

IRAN NUCLEAR DEAL: HISTORICAL ASSESSMENT AND FUTURE IMPLICATIONS

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Abstract: Nuclear capability of Iran has always been a controversial topic that raised discussions and debates among the key players, especially over the past decades. Iran Nuclear Deal or Joint Comprehensive Plan of Action signed among the major players in international relations in the year 2015 has brought significant changes in Iran's relations with the neighbouring nations and the member states of JCPOA. The agreement which includes strict restrictions on Iran's nuclear capability in exchange for its release from economic sanctions is considered to be a win-win deal. The deal has recently been in the news as the US withdrew from the deal raising doubts over the future of the deal. This paper examines the history of Iran's nuclear programme, the involvement of the key players in international relations in the nuclear programme, the Nuclear Deal and its implications in the regional and world politics.

Index terms – Iran Nuclear Deal, JCPOA, Iran, US, nuclear energy, nuclear enrichment, international relations

1. INTRODUCTION

After almost 20 months of continuous negotiations, Iran with six major powers have entered into an agreement called the Joint Comprehensive Plan of Action (JCPOA) on 14 July 2015 in order to bring a control over nuclear capabilities of Iran. P5+1 States (US, UK, France, China, Russia and Germany; also termed as EU3+3) have agreed to be a part of the agreement based on the condition that Iran will reduce its nuclear production if the other member countries of the agreement agree to relieve Iran from their economic sanctions that have been pulling the country backward.

Iranian nuclear controversy is the mix of capability versus intentions. Despite Iranian claims, its quest of nuclear technology is viewed as threat to regional peace and security. For the last one decade, International Atomic Energy Agency (IAEA) inspectors, policy makers, diplomatic and technical experts have been trying to stop Iran from acquiring nuclear weapons. In this regard, several stakeholders pressurized the Obama Administration about the looming dangers seeking rapprochement with Iran. Both Israel and Saudi Arabia consider Iran 'not trustworthy' partner to enter into any bilateral or multilateral agreement, based on the mutual suspicion and baggage of past conflicts. Despite political pressures from its Middle Eastern allies, President Barack Obama with President Hassan Rouhani, showing political maturity kept faith in the negotiation course to find solution to the world's most serious nuclear crises. Tehran's crippling economy and scarcity of resources with high inflation rate compelled Iran to break the stalemate and ease country's international isolation. The nuclear agreement signed between Iran and the P5+1 States surprised many policy makers who opposed the deal at first. The deal was tagged as a 'win-win' deal that brought the major powers under one umbrella for international security. However, the recent developments have cast shadow on the life of the deal. Trump administration withdrawing from the agreement left the other members in dilemma. Despite the push from the United States the other members have so far stood strong on their stand. Nevertheless, fine reading to the nuclear agreement reveals that it would be completely impossible for Iran to pursue its covert nuclear activities or make any attempt to cheat the world powers in the next 10-15 years. Therefore, this study attempts to draw attention to the contours of Iran nuclear deal and elucidate the possible implications on the regional security by examining the history of Iran nuclear programme.

2. METHODS AND MATERIALS

This study primarily used secondary sources ranging from journals to books. Books such as *Iran and the Bomb*, *The Abdication of International Responsibility* and *Nuclear Iran The Birth of an Atomic State* were referred to delve into the historical aspects. For data of current scenario, journals and reports of newspapers and periodicals were referred. Reports published by prestigious institutions were also used in the course of the study.

3. IRAN NUCLEAR PROGRAMME UNDER THE SHAH

Until the late 1950's Iran was never ready to take up the huge responsibility of nuclear power. The state had remained unstable with coups and the continuous change of regimes until 1957. In 1957, the state had finally opened up to the world of nuclear power when the Shah who ruled the nation saw it as a pathway to westernization and development.

For Shah Westernization and modernisation were synonymous to each other and hence western goods began to flow into the country during his time. The display of progress was important aspect of Shah's rule and thus nuclear power also became a part of this. 1957 was a significant year for Iran in terms of nuclear power developments. This year saw a nuclear reactor under the auspices of Central Treaty Organisation move from Tehran to Baghdad, the opening of the American 'Atoms for Peace' in the

city and the announcement of a bilateral agreement between the Iran and the USA for co-operation on the 'peaceful uses of nuclear technology' (Patrikarakos, 2012). But the newly born nuclear Iran had a long infancy as the state was not equipped enough to built on what it had received.

It was in 1967 that a young nuclear physicist named Akbar Etemad who gave life to the first nuclear research reactor that remained idle in Tehran University initially as 5MW light water reactor for at least a decade. With the expertise and knowledge he had gained from his studies in Geneva and Paris, he began to fulfill the Shah's dream and took over the construction of the research reactor and it became critical in November 1967. It used 93 percent- enriched uranium supplied by the USA.(Patrikarakos, 2012)

Shah often took nuclear power as a personal asset and hence taken most of decisions related to it without the consultation of the government. As the Shah's goal was characteristically vague in as the leader never specified anything beyond using nuclear power for electricity Etemad came up with a proposal for the establishment of a new institution that would be independent from government. This proposal got materialized into the Atomic Energy Organization of Iran in 1974. Iran's primarily public justification of its nuclear programme from the beginnings under the Shah to Khamenis's Islamic Republic today has always been presented as economic argument (Patrikarakos, 2012). At the early stage itself research showed that if Iran continued to import oil at the rate it was importing at the time then soon Iran would become a net-importer of crude oil and associated by-products in almost 50 years and as early as 1960 Shah envisioned nuclear energy as direct replacement.

Iran was always among the first of the countries to sign the treaties like the Non-Proliferation Treaty (NPT). Even before the introduction of the NPT, Tehran had signed and ratified the 1963 Limited Test Ban Treaty. It signed the NPT on the day it opened for signature on 1 July 1968 which was before the nuclear powers like France and China was committed. Signing of NPT in one way confirmed that if at all Iran was going for a nuclear weapon it would be a clandestine one.(Gul, 2012)

Despite the persistent threat from the side of USSR the Shah never wanted nuclear weapons as he was confident in the state's conventional weapons programme. The Shah was of the opinion that Iran adopting nuclear weapon at the time would only bring down its position in the Middle East. Ultimately, Shah's plan failed as his goals were never reached and his ideas never got materialised.

4. NUCLEAR PROGRAMME AFTER THE REVOLUTION

After the 1979 Iranian Revolution, Iran decides to shrink the Shah's ambitious nuclear and military projects, because the new revolutionary government viewed them as an extension of an American dominance strategy in Iran. Instead, of embracing this new policy, the United States and other Western countries chose to withdraw from all nuclear contracts with Iran and sought to isolate the country through sanctions and coercion (Mousavian & Mousavian, 2018). As the new leader Ayatollah Khomeini took upon the leadership Iran also changed its course on nuclear program. From then on, Iranian government suspended elements of the programme, and later restored them with reduced western assistance (Gul, 2012).

The Hostage Crisis of 1979 where a group of Iranian students calling themselves the Muslim Student Followers of the Imam's line taking hostage of a few helpless US diplomats, made the relationship between the US and Iran bitter. Any possibility of the US doing business with the Islamic Republic was destroyed with this episode and in the following September Washington had announced tightening of export control, naming Iran as one of the 63 countries to which the transfer of nuclear materials would be scrutinized more thoroughly.

The Iran-Iraq war of the 1980s exhausted the financial capabilities of Iran. As the state was fighting for its life in the war, majority of its human and financial capital were channelled into the country's defence. At the same time the arbitration agreement of 1982 between Kraftwerk and Iran in which both the parties agreed to work on the Bushehr reactor also began to lose its meaning as Kraftwerk began to show reluctance in working on the reactor (Gul, 2012). As the war intensified, talks between the two parties of the agreement continued and some of the original agreements expired. In February 1984, Kraftwerk surveyed Bushehr and declared that it would only complete the reactor when the war ended. Iranian requests to Kraftwerk continue the work went in vain.

Iran's announcement of an agreement over European Gaseous Diffusion Uranium Enrichment Consortium (Eurodif) had also proved premature and relations with France underwent similar disintegration. Legal wrangling continued throughout the 1980s and it was only in 1991 that an agreement was finally reached on Eurodif. But the collaboration of France and Germany which was a part of this agreement didn't bring any real substance after the revolution (Patrikarakos, 2012).

The Iran – Iraq war changed the way Iran looked at its nuclear programme. The war made Iran lonely as the western world isolated Iran and it began to lose partners. Earlier the nuclear programme under the Shah symbolized westernization of a modernizing state where as post Iran-Iraq war, the nuclear programme was something a modernizing state had to have to be palpably non- western and defiant (Gul, 2012). The programme thus became an integral part of how the Islamic Republic defined itself in the modern world.

5. ROLES PLAYED BY OTHER STATES IN IRAN'S NUCLEAR PROGRAMME

5.1 EUROPEAN UNION ASSISTANCE

Some European countries have suspected Iran of having nuclear ambitions for a number of years, especially Germany, which was involved in the construction of the Bushehr power station before it was bombed by Iraq in 1983 (Delpech, 2007). Tehran's relentless determination to obtain nuclear equipment and materials from around the world has intrigued more than one European capital. Iran being rich in extensive oil resources and gas reserves, there was no justification for the rush to develop alternative energy resources. In addition to this Iran also had a significant energy export policy, supplying energy to countries like China, India, Pakistan and South Africa (Delpech, 2007). Based on these facts Europe in the 1980's were reluctant towards Tehran going for a nuclear capability and Tehran turned towards Russia for aid.

From the mid 1990s, the Europeans were aware of the possibility that this civil nuclear energy programme might enable Iran to obtain expertise and technology from the Russians other than those necessary for purely peaceful purposes. For a decade Europeans continued to opt for "constructive dialog" with Iran while the US continued to impose heavy sanctions on the country.

For Europe, Iran has always been a path through which it can achieve progress on non-proliferation by going down the diplomatic route. Europe sought to restore the unity they had lost during the Iraq crisis. Europeans became involved in the Iranian case for three main reasons. The first reason is effective multilateralism. Effective multilateralism is what Europeans would like to succeed when it comes to formulating their security policy, especially over the question of non-conventional weapons. In June 2001, the European Union published a joint strategy for combating the proliferation of weapons of mass destruction (WMD). This document covers nuclear, biological and chemical weapons as well as their delivery systems (Delpech, 2007). Proliferation Security Initiative launched in Krakow and signed in Paris in 2003 is another area where effective multilateralism is seen. This initiative aimed to intercept planes, ships or ground transportation containing equipment or technologies of countries with secretive WMD programmes. The second reason was the solidarity of the three major European countries. London, Paris and Berlin have remained united over the question of Iran despite the different approaches. Later this unity was strengthened with German involvement and the British had imperatives in Iraq as Iran is capable of causing disruption in Shia-controlled region of southern Iraq. The three countries see the rise of Iran as a threat to the stability in the area (Delpech, 2007). The third reason is the Iranian threat seen from Europe. A nuclear bomb of Iran would be a threat to the area of Middle East and would push forward the most conservative elements in Tehran which would further lead to radicalizing the fears of regional domination by Iran. Despite the often repeated threats of reporting to the Security Council Europe had shielded Iran in three occasions: 2004, 2005 and 2006 (Delpech, 2007). Possibility of Iran coming up with a nuclear weapon thus can be said to be partially due to Europe's move in the past as well.

5.2 RUSSIAN ASSISTANCE

Traditionally Iran and Russia have been good neighbours. Until the 1990s Russia played a major part in helping Iran pursue its nuclear programme. Changes began to be seen from 2002 due the new developments during that time. Yet Russia was careful in its dealings with Iran. In 2005 Russia refused to sign a fuel contract until Iran had provided some non-proliferation strategies. Higher authorities in Russia have reached a conclusion that Iran's intentions are no longer hidden and that Tehran wants to develop nuclear weapons (Delpech, 2007). Russia had accurately predicted Iran's purchases of isostatic presses and vacuum furnaces. It is also aware of the significance of casting and machining of uranium metal into hemispherical forms. Moscow is much better informed than the West about some of Iran's sensitive imports (Delpech, 2007). Many experts from Minatom/Rosatom and other Russian bodies have visited Iran in the last decades as they have an interesting dossier on Iran's nuclear programme. The main reason why Russia refuses to have a full exchange of information regarding its nuclear capabilities with Europe and the US which can constitute a trust among them is because Russia fears about the revelation of the past Russian-Iranian relations that would emerge (Pollack, 2015).

The poor relation between Russia and the United States has helped in forging a special bond with Iran in the past years. This might speak against the Russian foreign policy but Moscow can be tempted to return to Middle East through Iran due to the commercial interests in the area. Today, after the signing of the deal Russian and Iranian scientists have joined hands in the enrichment of uranium. Now, Iran seeks security assurances by Russia to safeguard against UN sanctions or military strike against its nuclear facilities against Israel or the US.

Russia stays strong on its opinion that the presence of the IAEA should be made stronger in Iran and believes that the same agency shall resolve the questions concerning the development of the Iranian nuclear programme. Being interested in pursuing a peaceful approach the country is against all attempts to impose unilateral restrictions in addition to those agreed in the UN Security Council as such restrictions will undermine joint efforts and split the international community. Confrontational approach, the Russian Federation believes will only lead to severe consequences not only on regional level but at a global scale. The deal assured that Iran would receive enriched uranium it needs for civil nuclear purpose from Russia. For Russia the deal will give it tag of international peace broker and also prevents a nuclear power at its southern doorstep.

5.3 PAKISTAN ASSISTANCE

Prior to 1979 Pakistan and Iran did have tactical alliance. Baluch rebels were crushed by Pakistan with the help of Iran in 1970s. This changed after the revolution. As Taliban started making its presence known in Afghanistan, Pakistan and Iran started moving apart. The Taliban was declared as the enemy of Tehran at both ideological and strategic level. Confrontations have existed in the 1990s, but at different periods exchanges of sensitive equipment, including nuclear-related technology have taken place between the two nations (Delpech, 2007). In the 1980s, General Aslam Beg, the chief of staff of the Pakistani army, decided to enter into a strategic co-operation with Iran (Delpech, 2007). One of the most incriminating elements of the IAEA dossier on Iran is a nuclear offer from Pakistan dated 1987 and which Tehran acknowledges. A decade later, in the mid 1990s, Abdul Qadeer Khan's (a nuclear physicist, who founded the uranium enrichment program for Pakistan's atom bomb project) clandestine network supplied Iran with blueprints for first-generation P1 centrifuges and second-generation P2 centrifuges (Delpech, 2007). After the revelation of the link between the two nations, the relation has been strained.

Islamabad was forced to reveal it had provided clandestine supplies to Tehran along with Libya. This resulted in international inspectors requesting access to its closed sites. The initial discovery of link between the two nations happened when Iran admitted that it uses Urencho technology, all the while denying that it have had links with Islamabad (Mousavian & Mousavian, 2018). This made the IAEA launch an investigation into the possible ties between the two countries. On investigation it was found out that Islamabad was using the same Urenco technology, blueprints of which were stolen by Dr Abdul Qadeer Khan for two uranium enrichments facility from the Almelo enrichment facilities in Netherlands (Delpech, 2007). Later in the year 2004 he admitted to have passed on information and ultracentrifuge equipment to Tehran, Tripoli and Pyongyang.

Similar links between the countries have been found in the later years. In the year 1987, the IAEA as a part of the international investigation found a number of clues about an offer from Pakistan to Tehran. Tehran was asked to handover the original document or at least a copy but Tehran never admitted existence of such a copy. This episode is described by Pierre Goldschmidt, the IAEA's former Head of Safeguards in his report of 2005. By the end of 2005, there were rumors of declaration by President Musharraf supposedly asserting that Iran was "very keen to have the bomb", a statement that outraged Tehran.

Pakistan remains a major source to understand Tehran's past and present nuclear activities yet Pakistan would never fully reveal all the information as it can lead to questions related to its own past doings. Regardless of the history between the two countries today Pakistan is not ready to fully support Tehran if at all it continues its proliferation desires owing to the current happenings with the deal.

6. CONNECTION WITH NORTH KOREA

Iran's relation with North Korea is one of the most repulsive aspects of its nuclear and ballistic programmes. North Korea supported Iran against Saddam Hussein supplying it with SCUD ballistic missiles, while Egypt supported Iraq. This co-operation between the two countries became evident in 1988. Similarly, North Korea has also supported Iran in its nuclear programme as revealed by Japanese newspapers in different times (Delpech, 2007). Several Japanese press articles, notably in the daily newspaper *Sankei Shimun* have reported the presence of Iranian nuclear experts in North Korea in the first half of 2000s. Citing military sources, *Sankei Shimun* alleged that there had been discussions between Tehran and Pyongyang on joint work related to nuclear warheads. The same source has also reported in 2004 that both the states were planning to develop and test nuclear detonators. The article claimed that six Iranian experts had travelled to North Korea in May 2004. Another article of the same source later claimed that North Korea had sold Iran several kilos of a key component for the production of uranium hexafluoride (Delpech, 2007).

The nuclear weapon test by North Korea on October 9, 2006 complicated the Iran nuclear issue. Sanctions proponents cited Resolution 1718, approved within days, condemning the North Korean nuclear test and imposing sanctions on arms and missile-related goods, as well as bilateral aid and trade sanctions by China, as major reasons North Korea returned to the six-party talks. Sanctions opponents argued that fewer sanction should be imposed on Iran since it has done less, being suspected of development of nuclear weapons but not having tested them. When the six-party talks did resume in Beijing in December, the North Koreans were quite focused on the U.S. financial sanctions imposed earlier on North Korean accounts in Macau's Banco Delta Asia société à responsabilité limitée (SARL). This played both ways in the sanctions debate, for opponents an example of sanctions' counter productivity and for proponents an example of impact (Mousavian & Mousavian, 2018).

7. REGIONAL SECURITY DYNAMICS

Iran Nuclear Deal marks a sudden change in a number of factors, not just on the international scale but also in the regional power dynamics. Middle East is a volatile region and vulnerable to internal and external influences; the deal has caused both positive and negative reactions. There is alarm, shock and anger, for some it is a matter of contentment and a vibe of supremacy. Along with the great many implications it brings with, this deal will alter some of the interactions between states inside the region as well as policies among them, which will ultimately develop into novel realities for the region. These developments might bring some changes to how the international order looks upon Middle East and Iran.

Taking an extract from the paper 'Iran Nuclear Deal: Implications for Regional Security' (2015) "...Former Iranian President, Hashmi Rafsanjani, welcomed the Nuclear Deal stating that 'America wants to distance itself from the past...the US so far has

acted fairly well up till now in the nuclear negotiations' (Faghihi, 2015). Iranian Foreign Minister, Mohammad Javad Zarif even went further to offer nuclear cooperation to the Arab States suggesting to create a regional platform to discuss regional security issue and to resolve them peacefully. He stated that 'regional platform would not only address Syria and Yemen but also civil nuclear cooperation including central nuclear enrichment to general nuclear fuel, which could be done through technical collaboration between the Islamic countries of the region (Zarif, 2015). But Israeli Prime Minister, Benjamin Netanyahu, denounced the deal as 'historic mistake' which makes the region and world at large more dangerous (Entous, 2015). Saudi King Salman raised concerns over the verification and lifting of sanctions (Tait & Foster, 2015). The US Secretary of State, John Kerry did try to ease the fears of Arab States in lieu of strict compliance and verifications ("Kerry seeks to assure Gulf allies over Iran nuclear deal," 2015)."

The Nuclear Deal has triggered security concerns of numerous regional rivals among the Middle Eastern states in general and the Gulf Cooperation Council (GCC) in particular. Middle Eastern regional politics presents a complex web of power tussling. The region is acknowledged for three different case studies i.e. Iraq, Libya and Iran; each distinct from one another in concealed efforts to develop or procure nuclear technology. Bringing Iran back into the mainstream of global politics has disturbed the key stakeholders most importantly, Israel and Saudi Arabia. The critics of the deal foresee a New Nuclear Order arising in the region, as a consequence to 'Domino's Effect' which will strengthen the insecurities among some states provoking them to seek hedging capability (Savir, 2015). Many of the Middle Eastern states are oil-producing countries and they are keen to share resources in enhancing the defense capabilities. In recent past, several Arab states have embarked on the nuclear course; notably Egypt, KSA, Kuwait, and UAE. These states have already signed multi-billion nuclear agreements with several European States and the US (Calderwood, 2007). The leadership of Saudi Arabia has even indicated that Kingdom of Saudi Arabia can have nuclear weapons of its own (Trofimov, 2015).

It is important to state that excluding Israel, all of the major regional actors (Saudi Arabia, Egypt and GCC states) are signatories of NPT. Therefore, in spite of strong desires to seek nuclear technology, the Non-Proliferation Regime bars them to follow suit. However, to overcome the trend of technology transfer at the state-level, the NPT regime and JCPOA members will have to reinforce strict measures to politically convince and persuade Israel in declaring the region as 'Nuclear Weapons Free Zone.' Since past several NPT Review Conferences all efforts to construct NWFZ in Middle East have been sabotaged by Israel.

For Pakistan, the Iranian nuclear deal offers opportunities to address issues of mutual concern and advantage from Iran's energy reserves. The longstanding issue between Pakistan and Iran is the IP gas pipeline that should be the watershed to unlock further avenues of cooperation between the two countries. This will help Pakistan to rise above its energy crisis and focus on its industry development that suffered severely in the last many years. Apart from being self-sufficient in its products, Pakistan will export its commodities in the global market. Also, Pakistan can import several of its raw materials like rice, textile, wheat etc. from Iran (Hussain, 2015). PM Nawaz Sharif's visit to Iran in May 2014 restored bilateral cooperation as a result of which Iran agreed to augment the electricity supply to Baluchistan from 100mw to 1000mw. Both the countries also decided to increase the bilateral trade to \$5 billion per annum. Iran showed enthusiasm to construct an oil refinery in Baluchistan with a capacity of 400,000 barrel of oil per day (Dehqani, 2014). This will not only help in the development of Baluchistan province but will also create employment opportunities for the locals. Being a neighbour, Pakistan can save most of its monetary loss by importing oil from Iran instead of other states. In his recent visit to Pakistan after the Nuclear Deal on August 13, 2015, Iranian Foreign Minister showed interest to enhance cooperation and boost regional economic connectivity (Syed, 2015).

The nuclear deal has not only left Iran with its nuclear infrastructure intact but helped Iran to redesign its diplomatic ties with the West, EU, China and Russia. It is unlikely that Israel and Saudi Arabia will acknowledge Iranian nuclear deal in letter and spirit, instead both will continue to fight on the diplomatic front resisting policies aiming to strengthen Iranian influence. There will be political clamour reiterating Iranian pursuit of the bomb. The Israeli leadership firmly stated that deal is nothing more than a mistake which will have serious repercussions.

Iraq's internal security is unstable and poses greater threat to neighbouring states and world at large with the emergence of 'Islamic State.' Iran's ideological collide will resist IS expansion in the region and offers another major area of common cooperation between Iran and the West. Thus, the union of US-Iran objectives against the IS will favour Iran to drive the regional security order (Morris, DeYoung, & Ryan, 2015). Iran's steady support to the Assad regime is likely to help Syria to restore internal stability (Pollack, 2015). Iran can be a missing connection to bridge the gap between Assad regime and the West to avoid the outbreak of another armed conflict in the region. This in turn will further estrange Israel and Saudi Arabia.

Therefore, the improved Iranian regional clout in the wake of nuclear deal, is likely to reorder the regional balance of power amongst the contending players; Iran, KSA, Israel and Egypt. Yet it cannot be pre-determined that how much some of the states will be effected in this scenario as there are factors involved which can build diplomatic relations as well as break them apart. But almost all the Middle Eastern states will be in a way influenced because most of the states have a pattern of communications with each other. Especially with those states which are considered to exert power in most of the Middle Eastern dynamics, like Israel, Iran and Saudi Arabia (Pollack, 2015). There is no doubt that it was an outstanding deal forged between uncommon parties and it will bring some unusual end results.

8. THE US SANCTIONS ON IRAN

The United States has imposed unilateral economic sanctions on Iran for almost three decades now. Since the seizure of US hostages in Iran following the revolution of 1979, the US government has imposed a succession of economic penalties against the Islamic Republic. The complexity and severity of these sanctions intensified following Iran's resumption of a uranium enrichment program in 2006 (Katzman K. , 2014). The Department of State's Office of Economic Sanctions Policy and Implementation is in charge for enforcing and implementing some of U.S. sanctions programs that restrict access to the United States for companies that involve in certain commercial activities in Iran.

Prior to the JCPOA or Iran Nuclear Deal, data as shown in *A Century Foundation Report* (2007) says that total U.S.-Iranian trade was less than \$250 million (2004), compared to roughly \$25 billion in EU-Iranian trade. U.S. import exceptions consist of nuts, caviar, carpets, and Iranian oil refined in third world countries. Export exceptions include agricultural goods and medical supplies, subject to interagency review. Financial sanctions exclude loans or credit by American financial institutions, opposition to most lending to Iran by multilateral development banks (MDBs) to which the United States contributes, and continued freezing of an estimated \$17 billion in Iranian assets in the United States.

The United States also has sought to limit trade by Western Europe and others through claims of extraterritorial application of U.S. law. The Iran and Libya Sanctions Act (ILSA), first passed in 1996, forced penalties on foreign companies investing in Iran's or Libya's energy sector; another reauthorization dropped Libya, with which diplomatic relations have been re-established, but tightened the Iran energy sector sanctions and extended them through 2011.

The Bush administration had taken a number of steps to impose extra U.S. sanctions, particularly fiscal ones, which go beyond but are said to be consistent with Resolution 1737. These especially included prohibitions on American economic institutions doing business directly or indirectly with Iranian banks, organizations, and other entities involved in nuclear-related activities. While direct prohibitions on American financial institutions doing business with Iran were longstanding, the novel regulations put in the extraterritorial aspect of including overseas branches of American banks, American citizens working at foreign banks, and a claim over any dollar-denominated business. One immediate application has been against Bank Sepah, "the financial linchpin of Iran's missile procurement network." (Levey, 2007). Similar restrictions had been imposed earlier against Bank Saderat, a major Iranian bank banned from even indirect access to the U.S. financial system because the bank was believed to be providing funds to Hezbollah (JentleSon, 2007).

9. THE IRAN NUCLEAR DEAL

The process of multilateral discussions on Iranian nuclear program started in 2003 after the IAEA confirmed its suspicion on clandestine nuclear activity at Natanz. To surmount the international concerns about its enrichment and heavy water reactor activities, Iran entered into agreement with France, Germany and United Kingdom in October 2003, and signed Additional Protocol of IAEA safeguard (Katzman & Kerr, 2015). In January 2006, Tehran announced its intentions of resuming research and development on centrifuges at Natanz. Since 2006, several rounds of negotiations were held between Iran and the P5+1 States, but failed to achieve common grounds. In the meantime, the UN Security Council adopted numerous resolutions reiterating Iran to collaborate with the IAEA investigations requiring her to suspend uranium enrichment and expansion in projects linked to the construction of heavy water reactors and to confirm Additional Protocol of IAEA safeguards agreement. In June 2010, the UNSC Resolution 1929 was passed to call upon Iran to abide by with modified version 'code 3.1' referring to Iran's supplementary arrangement of safeguards agreement with the IAEA. Due to inadequate cooperation received from Iran, many of these resolutions led to the imposition of sanctions (Katzman & Kerr, 2015). While the controversy on Iranian nuclear program continued to exist, the negotiation process considerably changed after November 2013 when an interim agreement was reached to be known as the Joint Plan of Action (JPA).

In the background of mutual trust with overstretched and stalled process of dialogue, many policy makers were doubtful about the positive outcome of further talks. The change in the political control in Iran as a result of 2013 elections brought considerable change in the on-going negotiation process. Rouhani's political mission was to let loose Iran from the solid hold of sanctions and focus on reviving country's economy. The US President Barak Obama's phone-call to President Rouhani in September 2013 was a turning point to commence direct negotiations between the two sides. The Joint Plan of Action (JPA) offered a middle ground for both Iran and the P5+1 States aiming to conclude a sensible solution where Iran would pursue nuclear program for solely peaceful purposes but at the same time all necessary measures will be taken to ensure that under no conditions Iran will be able to develop the nuclear weapon. The JCPOA went into effect in October 2015, followed in January 2016 by implementation the day after the IAEA verified Iran's nuclear program to be peaceful.

According to a National Intelligence Estimate of 2007, Iran "halted its nuclear weapons program" in 2003 but the approximation and subsequent statements by the intelligence community also assessed that Tehran was keeping open the "option" to expand nuclear weapons. This potentiality of Iran becoming a nuclear power, as one can understand from the information presented so far, was always a threat looming over other powers. Iran Nuclear Deal was the manifestation of negotiations that happened in the past decades.

Iran did not build any new nuclear facilities or expand the existing facilities since beginning implementation of the JPA in January 2014. Iran controls a Russian-built nuclear power reactor, for which Russia is providing fuel until 2021. The JCPOA focuses on Iran's enrichment program and its heavy water reactor due to their potential for nuclear weapons material production (Kerr & Katzman, 2018).

The Nuclear Deal consists of two parts; first, the physical limitations on Iran which can thus limit all possibilities to manufacture enough fissile material stockpiles at its declared facilities. Second is the secretive aspect that after ten to fifteen years if Iran pursues its program for weapons purposes and cheats the concord. This certainly includes the making of fissile material at the undeclared facilities. Given the existing provisions enshrined in the JCPOA, any clandestine activity detected reflecting Iranian effort to cheat or avert its program from peaceful to weapons program will invite snapping back of sanctions with instant effect.

Moreover, the strict verification and transparency mechanisms will make it hard for Iran to cover up its nuclear activities. According to the JCPOA, all enrichment would be done at Natanz facility for a period of fifteen years. It is unlikely if any such cover up is done by Iran during this time frame as Natanz would be under stringent IAEA surveillance and would instantly invite military response (Samore, 2015). Apart from the IAEA Additional Protocol observance by Iran, some experts did believe that 'AP Plus' agreement would be required to guarantee confidence in the peaceful pursuit of the Iranian nuclear program. It is also important to mention many states in the past like Iraq, Libya, North Korea, Syria, Romania and Iran itself have been found in unlawful nuclear activities commonly termed as 'sneak out' due to the IAEA's failure to detect timely. Therefore, an 'AP-Plus' agreement cannot give material and detect timely any illegal inclusive and round the clock inspection, and access to monitor every Iranian infrastructure/facility and activity (Samore, 2015).

The agreement not only limits the amount of the centrifuges installed at Fordow and Natanz by two-third (19,500 to 5060), but also restricts the efficiency of its enrichment program by confining to use IR-1 type centrifuges. The present low-enriched uranium stockpiles of Iran are around 7.6 tones. "None of Iran's near 20% enriched uranium remains in the form of UF₆, but it retains close to 230 kilograms of near 20% enriched uranium oxide"(Samore, 2015). Therefore, agreement intends to limit Iranian enrichment program by restricting all centrifuge activities at Natanz and not at Fordow facility. In such a case, Iran would not be able to 'break out' in less than a year. Moreover, the reactor at Arak would be replaced and altered so as to prevent Iran from manufacturing enough weapons grade fissile material. Even though the critics argue the deal should have excised means to roll back the Iranian nuclear program, the strict measures as mentioned in the JCPOA will avert Tehran from making hidden arrangements.

Iran has also been constructing a nuclear reactor moderated by heavy water at Arak. The state claimed that the reactor is intended to produce radioisotopes for medical use and to substitute the Tehran Research Reactor. If the reactor was completed before the implementation of JCPOA it would have had the power of plutonium to make one or two nuclear weapons per year. For this plutonium to be separated from used fuel, a process called "reprocessing" is done. Iran has always stood on its stand that it has not gone for "reprocessing". Prior to the JPA, Tehran informed the IAEA that it had produced enough heavy water to commission the reactor, but the JPA restricted further development of the facility.

Therefore, despite many critics of the Deal, it has shown that diplomacy is still the best option to resolve the controversial issues and avoid conflict, and restrict Iran to produce nuclear weapons for the next 10-15 years. The JPA mentioned that a JCPOA would include a "mutually defined enrichment programme with practical restrictions and transparency measures to guarantee the diplomatic nature of the programme." Explicitly, Iran and the P5+1 would, in a JCPOA, reach agreement on lasting, comprehensive sanctions relief in exchange for restrictions—"for a period to be agreed upon"—on the "scope and level" of Iran's enrichment actions, the capacity and location of Iranian enrichment facilities, and the amount and composition of Tehran's enriched uranium stocks (Kerr & Katzman, 2018).

The member nations have high expectations for the deal as it places constraints on Iran's enrichment programme and heavy water programme and consists of monitoring provisions to detect if at all Iran go for nuclear weapon production either a declared or covert move. It also extended the amount of time that Iran would need to produce enough weapons-grade HEU for one nuclear weapon to a minimum of one year, for duration of at least 10 years. Moreover, it also prohibits Iran's activities which could contribute to design and development of nuclear weapons including diagnostic and research activities.

The latest developments have left the future of the deal in question. On May 8, 2018 President Donald Trump announced the withdrawal of the U.S out of the painstakingly negotiated deal leaving the world in shock. Trump stated that, "This was a horrible, one-sided deal that should never have been made". For the first time in the country's history a President has wilfully overturned a signature achievement of his immediate predecessor. The United States declared that the state would no longer participate in the JCPOA and that all U.S. secondary sanctions would be reemployed after a maximum of 180 days (ended by November 4, 2018). With that time period expired, all U.S. sanctions, including those on energy or banking transactions with Iran, came back into effect.

U.S. sanctions have had a substantial effect on Iran's economy and on some major strategic decisions, but comparatively less effect on Iran's regional malign activities. JCPOA provided Iran extensive relief from the international and U.S. secondary sanctions as the U.S. Administration waived significant sanctions, revoked relevant executive orders, and corresponding U.N.

and EU sanctions were lifted. Remaining were a general ban on U.S trade with Iran and sanctions imposed on Iran's support for regional governments and armed factions, its human rights abuses, its efforts to obtain missile and advanced conventional weapons capabilities, and the Islamic Revolutionary Guard Corps (JentleSon, 2007).

JCPOA sanctions relief enabled Iran to enlarge its oil exports to nearly pre-sanctions levels, recapture access to foreign exchange reserve funds and reintegrate into the international financial system, achieve about 7% yearly economic growth, attract foreign investments in major sectors, and buy new passenger aircraft. The sanctions relief positively contributed to Iranian President Hassan Rouhani's re-election in the May 19, 2017, vote. Yet, perceived economic grievances still resulted in protests in December 2017-January 2018.

The revival of U.S. sanctions has begun to harm Iran's economy as major companies leave the Iranian economy rather than risk being penalized by the United States. Iran's oil exports are declining and difficulties paying Iran for oil with hard currency are evident. The value of Iran's currency has sharply declined and economic-based unrest has sustained, although not to the point where the regime is threatened. But it needs still needs to be understood as to how extensively Iran's economy will be damaged, because the European Union and other countries are trying to keep the economic benefits of the JCPOA flowing to Iran in order to convince Iran to remain in the JCPOA. And, on November 5, 2018 the Administration granted exceptions to eight countries that the Administration asserts considerably reduced oil imports from Iran. Exceptions were given to China and India even though the two countries together continued to import over 1 million barrels per day of Iranian crude oil in October, thwarting the Administration's aim of reducing Iranian oil exports "as close to zero as possible."

While Israel is happy with the decision, the member nations of the deal have expressed their discontent with the US and have made clear that they are not backing out of the deal despite the constant push from the United States to do so.

10. CONCLUSION

Iran's nuclear programme has been a topic that has raised debates and questions. The introduction of the Iran Nuclear Deal has to an extent lessened the tension revolving around the same. The deal has helped to materialize a form of agreement that wouldn't have been possible without the deal. Being a strategically important state, Iran will always be of significance to the major countries and a deal like the JCPOA is a platform that gives the countries considerable say over the state. The deal will affect all the West Asian nations as Iran and its nuclear capability also decide its relations with the neighbouring nations as well. While Israel and Saudi Arabia continue to criticize the deal the other states will try to develop a relationship with Iran based on the developments of the deal.

For Iran the deal can have multiple effects. A careful move from the side of the state will keep it safe from getting into a stalemate situation. The decade long economic sanctions have isolated Iran from the rest of the world. Relief from these sanctions itself is one of the huge advantages that Iran gets from the deal. The deal also places Iran in the international political map, giving it a more strategic and important position. Although the agreement comes up with a significant amount of restrictions on the plausible nuclear weapons development of the state, the advantages outweigh the disadvantages and Iran will remain vigilant enough not to go back on its words that can result in the country going back to its days of isolation.

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