

Implications of U.S. pullout from the Iranian Deal

What is the issue?

\n\n

\n

- The U.S. has pulled out of the “Iranian Nuclear Deal” recently.
- The move seems directed more towards bringing in a regime change than towards curtailing Iran’s nuclear ambitions.

\n

\n\n

What is Iranian Nuclear Deal (JCPOA) about?

\n\n

\n

- Joint Comprehensive Plan of Action (JCPOA) was a deal negotiated between “Iran and P5+1 Countries” during the Obama era in 2015.
- P5+1 are the permanent five in UN Security Council (US, UK, France, Russia and China) and Germany.
- The deal curtailed Iran’s uranium enrichment program, and opened up Iran’s nuclear facilities to international inspection.
- The safeguards placed in the deal would’ve effectively deterred Iran’s touted Nuclear Weapons Program by at least a decade.
- The deal was commended worldwide and there is currently every indication that Iran has strictly complied to it in letter and spirit.
- But despite all these, the Trump administration unilaterally terminated JCPOA, with the allegation that deal was one sided and serves no purpose.

\n

\n\n

What could be actual reason for dismissing the deal?

\n\n

- \n
- Two key US allies “Israel and Saudi Arabia” were very apprehensive of the 2015 Iranian Deal as it would lift the sanction on Iran.
- \n
- Once sanctions are removed, there is every possibility that Iran would emerge as a economic power in the region - which they perceive as a threat.
- \n
- Notably, provocative statements from the Iranian political dispensation over the years have convinced Israelis and Saudis to take a hard line against Iran.
- \n
- A regime change is what they desire and Trump has largely pandered these aspirations even in his campaign trail in the run up to presidency.
- \n

\n\n

What is the situation within Iran?

\n\n

- \n
- **Social Situation** - Western media has been reporting frequent and large-scale demonstrations by Iranian people against the regime in recent months.
- \n
- There are reports that the JCPOA hasn’t helped Iranian economy recover as fast as expected as many sanctions still persist, thereby making life difficult.
- \n
- Inflation is high and economic inequality has only been getting worse, and these are only compounded by reports of massive corruption.
- \n
- Religious faith is also said to be on the decline (reduced attendance at Mosques), which doesn’t spell good for a “Shiite theocracy” like Iran.
- \n
- Notably, conversion to Christianity and, even to the Baha’i faith, which is the largest non-Muslim community in Iran has been noted.
- \n
- While all of these suggest that a revolutionary upsurge, analysts’ have not been able to establish a possible timeline for such an occurrence.
- \n

\n\n

- \n
- **Politicking** - US, Saudi and Israel are hoping to aid the build-up of this discontent by wanting a re-imposition of sanctions.
- \n

- Such a move would further curtail Iranian economy and thereby help in enhancing public anger and frustration against the Iranian regime.
\n
- Hence, Trump is unlikely to listen to other stakeholders in JCPOA, who've vouched for the continuance of the deal.
\n

\n\n

How has the Iranian Government reacted thus far?

\n\n

- \n
- Iran has shown restraint for now and hasn't called off the deal yet and has announced that it won't enhance its uranium enrichment program for now.
\n
- It has also not called off the "International Atomic Energy Agency" (IAEA) inspections, which is mandated by JCPOA.
\n
- The regime has shown considerable maturity by stating that it would consult the other signatories before taking a call on further course of action.
\n
- As the US might up the pressure on the other signatories to ditch the deal, it remains to be seen on how many of them will be willing to defy Trump.
\n
- Notably, Trump has his Republican Party strongly behind him on the Iranian issue and the Democrats are presently a divided house.
\n

\n\n

What are the international political implications?

\n\n

- \n
- US pullout has strengthened the hardliners and hence, current Iranian President Rouhani (a moderate) has no option but to take a defiant stance.
\n
- Iranians are proud of their heritage, and will stand behind their regime for now, but if their economic hardships escalate things might get tricky.
\n
- In the meanwhile, Iran will even more vigorously support the Bashar al-Assad regime in Damascus, in which it will be joined by Russia and Hezbollah.
\n
- Also, the Houthi rebels (Iranian allies) in Yemen will feel more emboldened

to take on the Saudi-led coalition - which will make the Yemeni war worse.

\n

- Iran will also more directly intervene in Iraq and render the possibility of peace in Afghanistan even more difficult.

\n

\n\n

What are the implications for India?

\n\n

\n

- Despite India's strengthening ties with Israel and US, India has given out a diplomatic statement disapproving US withdrawal from JCPOA.

\n

- Sanctions on Iran will impact India's crude import bills, which is already strained due to increase in international oil prices (currently \$80/barrel).

\n

- Notably, Iran is one of India's major crude exporters.

\n

- India's Chabahar project might also suffer some setbacks, which will result in business losses and also alienate Afghanistan (connectivity) from India.

\n

- Domestically, RBI will have to shell out its Forex to curtail and rupee depreciation and inflation (which are expected fallouts).

\n

- All this could slow the Indian economy - which would also prove costly for the government, which is heading towards elections in a while.

\n

\n\n

\n\n

Source: The Hindu

\n\n

\n\n

\n



SHANKAR
IAS PARLIAMENT
Information is Empowering