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De-escalating the Iran Crisis: Is There a Role for Europe?

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Summary

US-Iran military tension and Europe's uneasy job running the JCPOA dispute resolution mechanism displays a complicated path to resolve Iran crisis. How can the E3/EU contain the crisis below a manageable threshold? What could be done if the dispute resolution mechanism fails to produce positive results? E3/EU countries need to adopt an inclusive de-escalatory strategy and combine it with nuclear diplomacy. This strategy should incorporate military and security confidence-building measures at its core accompanied by active regional diplomacy and an extension of EU-Iran relations into the developmental and humanitarian dimensions. This paper explores such a de-escalatory strategy and provides clear policy recommendations.

1. Introduction

The assassination by the United States of Iran's top General Qasem Soleimani on 3 January heightened tensions in the Middle East to an unprecedented level. Unsurprisingly, Iran announced retaliatory measures, and finally on 8 January fired 16 missiles at two US military bases. The missiles hit their targets precisely without facing effective US missile suppression measures. It seems that the US miscalculated Iran's will and military ability to respond, which created a potential '1914 moment' [2] – when nobody wants a war and yet it happens. In Europe, the initial response was nothing but frustration and calls for restraint.

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2. Von Sigmar Gabriel, 'Europa muss ein politisches Risiki eingehen,' Der Tagesspiegel, 5 January 2020, https://amp.tagesspiegel.de/politik/konflikt-zwischen-usa-und-iran-europa-muss-ein-politisches-risiko-eingehen/25389692.html

Backtracking from his previous positions, US President Donald Trump talked about America's readiness for peace.[3] At the same time, however, he launched a new round of sanctions on Iran's steel industry and high-ranking officials and refused to issue a visa for Iranian Foreign Minister Javad Zarif to attend a Security Council meeting, thus keeping tension high. Despite its obvious military disadvantage vis-à-vis the US, on its part Iran seems determined to increase its pressure on the United States to change the dynamics and has rearticulated its policy into a so-called General Soleimani revenge package. After Iran's retaliation, Supreme leader Ayatollah Ali Khamenei played down the military aspect of revenge but called for more efforts to expel US troops from the region.[4] All these elements indicate that Iran will to continue its brinkmanship policy, perhaps by mobilising pro-Iran political groups in Iraq against the US presence, reducing the nuclear breakout time, or even by encouraging anti-American operations[5] by Islamic groups in Afghanistan.

The ongoing US and Iranian policies show that the leaders on both sides are wary of an all-out war. At the same time, however, the two countries continue to maintain highly hostile attitudes and the situation has become more complicated and fragile. Binary standoffs will persist, as neither side wants to be seen as the looser and this will keep the possibilities of a military clash alive and the chances of sustainable de-escalation low. Amid these tensions, the decision by Germany, France and the United Kingdom (E3) to trigger the Iran nuclear deal's Dispute Resolution Mechanism (DRM)[6] potentially adds a new dimension to the existing tensions. The E3/EU pressure on Iran to re-commit to the Joint Comprehensive Plan of Action (JCPOA) or negotiate a new deal has a low probability of success.

Some observers believe that triggering the DRM will initiate new rounds of intensive nuclear diplomacy that may end up with some sort of crisis resolution. The argument is that Iran will observe voluntary restraint on the pace and scope of its nuclear programme in exchange for an E3 assurance to not trigger snap-back and some US sanction-relief measures.[7] Such an interim agreement might create a bridge to a new grand bargain covering Iran's missile programme and its regional security policy. These observers, however, do not define what Iran's interest would be in following the path described and underestimate the weight of domestic politics in Tehran. Considering the growing Iranian mistrust of Europe, its dependency on its missile capability and on proxies – on which Iran's military strategy is based– and the increased anti-Americanism that is dominating Iran's domestic politics, it is hard to imagine that talks under the DRM would indeed push Tehran to change course. At the same time, Europe has already failed to provide Iran with positive incentives and effective benefits in terms of sanction relief. Strong political will and determination on the E3/EU side would be needed to go against the US 'maximum pressure' policy, and the debacle of the INSTEX trade mechanism shows how difficult this can be.

Against this backdrop, there is a probability that the Joint Comprehensive Plan of Action will be dropped in the process and that punitive UN Security Council resolutions will be reinstated. Iran's possible response might be harsh. The nuclear programme inspection regime will be the first to suffer. The country may decide to reconsider its commitments under the non-proliferation treaty (NPT) and restart enriching uranium up to 20% or higher. In the worst scenario, Iran might even lift its self-imposed range limitation on its ballistic missile programme, raising the prospect of US-Iran military conflict and putting the E3/EU in a tough dilemma between joining a war or being a powerless bystander. Thus, the decision to activate DRM could eventually bring the tipping point of the crisis closer, and may even turn the E3/EU's policies into drivers of the conflict rather than a way to prevent it.

The response to this challenge needs to be more engagement. If Europe sees a de-escalatory role for itself and is ready to devote political capital and a sense of urgency to the Iran crisis, then the E3/EU conflict management

3. Quint Forgey, 'Trump Aims to Cool Crisis with Iran,' Politico, 8 January 2020, https://www.politico.com/news/2020/01/08/trump-says-iran-appears-to-be-standing-down-096167
4. Seyed Ali Khamenei, 'One Slap in the Face, but US Destructive Presence in the Region Should be Ended,' Leaders Information Office, 8 January 2020, https://www.leader.ir/fa/content/24012/1356-ی-د-19-م-ای-ق-زورل-اس-ت-ب-س-ان-م-هب-م-ق-م-درم-ز-ا-ر-ف-ن-ن-ا-ر-ا-ز-ه-ر-ا-د-ی-د
5. Lolita C Baldor, 'Top Commander sees increased Iranian threat in Afghanistan,' Associated Press, 31 January 2020, https://apnews.com/81bce434ca2f7bfeaba87789652218d9
6. 'E3 Statement on the JCPOA,' 12 January 2020, https://www.gov.uk/government/news/e3-statement-on-the-jcpoa-12-january-2020
7. Robert Einhorn, 'Averting a new Iranian nuclear crisis,' Brooking Policy 2020 series, January 2020, https://www.brookings.edu/policy2020/bigideas/averting-a-new-iranian-nuclear-crisis/

options needs to be analysed in depth. How can the E3/EU strengthen its conflict management potential and contain the crisis below a manageable threshold? What could be done if the dispute resolution mechanism fails to produce positive results? This paper argues that the E3/EU has several options for more powerful de-escalatory initiatives to be conducted in parallel with nuclear talks. If followed, these options could also minimise the possible risks resulting from combining a nuclear crisis with unintended consequences of the current US-Iran military tension, particularly if negotiations under the dispute resolution mechanism fail.

2. Combining Nuclear Diplomacy with a De-escalatory Mission

Although de-escalation was a unified message coming out of European capitals and institutions in the early moments of the US-Iran military crisis in January,[8] the EU and its Member States have been criticised for their slow and unbalanced response to the crisis. Europe did not produce a solid and timely plan to de-escalate military tension and remains focused on nuclear diplomacy. However, the latter is unlikely to succeed if it is divorced from the realities unveiled by the recent US-Iran tension and the assassination of General Ghasem Soleimani. New dynamics in Iranian domestic politics since the Soleimani assassination have made previous proposals like that of French President Emanuel Macron seeking to broker a deal between US and Iran irrelevant. This is mainly because internal pressure is growing to limit Iran from officially entering into any dialogue with the US outside the context of the JCPOA.

Diplomacy on nuclear issues now needs to be complemented with military de-escalation efforts and a series of developmental, regional and humanitarian steps. While talks under the DRM are under way, the E3/EU should: (1) establish covert Military and Security Confidence-Building Measures (MSCBMs) as a tool in a short-term transactional policy aimed at reducing the risk of war; (2) seize opportunities for regional rapprochements between Iran and Saudi Arabia; and (3) extend developmental and humanitarian relations with Iran beyond the JCPOA.

To effectively implement the above steps, it is important to consider the following points:

The E3/EU should restrain from being part of the conflict. While continuing to be tough on non-proliferation issues, Europe also needs to strengthen its position as a diplomatic broker with broader conflict prevention objectives. This requires restraint from entering the US-Iran blame game. Washington's mounting pressure on Europe, including the reported threat to impose a 25% tariff on European automobiles,[9] has made an independent E3/EU stance difficult. Even considering the importance of maintaining good transatlantic relations, the E3/EU should avoid becoming a party to a US-Iran conflict as this would obliterate its chance of playing any de-escalatory role. The growing perception in Tehran is that European policies are just an extension of American maximum pressure, as was shown in Ayatollah Khamenei's 18 January Friday prayer speech.[10]

The EU has a leverage deficit over Tehran. Today the E3/EU has lost part of its capacity to influence Tehran. The EU is at its lowest in terms of trade with Iran. According to the European Statistical Office, during the first 11 months of 2019 Iran's exports to Europe fell by 93.06% while Europe's export to Iran fell by 51.82% compared with the similar period in the previous year.[11] These numbers indicate an E3/EU failure in delivering on its promise to restore Iran's effective economic gains after the US withdrawal from the JCPOA and consequently undermine the EU's diplomatic credibility. As one report on Europe's leverage in the Middle East states, "the EU's push-back caused most Iranians to see Europe as a

8. See: EEAS, 'Statement by High Representative Josep Borrell on the recent developments in Iraq,' 3 January 2020, https://eeas.europa.eu/headquarters/headquarters-homepage/72663/statement-high-representative-josep-borrell-recent-developments-iraq_en; ECFR, 'A Call for Increased European De-escalation Efforts in the Middle East', 8 January 2020, https://www.ecfr.eu/article/commentary_a_call_for_increased_european_de_escalation_efforts_in_the_middl

9. John Hudson and Souad Mekhenne, 'Days before Europeans warned Iran of nuclear deal violations, Trump secretly threatened to impose 25% tariff on European autos if they didn't,' Washington Post 15 January 2020, https://www.washingtonpost.com/world/national-security/days-before-europeans-warned-iran-of-nuclear-deal-violations-trump-secretly-threatened-to-impose-25percent-tariff-on-european-autos-if-they-didnt-/2020/01/15/0a3ea8ce-37a9-11ea-a01d-b7cc8ec1a85d_story.html?arc404=true

10. Seyed Ali Khamenei, 'A Friday Prayer Speech,' 18 January 2020, http://farsi.khamenei.ir/news-content?id=44688

11. Financial Times, 'Iran-EU trade Plunges 73%', 18 January 2020, https://financialtribune.com/articles/domestic-economy/101770/iran-eu-trade-plunges-73

weakened global player that can neither incentivise nor penalise Iran in a meaningful way."[12] This view is being voiced more strongly as hardline factions are on the rise. With its 'leverage deficit' and 'credibility loss' in Tehran, EU success heavily depends on adjusting its objectives to Europe's actual power and on generating new leverages. Considering the country's pivot to Russia and China, this is critical to keep Europe's relevance in the Iranian political game.

Iran expects security benefits from nuclear diplomacy. Tehran's rationale for keeping the JCPOA alive through non-provocative and moderate incremental commitment reduction is not only influenced by the prospects of economic benefits but also by its expected security benefits from the deal.[13] It should be remembered that from Tehran's perspective much of the pressure it can expect after a failure of the JCPOA is already there and playing out. The threat of a military attack and the elite's fears of internal uprising caused by US 'maximum pressure' have already eroded the reason for remaining in the JCPOA. Iran's rationale for staying in the JCPOA is mostly based on expected positive incentives such as potential positive effects on its security environment. As a consequence, Tehran will be unlikely to agree to restore its full commitment to the JCPOA while it remains under the threat of a US military attack.

The Islamic Republic's resilience should not be underestimated. It would be misleading for Europe to anticipate Iran being in a weaker position during upcoming negotiations as a result of US 'maximum pressure', the recent popular protests and the Ukrainian aircraft crisis. The notion that the Islamic Republic is on the brink of collapse has been repeated time and again over the last 40 years and proved not to be true. The Islamic Republic is suffering from an important crisis and experiencing domestic shifts in the balance of power between its various political forces, but it is still a resilient political structure quite skilful at guaranteeing its survival in a heightened threat environment. Against both internal and external threats, Iranian leaders mix flexibility with the logic of 'rising costs to an unbearable threshold' to deter others from taking threatening actions. In other words, Washington's policies and the accumulation of domestic discontent are generating aligned and mutually reinforcing domestic and external versions of threat-balancing approaches. Europe should be aware of the way threats impact on Iranian politics and avoid possible miscalculations about the resilience of the system.

Iran's foreign policy may be militarised. Donald Trump's offensive Iran strategy has empowered conservative hardline groups in Iran. These groups view the assassination of Gen. Soleimani as a direct attack on the symbol of the 'revolutionary resistance' [14] narrative and tend to reinforce the latter to safeguard the Islamic republic. These conservative forces, now re-energised by the US threat, fundamentally reject any talks with the United States, even around the JCPOA.[15] Their power is on the rise and it is expected that they will fully control the new parliament starting in June and the prospects of military-security institutions taking a lead in foreign policy are increasing. Such dynamics could potentially reshape Iran's foreign policy by resuscitating the principles of the 'revolutionary resistance' narrative and hardening Tehran's position on nuclear negotiations.

3. Military and Security Confidence-Building Measures

Facilitating direct military links. Recent events by any definition constituted acts of war by both sides. However, the existence of behind the scenes military signalling between the US and Iran has prevented further military escalation. According to reports, Iran notified the Iraqi military of an imminent attack hours in advance,[16] indirectly allowing American forces to take shelter or leave the base and avoid causalities, which would most likely have triggered new US retaliation. This temporary indirect military de-conflicting messaging established through the Iraqis is a good example of what would need

12. Hassan Ahmadian, 'Mapping European Leverage in the MENA Region: Iran', 7 December 2019, https://www.ecfr.eu/specials/mapping_eu_leverage_mena/iran#
13. Abdolrasool Divsallar and Marc Otte, 'Reviving the Security Function: EU's Path to Save the JCPOA,' Egmont Security Policy Brief, No. 113, http://www.egmontinstitute.be/reviving-the-security-function-eus-path-to-save-the-jcpoa/
14. Seyed Jalal Dehghani Firozabadi, 'Roundtable on the prospects of US-Iran relations,' Iranian Political Science Association Roundtable, 12 January 2020, Tehran.
15. ISNA, 'Protest Against Foreign Minister Speech held in front of Foreign Ministry,' 27 January 2020, https://www.isna.ir/news/98110705147/هج‌راخ-ت‌رازو-ل‌باق‌م-فی‌رظ-نان‌خس-هب-ض‌ارت‌ع‌ا-رد-ع‌مج‌ت-ی‌رازگ‌رب
16. NHK, 'Iraq: It was Informed by Iran of Missile Attack,' NHK World, Japan, 8 January 2020, https://www3.nhk.or.jp/nhkworld/en/news/20200108_54/

to be reinforced as a first consistent de-escalation mechanism.

Both sides have shown that they want to avoid war and this common element facilitates a possible direct military link. A covert direct military line between the United States and Iran would help both countries to enact face-saving measures, which are particularly important in a situation where no strategic change is foreseen and where crisis resolution is expected to be a long process. It would also help the two countries to communicate about redlines. For instance, the recent Iranian attack without American casualties maintained the response within the thresholds of US redlines. This was only possible through momentary indirect signalling which helped both sides to calibrate their responses and avoid uncontrolled escalation.

Covert mediation attempts are needed at the beginning of the process, as the move to a direct military-to-military contact line might be difficult for the US and Iran at this stage, especially given the growing anti-American sentiments in Iran. Mediator countries such as Iraq, Qatar and Oman plus European countries with a tradition of military contact with Iran could play an important role on this front. European countries should push for the establishment of temporary contact lines and help to transform them into more mature and long-lasting mechanisms like, for instance, a hotline connection between Washington and Tehran when the situation is ripe.

Pushing for more flexible redlines. A threshold of tolerance beyond which conflicting states may react militarily determines 'state redlines'. States' perception of redlines is normative and subject to change so more flexibility on redlines during tension delays military responses and opens space for diplomacy. For example, while Donald Trump warned about the risks of a major retaliation if Iran struck American assets[17], his mild assessment of damage to the Ain Al Assad base flexed the American redlines and avoided an immediate US reaction. Reports of American injuries after Iran's missile attack[18] proved that the US perception of redlines was subject to change. Flexible perception of redlines is a basic ingredient for de-escalation attempts that require a longer-term involvement of mediator parties.

Promoting more cooperative decision-making on Shi'ite proxies. Following General Soleimani's assassination and Iran's formal promise to retaliate, three additional factors could cause a new surge in sporadic hostilities against US forces in Iraq or elsewhere in the Middle East. The first is the fact that Iran does not have a linear chain of command and control over all its proxies, which often maintain highly autonomous decision-making power. In addition, in the immediate post-Soleimani period Tehran's power to politically consolidate Shi'ite groups in Iraq may further decline. This increases the possibility of in-fighting among proxies and even the emergence of radical attempts to hit American forces in order to attract Tehran's attention amid competition for more resources and recognition. Second, Soleimani had built personal relations with many among the lower-rank proxies. One should not underestimate the risk that personal sorrow at the loss of Soleimani among members of Shi'ite groups may turn into another source of attacks against American forces. And finally, at least in the short term, Iran's established control mechanisms over its proxies have been negatively impacted by the Solemaini assassination and this provides more room for hardline Shiite groups to proceed with their own revenge plans. Such independent revenge operations would not necessarily be manifestations of Iranian policies, but they could be misperceived by Washington as new escalatory actions by Tehran. Under these circumstances, it is key for Europe to remain in constant touch with both capitals to reduce the possibility of miscalculations arising from the above complexities.

Moreover, according to sources in Washington, President Trump's new National Security team, including General Milley, the Chairman of the Joint Chiefs of Staff, is willing to accept more risks on Iran.[19] Based on these reports, the planners of General Soleimani's assassination did not follow the consultation process among Department of Defense ranks used in previous strikes. Obviously, no

17. Dennis Romero and Yuliya Talmazan, 'Trump threatens attack on 52 sites,' 5 January 2020, https://www.nbcnews.com/news/world/trump-threatens-iran-attacks-52-sites-n1110511

18. Jake Tapper, Ryan Brwone and Barbara Starr, 'US troops were injured in Iran missile attack despite Pentagon initially saying there were no injuries,' CNN, 17 January 2020, https://edition.cnn.com/2020/01/16/politics/service-members-injured-iran-strike/index.html

19. Michael C. Bender, Michael R. Gordon, Gordon Lubold and Warren P. Strobel, 'Trump's New National Security Team Made Fast Work of Iran Strike,' Wall Street Journal, 9 January 2020, https://www.wsj.com/articles/trumps-new-national-security-team-made-fast-work-of-iran-strike-11578619195

consultation went on with Europe. The combination of these two elements – the increasing possibility of miscalculations and more risk-accepting military commanders – negatively impacts Washington's redline perception. To remedy this, Europe should press Washington to relaunch more transatlantic cooperative decision-making when critical retaliation in response to US redlines crosses by Iran is concerned.

On the Iranian side, Europe should work hard to persuade Iran about the high costs of its proxies' continued low-level military operations against US assets and the benefits of ceasing such actions. Europe should pass on to Iran clear and precise information about the US redlines, the hypothetical responses to any crosses and the anticipated costs for Teheran. Similar information about Iranian views should be handed over to the American side. This would improve both sides' assessment of the possibilities of and thresholds for major escalation and the expected consequences. Eventually, such processes would help increase mutual understanding and form more flexible redline definitions.

4. Facilitating Saudi-Iran Rapprochement

Fear-hike has been a constant element in the early stages of successful twentieth century regional security initiatives, including OSCE and ASEAN. The recent crisis has indeed produced high fears in the region, making the possibility of widespread loss and destruction resulting from regional rivalries real. Moreover, for Persian Gulf Arab States the crisis has come as confirmation that the US disregards the disastrous security consequences of its sudden shifts from passivity to extreme confrontation vis-à-vis Iran,[20] thus contributing to further erosion of trust in the US security umbrella. These elements, paradoxically, could be used constructively to push for regional de-escalation and start *detente*. Saudi Arabia has already shown its appetite for de-escalation. The Saudi Ministry of Foreign Affairs' reading out Pompeo's call with crown prince Mohamed bin Salman was a way to defuse tensions in the region.[21] Signals coming out from Riyadh and Abu Dhabi are evidence of new evolving strategies aiming at a more pragmatic management of regional challenges.[22]

Iran on its own part has sent a positive de-escalatory message by not expanding the crisis to the Persian Gulf Arab states or their key allies. Commander in Chief of IRGC Aerospace Forces Major General Amir Ali Hajizade in his press briefing after the missile attacks argued that final targeting was limited to bases in Iraq despite other bases in Kuwait and Jordan being involved in Soleimani's assassination.[23] Iran's strategic calculus on this issue looks straightforward: less direct threat from Arab states in the Persian Gulf reduces the level of existential threat against the Islamic Republic. This leads to Tehran's less offensive regional policy towards Arab states, even if a threat-balancing strategy to counter US 'maximum pressure' is still on the agenda.

Europe needs to coordinate its approaches and take a leadership role to maximise the opportunities which have emerged from Saudi-Iranian rapprochement. Josep Borrell's idea of a 'regional political solution'[24] might find a good chance of success if Europe resorts to intense diplomacy and coordinates with other international players like Russia. For example, Iran's Hormuz Peace Endeavour (HOPE) initiative has strong potential. In principle, it is similar to the Russian proposal and if Europe responds seriously has a chance to be seen as a call for regional dialogue. However, it should not be forgotten that the deep divide between Tehran and Riyadh has constantly led to failure in mediation attempts, such as those by Pakistani Prime Minister Imran Khan and Japanese Prime Minister Shinzō Abe. This awareness calls for a phased approach, without which large-scale rapprochement initiatives are likely to fail. While supporting full rapprochement initia-

20. Taylor Luck, 'Iran Crisis: Why Gulf Arabs Increasingly see US as a Liability,' 8 January, 2020, Christian Science Monitor, https://www.csmonitor.com/World/Middle-East/2020/0108/Iran-crisis-Why-Gulf-Arabs-increasingly-see-US-as-a-liability

21. Saudi Press Agency, 'HRH Crown Prince Receives a Phone Call from US Secretary of State,' 3 January, 2020, https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2019026#2019026

22. Yasmin Farouk, 'What Does the US Killing of Soleimani Mean for Saudi Arabia?' Carnegie Endowment for International Peace, 7 January, 2020, https://carnegieendowment.org/2020/01/07/what-does-u.s.-killing-of-soleimani-mean-for-saudi-arabia-pub-80722

23. General Amir Ali Hajizade, 'US Command Posts in Ain Al Assad Destroyed,' Tasnim News Agency, 9 January, 2020, https://www.tasnimnews.com/fa/news/1398/10/19/2178606/

سردار-حاجی-زاده-مرکز-فرماندهی-آمریکا-در-عین-الاسد-منهدم-شد-آمریکا-در-صورت-جواب-دادن-5-هزار-کشته-می-داد-حمله-سایبری-به-موازات-حمله-موشکی

24. EEAS, 'Iran: High Representative Josep Borrell Spoke with Foreign Minister Zarif,' 5 January 2020, https://eeas.europa.eu/headquarters/headquarters-homepage/72675/iran-high-representative-josep-borrell-spoke-foreign-minister-javad-zarif_en

tives, the E3/EU should begin by facilitating new smaller issue-based engagement platforms between Tehran and Riyadh, for instance on issues like Yemen or shipping lane security in the Strait of Hormuz.

5. Moving EU-Iran Relations Beyond the JCPOA

The JCPOA has been a dominant factor framing EU-Iran relations since its signature in 2015. It monopolised all aspects of mutual relations and blocked any further patterns of cooperation. Indeed, the JCPOA was planned to be the first step in a broader cooperation with Iran. With the growing possibility of the deal morphing into failure, the EU needs to re-engineer its relations with Iran beyond the JCPOA.[25] EU-Iran relations should not be taken hostage by the JCPOA. When thinking about Europe's options in a post-JCPOA era, the immediate answer might be that the EU will follow the rules of engagement based on the pre-JCPOA UN Security Council sanctions on Iran. However, as discussed earlier, with decreased European leverage and limited pressure tools, new ways are needed to keep the EU relevant in the Iranian crisis.

Even though enhanced intra-European coordination on Iranian policies would be necessary to increase the effectiveness of European actions, non-politicised state-to-state relations as a complement to the existing politicised block-to-state format should follow. It might look tricky in times of high tension but there are still plenty of possible common ground security issues and less politicised developmental and humanitarian collaborations that are not in conflict with ongoing nuclear talks. The EU and Iran share a number of security challenges too that are critical for both sides' national security. These include, for instance, shipping lane security, fighting human and drug trafficking from Afghanistan and raising anti-ISIS cooperation in Iraq.

Engaging in a response to developmental challenges which might affect both Iran and Europe is significant to extend cooperation beyond the JCPOA. For example, less developed areas in Iran's south-eastern provinces of Kerman and Sistan-Baluchistan might emerge as future ISIS hotspots due to their underdevelopment and proximity to extremism.[26] In many similar areas, Iran is faced with environmental degradation together with uneven development. These are potential areas of cooperation that could frame state-to-state engagement and be addressed by countries' Official Development Aid (OID) programmes. At the EU level, the Commission's Neighbourhood, Development and International Cooperation Instrument (NDICI)[27] for 2021-2027 is a potential mechanism for extending these new areas of cooperation.

Europe needs to make the humanitarian dimensions of its Iran policy stronger. European responses to humanitarian crises in Iran have been extensively linked to and limited by the JCPOA's destiny. In the latest example, during Iran's 2019 floods, which hit 20 of the 31 provinces, the EU only allocated 1.2 million euro – a drop in the ocean when considering the scale and the depth of the disaster, which caused losses over a billion dollars. Europe has remained almost silent on other natural disasters in Iran, including the most recent floods in Sistan-Baluchistan. Europe needs to break its silence on the humanitarian costs of US 'maximum pressure' in its dialogue with the US and resort to more pragmatic solutions.

6. Conclusion

It is important to remember that the JCPOA still contains elements worth preserving, including the so-called Additional Protocol (AP) and the 'modified code 3.1', which together enable the IAEA to have broad insight into Iran's internal activities.[28] Iran's calibrated commitment-reduction policy so far has not touched these significant monitoring tools, signalling that Tehran is following a policy of nuclear transparency. However, the ongoing DRM entails a risk of a nuclear crisis if merged with heightened US-Iran military tensions. While the tension is still on the brink, an inclusive de-escalation approach is required to accompany the DRM.

25. Interview by the author with a Senior Foreign Policy analyst in Tehran, 12 January 2020.
26. Abdolrasool Divsallar and Mehrdad Nazeri, Social Development Planning in Iran: The case of Kerman Province, Tehran: Elm Press, upcoming.
27. See: 'A new neighbourhood, development and international cooperation instrument,' European Parliament, 29 December 2019, http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2018)628251
28. Adam Thomson and Sahil Shah, 'Europe, Iran and the United States: A Roadmap for 2020,' European Leadership Network and Hanns Seidel Foundation, January 2020, https://www.europeanleadershipnetwork.org/report/europe-iran-and-the-united-states-a-roadmap-for-2020/

An inclusive de-escalation approach combines nuclear diplomacy with MSCBMs, a longer-term revision of the regional security order, and a stronger engagement with Tehran on development and humanitarian issues. MSCBMs are at the core of this approach since they play a significant role in halting escalation and reducing the emergence of threats. As they are the least tested measures in US-Iran issues they might face complexities and resistances, but the potential benefits could outweigh the political risks involved. A re-working of the regional security order to respond to the growing divide and security dilemmas based on threat-perception in the region would help Tehran to redefine its relations with its neighbours and reduce the rationale for a new hike in its missile programme, which seems to be imminent if current tensions persists. Finally, working on creating new economic and humanitarian fronts with Iran would go a long way in beefing up European foreign policy tools and restoring essential leverages to impact Iran's future course of action.

A failure will bring Europe's southern neighbourhood closer than ever to its worst security crisis after WWII. An Iran-United States war scenario would be fundamentally different in scale and intensity to previous wars in the region. It would play out in multiple theatres of war scattered throughout the region and precipitate the two countries into a prolonged war of attrition. Despite a plausible US victory in a military phase, the consequences of such a conflict would be dire. As Kennedy acknowledged during the 1962 Cuban crisis, 'even the fruits of victory would be ashes in the mouth.' The profound instability deriving from a US-Iran war would create enormous security costs for Europe and would fundamentally change the European security posture for the next decades to come. It would revive ISIS, produce a major nuclear proliferation crisis, kill European investment in the region, add high war bills to ailing EU economies and create new migration waves. In a worst-case scenario, the battle may extend to US bases in Europe.

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Robert Schuman Centre for Advanced Studies

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The MIDDLE EAST DIRECTIONS Programme, created in 2016, is part of the Robert Schuman Centre for Advanced Studies. It has the ambition to become an international reference point for research on the Middle East and North Africa Region, studying socio-political, economic and religious trends and transformations. The programme produces academic outputs such as working papers and e-books. It also liaises with policy makers with a wide range of policy briefs, policy report and analysis.

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