the top priority, then we should be aware that we will be carrying an extremely grave responsibility on our shoulders. In other words, we are the Islamic Revolution and we want to spread this culture across the region and the Islamic world as a whole. However, if we seek to be primarily the Islamic Republic of Iran, our foremost mission and priority will be the Islamic Republic of Iran, and that means we will traverse a different path” (Solingen, 2012, p 228). To further understand the dilemma that Rouhani described Iran’s international relations will be examined in the coming sections. Describing the power relations of the Middle East will give an idea of Iranian power ambitions and its reason for wanting to acquire nuclear weapons.

3.1.3 Regional Power

Iran has been described as a pariah state and as being alone against the world, and it has had few reliable and strong allies since its formation into an Islamic republic. The exclusion from the international community, as an effect of the extensive sanctions placed in 2006, has contributed to Iranian isolation on the international arena. Although the country has made several attempts to spread its ideology it has not been very successful in terms of the creation of other Islamic republics through revolution. Since the removal of the Shah, Iranian foreign policy has mainly consisted of sponsoring of Shia Muslim organisations, and opposing the American-Israeli alliance and Saudi Arabia, being Iran’s foremost enemies.
Iranian alliance strategy outside the Middle East has been directing its attention and cooperation toward non-Western or non-aligned states as Venezuela and Brazil in Latin America, and Sudan, South Africa and Zimbabwe in Africa. These ties allows for Iran to weaken the effects of the sanctions in the short time perspective while at the same time balancing American and Western power in the international system in the longer perspective (Heydemann, n.d.). Iran's international relations will be further described below, giving a background to what strategic circumstances lay behind its foreign policy and power ambitions which will be important in trying to understand why Iran was imposed with sanctions. Although with international relations in the Middle East being of a complex nature this paper will only touch upon some important points, not going in to too much detail regarding all existing relations.

On the regional arena the events of the late 1970 and throughout the 1980 in Iran created changes in the strategic power structures, allowing new alliances and rivalries to form. In Kuwait, Bahrain and Saudi Arabia unrest swept through the Shiite communities, challenging monarchical structures and the very legitimacy of the Gulf regimes. The Saudi regime, fearing the idea of Islamic Revolution, prohibited political demonstrations, but Iranian pilgrims in Saudi Arabia ignored the ban and held demonstrations resulting in clashes with the authorities leading to 400 deaths, thereby setting the tone for Iranian-Saudi rivalry (Fawcett, 2016, p 312).

Iraq was initially positive to the new regime in Iran, having had a constrained relationship with the neighbour for years, arguing about the drawing of the border among other issues. When rigorous protests broke out amongst Iraqi Shiites after a Shiite ayatollah was arrested by regime forces on his way to Tehran, the new leadership in Iran condemned the Iraqi government and relations became unfriendly. The Iraqi ayatollah encouraged a violent opposition to the Baathist regime and discontent amongst the Shiite community led to the creation of the 'Islamic Liberation Movement', formed by the major Shiite political group in Iraq. The Iraqi regime fearing for a religious uprising, like the one in Iran, reacted violently to the Shia opposition groups and Iran's encouragement for them. Iraq eventually called for a 'war against Islam', invading Iran in 1980 (Fawcett, 2016, p 307-308).
The Iran-Iraq war continued until 1988, taking hundreds of thousands lives, and ending in a ceasefire agreement with the opponents more or less in the same position they had started off with. Since the fall of President Saddam Hussein Iranian influence in Iraq increased with Iran seeking to expand its regional influence and since the US withdrawal from Iraq there is no great power to counterbalance the Iranian presence. Iraqi nationalism remains the main obstacle for Iranian influence in Iran even with the two countries having good prospects of a fruitful relationship, both of them being mainly Shia (Eisenstadt, 2015).

Iran’s relationship with Israel before the 1979 revolution was quite friendly, the two countries, being amongst few non-Arab states in the region, had an energy alliance with Israel importing Iranian oil. The two states even shared intelligence and other military assets with each other. When the Shah was forced to flee Iran and the Islamic Republic saw the light of the day relations quickly deteriorated following Khomeini’s open dislike for the country, calling Israel ‘a threat to Islam’ (Simon, n.d.).

The ideas of the Islamic revolution eventually reached Lebanon and the Shia group Hezbollah that was fighting Israeli forces in southern Lebanon. Religious and political ideas on the Islamic revolution inspired the group along with it receiving training, equipment and finances from its Iranian sponsor, making it a viable tool in the fight against Israel and further widening the rift between Iran and Israel (Rogan, 2012, p 528). Although Hezbollah could be seen as an ally to Iran, the relationship between Lebanon and Iran remains ambiguous, depending on what political party holds the power in Lebanon. Iranian and Lebanese relations have been heavily affected by the war in Syria where Iran and Hezbollah provide support for the Assad regime whereas other Lebanese political groups and militias support Syrian Sunni groups (Hokayem, n.d.).

Good relations with Syria have been important for Iran for decades, mainly based on the two countries’ rivalry with Iraq and Israel together with their opposition to American influence in the region. The alliance between the two is rather based on common enemies than common ideology, Syria favouring Arab interests and Iran promoting Islamic values. Iran has been a close ally and supporter of the Assad regime in Syria during the civil war, representing a strong opponent to Saudi Arabia and its allies who support the opposition. Syria and Iran
together have also worked against US operations throughout the region, working against peace-efforts in the Israel-Arab conflict and supporting armed opposition groups in the Iraq war (Goodarzi, 2015).

In 1979, demonstrating students stormed the US embassy in Tehran and 52 Americans were held hostage for 444 days. This released a diplomatic crisis between the two states, leading to a suspension of all diplomatic ties. After the new Islamic government was installed in Tehran in 1979, Iran continued to promote the anti-Western, and especially anti-US ideas, based on its new ideology, calling the US “the Great Satan”. Israel was later called “the Little Satan”.

As Iranian sponsorship of armed groups around the Middle East expanded in the 1980’s American-Iranian became frostier with the US trying to isolate Iran from the international community, blaming Iran for supporting terrorism and opposing peace efforts in the region. US sanctions have consequently been imposed on Iran since the hostage crisis for varying reasons and the US can be argued to have played a prominent role in encouraging the UN sanctions. Not until the election of presidents Obama and Rouhani did the diplomatic relations between the US and Iran improve, although it can be argued that the very existence of the Islamic government in Iran is based on values distancing the country from the US and the Western world (Reuters, 2016).

3.2 The Bomb

Defining the Iranian nuclear program entails some complications as to the extent of the program being kept under secrecy by the Iranian government. It is the same secrecy that raised concern about Iran’s nuclear program, and its purposes, in the first place. Questions around the proclaimed peaceful purposes of the program were raised when the program was first brought to light by the Iranian opposition in exile, after twenty years in secrecy (Delpech, 2006, p 9). This study does not aim to measure the extent of the Iranian nuclear program, nor its purposes, but it examines the sanctions and the international community’s stance on the program. It is hard to assume that the Iranian nuclear program has not had the intent of acquiring nuclear bombs. In this study the Iranian nuclear power is defined as the politics,
facilities, organisations and materials associated Iranian nuclear ambitions.

The Iranian nuclear program started already in 1957 and in 1960 the country bought its first reactor from the US and for several decades it was provided with high enriched uranium by the US to maintain the reactor in function for peaceful research purposes. During the 1970's the Shah continued to develop the nuclear program with ambitions of gaining access to the full nuclear fuel cycle, which would give Iran the option of acquiring nuclear weapons. When the Shah's regime was overthrown by the Islamic revolution the nuclear program came to a halt as Khomeini was opposed to nuclear power and did not have an interest in further continuing the cooperation with the US or the West.

When rumours about an Iraqi nuclear program emerged in the mid 1980's, in the midst of the Iran-Iraq war, the Iranian government decided to relaunch their program in fear of their enemy obtaining nuclear weapons before Iran itself did. In 1985 the program started again, extending parts of the program by building the heavy water reactor in Arak, and the gas centrifuge facility in Natanz in secrecy. These covert facilities were only publicly revealed in 2002 by the Iranian opposition at a press conference in the US (Albright & Stricker, 2015).

3.2.1 Evidence for a nuclear weapons program

In a statement by former president Rafsanjani (1989-1997) he confirms "when we first began, we were at war and we sought to have that possibility for the day that the enemy might use a nuclear weapon. That was the thinking. But it never became real" (Wilkin, 2015). The former president stated that "Our basic doctrine was always a peaceful nuclear application, but it never left our mind that if one day we should be threatened and it was imperative, we should be able to go down the other path" (Wilkin, 2015).

Many scholars argue that the evidence that Iran's nuclear program indeed has a military purpose is undoubtable. Firstly the covert activities of the program clearly speaks against the argument of Iran obtaining a nuclear capacity for peaceful purposes as all states are allowed to use nuclear power according to the Treaty on the Non-proliferation of Nuclear Weapons (NPT). The way that Iran has attained knowledge, materials and facilities for their nuclear program is has brought suspicion to the international community.
The fact that Iran bought basic technology from a nuclear-black-market dealer, Pakistani metallurgist Abdul Qadeer Khan, known for his work on nuclear weapons rather than on nuclear energy is one of the arguments speaking against Iran’s own standpoint on purposes for the program. Since the violations to the NPT became publicly known Iran has repeatedly tried to stall inspections by the International Atomic Energy Agency (IAEA), denying the agency full access to nuclear sites, and giving misleading information. On several occasions statements regarding the program have been changed by Iranian officials as they have been disproved by the IAEA (Fitzpatrick, 2008, p 15).

Secondly, the military connections to the nuclear program are many, at least ten were found by the IAEA inspections, aspects ranging from revealed confidential documents to Iran’s ballistic-missile program and acquisition of cruise missiles from Ukraine. The revealed documents contained scientific information on how to trigger an atomic explosion of a critical mass within a ballistic-missile and designs for such a weapon. The documents also included reports on a nuclear-weapons-development project led by the military and a general in the Islamic Revolutionary Guard Corps also trained as a nuclear engineer (Fitzpatrick, 2008, p 16-18). Iran is known to have tested medium-range ballistic missiles with limited accuracy but with the capacity of carrying a payload required for a nuclear warhead, making them possible carriers for nuclear weapons (Davenport, 2014).

The third evidence, further reinforcing the argument that Iran’s nuclear program is not solely for peaceful reasons, is the economic aspect of nuclear enrichment. Iran has previously claimed that the enrichment of uranium is mainly conducted in order for the country to become self-sufficient in fuel supply but the cost of the country’s enrichment is much higher than international market prices. Secondly, the uranium reserve in Iran does not provide the sufficient amount of uranium to cover the national needs, contradicting the argument of self-sufficiency (Fitzpatrick, 2008, p 18). A further economic aspect is Iran’s natural resources of oil and gas that are already securing the country’s self-sufficiency in the energy sector (Taylor, 2010, p 61).
3.2.2 International reactions

After years of failed negotiations, and Iran showing no interest in slowing down nuclear activities the UNSC agreed upon imposing sanctions that have gradually expanded since the implementation in 2006. The sanctions on Iran's nuclear program consisted of economic measures such as the exclusion from the international banking system, frozen assets, and trade embargoes, along with other restrictions such as a weapons embargo regarding import and export, travelling bans, inspections of ships and air crafts, and restrictions against import of materials that can be used for nuclear purposes (The Swedish Government, 2015).

The sanctions against Iran were so called targeted sanctions or smart sanctions, meaning that they were aimed at certain individuals, companies, organisations and governmental institutions as opposed to being aimed at the country Iran in general. In 2015, the Joint Comprehensive Plan of Action was signed between the EU3+3 (EU's High Representative for Foreign Affairs and Security Policy, France, Germany, United Kingdom, United States, Russia and China) and Iran with the purpose of ensuring that Iran’s nuclear program will be exclusively for peaceful purposes (JCPOA, 2015). This study will not examine the compliance of the agreement, nor will it discuss eventual complications that the agreement might encounter. In the following chapter the focus will be turned to the goals of the sanctions and what effect they have had as well as why they have had that effect.
4 Analysis

In this chapter reasons behind the international reactions will be analysed in order to answer the question of why sanctions were imposed, examining the UN and the international community’s alternatives. The data presented in chapter 3 will be the basis of the analysis, adding depth to the study. Thereafter the purposes stated in the UNSC resolutions will be analysed against the achievements reached through the JCPOA and actual effects on the Iranian society and the nuclear program. Lastly, the theoretical framework set up for this study will be used to analyse the questions of to what extent the sanctions have been effective and how a possible success can be explained.

4.1 Balancing Power in the Middle East

To understand why sanctions were applied on Iran the UN’s and the international community’s choice to do so will be analysed through the theory of balance of power. The analysis seeks to explain the reasons why the UN chose sanctions as a foreign policy tool and why balancing Iran’s power was needed as a response to its nuclear weapons ambitions. The analysis will be based on Morgenthau’s four methods of balancing power together with a discussion on logic of choice theory, introduced in chapter 2.

It can be argued that the first method of balancing power, divide and rule, would not work on Iran, neither in classical terms of dividing its territory nor through an invasion. Since Iran is not at war, nor has been for a long time, dividing it by the use of force seems like an illogical option, seeing that most states in the international system do not just invade a country to stop it from gaining more power. It must be argued that international laws are in place to stop states from invading other states for the sake of obtaining foreign policy goals, although some powerful states have actually used the choice of military force to pursue their own interests, taking the US invasion of Iraq in the name of the war on terror as an example.

Although a military attack on Iran could be plausible it is not sure whether the desired effect would actually be accomplished, assuming that the main goal of an invasion would be coercing Iran to stop the nuclear program and forcing it to refrain from its ambition of acquiring nuclear weapons. There are many uncertainties regarding Iran’s reaction to such an
attack and what consequences it would have on the Iranian nuclear weapons program. Even though Iran would probably not have much military leverage against the US and Israel, which can be argued to be the most probable candidates for an invasion, it does not necessarily mean that the goal of stopping the nuclear program would be achieved by military action (Rydquist & Zetterlund, 2008, p 8-11).

A military attack on Iran could lead to Iran’s leadership further distancing the politics from the West, preventing reform and modernization from taking place in the country, and refraining from further diplomatic negotiations with the international community (Rydquist & Zetterlund, 2008, p 160). That the international community would use a military attack as a foreign policy tool is not very likely due to the international law and the UN charter urging members to refrain from attacking any other state, although the alternative does still remain as an option (Rydqvist & Zetterlund, 2008, p 138). Another argument that speaks against the use of force is that the goal of signalling international values towards Iran could be considered failed if the international community does not itself follow these values and rules. How could the international community achieve legitimacy towards Iran in its attempt to signal norms and values if it defies its own norms and values?

Morgenthau’s second method for balancing power, compensation, could be used against Iran in terms of diplomatic negotiations, although as Sir Jeremy Greenstock put it, soft power does not work with authoritarian regimes (Oskarsson, n.d.). In order for compensation to work an attractive offer has to be made but with the goal of coercing Iran out of obtaining nuclear weapons it could be argued that no diplomatic compensation was actually offered. It can rather be claimed that since the exposure of the Iranian nuclear program in 2002 all that has been offered diplomatically is threats of what would happen in the event of non-compliance. It should also be argued that for Iran, wanting to obtain nuclear weapons for strategic reasons, there are very few types of compensations that would compose a viable alternative.

During the Security Council meeting that adopted UNSC resolution 1737 Iran’s representative expressed his discontent with its enemy Israel having attained nuclear weapons without reprisals from the Security Council (Zarif, 2006). This presents the idea of disarming Israel as
an attractive compensation for Iran ending its nuclear program, which would also balance the power between the two rivals, although it is not a very likely solution as the US are closely allied with Israel and would probably not agree to imposing such a measure on its friend. Disarming another state also presents difficulties as the implementation of such an action would be as complicated as stopping the Iranian nuclear program, which makes it an unlikely choice of action.

Looking at the three main goals of sanctions, coercion and constraining are quite hard to achieve through compensation as they call for the use of hard power methods. Signalling could maybe be achieved through diplomacy towards Iran by offering some kind of compensation but the problem of what to offer would still remain. It could be argued that the first choice of the international community in negotiating with Iran has always been diplomacy but that the lack of compensation led to the choice of using sanctions.

When it comes to armament the discussion on why Iran would want nuclear weapons must be revised. When the secret nuclear program started in Iran in the 1980’s Iran was at war with Iraq, who supposedly also was trying to obtain nuclear weapons suggesting that the Iranian program was used as a method of balancing power, or standing up against an enemy that was growing stronger. When the war ended the security constellation in the region had changed but Iran still had a number of enemies in the region, and globally, thus providing incentive to continue the covert nuclear program for future needs.

From a wider perspective the Iranian pursuit of nuclear weapons constituted a possible change in the global power balance, threatening to weaken the advantage that the Iranian enemies had over Iran. The international community’s reason for placing sanctions on Iran could here be based on the idea of preventing a further arms race. If military actions were taken it would most likely motivate Iran to continue its nuclear program in an attempt of acquiring more power as leverage against the West, or any other Iranian rival. Sanctions could affect the balance by constraining Iranian attempts to acquire more weapons in general, not only focusing on nuclear weapons. Choosing sanctions as a tool to balance Iran’s military powers would also limit the risk of an arms race as compared to military action which runs the risk of augmenting not only Iranian armament, but possibly even the
armament of Iranian rivals in the region, creating a situation way worse than it was to begin
with. Should Iran manage to acquire nuclear weapons it would probably lead to a nuclear
arms race with Saudi Arabia and Egypt trying to obtain their own atomic weapons giving
weight to the argument that action must be taken against the development of the Iranian
nuclear bomb (Rydqvist & Zetterlund, 2008, p 10). The choice of not acting cannot
reasonably be an option for international policy makers as this could risk an arms race in the
Middle East with the potential of a large scale regional war.

The fourth, and as Morgenthau claims the historically most important, method for balancing
of power is alliances. Iran can be considered quite lonely in the world, having few reliable
state allies. Its allies consist of Shiite groups and organisations with varying influences in the
areas they operate. It could be argued that one of the main reasons of the international
community fearing Iran’s development of nuclear weapons is based on this, the fear of
militias, in some cases branded terrorist organisations, getting a hold on nuclear weapons
provided by Iran. Constraining Iran from such a development would weaken these concerns,
limiting nuclear proliferation to state actors, which could be argued are easier to control
through international legislation and treaties. Placing sanctions on Iran as a state actor allows
for the sanctions to succeed as factors such as trade between states tend to play an
important role in the efficiency of sanctions. This will be discussed further in the coming
sections.

Iran’s close ties with armed groups in the Middle East could be a potential risk factor if the
power balance was seriously deranged by a military attack on Iran. These armed groups,
often with anti-Western and pro-Islamic sympathies are likely to defend Iran in an armed
conflict as Iran has supported them for years. Iran’s long going support for Middle Eastern
groupings should therefore be seen as a long term strategy to secure its own interests in case
of a power shift in the region. These groups are in some cases, like Hezbollah in Iran,
considered to be terrorist organisation by the US and the West, providing an explanation for
why the international community would not like them to gain more power.

Whether Iran’s alliances have a deterrent effect against Western powers can be discussed but
it can definitely be argued that Iran’s choice of supporting these groups has been based on
defence strategies towards regional and global rivals. Choosing to attack Iran with military force would require a thorough assessment of the potential of Iran’s allies, which could explain the UN’s choice of sanctions. Using allies as a mean of getting around sanctions is also an option that Iran has chosen to use, thereby limiting the effects of the sanctions and not allowing for the power balance to be entirely deranged.

4.2 The Purposes of the Sanctions

In order to examine to what extent the sanctions have been effective the goals of the sanctions must first be analysed. This study is based on the assumption that the main purposes for using sanctions are coercion, constraining and signalling. The main goals of the UNSC resolutions 1696 and 1737 were to stop all of Iran’s enrichment-related and reprocessing activities, including research and development, and to stop work on all heavy water-related projects, including the construction of a research reactor moderated by heavy water. Although not using the exact terminology, the resolutions clearly stated that coercing and constraining Iran in its nuclear efforts was amongst the main objectives.

A further objective was for the EU3+3 to continue diplomatic efforts and negotiations in order to find a solution, agreed upon by all parts. Achieving this solution, the UNSC states, would benefit nuclear non-proliferation elsewhere, adding signalling to the goals (UNSC resolutions 1696 and 1737). By signing the JCPOA deal, Iran confirmed that the state will not seek, develop or acquire any nuclear weapons, and if complied, the agreement would consequently achieve one of the main objectives of the sanctions.

4.3 The Effects of the Sanctions

This section will start by presenting the results of the theoretical framework designed to structure the analysis of the seven conditions for successful sanctions with regards to the three main purposes. The table presents arguments for the extent that the sanctions have been successful in achieving the goals and why the goals have or have not been reached. Following this section will be a discussion on the seven conditions explaining the effects of the sanctions. The conclusions drawn from these results will be presented in the next chapter.
### Table 1. Theoretical Framework

<table>
<thead>
<tr>
<th></th>
<th>Coercion</th>
<th>Constraining</th>
<th>Signalling</th>
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<tbody>
<tr>
<td><strong>Pre-sanction trade of importance</strong></td>
<td></td>
<td>Sanctions senders were able to constrain trade on ‘dual use’ goods and nuclear related materials</td>
<td>Sanctions busters weaken the joint signal from the UN</td>
</tr>
<tr>
<td><strong>Sanctions are more effective in earlier years</strong></td>
<td>Lengthy sanctions in combination with other economic problems led to Iran ignoring the sanctions' impact</td>
<td>Gradually added sanctions added to constraining Iran's economy but had no effect on its nuclear ambitions</td>
<td>Conservative president Ahmadinejad resisted the acceptance of international norms</td>
</tr>
<tr>
<td><strong>Psychological factor</strong></td>
<td>The threat of sanctions had no effect initially</td>
<td></td>
<td>Iran is not easily affected by international norms and values due to strong ideology</td>
</tr>
<tr>
<td></td>
<td>Positive inducement brought Rouhani to sign JCPOA</td>
<td></td>
<td></td>
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<tr>
<td><strong>Level of democracy</strong></td>
<td>The sanctions may have led to the election of ‘West-friendly’ president Rouhani</td>
<td></td>
<td>The election of Rouhani showed tendencies of accepting international norms</td>
</tr>
<tr>
<td><strong>Multi-lateral commitment</strong></td>
<td></td>
<td>A joint approach by the UN led to more successful constraining than sanctions previously placed by the US</td>
<td>Sanctions busters weaken the joint signal from the UN</td>
</tr>
<tr>
<td><strong>Narrow goals and multiple instruments</strong></td>
<td>Coercing Iran to stop its nuclear program and commit to negotiations is clearly stated</td>
<td>Constraining through trade bans and frozen assets</td>
<td>Signals to comply with obligations accordingly with NPT</td>
</tr>
<tr>
<td><strong>Targeted sanctions as effective as comprehensive</strong></td>
<td>No initial effect on elite and key individuals</td>
<td>Elite and key individuals and companies tend to find other sources of income</td>
<td>Since elite and key individuals find other solutions signalling does not affect them in particular</td>
</tr>
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**Table Notes:**
- **Coercion** refers to actions aimed at compelling behavior through threats or the promise of punishment.
- **Constraining** involves methods to restrict or limit behavior without direct enforcement.
- **Signalling** pertains to demonstrating intent or capability through communication or demonstration of sanctions' impact.
4.3.1 Economy

The sanctions caused oil exports to sink from 2.5 million barrels per day in 2011 to 1.1 in 2013 and it can be argued that the pre-sanctions trade volumes were of such an importance that their suspension was noticeable on the Iranian economy (Katzman, 2017). The loss of income from oil trade because of the sanctions only from stopped trade with the US and the EU has cost Iran more than 160 billion US dollars since 2012 (Katzman, 2017, p 55). The falling oil prices further decreased Iranian earnings from oil trade. Although Iran may be dependent on oil exports, the country’s quest for self-sufficiency in industrial and agricultural products, and uranium, provides the argument that pre-sanction import levels should be less important to Iran, though materials for uranium enrichment should be argued not to be a part of Iranian self-sufficiency.

Even though Iran was fully excluded from the international banking systems, including SWIFT which enables international bank transactions, they managed to get around the sanctions using gold as payment for fossil fuel exports (Early, 2015, p 1). As long as there are countries willing to bust sanctions in order to trade with the sanctioned country the economic consequences of the sanctions will be limited. Early argues that the amount of sanction busting taking place, through trade and aid, determines the success of the sanctions implying that the pre-sanction trade volumes’ may be of less importance on the outcome if the trade continues all along, just taking another form (Early, 2015, p30).

Seeing that Iran has chosen to re-direct its foreign trade and having found alternative methods to do so, it can be argued that the longer the period of time that sanctions are imposed, the more alternative options for income will be presented to the sanctioned state. As argued by Early, sanctions busters are present in most cases, contributing to the failure of sanctions (2015). This, he argues, can be an effect of states valuing profit higher than political commitments (Early, 2015, p 88). In this sense it could be argued that the Iran sanctions were less likely to succeed as sanctions were imposed for almost a decade, not having had any effect during the first years.
There are two main reasons why sanctions work better in the first few years; firstly, adjustment to other economical solutions takes time, and secondly, economic performance does improve after the adjustment period raising expectations that the country itself can overcome the economic impact of the sanctions (Dreyer & Luengo-Cabrera, 2015, p 21).

In the Iran case the sanctions came into effect at the same time as President Ahmadinejad started to carry out large economic reforms. These reforms in combination with mismanagement under the Ahmadinejad presidency, corruption, and the sanctions crippled Iran’s economy making it difficult to measure the effect that the sanctions have had separated from other economic failures (Solingen, 2012, p 80). It could also be argued that the significance of the sitting president is of importance when it comes to sanctions’ success rate, in that case the conservative Ahmadinejad could be argued to be a factor that delayed the sanctions efficiency, prolonging the sanctions episode.

Iran’s perseverance throughout the years of sanctions can be seen as a failure to the goal of coercing the country into a policy change on the nuclear program solely due to economic failure, even though sanctions were tightened gradually. The many economic problems in combination might have made it easier for Iran to ignore coercive attempts by the sanctions senders, not giving the full blame of the deteriorating economy to the sanctions and thereby making it possible for Iran to see past the international measures.

4.3.2 Psychological factors
The threat of sanctions has been presented as a successful means of coercing a state into a desired behaviour, although, as mentioned in chapter 2, it has often been excluded in academic research. In the case of Iran it should be safe to say that the threat of sanctions did not induce any effect on Iran, who ignored UNSC resolution 1696 and its warning of imposing sanctions in the event of non-compliance. This even as the UN is a well-known and credible sanction sender. In 2006, before the implementation of the Iran sanctions, the North Korean sanctions were imposed, giving Iran an indicator that the UN was serious about going through with the sanctions. As Iran was well aware of the fact that sanctions were to be imposed, the effect of the sanctions may have been reduced as sanctions tend to work better if unanticipated.
Another important factor when it comes to Iran not giving in to sanctions is that this could weaken Iran's standpoint in other negotiations and Iran, having historically been a strong player, might not have wanted the risk of appearing weak (Dreyer & Luengo-Cabrera, 2015, p 22). In Iran where the Islamic revolutionary ideology plays an important role any leader that would give in to Western pressure would be considered weak, which could be argued to be one of the reasons why negotiations have been suspended at several occasions due to Iranian leaders' fear of losing face domestically, and being blamed for disregarding the very foundation of the Islamic Republic (Solingen, 2012, p 83).

When the threat of sanctions or the actual implementation of them does not work in forcing a change of behaviour positive inducements might. On occasions that Iran has approached the sanctioning states, some incentive has been presented as an attraction, be it the promise of fully restored diplomatic ties, the lifting of some sanctions, or changed conditions for the negotiations. Although it did not work with former president Ahmadinejad, positive inducement, it has been argued, is what brought Rouhani to sign the agreement lifting the decade long sanctions on his country, the president having won the election on the basis of the promise of lifted sanctions (Solingen, 2012, p 82-83).

Looking deeper in to the goal of signalling, sanctions are often used to stigmatise the target because it does not share the same values as the sender. For sanctions with the goal of sending a signal to succeed, the target would need to be stigmatised or isolated among relevant communities. Iran, with few allies, and a quite unique ideological standpoint would be unlikely to succumb to norms presented by, to Iran, irrelevant actors (Dreyer & Luengo-Cabrera, 2015, p 23).

4.3.3 Democracy

When the Islamic Republic of Iran first was created in 1979, Ayatollah Khomeini rejected the idea of democracy and said it was a Western, undesirable concept, opposing the revolution's pro-democratic values. Although Khomeini claimed that Islam in itself is democratic, Iran's political system has few democratic characteristics (Vatanka, 2015). As mentioned sanctions are more likely to succeed if the target is democratic, but some studies have shown that they
may also make way for democracy in a more authoritarian system. In Iran, the sanctions affected the middle class the hardest, for two reasons; firstly President Ahmadinejad’s reforms included cash handouts to the lower classes, meaning that the lower class citizen’s economic situation did improve under his presidency which coincided with the implementation of the sanctions.

Secondly, the upper class and political elite were able to gain from the increasing black-market through lucrative business deals and corruption leaving the middle class marginalised (Oskarsson, n.d.). The hardships of the middle class, also accounting for the majority of voters, may have been what contributed to the election of President Rouhani, though it is hard to find facts to prove that the sanctions actually caused this change. An important argument to highlight here is that the president could not be elected without the approval from the Supreme Leader Ali Khamenei, arguing that the president should not be considered to have more power than he actually has and that the election of Rouhani may not be as democratic as suggested.

Comparing other sanctions regimes, such as the most recent sanctions on Russia, studies have shown that an increased support for the existing regime might occur but in the Iran case it might be argued that it was rather the opposite that happened (Dreyer & Luengo-Cabrera, 2015, p 53). Analysing the goal of coercion it could be argued that sanctions in Iran were imposed with the intent of facilitating for a regime change that would mean an increase in democracy as well as a different stand on nuclear policy. Seeing that the sanctions may have had an impact on the election of President Rouhani, it is possible to see the goal coercion as partially fulfilled in this category. (Dreyer & Luengo-Cabrera, 2015, p 52). It could also be argued that with the election of President Rouhani, signalling of international norms might have had an effect as Rouhani demonstrated a more accepting stance towards the international community.

4.3.4 Multilateral effort

Since the US embassy hostage crisis in 1979 the US has had more or less continuous sanctions imposed on Iran first implemented in 1984. These sanctions, Hufbauer's study concludes, proved not to be very effective of reaching its goal of constraining Iran from
acquiring materials used for nuclear purposes because there were still alternative suppliers ready to provide Iran with the equipment needed (Hufbauer et al., 2009, p 130). As the UNSC resolution was implemented, all member states were obliged to follow the restrictions toward Iran, thereby being more successful in its constraining efforts. Although Early’s theory on sanctions busting cannot be ignored here, seeing that Iran has been able to find other trade partners which eases the effect of the constraint effort by the UN (Early, 2015).

4.3.5 Narrow goals, multiple instruments and targeted sanctions

There is not much room for interpretation when it comes to the UNSC resolutions on Iran regarding what they wish to achieve which increases the sanctions’ chances of success. The goal is, first and foremost, to stop Iran from attaining a nuclear weapon. The goals are defined in such a way that detailed descriptions on what exactly needs to be done by Iran are presented so that no misinterpretations can be made.

All three purposes of sanctions exist in the resolutions; the UNSC impose the sanctions as a means of coercing Iran in to ending its nuclear weapons program and commit to negotiations, it states that constraining will be executed through trade bans and frozen assets, and signals that Iran should comply with the demands through the mention of the NPT and its obligations (UNSC resolution 1737). The multiple uses of policy instruments may also be seen as one of the reasons to the outcome of the Iran sanctions, including the different forms of target sanctions and negotiations in combination. The TSC has found that using three or more types of sanctions is important for achieving the purpose of the sanctions (Dreyer & Luengo-Cabrera, 2015, p 26).

As mentioned, the sanctions on Iran has proved to impact the middle class the most, even though the sanctions have been targeted, contradicting the very reason to why targeted sanctions have become popular in the first place. Scholars argue that sanctions targeted toward individuals or key elites are more likely to succeed without imposing unnecessary suffering to the population (Drezner, 2011, p 99). The UN claims that all their sanctions are targeted since the criticised sanctions episode in Iraq in the 1990’s but looking at the measures taken against Iran such as the exclusion from SWIFT, it suggests that sanctions are in fact more comprehensive than attested for. The decline in the Iranian economy also
suggests that the sanctions are not solely targeted toward the elite and key individuals. On the other hand it must be noted that the sanctions would probably not have achieved the effect they did if the sanctions would have been more narrowly targeted as regime leaders and elite in authoritarian states most often find alternative ways of attaining necessary goods and funds anyway (Drezner, 2011, p 100). The fact that the middle class might have stood for the political change that led to a changed policy argues against the narrowly directed targeted sanctions are not always the best option, even though comprehensive sanctions holds the risk of collateral damage.
5 Conclusions

The aim of this concluding chapter is to answer the research questions asked in the beginning of the study. It wishes to draw conclusions on why sanctions were imposed using the balance of power theory and why sanctions were used as the preferred foreign policy tool. The chapter describes the extent of the success of the sanctions, but also lists a few less successful factors. It explains the reasons why the sanctions can be considered successful, based on the results from the theoretical framework used in the analysis. The chapter ends with a discussion and suggestions for further research.

5.1 Why were sanctions imposed on Iran?

Two important factors can summarise the reasons behind the sanctions on Iran; power and choice. Examining the context of Iran and its relations in the Middle East and towards global actors as the US, it can be concluded that the balance of power between these actors plays an important role. The struggle for power of course dates back several centuries, or even more, but the contemporary security structure seen today has its roots in the 1979 Iranian Revolution which laid out a new context for regional relations. Neither the regional actors in the Middle East, nor international actors such as the US and the UN wanted to allow a strong Iran as this would threaten to diminish the importance of Western values and compromise religious beliefs other than Shia Islamic ones.

A nuclear Iran would allow for the Islamic Republic to pose a serious threat primarily on the regional arena, intimidating its regional enemies either directly or through militias that could be armed with nuclear weapons and be used as proxies against Israel and Saudi Arabia for example. This scenario could escalate to a full scale nuclear war in the region, seeing that Israel has its own nuclear arsenal. Based on the theory of balance of power a nuclear armed Iran could also lead to an arms race in the region which would deteriorate the security situation, making the whole region a risk zone for nuclear war. This would not be desired neither by states in the region, nor by the international community which is why an intervention to prevent such a scenario was necessary.
Having concluded that measures had to be taken, the international community was left with the choice of method for executing these measures. Negotiations with Iran were tried but failed on several occasions eliminating diplomacy as a viable tool for intervention. Two main hard power alternatives were then left in the international policy tool box; military intervention or sanctions. As argued in chapter 4, the use of military force in Iran did not provide a reliable option as its success in stopping the nuclear program would not be guaranteed. A military intervention would raise questions on legitimacy towards the international community, questioning if non-compliance with the NPT is a legitimate reason for the use of military force towards a state. A lack of legitimacy would compromise the signalling of international norms, thereby providing less incentive for Iran to change its stance.

With the soft power alternative along with military force out of the equation, sanctions represented perhaps the only real and feasible tool left for the UN and the international community to utilise. Sanctions represented a middle way that offered a firmer approach than diplomacy, although diplomatic negotiations were stated as a goal, and a more humane and legitimate alternative than war. The choice to use sanctions despite its history of limited effectiveness characterises the sanctions paradox mentioned in chapter 2 that embodies the discrepancy between the study of sanctions and policy makers' choice to use them. In the following section conclusions will be drawn on the success of the Iran sanctions, which speaks in favour of the UN's choice of sanctions, disregarding the main academic opinion that sanctions do not work.

5.2 To what extent have the sanctions been successful?

Based on the analysis of the success of the Iran sanctions it is concluded that there are several areas in which the sanctions can be considered successful. When comparing the objectives of the UNSC resolutions with the commitments Iran, and the EU3+3, agreed to in the JCPOA the goals can be considered fulfilled as Iran promised that it will not seek, develop or acquire any nuclear weapons. Whether the parties prove to be compliant or not cannot yet be determined, nor is it relevant to the evaluation of the sanctions’ effects although non-compliance might lead to renewed sanctions or a reconsidered stance on the UN’s attitude towards Iran.
Iran’s nuclear program slowed down because of the constraint on trade with products and materials that could be used for nuclear purposes, although it is still hard to prove that the Iranian regime has abstained from all nuclear weapons ambitions. The success of the sanctions was also limited by sanctions busters, refraining from the UN resolutions and agreeing to trade certain goods with Iran for own profits. It is also difficult to determine whether Iran’s crippled economy was a cause of the sanctions or if other, internal, factors such as Ahmadinejad’s economic reforms were the cause of the economic decline. It should also be mentioned that it is problematic separating the effects from the nuclear sanctions from other international sanctions imposed as there is no way this can be efficiently measured. Not being able to determine what implications were actually caused by the sanctions weakens Iran’s incentive to comply with international agreements, as other sanctions would not receive the full blame for economic failure.

The analysis argued that the sanctions economic effect on the Iranian middle class could have led to the election of the moderate and West-friendly president Rouhani, but it cannot be concluded that the sanctions were the actual cause of his election. It can however be concluded that President Rouhani played an important part in negotiating an agreement with the EU3+3, something that his predecessors had failed to do. Even though positive incentive of lifting the sanctions encouraged the Iranian leader to negotiate the targeted sanctions did not prove effective on other key individuals as they managed to find alternative solutions of making profits, including black-market deals and corruption.

In conclusion, the sanctions on Iran can be considered successful to a certain extent, although the success was not achieved directly but was rather a result of the UN’s persistence to continue, and gradually increase sanctions. In the initial phase the threat of sanctions was not enough to achieve the goals, nor did it succeed in signalling international norms and the compliance of international law. Years of economic hardship and the exclusion from the outside world eventually led to a change in Iran’s stance, opening up for negotiations, a liberated economy, and less isolated society.
5.3 How can the success of the sanctions be explained?

Not all seven conditions for successful sanctions have been fulfilled in the case of Iran, but even though they failed, they do contribute to answering why the sanctions have had the effect they have had, thereby explaining the reasons for success. Before beginning to explain why sanctions have been successful in Iran the two conditions for success that did not fulfill the goals at all will be briefly introduced, explaining why they did not work in the case of Iran. Deducting the results from the theoretical tool used in chapter 4, the statement that sanctions are more effective in its initial years of implementation, and that targeted sanctions are as effective as comprehensive ones shows that not all conditions have to be fulfilled for sanctions to be considered successful.

Sanctions where not effective in the first few years mainly because of the conservative president Ahmadinejad not being willing to succumb to the UN’s terms. Ahmadinejad’s economic reforms that coincided with the sanctions also prevented the sanctions from being effective as the full blame on the economic decline could not be directed toward the sanctions. That targeted sanctions can be as effective as comprehensive sanctions did not prove to be the case as individuals subjected to the sanctions managed to avoid the full impact by taking alternative measures. As the sanctions gradually were tightened they simultaneously became more comprehensive affecting the population more than their intended targets.

The psychological factor initially seemed to fail to reach the objectives with Iran not reacting to the threat of sanctions and ignoring international values due to its strong ideological identity. Eventually, however, the psychological factor succeeded because of positive inducements promising to lift the sanctions which was not only the reason for Rouhani signing the deal but was also a main electoral promise in his presidential campaign. Even with the success in the psychological factor the importance of Iranian ideology cannot be considered affected as the Supreme Leader, regardless of the current president, will not likely disregard Iranian identity over positive inducements.
As the analysis has shown, pre-sanction trade levels were of importance for Iranian economy, especially oil exports. Iran’s quest for self-sufficiency may be a limiting factor for the importance but overall the significant goods that were successfully constrained were products and materials that can be used for uranium enrichment and the production of heavy water. A limiting factor that did have some effect on the sanctions is sanctions busters that ignored the sanctions and continued trade relations with Iran, thereby reducing the effects.

The election of Rouhani can, as argued, be seen as an effect of the sanctions although it cannot be proved that this is actually the case. Another important conclusion is that Iran is not a democracy governed on the basis on free elections. It is a theocracy, ruled by the Supreme Leader and his council, based on Khomeini’s ideas that democracy is a Western value that should be denounced, and even though it might seem that the election of Rouhani was a step towards a more democratic society the sanctions effect on democracy cannot be concluded by this study. To conclude the evaluation of the democracy condition, regardless of the actual level of democracy, it must be said that Rouhani’s importance for achieving the goals of the sanctions is undeniable. It was his approach towards the international community that finally led to Iran’s promise to halt its nuclear program, independent of the ideological identity of his country.

Lastly, the efforts of the UN when it comes to formulating the resolutions led to the goals being fulfilled in all three categories. The goals were narrowly described which provided for a straightforward approach for achieving the goals to be applied using various instruments to do so. The combination of coercion through economic pressure, constraining through trade bans and frozen assets, and signalling to comply with NPT-obligations forced Iran to return to the negotiation table. The joint approach by the UN and its members led to the sanctions being more effective than previous unilateral efforts.
In conclusion, there are several reasons for the success of the sanctions imposed on Iran, but some factors have also been proven to be ineffective when it comes to achieving the objectives of sanctions. The theoretical framework designed to structure the analysis and results of the study has proved to be a good basis for the evaluation of the success of sanctions and even though not all conditions were fulfilled, or applicable, with regards to the goals it has given the answer to the question of to what extent the sanctions were effective, and how the success can be explained.

5.4 Further research

Even though this study has tried to cover as many aspects as possible of the case of Iran in the context of sanctions there are still a number of areas where additional questions have been raised, allowing for further investigations on the subject. Presented here are a few reflections with regards to International Relations theory, the study of sanctions and the Iranian nuclear power.

Iran, no longer being able to use the threat of nuclear weapons, adds a new dimension to the power balance in the Middle East, contributing to what may be a new regional security constellation and a shift of power where Iran’s role might not be as prominent as it has been. It could be discussed whether the power balance has been restored in the region or if Iran’s new stance only has led to new security solutions being arranged? An approach for further studies regarding the balance of power would be to examine what other actors would gain from a weakened Iran and what this means for the power balance in the region. Future research could be focused on Israel’s power in relations to its enemies seeing that it is the only nuclear power in the Middle East.

This study has not considered the sanctions’ impact on Iranian sponsorship of armed groups in the Middle East that could become allies in the event of a war between Iran and another state. With Iran’s possibilities to acquire nuclear weapons heavily reduced, the need for strong allies becomes of importance for Iran’s attempts to become a regional great power. A valid question to ask here would be; what effect have the sanctions had on Iranian sponsorship to armed groups and proxies in the region and how has that contributed to
Iran’s possibilities of becoming a regional great power?

Discussing the foreign policy tools available for states and international organisations this study has concluded that there are three main instruments to be used; diplomacy, sanctions and military force, or a combination of these. As previous research has concluded sanctions are only effective in a third of the cases suggesting that other options need to be considered. Military force, as discussed, is not always a possible, nor a legitimate alternative, and diplomacy does not usually work on authoritarian states. This leads to the question; what other policy tools could be used if all other measures fail?

The theoretical framework designed for this study could be used in future studies examining the success of sanctions as it based on previous research on sanctions. Any sanctions case could be applied to the framework making it a relevant tool for sanctions studies. A future use of the framework could lead to more effective way of bringing academics closer to policy makers, putting reasons for success in relation to the objectives, reducing the gap between the theory and practice and maybe increasing the effects of foreign policy tools. Although there are a few conditions for success that did not achieve any of the goals in the case of Iran, which is why an evaluation of these two conditions could be appropriate.

Are sanctions more effective in the initial few years or are there cases where sanctions can be as effective even after a longer period of time? The ISS report (Dreyer & Luengo-Cabrera, 2015) seem to focus more on economic lags, the fact that economic changes take time, rather than focusing on the importance of the targeted country’s leader which this study concluded to be of importance. Secondly the ISS report mentions that targeted sanctions can be as effective as comprehensive sanctions, but in the case of Iran the targeted sanctions were extended to such amplitude that they can be considered to have the same (side) effects as comprehensive sanctions. A question is then raised of whether targeted sanctions are actually as effective as comprehensive, or could it be that extensive targeted sanctions are in fact comprehensive sanctions with a different label?

Lastly, when studying the case of Iran there are still several factors that are unknown as the sanctions were recently lifted. Whether or not all parties will comply to the agreement and
whether the agreement will continue in effect after the election of President Trump remain to be seen. The agreement is designed in such a way that the Iranian nuclear program will continue to be active, with restraints, for a long period of time meaning that there can be no certainty to Iran’s statement that it never will develop nuclear weapons. Political and economic changes may also be reasons for policy changes from all parties involved suggesting that nothing agreed can be considered constant. The Iranian nuclear program and its development will therefore remain an area of interest for further studies, both in terms of its effect on the international relations in the Middle East and with regards to the long term effect of the sanctions.
References


