THE QUESTION OF IRANIAN NUCLEAR PROGRAM:
ARE SANCTIONS IMPOSED EFFECTIVE?
(2010-2012)

By

Nadya Kartika
016200900023

A thesis presented to the
Faculty of Business and International Relations
President University
In partial fulfillment of the requirements for
Bachelor Degree in International Relations

February 2013
THESIS ADVISER
RECOMMENDATION LETTER

This thesis entitled “The Question of Iranian Nuclear Program: Are Sanctions Imposed Effective? (2010-2012)” prepared and submitted by Nadya Kartika in partial fulfillment of the requirements for the degree of Bachelor Degree in International Relations the Faculty of Business Administration and International Relations, has been reviewed and found to have satisfied the requirements for a thesis fit to be examined. I therefore recommend this thesis for Oral Defense.

Cikarang, January 28th, 2013

Makmur Widodo, MA.
DECLARATION OF ORIGINALITY

I declare that this thesis, entitled “The Question of Iranian Nuclear Program: Are Sanctions Imposed Effective? (2010-2012)” is, to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, January 28th, 2013

Nadya Kartika
The Panel of Examiners declare that the thesis entitled “The Question of Iranian Nuclear Program: Are Sanctions Imposed Effective? (2010-2012)” that was submitted by Nadya Kartika majoring in International Relations from the Faculty of Business Administration and International Relations was assessed and approved to have passed the Oral Examinations on February 27th, 2013.

Mr Makmur Widodo, MA

Prof. Anak Agung Banyu Perwita, Ph.D  Teuku Rezasyah, Ph.D
ABSTRACT

The issue of international relations who now allegedly threatened the world is about the Disarmament international security, Iran’s nuclear program. It is quite threatened many countries in the world, especially Western countries such as Europe and United States as a superpower country. This not only affects one aspect but it affects many aspects of a case, the political, economic and even the world peace. The issue of international relations on Disarmament security as one example is the Iranian nuclear program. This nuclear Program was made from 1950s and up until now still has not been completed. This not only brings harm to many countries but also takes a lot of lives.

Iran's nuclear program at the first was originally only for nuclear power plants, but over the time the nuclear Iran enriching uranium in amounts large enough to make a nuclear program for military purposes. This nuclear program is a crime that can destroy the world peace. Because it alleged that those nuclear program will be launched when the State of Iran was in danger or threatened. A lot of news says that nuclear power plants are just a mask for the Iranian nuclear program for military make in the future.

Actually, Iran has the right to have nuclear but Iran did the wrong step to use these rights. Iran not open or transparent to the IAEA, but IAEA’s job is inspectors and controllers Countries that have nuclear. That was IAEA do in order to prevent the States to not making a nuclear program that can endanger world peace. Iran has signed the NPT, the treaty provides for the right of a State to have a peaceful nuclear. But it seems Iran is breaking promises and that’s because Western countries feel threatened by a nuclear Iran, then the West agreed to provide sanctions against Iran that Iran would halt its nuclear program. And the sanctions looked severely affected the economic and political conditions in the Iran’s country but it cannot make Iran stop to develop its nuclear program. Iran challenged back the western countries because Iran was having the same rights as the other countries to have nuclear weapons.

In European sanctions against Iran's nuclear program that Europe given, it is clear that there is coercion and threats. But the Europeans provide the sanctions to Iran because they want Iran to halt its nuclear program. Sanctions imposed on Iran as a form of peace to be maintained by the western countries. The method that used by the western countries can be called as a coercive diplomacy. This diplomacy was aimed at peace but by hitting or threatening opponent. Can be seen clearly that they really want to maintain peace but because of the misunderstanding that exists in harmony between these countries. So, by examining existing concepts it is obvious what a good settlement in dealing with this conflict.

Key words: Internasional Disarmament Security, Nuclear Program, Coercive Diplomacy, Persuasive Diplomacy, Peace
ABSTRAK


Program Nuklir Iran tersebut pada mulanya hanya untuk pembangkit listrik tenaga nuklir, tetapi semakin hari nuklir Iran tersebut memperkaya uranium dalam jumlah besar yang cukup untuk membuat program nuklir untuk keperluan militer. Program nuklir iran tersebut adalah sebuah kejahatan yang dapat merusak perdamaian dunia. Karena diduga program nuklir tersebut akan diluncurkan ketika Negara iran sedang dalam keadaan bahaya atau terancam. Banyak berita yang menyebutkan bahwa pembangkit istrik tenaga nuklir tersebut hanya topeng untuk Iran membuat prograrn nuklir untuk militer ke depannya.

Sebenarnya iran mempunyai hak untuk mempunyai nuklir tetapi iran melakukan langkah yang salah untuk mempergunakan hak tersebut. Iran tidak terbuka/transparan terhadap IAEA, padahal IAEA adalah salah satu organisasi pengawas dan pengontrol negara-negara yang memiliki nuklir. Itu dilakukan IAEA agar negara-negara tersebut tidak membuat program nuklir yang dapat membahayakan kedamaian dunia. Iran telah menandatangani perjanjian NPT, isi perjanjian tersebut berisi tentang hak suatu Negara untuk memiliki nuklir dengan tujuan damai. Tetapi sebagian besar Iran melanggar janji tersebut dan karena negara-negara barat merasa terancam dengan adanya nuklir Iran, maka Negara barat sepakat untuk memberikan sanksi terhadap Iran agar Iran mau menghentikan program nuklir tersebut. Dan terlihat sanksi tersebut sangat mempengaruhi keadaan ekonomi dan politik di negara iran tetapi hal tersebut tidak dapat membuat iran berhenti untuk mengembangkan program nuklir tersebut. Iran malah menantang balik negara-negara barat karena Iran merasa mempunyai hak yang sama dengan negara-negara lain untuk memiliki nuklir.

Dalam sanksi yang Eropa berikan terhadap program nuklir Iran, terlihat jelas bahwa ada pemaksaan dan ancaman. Tetapi Eropa memberikan sanksi kepada Iran karena ingin Iran untuk menghentikan program nuklirnya tersebut. Sanksi yang diberikan kepada Iran adalah sebagai bentuk perdamaian yang ingin dijaga oleh negara-negara barat. Cara yang digunakan oleh negara-negara barat termasuk ke dalam diplomasi koersif. Diplomasi tersebut bertujuan untuk damai tetapi dengan cara menekan atau mengancam lawan. Terlihat jelas sekali bahwa keduaanya sangat menginginkan perdamaian tetapi karena tidak adanya komunikasi yang terjalin harmonis antara negara-negara ini maka terjadilah kesalah pahaman. Dengan menelaah konsep-konsep yang ada maka akan terlihat jelas apa penyelesaian yang bagus dalam menangani konflik ini.

Kata Kunci: Keamanan Pelucutan Senjata Internasional, Progam Nuklir, Diplomasi Koersif, Diplomasi Persuasif, Perdamaian
ACKNOWLEDGEMENTS

Alhamdulillahirabbilalamin I already finished my thesis. This thesis would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this study.

First of all, I would like to give my greatest gratitude to Allah SWT for His guidance and abundance of grace for me to complete this thesis well. I would also like to thank to some people who have helped me a lot in this thesis. Therefore, I want to thank profusely to:

1. My lovely parents, Papah Idath and Mamah Yanti who always in my heart, thank you for loving me and raise me until now. Thank you also to all my family both in Bandung and Jakarta for all of your support, cheerfulness and them for the unconditional love and endless support.

2. Thank you for Wa Reni and Wa Tomo for helped me so I can study in President University and have a Bachelor degree. I will never forget for your merit.

3. My beloved Hari Surya , who always encourages me to finish the thesis, never ending support to me and thank you so much for the love. I’m glad to have you beside me.

4. I would like to acknowledge my utmost gratitude for the advice and guidance of as my advisor, Mr. Makmur Widodo who has guided me patiently from the first time I doing my thesis until finished.

5. I would like to show my gratitude to Prof. Anak Agung Banyu Perwita as the Head of IR, for the insight he shared. I have furthermore to thank Mr. A.B.M. Witono, for the care and advices. And I want to thank also to Mr. Teuku Rezasyah who has guided me in doing my thesis.

6. I would like to thank to Mrs. Yunita and all of the staff in the President University. And I want to thanks also to Mrs. Filda and the other President University lecturers, thank you for the knowledge given for the past three years.

7. I also would like to thank all the friends in the university; Gebi, Bunga, Ade, Donghe, Cidut, Euis, Adis, Afr a, Umi and Gendis, who had often had to bear the brunt of my frustration and helped me in doing my thesis. And thanks to Running Man cast for release my stress from the bored in doing my thesis.

8. My Big Family of International Relations President University batch 2009, thank you for your support and care.

I hope this thesis can be useful for the readers in the future.

Cikarang, 28 January, 2013

Nadya Kartika
LIST OF FIGURES

Picture 1.1 ........................................................................................................................................... 8
LIST OF TABLES

Table 4.5.1 ................................................................................................................................................................. 65

Table 4.5.2 ................................................................................................................................................................. 68

Table 4.5.3 ................................................................................................................................................................. 74
LIST OF ACRONYMS

EU : European Union
US : United States
NPT : Non-Proliferation Treaty
IAEA : International Atomic Energy Agency
UNSC : United Nations Security Councils
P5 : Permanent States (China, France, Russia, the United Kingdom and United States)
P5+1 : Permanent States (China, France, Russia, the United Kingdom and United States) + Germany
IGO : Inter-Governmental Organizations
INGO : International Non-Governmental Organizations
NGO : Non-Governmental Organizations
MNC : Multi National Corporation
AEOI : Atomic Energy Organization of Iran
Table of Contents

THESIS ADVISER RECOMMENDATION LETTER ................................................................. i
DECLARATION OF ORIGINALITY ..................................................................................... ii
PANEL OF EXAMINER APPROVAL SHEET ................................................................. iii
ABSTRACT ....................................................................................................................... iv
ACKNOWLEDGEMENTS ................................................................................................. vi
LIST OF FIGURES ........................................................................................................ vii
LIST OF TABLES ........................................................................................................... viii
LIST OF ACRONYMS ..................................................................................................... ix

Chapter I .......................................................................................................................... 3
  1. INTRODUCTION ........................................................................................................ 3
  1.1 Background of the Study ................................................................. 3
  1.2 Problem Identification ............................................................... 9
  1.3 Statement of the Problem .......................................................... 10
  1.4 Research Objectives ................................................................. 10
  1.5 Significance of the Study .......................................................... 10
  1.6 Theoretical Framework ............................................................ 12
  1.7 Scope and the Limitation of the Study ......................................... 14
  1.8 Definition of Terms ................................................................. 15
  1.9 Structure of the Research ........................................................ 22

Chapter II ......................................................................................................................... 24
  2. LITERATURE REVIEW ........................................................................................... 24
  2.1 Introduction to International Relations ........................................ 24
  2.2 Coercive Diplomacy ............................................................... 28
    2.2.1 Characteristics of Coercive Diplomacy ................................. 29
  2.3 Persuasive Diplomacy ................................................................. 31
  2.4 The Study of Peace ................................................................. 31
    2.4.1 The History and Characteristic of Peace ............................. 33

CHAPTER III ................................................................................................................... 36
  3. RESEARCH METHODOLOGY .............................................................................. 36
Chapter I

1. INTRODUCTION

1.1 Background of the Study

Nuclear is widely considered as having dual-purpose, namely for peaceful and destructive construct. By design, nuclear for peaceful objective rest upon development of nuclear power plants. Nuclear power plants are different from nuclear weapon, schemes used for a war purpose. Uranium enrichment is the basic material to produce nuclear, which can be in due course employed for both peaceful (nuclear fuel) and military (nuclear weapons) uses.

Uranium enrichment is a critical part of both nuclear energy and nuclear-weapons programs. During the enrichment process, naturally occurring uranium is converted into nuclear fuel. Depending on its enrichment level, this fuel can power either energy plants or, in a more refined state, nuclear weapons.

In the present time, the existence of nuclear weapon in the hands of certain countries is aptly causing concerns of other countries that don’t have it; and duly provide leverage to the former.

There are 8 (eight) states that have successfully tested nuclear weapons so far. The five states are considered as “nuclear weapons states”, a status granted by the Nuclear Non-Proliferation Treaty or the NPT. The NPT is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the peaceful uses of nuclear
energy and lastly to further the goal of achieving nuclear disarmament in general and complete disarmament.¹

The five states in order that possess nuclear weapons are: the United States, Russia (former Soviet Union), the United Kingdom, France and China. Out of the five NPT states, there are three countries that have conducted nuclear tests, namely: India, Pakistan and North Korea. Israel, although not confirmed or denied having nuclear weapons, but it is still believed to have a nuclear weapon. Israel had not been formally recognized as a nuclear weapons state because it is not a signatory of the NPT.²

Apart from those five countries, Iran is suspected to have ambition in owning and developing nuclear weapons, yet the concerned state keeps saying that its nuclear program is solely for peaceful purposes, namely for the generation of the electricity. Nuclear energy is cultivated in order to meet the needs of Iranian people which are gradually increasing. But this laudable act was negatively assessed by the Western countries. Undeniably, Iran nuclear issue has long been a fact of political discourse, especially in the Western world.

The nuclear program that was developed by Iran, causes the Western countries suspicious about it. But Iranian officials again and again claim that they are pursuing nuclear technology for peaceful civilian purposes only, such as generating electricity. But many international nuclear proliferation experts suspect the fundamentalist Muslim theocracy government in Tehran is using its nuclear

http://www.un.org/disarmament/WMD/Nuclear/NPT.shtml

program to enrich uranium to higher levels than necessary for civilian nuclear-energy production and secretly trying to manufacture nuclear weapons.

The stated concern is shared by the United Nations in this regard the IAEA. Obviously, Iran insists that its nuclear development program is for the purposes of accelerating nuclear power plants. In this context, on February 4, 2006, the authoritative United Nations body, the IAEA reported Iran to the United Nations Security Council (UNSC) with respect to Iranian nuclear program\(^3\).

The IAEA is an international organization that seeks to promote the peaceful use of nuclear energy and to inhibit its use for any military purpose including nuclear weapons\(^4\). IAEA is only doing its job to keep the peace of the world. In the eyes of this body, Iran fails to commit itself to the principle of transparency championed by IAEA concerning Iran’s nuclear program. Iran’s action raises the suspicions of IAEA and the Western countries such as the European Union and the United States. Consequently, IAEA reported Iran’s nuclear program to the UNSC, with the hope that the UNSC can solve this Iranian nuclear program.

Responding to the mounting suspicion leveled by the above mentioned parties, Iran expresses its strong denial and repeat its avowed statement that it will not further but develop peaceful nuclear enterprise.

The concerns over the Iranian nuclear program seemed to be not without any foundation. It is documented in August 2010, Iran began enriching uranium at 20 percent in the Natanz factory. And on January 1, 2011, according to the Institute


for Science and International Security, Iran has a 4.922 kilogram of low uranium hexafluoride enriched. Having such an enriched weapons-grade uranium, this may be enough for making four nuclear warheads.

In the same year, the IAEA issued a report saying that Iran is developing nuclear weapons. But Iran denies the accusations, saying that uranium enrichment is done only for humanitarian purposes.

Meantime, to strengthen their respective positioning for several years the United States and some Western nations have been waging against Iran mass media campaign. They are systematically capitalized nuclear energy issues as an instrument to exert pressure on Iran. News of Iran’s nuclear is almost always in the news media world.

Right at the beginning of July 2012, the United States and its European allies enacted oil embargo against Iran as coercive measures. This sanction serves as a punishment to Iran for ignoring their appeal to halt its nuclear program and in order to cut Iran’s finance. So, that Iran can’t continue the Nuclear’s program.

In fact before the oil embargo is clamped down, various diplomatic initiatives have been taken. But nevertheless the two sides failed to reach any compromise due to the high degree of mutual suspicion among the parties throughout the negotiations. It is because of Iran still insists on maintaining a nuclear program that was created for the purpose of peaceful but Western countries suspect Iran is launched nuclear program for weapon/military.

While the suspicion of the Western world and the United States is premised on the assessment that Iran is secretly building nuclear power for military purposes

---

by conducting high-level uranium enrichment process, Iran as a signatory to the
NPT since July 1968 underscores that under the Treaty, has legitimate rights to
develop nuclear energy for civilian purposes\(^6\). Any undertaking in pursuing
nuclear weapons has not only been denied but also condemned by Iranian
officials. Iranian officials said that:

“…We consider the acquiring, development and use of nuclear
weapons inhuman, immoral, illegal and against our basic
principles. They have no place in Iran’s defense doctrine”\(^7\)

Despite such declaration by Iran, the United States has managed to influence
the opinion of the international community, using the argument that Iran had not
revealed the uranium enrichment facility constructed at Natanz\(^8\) and a heavy water
production plant near Arak\(^9\), as requested by the IAEA investigators in their
report. Under the terms of the NPT, which governs nuclear-energy use around the
world, any nation can enrich uranium for civilian nuclear-power reactors only.

---

\(^6\) Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the
Treaty to develop research, production and use of nuclear energy for peaceful purposes
without discrimination. (Article IV, Nuclear Non-Proliferation Treaty). Retrieved 18 December 2012 from
http://disarmament.un.org/wmd/npt/npttext.htm

\(^7\) “Statement given by Mr. G. Ali Khoshroo, Iran's Deputy Foreign Minister for Legal and
from www.acronym.org.uk/wmd/iranpres.htm

\(^8\) “A city in and the capital of Natanz County, Isfahan Province, Iran”. Retrieved 28 December

\(^9\) “A city in and the capital of Markazi Province, Iran”. Retrieved on 28 December 2012. from
http://en.wikipedia.org/wiki/Arak,_Iran
The NPT requires that countries must declare the existence of such facilities and by keeping its nuclear program secret from the outside world, Iran’s motives is questioned.

To break the diplomatic impasse, Western countries express their readiness to accept Iran’s positive gesture to enrich its uranium outside the country. But the Iranians have been insisting on their right to continue its uranium enriching program in Iran. The West (primarily the US and the EU) being distrustful of

\[\text{Picture 1.1 Map of Iran and Iran’s Nuclear Facilities}^{10}\]

\[\text{In Heavy Waters: Iran’s Nuclear Program, the Risk of War and Lessons from Turkey Crisis Group Middle East and Europe Report N°116 pg. 33, Retrieved 24 January 2013.}\]
Iran’s intentions keep pressurizing that the enrichment process should be done in another country like Russia.

This proctated dispute is unlikely to be easily resolved and Iran’s insistence on its position on the program might serve as a pretext for the United States of America to take military action. This sense of fear is aggravated by the fact that Iran enjoyed playing “tug of war” vis-à-vis the West. United States and Europe decidedly took the coercive diplomacy to solve this problem. But it does not so far seem to work. In this respect it is worth arguing for the EU to consider performing persuasive diplomacy (using carrot) instead of resorting to coercive diplomacy (using stick) to help solution the acute issue of Iranian nuclear program.

1.2 Problem Identification

Iran has a nuclear program and it’s currently being developed to help cope with Iran’s energy needs. Nuclear power plants will save Iran more oil for export, increasing its oil revenue and will also have a stabilizing effect on the global oil market by increasing supply. Despite apparent benefits, the program is emblematic with the West as it is suspected that Iran might be pursuing a nuclear weapon under the guise of uranium enrichment to meet its energy requirements.

Then if it is true that Iran makes a nuclear program for peaceful purposes for the sake of the generation of its energy, Iran—a party to the NPT and a member of the IAEA should be transparent to IAEA. So the problem will be clear and the Western countries will not be suspicious against Iran.
1.3 Statement of the Problem

Given the background of the study above, the Statement of the Problem is:
Whether the sanctions by the European Union, the United Nations Security Council and the United States against Iran over its nuclear program proved to be effective, to stop Iran continue to build nuclear program in 2010-2012?

1.4 Research Objectives

The researcher is intent on suggesting to the involved parties to consider adopting a proper political solution to the ensuing issue. It’s acknowledged that the United States and European countries want to strike a peaceful settlement to the question.

The research also considered that persuasive diplomacy employing diplomacy or talks proved to be more instrumental in resolving the Iranian nuclear debacle, rather than resorting to coercive diplomacy in the form of sanctions. The coercive diplomacy proved to be less effective to solve this problem.

1.5 Significance of the Study

Iranian nuclear issue is assumed as a menace to world peace. For one, the researcher – a student of International Relations opted to discuss the topic which the researcher believed to be one of the core components of International Relations study program. Any comprehensive discussion about cases within International Relations domain shall be arguably based on existing relevant, valid
and suitable conceptual framework in discussing the question of Iranian nuclear. The researcher is led to introduce and embrace concepts of International Relations, diplomacy (coercive and persuasive) and lastly peace.

The first concept is about international relations. It does explain about the basis of this research. The relations between the countries in the world.

The second is the coercive diplomacy. This is a diplomacy that is used by the Western countries to lure Iran stop their nuclear program. In other words, coercive diplomacy is a strategy that combines the threat of violence and the use of it. The fact shows that coercive diplomacy is not effective enough to solve the Iran’s nuclear program.

Since the coercive diplomacy cannot solve the problem it is theorized that the time has come for the Western countries shelve the coercive diplomacy and replace it with the persuasive diplomacy. Persuasive diplomacy is a diplomacy that is believed to solve the Iranian nuclear issue.

The third is peace. Peace in international relations is not only the absence of war or violent conflict but also the presence of positive and respectful cultural and economic relationship.

The West (the EU and the US) are deeply concerned over the Iran nuclear program which if not solved peacefully once and for all will disrupt the peace and security in the world or even drag the whole humankind into World War III.

This research will help to guide the readers to understand more clearly about the problem involved. The second and the third points will explain about the basis
of the study in this research, so the readers will be acquainted with the topic being
discussed.

Lastly, this study addressed itself to educators and students of International
Relations having keen interest to study more about the issue researched.

1.6 Theoretical Framework

Basically, the research will employ international relations theories to augment
the data-based arguments and will analyze determining factors that frame the
policy such as sanctions of Western countries (Europe and United States) and the
UNSC towards Iran.

International relations referred to international studies theorizing relationship
between and amongst countries, including the role and interests of states
conducted through international diplomacy.

In the field of diplomacy, there is such an exercise called coercive diplomacy.
Coercive diplomacy can be more clearly described as a political-cum diplomatic
strategy that aims to influence an adversary’s will or incentive structure. It is a
strategy that implies threats of force. The end goal is to induce an adversary to
comply with one's demands, or to negotiate the most favorable compromise
possible, while simultaneously managing the crisis to prevent unwanted military
escalation.

The coercive diplomacy that is implemented by the Western countries takes
the form of a sanction, designed to stop the ambition of Iran to acquire the nuclear
arsenal. Coercive diplomacy is basically a diplomatic strategy that relies on the threat of force rather than the use of force.\textsuperscript{11}

The coercive diplomacy was believed by Europe and United States as one of the political options to coerce Iran to stop their nuclear arsenal program. In reality coercive diplomacy out to be ineffective, because Iran has successfully blunted it and even fight back. It can be said that the Western policy is entrapped in the game of “hide and seek” conducted by Iran.

So, the researcher has strong argument in predicating that in order for the Western countries to attain their possessed political goal, they should consider embarking on persuasive diplomacy rather than coercive diplomacy. Persuasion is an action to persuade and/or be persuaded. Persuasion is an influence language that mediated a peaceful and sincere change of diplomatic view and the congruence of attitudes. The goal of the Western countries employing coercive diplomacy is indeed to maintain world peace.\textsuperscript{12}

Furthermore, International Relations encompasses study of peace. By definition peace is a state of harmony, characterized by the lack of violent conflict and the freedom from fear of violence. Commonly understood as the absence of hostility, peace also suggests the existence of healthy or newly healed interpersonal or International relationships, prosperity in matters of social or economic welfare, the establishment of equality and a working political order that serves the true interests of all. In International Relations, peacetime is not only the


\textsuperscript{12} “Persuasion in Diplomacy”. Retrieved 25 January 2013. From http://www.diplomacy.edu/persuasion
absence of war or violent conflict but also the presence of positive and respectful cultural and economic relationships.¹³

This study is about peace as the main point which really shows the different approach in coercive diplomacy and persuasive diplomacy in maintaining world peace. Strength and capabilities possessed by each country is different but all of them have common goal, namely securing peace. At any rate, coercive diplomacy has also a noble purpose which is a world peace.

In this regard, this study will strive to analyze the effectiveness of the European and United States’ sanctions against Iran over its nuclear program. This study will hopefully contribute to any initiative geared towards achieving final solution to the issue – dubbed as one of remaining hot-spots which threaten world peace.

1.7 Scope and the Limitation of the Study

The scope of the study revolved around sanctions taken by the Western countries and UNSC against Iranian nuclear program. Mention should also be made about Iranian reactions to that sanction, how effective is the sanctions and finally how to resolve such a burning issue.

1.8 Definition of Terms

This paper covers main relevant terms such as nuclear, Iran nuclear program, position of the Western countries namely the EU and the US, United Nations Security Council, the 5+1 (Russia, US, UK, France, China and Germany) and the authoritative UN institutions which involved in Iran’s Nuclear question such as the IAEA and the NPT.

The Nuclear Program of Iran was launched in the 1950s with the help of the United States as part of the Atoms for Peace program.14 The participation of the United States and European governments in Iran's nuclear program continued until the 1979 Iranian Revolution that toppled the Shah of Iran.15

After the 1979 revolution, the clandestine research program was disbanded by Ayatollah Ruhollah Khomeini, who had serious religious reservations about nuclear weapons, which he considered evil in terms of Muslim jurisprudence.16 Iran's nuclear program has included several research sites, two uranium mines, research reactor, and uranium processing facilities that include three known uranium enrichment plants.

After delays, Iran's first nuclear power plant, Bushehr I reactor was completed with major assistance of Russian government agency, Rosatom and

---

officially opened on 12 September 2011. Iran has announced that it is working on a new 360 MW nuclear power plant to be located in Darkhovin. Iran has also indicated that it will seek more medium-sized nuclear power plants and uranium mines in the future.

The **International Atomic Energy Agency (IAEA)** is an organization that seeks to promote the peaceful use of nuclear energy and to inhibit its use for any military purpose, including nuclear weapons. The IAEA was established as an autonomous organization on 29 July 1957. Though established independently of the United Nations through its own international treaty, thus the IAEA reports to both the UN General Assembly and Security Council.

In November 2011, the IAEA Board of Governors rebuked Iran following an IAEA report detailing how Iran had undertaken research and experiments leading to developing a nuclear weapons capability. For the first time, the IAEA report outlines, in depth, the country’s detonator development, the multiple-point initiation of high explosives, and experiments involving nuclear payload integration into a missile delivery vehicle. Iran rejected the details of the report

---

18 “Iran sees Bushehr plant at full capacity in one year”. AFP. Retrieved 24 December 2012. From http://afp.google.com/article/ALeqM5iCbR-4ck0a5j2K7hOmNsaHH-OPmg
and accused the IAEA of pro-Western bias\textsuperscript{21} and threatened to reduce its cooperation with the IAEA.\textsuperscript{22,23}

The Treaty on the Non-Proliferation of Nuclear Weapons, commonly known as the Non-Proliferation Treaty or NPT, is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament.

The NPT consists of a preamble and eleven articles. Although the concept of “pillars” is not expressed anywhere in the NPT, the treaty is nevertheless sometimes interpreted as a three-pillar system, with an implicit balance among them:

1. Non-proliferation,

2. Disarmament, and

3. The right to peaceful use of nuclear technology.\textsuperscript{24}

The NPT is often seen to be based on a central bargain: “the NPT non-nuclear-weapon states agree never to acquire nuclear weapons and the NPT nuclear-weapon states in exchange agree to share the benefits of peaceful nuclear

\textsuperscript{21} “Iran’s nuclear defiance finds rare common ground in fractured country”. Retrieved 20 November 2012. From http://www.thetruthseeker.co.uk/?p=37909
\textsuperscript{22} “Iran parliament to review ties with U.N. nuclear body”. Retrieved 20 December 2012. From http://www.reuters.com/article/2011/11/20/us-iran-nuclear-iaea-idUSTRE7AJ0DZ20111120
\textsuperscript{24} Ambassador Sudjadnan Parnohadiningrat, 26 April 2004,United Nations, New York, Third Session of the Preparatory Committee for the 2005 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, furnished by the Permanent Mission of the Republic of Indonesia to the United Nations (indonesiamission-ny.org)
technology and to pursue nuclear disarmament aimed at the ultimate elimination of their nuclear arsenals”.

And then Nuclear, **Nuclear Power and Nuclear Energy** is one of the many natural resources that we know how to turn into heat and electricity. It is, by far, the most energy-dense of all these natural resources, it means that it can extract more heat and electricity from a given amount of it than from an equivalent amount of anything else. This kind of energy density eliminates huge amounts of the environmental footprint required to use less dense fuels, such as huge coal mines, massive gas and oil fields, trainloads of fuel shipments, and expansive wind or solar farms. And nuclear reactors do this all without releasing any pollutants into the environment.

And the next is **Nuclear Weapon**, it is an explosive device that derives its destructive force from nuclear reactions, either fission or a combination of fission and fusion. Both reactions release vast quantities of energy from relatively small. The first fission ("atomic") bomb test released the same amount of energy as approximately 20,000 tons of TNT. The first thermonuclear ("hydrogen") bomb test released the same amount of energy as approximately 10,000,000 tons of TNT.25

**Natanz**; nuclear reactor in Teheran. Many experts suspect the UF-6 produced at Isfahan is taken to an enrichment facility at Natanz in central Iran, which was secret until Iranian dissidents revealed its existence in August 2002. There the gas is enriched—by being spun in high-speed centrifuges—to the relatively low level

---

required to fuel electricity-generating power plants or to the higher level needed for nuclear bombs.

**Arak;** Experts say the planned heavy-water research reactor is about five years from completion. Once the plant is operational, it could produce enough plutonium for about one nuclear bomb per year.

**Parchin Military Complex** is located approximately 20 kilometers south east of downtown Tehran. The IAEA was given access to Parchin on 1 November 2005, and took environmental samples: inspectors did not observe any unusual activities in the buildings visited, and the results of the analysis of environmental samples did not indicate the presence of nuclear material.²⁶ Parchin is a facility for the testing and manufacturing of conventional explosives; IAEA safeguards inspectors were looking not for evidence of nuclear material, but of the kind of explosives testing consistent with nuclear weapons research and development.²⁷ In November 2011, the IAEA reported that it had "credible" information that Parchin was used for implosion testing.²⁸ The IAEA sought additional access to Parchin, which Iran did not grant.

In January 2013, when IAEA wants to do inspections there, Iran did not grant IAEA wishes. Iran says Parchin is a conventional military facility and has dismissed accusations of “sanitization” taking place there. Herman Nackaerts,

---

Deputy Director General of the International Atomic Energy Agency (IAEA) said that, “Also on this occasion no access was granted to Parchin”.29

**Coercive Diplomacy** or "forceful persuasion" is the "attempt to get a target, a state, a group (or groups) within a state, or a non-state actor to change its objectionable behavior through either the threat to use force or the actual use of limited force." 30

This term also refers to "diplomacy presupposing the use or threatened use of military force to achieve political objectives." 31 Coercive diplomacy "is essentially a diplomatic strategy, one that relies on the threat of force rather than the use of force. If force must be used to strengthen diplomatic efforts at persuasion, it is employed in an exemplary manner, in the form of quite limited military action, to demonstrate resolution and willingness to escalate to high levels of military action if necessary." 32

**Persuasive Diplomacy** is an action to persuade and/or be persuaded. Persuasion is an influence language that mediated a peaceful and sincere change of diplomatic view and the congruence of attitudes. Persuasive or Persuasion is the influence of beliefs, attitudes, intentions, motivations or behavior. 33 Persuasion is a process aimed at changing a person's (or a group's) attitude or behavior toward

---

32 Major Lisa A. Nemeth. "The Use of Pauses in Coercion: An Explanation in Theory"  
some event, idea, object, or other person(s), by using written or spoken words to convey information, feelings, or reasoning, or a combination thereof. 34

The United Nations Security Council (UNSC) is one of the six principal organs of the United Nations and charged with the maintenance of international peace and security. Its powers, outlined in the United Nations Charter, include the establishment of peacekeeping operations, the establishment of international sanctions and the authorization of military action. Its powers are exercised through United Nations Security Council resolutions. 35

The permanent members of the UNSC, also known as the Permanent Five, Big Five or P5, namely: China, France, Russia, the United Kingdom and the United States. The members represent the great powers considered the victors of World War II. 36

France, Germany, and the United Kingdom (the EU3) offered Iran several proposals to resolve the nuclear issue during negotiations with Iran in 2004 and 2005. China, Russia, and the United States joined the three European countries in 2006 as part of a format known as the “P5+1” - in reference to the permanent five members of the UNSC plus Germany was offering similar comprehensive proposals to Iran. The P5+1 have described their negotiations with Tehran regarding these proposals as one track of a “dual track strategy” to address Iran’s nuclear program.

The West fears that Iran might enrich uranium to high levels necessary for use in nuclear weapons, or reprocess spent nuclear fuel to acquire plutonium for weapons.\textsuperscript{37}

The second track consists of Security Council resolutions which impose sanctions on Iran and demand that it suspends all uranium enrichment-related and reprocessing activities, as well as construction of a heavy water reactor.\textsuperscript{38}

\section*{1.9 Structure of the Research}

This research will be divided into five chapters. The first chapter is Introduction. This chapter is introducing the historical background of the subject. The introduction comprises the background of study, problem identification, statement of the problem, research objectives, significance of the study, theoretical framework, scope and limitation, definition of terms and lastly is structure of the research.

In chapter two the researcher explains about the theory applied and considered as suitable for this research. Generally speaking, the theory envelopes 3 (three) main concepts: coercive diplomacy, persuasive diplomacy and peace theory in

\begin{flushleft}

\textsuperscript{38} To date, the UN Security Council has adopted six resolutions in response to Iran’s nuclear program. The council first demanded that Iran suspend its uranium enrichment-related and reprocessing activities with the adoption of resolution 1696 in July 2006. The following three resolutions, 1737 adopted in December 2006, 1747 adopted in March 2007, and 1803 adopted in March 2008, imposed incremental sanctions on Iranian persons and entities believed to have been involved in Iran’s nuclear and missile programs. Resolution, 1835, adopted in September 2008, reiterated the demands made in resolution 1696 without imposing additional sanctions. The UN Security Council significantly expanded sanctions in June 2010 with the adoption of Resolution 1929.
\end{flushleft}
international relations. The chapter tries to elaborate these three concepts in a more detailed manner.

Chapter three focuses on research method, research time and period, qualitative research; the procedures and tools used to collect data, analyze the data and the case of this research.

Chapter four addresses the main body of this research. It will elucidate the main subject of the research namely the sanctions against Iran over its nuclear program. This chapter further explains about the effectiveness of the sanctions toward the nuclear of Iran.

Finally, this chapter will provide a deep and comprehensive analysis of the political solution through persuasive diplomacy (using carrot) instead of coercive diplomacy (using stick), and performed by the parties involved to solve the problem questioned.

Chapter five will be the last chapter that contains the conclusions and recommendations penciled by the researcher on the very subject matter of the thesis.
Chapter II

2. LITERATURE REVIEW

2.1 Introduction to International Relations

International relations or IR usually referred as International Studies. International relations is a study of relationships between countries including the roles of States, Inter-Governmental Organizations (IGOs), International Non-Governmental Organizations (INGOs), Non-Governmental Organizations (NGOs) and Multinational Corporations (MNCs).

It is both an academic and public policy field and can be either positive or normative as it both seeks to analyze as well as formulate the foreign policy of particular states. It is often considered a branch of political science, but an important sector of academia prefers to treat it as an interdisciplinary field of study.39 The main point is, international relations are a study of cooperation among the states. The aim of the relationship is to gain peace.

Peace in international relations can be seen as a process or even a goal. Peace is a way to establish the cooperation within the international area. Peace is not only the absence of war or violent conflict but also the presence of positive and respectful cultural and economic relationships.40

To reach peace as a goal we have to have a positive and a “peace” way. One of the ways is to have a negotiation or by diplomacy. The definition of diplomacy

itself is the art and practice of conducting negotiations between representatives of
groups or states.

In this research, diplomacy is needed to solve the problem. The diplomatic
resolution that will explain in this research is through negotiation. Sometimes
nations launch official negotiation processes to settle an issue or dispute between
several nations which are parties to a dispute. There are technically no established
rules of procedures.

Diplomacy is the main instrument of state interaction. Even if the positions
seem very opposed to each other and the conflict seems unsolvable, states do have
common interests most of the time and may end up with a kind of compromise.
Although it may take some time, discovering each other’s underlying interests is
worthwhile.

The alternative is the lingering one of the conflict with the risk of large-scale
violence over time, or even of a sudden preventive violent attack by one of the
actors.

Sometimes decision makers do not perceive it in their personal interest to
make compromises. States may be very stubborn. This makes the conflict even
more difficult to resolve, the positions become hardened and public opinion is
agitated. The stakes are raised even more. In such circumstances diplomats may
try to use a harder approach, for an example is using threats. If talks alone do not
help, one can threaten to use economic sanctions or even military action in order
to convince the opponent. This approach is called ‘coercive diplomacy’. 41

41 Alexander George, Forceful Persuasion: Coercive Diplomacy as an Alternative to
War, Washington DC, US Institute of Peace, 1997; Thomas Schelling, Arms and Influence,
In addition, it is a fact that a country cannot have relations or cooperation if there are conflicts between those countries. So, peace is very important to interlace a good cooperation between countries. These are very beneficial and usually used as a way to solve problems or conflicts of economic, politic, social, culture and the other problems within the countries. To support the successful gain of the cooperation between the countries, the state is required to have a good relationship and good diplomacy.

In diplomacy we can attain national interests from each country. If the state can reap a good cooperation between the states, peace can be a goal for those countries. So, that there are no conflicts or even problems approach them. In international relations, peace occurs because there are no conflicts or problems. Moreover, those countries have a same goal which is acquiring peace.

There is also peace as a process, and it seems not too different from peace as a goal. The peace as a process is when states have conflicts or problems, and they want to finish it in a peace way. Those states want to get rid of the problem without any fight or war. So they choose to do a peace process which is not harming both of the states. And with the peace process they can achieve good goal for both of them.

As an example in this research is the existence of the world organization that engages many countries to cooperate in the field of peaceful uses of nuclear energy the central mandate of the IAEA. The organization aims to deter its use for

military purposes, peace and security, and the prevention of conflicts and wars in
the world due to nuclear.

Diplomacy is one of the peace processes that the researcher already mentions
above. The definition of diplomacy itself is management of international relations
through negotiations which is regulated by diplomats or its representatives.

The other definition of diplomacy is the ways and forms that made the
approach and negotiation with the other countries to develop the relations between
the states.\textsuperscript{42}

In international relations, diplomacy occurs due to interests of the country
with the aim of promoting peace as well as to prevent the occurrence of conflicts.
As an example is the existing of world organizations that involve many countries
to cooperate in any field, namely the United Nations with the purpose of creating
peace and security, as well as the prevention of conflicts and wars in the world.

Nuclear program of Iran: A Case Study.

It’s worth analyzing one specific aspect of the nuclear program of Iran, that is
whether sanctions adopted by the Western countries against Iran is effective.

On the one hand, Iran has her very rights to have nuclear (nuclear power
plants). But on the other hand, the Western countries see that the Iranian nuclear
which is stated to generate secretly geared toward becoming a nuclear program for
military purposes is a threat to world peace. The EU opted to conduct negotiation
with Iran with a view to persuading Iran to focus on its nuclear program for
peaceful purpose.

\textsuperscript{42} Boer Mouna, \textit{Hukum Internasional Pengertian, Peranan dan Fungsi dalam Era Dinamika
Global}, Penerbit Alumni, Bandung, 2000, hal.465
It is the firm belief of Western countries that a country such as Iran to be given free reign to develop and possess nuclear is an impending threat to international peace and security. Iran matter of factly shrugged off to consider the Western countries demand.

In international relations there is a definitive theory that explains Iran’s conflict with the Western countries related to the Iranian nuclear issue. The theory is singled out as the coercive diplomacy. In this research the researcher will explain how the coercive diplomacy could be related to each other in order to answer the research question.

There are some theories in international relations that explain how the Iranian nuclear issue brought various opinion and speculation.

2.2 Coercive Diplomacy

Diplomacy is the main instrument of state interaction. Even if the states positions seem very opposed to each other and the conflict seems unsolvable, states do have common interests most of the time and may end up with a kind of compromise. Although it may take some time, discovering each other’s underlying interests is worthwhile. The alternative is the lingering on of the conflict with the risk of large-scale violence over time, or even of a sudden preventive violent attack by one of the actors. Diplomacy is one of the effective ways that is believed can solve the problem in a good way.

Sometimes decision makers do not perceive it in their personal interest to make compromises, the states sometimes may be very stubborn. This makes the conflict even more difficult to resolve. Positions become hardened and public opinion is agitated. In such circumstances diplomats may try to use a harder approach, for example using threats.

If talks alone do not help, one can threaten to use economic sanctions or even military action in order to convince the opponent. This approach is called ‘coercive diplomacy’. The coercive diplomacy was used by the Western country to push Iran stop their nuclear program through sanctions.

2.2.1 Characteristics of Coercive Diplomacy

Coercive diplomacy can be more clearly described as a political diplomatic strategy that aims to influence an adversary’s desire or incentive structure. It is a strategy that combines threats of force, and, if necessary, the limited and selective use of force in discrete and controlled increments, in a bargaining strategy that includes positive inducements. The aim is to induce an adversary to comply with one's demands, or to negotiate the most favorable compromise possible, while simultaneously managing the crisis to prevent unwanted military escalation.

There are three (3) elements embodying the coercive diplomacy:

1. A demand,
2. A threat, and
3. Time pressure.

These three elements show and explain more about the concept of coercive diplomacy.

The first one is a specific demand, which has to be formulated vis-a`-vis the opponent. The “vis-a´-vis” is a French phrase meaning "face to face", often used as "in relation to". And the objective of the demand is to stop or reverse an action that the opponent has started. As this demand is supplemented with a threat, the demand has to be understood as a requirement. The success or failure of coercive diplomacy depends on whether the demand will be executed.

Second, the demand has to be supported by a threat. ‘If you do not agree with this demand, I will punish you by doing X or Y’. Most of the time, the threat has to be made explicit. The latter can be further supported by action.

Europe and United States gave economic sanctions toward Iran’s nuclear program, this may help convince the opponent that the threat is real. Occasionally it may be suffice to back up the demand with an implicit threat.

And the third one, it is not sufficient to have a demand only-this should be combined with a threat. Coercive diplomacy also requires some kind of time pressure. As Peter Jakobsen mentioned that: ‘Opponents will simply not perceive a threat of force as credible unless it is accompanied by a deadline for compliance’.

---

46 Jakobsen, Western Use of Coercive Diplomacy after the Cold War, p 29.
So, the coercive diplomacy is a negotiation and part of diplomacy. Diplomacy in the context of international relations generally aims to prevent war. So even if the coercive diplomacy is included into the diplomacy using threat but it has a goal toward peace. The researcher hopes that those points that already mentioned above will explain more about the meaning of coercive diplomacy.

2.3 Persuasive Diplomacy

Persuasive diplomacy is the opposite of the coercive diplomacy. Persuasive diplomacy is a negotiation that influences the opponent with persuasion. Persuasion is one of the threads that connect ancient diplomats with the diplomacy. Today, as ever, to persuade and/or be persuaded is one of the diplomat’s key concerns. Persuasion is a language mediated influence, a peaceful and sincere change of diplomatic view, and the congruence of attitudes.

Because of the fact that so far the coercive diplomacy cannot solve the Iran’s nuclear problem, it is suggested that the Western countries consider employing persuasive diplomacy. Persuasive diplomacy is distinct from the coercive diplomacy which used the threat as diplomacy. Persuasive diplomacy use persuasion to influence the opponent to do what is desired.

2.4 The Study of Peace

This study is framed by an attempt to establish a broader, interdisciplinary reading of peace and to embed this within international relations.
Indeed, it is explained that any discussion of peace as opposed to war and conflict must also be connected to the research and development policy, justice and environmental sustainability.

Many different theories of peace exist in the world of peace studies, which involves the study of conflict transformation, disarmament, and cessation of violence. The definition of "peace" can vary with religion, culture, or subject of study. This means that the peace is a state of harmony which is characterized by the lack of violent conflict and the freedom from fear of violence. In international relations, peacetime is not only the absence of war or violent conflict, but also the presence of positive and respectful cultural and economic relationships.

One definition is, that peace is a state of balance and understanding in yourself and between others, where respect is gained by the acceptance of differences, tolerance persists, conflicts are resolved through dialog, people's rights are respected and their voices are heard, and everyone is at their highest point of serenity without social tension. So, in concise word, peace is an understanding or a respect between countries and also the absence of conflict.

Basically, in the field of international relations the development of conceptual frameworks and theories are aimed to facilitating the understanding and explanation of events and phenomenon in world politics, as well as the analysis and information of associated policies and practices.

---

48 US Department of State Photo Centre, Whitehouse Photo Gallery, UN Photo Library & Political World.org, “What is International Relations”, retrieved on August 16 2012 from www.irtheory.com
The importance of the theory in international relations established after World War I is indicated by the desire to avoid future mass conflict and to ensure peaceful change. Peace can prevent conflicts between nations. Peace between nations has been the focus of numerous studies in the last decade.

2.4.1 The History and Characteristic of Peace

Peace was supposed to be the one of international relations’ key agendas when the discipline was founded in 1919 and certainly was firmly and clearly part of the main institutional frameworks of the modern era.

International Relations as a discipline tends to deal with peace, through its theoretical readings of international order, war and history. The events are based from experience that mark international relations and tend to be associated with violence, rather than peace. Most of the thinkers in Western countries, developed context assuming that they know peace and would never take on those position that violence is a goal, though it may be an acknowledged side-effect.

The following dynamics are characteristic of the way in which peace is often thought of and deployed in international relations:

1. It is viewed as an achievable global objective, based on universal norms,
2. It is viewed as a geographically bounded framework defined by territory, culture, identity and national interests,
3. It is related to certain ideology or political or economic framework,
4. It is viewed as a temporal phase,
5. It is based upon state or collective security,

6. It is based upon local, regional or global forms of governance, perhaps defined by a main actor or specific multilateral institution,

7. It is viewed as a top-down institutional framework or a bottom-up civil society-oriented framework,

8. Most thinking about peace in international relations is predicated on preventing conflict and at best creating an externally supported peace, not on creating a self-sustaining peace.

This dynamic means that the most important subject in international relations has not been subject to a sustained examination. Even in the realm of peace and conflict studies, the focus has been on preventing violence rather than the ongoing efforts to develop an independent order.49

International relations theory, conflict theory and indeed policy debates often make the mistake of assuming that the project of peace is so apparent as to not require detailed explanation. This is part of the problem of peace.

To counter this universal and hegemonic discourse, peace might instead be contextualized more subtly geographically, culturally in terms of identity and the evolution of the previous socioeconomic polity. This means that one should be wary of a theoretical approach or an empirical analysis or a policy which is suggesting that the institutions, norms regimes and constitutions associated with peace can be applied equally across the world.

---

There needs to be a differentiation between international order and peace in a global context as well as local order and peace in a local or indigenous context. This means that peace as a concept can subject to very specific interpretations determined by politics, society, economy, demography, culture, religion and language. It should not merely be a legitimating trope applied to bolster a specific theory, policy or form or organization but conceptually and theoretically should represent a detailed engagement with the multiple dynamics of conflict, war and disorder as well as the social, political and economic expectations, practices and identities of its participants. Engaging with the multiple concepts of peace forms the heartland of international relations quest to contribute to an understanding of stability and order and the ‘good life’.
CHAPTER III

3. RESEARCH METHODOLOGY

3.1 Research Methodology

This research used qualitative approach in order to answer the research question and problem without needing to use quantitative method which usually used to analyze number of data. In this case, analysis using some real facts as data on study case (Sanction towards the Nuclear Program of Iran) will make the reader become easier to understand and comprehend the issue of the effectiveness of sanction that was enforced by the Western countries upon Iran over the Program Nuclear of Iran.

3.1.1 Qualitative Approach

This research used qualitative approach as the method in order to extrapolate the facts and the evidences available, collected and how they are correlated. The research also aims to understand the information, regulation, interaction between countries and the interrelationship between the West and Iran. Then the data will be analyzed based on the facts and the available information and several arguments that have been perused without involving Math model like in quantitative method.

Qualitative research aims to gather an in-depth understanding of human behavior and the reasons that govern such behavior. It investigates “the what and how of decision making, not just why, where and when”. Hence, smaller but
focused samples are more often needed than large samples. Qualitative methods is then can be used to seek the empirical support for such research hypothesis.50

Therefore, qualitative methods are very easy to understand because the method that is used by the researcher is more focused.

The methods that will be discussed in this study are the coercive diplomacy, persuasive diplomacy and peace. Those concepts can be determined by the facts of the case and the events that are important to the process.

In addition, this study also shows the results of the European sanctions against Iran over the Iran's nuclear program. This is supported by the theory adopted namely coercive diplomacy involving those two parties.

The opposite theory aiming peace is persuasive diplomacy. The researcher believed that persuasive diplomacy is a more appropriate solution to solve the problem in question. This is believed that the study is amenable to fulfill its purpose, that is to make all the readers in the world become more open-minded about the Iranian nuclear issue being one of the burning global political issues and think more wisely in the face of challenging international cases.

3.2 Research Time and Place

The research is entitled “The Question of Iranian Nuclear Program: Are Sanctions Imposed Effective?” It is well established that, Iran since 1967 has been developing its nuclear.

But on August 2010, Iran embarked on its nuclear program and on February 2012, the strong reaction over the nuclear program of Iran is heightened. Iran was reported to have been successful in developing a nuclear program.\textsuperscript{51}

The period in the research will be narrowed in three years (2010-2012) given the fact that because on August 2010, Iran began enriching uranium at 20 percent at the modern reactor in Natanz region. At that time Iran set to make a nuclear program up until 2012.

This research was conducted in Jakarta, at the in Ministry of Foreign Affairs of Indonesia. All primary data that support, the research were obtained from the Ministry of Foreign Affairs at the Policy Analysis and Development Agency. The other data or the secondary data that the researcher collected are from the internet, magazines, newspapers, articles, and from the PDF.

3.2.1 Case Study

The purpose of the research is to explore and identify the reasons behind the sanctions acted by the West upon Iran over its nuclear program, gauge its

effectiveness and explain the impact of Iranian nuclear program in the period of 2010 until 2012.

The case study that is also known as a case report is an intensive analysis of an individual unit (for example: a person, group or event) stressing developmental factors in relation to context.  

Thomas offers the following definition of case study:

“Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. The case that is the subject of the inquiry will be an instance of a class of phenomena that provides an analytical frame — an object — within which the study is conducted and which the case illuminates and explicates.”

A case study is the most appropriate for this research because the research was intended to explain the ensuing disagreement between Iran and the Western countries. The unfortunate case was triggered by Iran’s ambition to build a nuclear program setting alarm to the Western countries and the surrounding countries and Iran’s actions as a consequence are opposed by the Western countries. The reaction towards the Iran’s nuclear is the sanctions taken by the Western countries.

This case study will also enable the researcher to explore the phenomena from diverse perspectives especially in international relations theory.

Iran’s nuclear program commenced in the 1950s. The United States has expressed concern since the mid-1970s towards Iran. And US suspected that Tehran might develop nuclear weapons.

---


53 G. Thomas (2011) A typology for the case study in social science following a review of definition, discourse and structure. *Qualitative Inquiry*, 17, 6, 511-521
Iran’s construction of gas centrifuge based uranium enrichment facilities is currently the main source of nuclear proliferation concern. Gas centrifuges enrich uranium by spinning uranium hexafluoride gas at high speeds to increase the concentration of the uranium-235 isotope. Such centrifuges can produce both Low Enriched Uranium (LEU), which can be used in nuclear power reactors, and weapons grade Highly Enriched Uranium (HEU), which is one of the two types of fissile material used in nuclear weapons.\textsuperscript{54}

Obtaining fissile material is widely regarded as the most difficult task in building nuclear weapons. As of August 2012, Iran had produced an amount of LEU containing up to 5% uranium-235 which, if further enriched, could theoretically produce enough HEU for several nuclear weapons. Iran has also produced LEU containing up to 20% uranium-235, but, as of August 2012, this amount was not sufficient to yield a sufficient amount of weapons-grade HEU for a weapon.\textsuperscript{55}

Although Iran claims that its nuclear program is exclusively for peaceful purposes, the program has generated considerable concern that Tehran is pursuing a nuclear weapons program. Indeed, the UNSC has responded to Iran’s refusal to suspend work on its uranium enrichment program by adopting several resolutions that imposed sanctions on Tehran.

Despite evidence that sanctions and other forms of pressure have slowed the program, Iran continues to enrich uranium, install additional centrifuges, and


\textsuperscript{55} Ibid
conduct research on new types of centrifuges. This of course aggravated the West’s sense of fear.

Tehran has also continued work on a heavy-water reactor, which is a proliferation concern because its spent fuel will contain plutonium, the other type of fissile material used in nuclear weapons. However, plutonium must be separated from spent fuel, a procedure called “reprocessing.” Iran has said that it will not engage in reprocessing.

The IAEA has monitored Iran’s nuclear facilities and has been able to verify that Tehran’s declared nuclear facilities and materials have not been diverted for military purposes. But the agency still has suspicion about the program, that Iran may have conducted procurement activities and research directly applicable to nuclear weapons development.

The United States has assessed that Tehran has the technical capability eventually to produce nuclear weapons, but has not yet mastered all of the necessary technologies for building such weapons.

Whether Iran has a viable design for a nuclear weapon is thus far unclear and if Iran has a nuclear weapons program is also unclear.

A National Intelligence Estimate made public in December 2007 assessed that Tehran “halted its nuclear weapons program” in 2003. The Estimate, however, also assessed that Tehran is “keeping open the option to develop nuclear weapons” and that any decision to end a nuclear weapons program is “inherently reversible.” U.S. intelligence officials have reaffirmed this judgment on several occasions.

Ibid.
Ibid.
Ibid.
occasions. For example, Director of National Intelligence James Clapper stated in January 2012 that Iran “is keeping open the option to develop” nuclear weapons.\textsuperscript{59}

United States Secretary of Defense Leon Panetta stated in January 2012 that Iran would probably need “about a year” to produce a nuclear weapon and “possibly another one to two years” to incorporate it into a delivery vehicle. However, Director Clapper indicated in February 2012 that it would likely take Iran longer than a year to produce a nuclear weapon after making a decision to do so. These estimates apparently assume that Iran would use its declared nuclear facilities to produce fissile material for a weapon. However, Tehran would probably use covert facilities for this purpose; Iranian efforts to produce fissile material for nuclear weapons by using its known nuclear facilities would almost certainly be detected by the IAEA.\textsuperscript{60}

### 3.3 Data Collection

This part describes the procedures, tools and instruments that were used to collect and analyze the data. Data literature that gathered came from International newspaper (New York Times), National newspaper (Jakarta Post, Kompas), book, magazine, internet, journal, PDF’s, library research (Adam Kurniawan and Ali Alatas’s Library).

In this regard, beside the official documents and media (newspapers and magazines), internet also becomes one of the important parts in the collection of


\textsuperscript{60} Ibid.
data. Most of the people used internet as the media, by internet they can get information and data easier.

That is also reflects the process of international integration arising from the interchange of world views, products, ideas and other aspects of culture.\textsuperscript{61} This is widely appreciated as globalization describes the interplay across cultures of macro-social forces. These forces include religion, politics and economics. Globalization can erode and universalize the characteristics of a local group.\textsuperscript{62} Advances in transportation and telecommunications infrastructure, including the rise of the internet, are major factors in globalization, generating further interdependence of economic and cultural activities.\textsuperscript{63} Many people wished anything would become easier without having to spend more time to search from the other source. This research also used data from the internet, such as an article and PDF that related to the Iran nuclear issue and the Website that provides knowledge and information about Iran’s nuclear program and sanctions given by the Western countries. There is also an e-book that has very useful understanding of theories of international relations.

Those things became an important part that supports this research, especially the primary data that shows the information of the issue well. Moreover, primary data is very important because it could also answer the questions of this research.

In order to show the detailed analysis of factors why Europe impose sanction against Iran over the latter’s nuclear program, this research used document


analysis. The definition of document analysis is a technique used to gather requirements during the requirements elicitation phase of a project. It describes the act of reviewing the existing documentation of comparable business processes or systems in order to extract pieces of information that are relevant to the current project and therefore should be considered projects requirements.  

The type of document that is being used for this research is an official document. All documents are from the Ministry of Foreign Affairs, Policy Planning and Development Agency that are readily available to the researcher. Official documents refer to the data that Ministry of Foreign Affairs got from the Indonesian Embassy in Iran and from many trusted media. In addition, the other type of documents that were used are from the PDF that the researcher got from one of the young Indonesian diplomats as the Ministry of Foreign Affairs, national newspaper (most of them are from the Jakarta Post and Kompas) and also from the internet.

3.4 Research Setting

This research explained about the sanctions that the European Union (EU) take against Iran because of the nuclear program that Iran design. Iran is one of the

---

countries located in the Middle East and central Eurasia. Iran is the fourth largest oil producers in the world. 65

This research is focused on the consideration that factor the EU policy to hand down sanctions on Iran, although through the EU is the second-largest Iran’s oil importer after China.

The International Energy Agency noted that the EU import 600 thousand barrels of oil per day from Iran in 2011. Iran oil supply reached 34.2 percent of the total Greek oil imports. 14.9 percent of the Spanish oil imports and 12.4 percent of the Italian oil imports. 66

The researcher deemed it pertinent to pick this topic because a big number of people fail to understand and think wisely about this very issue. So that’s why the researcher wants to show and explain more about this topic. Hopefully this research could provide the readers with a thorough insight and this might make them understand properly about the subject matter and avoid becoming subjective.

3.5 Data Analysis

Data analysis is the bodies of methods that will help to describe facts, detect pattern, developed explanations and test the hypothesis. It will be used in all of the

science, the business, administration and also the policy. The important thing is the data analysis should be related to the case in this topic of the research.

### 3.5.1 The Process of Qualitative Data Analysis

Based on the type of data and its processing method, generally the research can be divided into qualitative and quantitative research. The research using qualitative method was based on the acquired data. The qualitative research usually used as an umbrella of a term as a research strategy with the following characteristics, such as:

1. Almost all of the research data is in a soft data, included the description of the people, objects and also conversation (interview),
2. The data is collected from the natural background and usually the background is real (from media, ex: newspaper, magazine or internet).\(^67\)

The qualitative method has its own way for the researcher to collect the data. The researcher can give flexible question and also be able to make or provide his/her own view on things or phenomena.

CHAPTER IV

4. SANCTIONS BY THE WEST AGAINST IRAN OVER THE IRAN’S NUCLEAR PROGRAM: HOW EFFECTIVE THEY ARE?

4.1 The Background of Iran’s Nuclear

Iran (or Persia) is a country in Middle East which is in Western Asia. It is a country of particular geopolitical significance owing to its location in three spheres of Asia (West, Central and South). Iran is the 18th largest country in the world in terms of area at 1,648,195 km², Iran has a population of around 75 million. Because of its large population, so the demand for the generation of the electricity is increasing. To help solve such a demand, Iran launch a nuclear program to fulfill the demand of their people. Iran adamantly stated that its nuclear program is solely for peaceful purposes.

Against that background, back in 1950s Iran initiated the nuclear program with the help of the United States as a part of the Atoms for Peace program. The participation of the United States and Western European governments in Iran’s

---

69 Ibid.
70 Ibid.
71 Ibid.
nuclear program continued until the 1979 Iranian Revolution that toppled the Shah of Iran.  

And then after the 1979 revolution, the clandestine research program was disbanded by Ayatollah Ruhollah Khomeini, who had serious religious reservations about nuclear program, which he considered evil in terms of Muslim jurisprudence. Small scale research restarted during the Iran-Iraq War and underwent significant expansion after the Ayatollah’s death in 1989.

Iran’s nuclear program has included several research sites, two uranium mines, a research reactor and uranium processing facilities that include three known as uranium enrichment plants.

Iran’s first nuclear power plant, “Bushehr I” reactor was completed with major assistance of Russian government agency Rosatom and officially opened on 12 September 2011. Iran has announced that it is working on a new 360 MW nuclear power plant to be located in Darkhovin. The Russian engineering contractor Atomenergoprom said that the Bushehr Nuclear Power Plant would reach full capacity by the end of 2012.

---

75 Tanya Ogilvie-White, ‘The Defiant States,’ p.254.
Iran has also indicated that it will seek more medium-sized nuclear power plants and uranium mines in the future. \(^{78}\) It will help cater the energy needs of the Iran’s people because Iran has a high population.

In response to all the accusations of the Western countries, Iran stated that its nuclear program is for peaceful civilian purposes not for military purposes. As a signatory of the treaty committed to the nuclear that is Non-Proliferation Treaty (NPT) and as a member of the International Atomic Energy Agency (IAEA), Iran is entitled to use nuclear technology for peace purposes.

On February 23, 2013, Atomic Energy Organization of Iran (AEOI) announced that the construction of 16 new reactors across the country where raw uranium deposits were recently discovered. The AEOI made the announcement days before Iran’s multilateral talks with the P5+1 countries composed of China, Germany, France, Russia, UK and US scheduled on February 26, 2013, at Astana, Kazakhstan. The AEOI said that Iran’s uranium reserves grew three times after uranium deposits were found on the northern coastal areas. \(^{79}\)

Iran’s disputed nuclear program has been at the heart of the International community’s concern for years with the US along with other UNSC members as well as the EU highly doubtful of the program’s real intentions. Tehran’s nuclear program is viewed to be a mere façade for a covert atomic weapons program. But

---

\(^{78}\) "Iran sees Bushehr plant at full capacity in one year". AFP. 18 December 2007. Retrieved 24 December 2012. From http://afp.google.com/article/ALeqM5iCbR-4ck0a5j2K7hOmNsaHH-OPmg

Iran insists that its program is solely meant for peaceful purposes and that its aim is to generate electricity for civilian power as well as for medical purposes.\(^{80}\)

But diplomats familiar with the matter said that the P5+1 would offer Iran some relief from international sanctions once it agrees to limit its production of higher-grade enriched uranium. In exchange, the latest embargo goes on gold and metals trading with Iran would be lifted.\(^{81}\)

In the early February 2013, the US imposed new sanctions that prohibit importers from paying oil with dollars and euros. From the Bloomberg\(^{82}\) data that shows the sanctions are costing Iran about $98.9 million a day in lost oil sales. But Iran’s announcement could further compromise the pursuit of the nuclear talks in Kazakhstan, which will be the first since July 2012 where three rounds of meetings ended in stalemate.\(^{83}\)

### 4.2 Iran and the NPT (Non-Proliferation Treaty)

Furthermore, in 1968 Iran signed the Nuclear Non-Proliferation Treaty or usually called as the NPT. The treaty ratified in 1970, it makes Iran’s nuclear program is subjected to the IAEA verification.

The NPT, is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the


\(^{81}\)Ibid

\(^{82}\)A premier site for business and financial market news

peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament.84

4.3 IAEA’s Report

Iran is a party to the NPT but was found in non-compliance with its NPT safeguards agreement and the status of its nuclear program remains in dispute. In November 2003, IAEA Director General, Mohamed El Baradei reported that Iran had repeatedly and over an extended period failed to meet its safeguards obligations, including by failing to declare its uranium enrichment program.85

Following two years of EU3 (France, Germany and United Kingdom) led-diplomatic efforts, Iran temporarily suspending its enrichment program.86 The IAEA Board of Governors, acting under Article XII.C of the IAEA Statute, found in a rare non-consensus decision with 12 abstentions that these failures constituted non-compliance with the IAEA safeguards agreement.87

That was reported to the UNSC in 2006,88 after which the Security Council passed a resolution demanding that Iran suspend its uranium enrichment plan.89 Instead, Iran resumed its enrichment program.90

---

88 Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, Resolution adopted on 4 February 2006, The adopted agenda
In November 2011, the IAEA Board of Governors rebuked Iran following an IAEA report indicating that Iran had undertaken research and experiments geared to developing a nuclear weapons capability.\(^{91}\)

For the first time, the IAEA report outlines, in depth the country’s detonator development, the multiple-point initiation of high explosive and experiments involving nuclear payload integration into a missile delivery vehicle.\(^{92}\)

Iran squarely rejected the details of the report and accused the IAEA of pro-Western\(^{93}\) and threatened to reduce its cooperation with the IAEA.\(^{94}\) That is because Iran proved to be not transparent to the IAEA. And because of the Iran’s refusal to be transparent, IAEA has a negative thought e.g that Iran is intent on pursuing a nuclear program for military purposes.

Thus the IAEA reported this incident to the UNSCs in order to make Iran stop its nuclear program. Because of this incident the relations between the Western countries and Iran become unstable.


4.4 EU-Iran Relationship

While the European Union’s objective remains to develop a durable and positive relationship with Iran in order to develop the potential for a constructive partnership from which both sides could draw benefits, since 2005 the serious concerns over the Iranian nuclear program have dominated EU-Iran relations. 95

After the commencement of the Iranian nuclear program, the EU just wanted to make Iran stop their nuclear program because it makes the Western and neighboring countries felt threatened. All people in the world know that Iran is one of the powerful countries in the Middle East, even the United States was afraid if Iran developed a nuclear program for military purposes.

It is worth mentioning at this junction that deep and increasing concerns about unresolved issues and Iran’s continued refusal to comply with its international obligations and co-operate fully with the IAEA led to the adoption of resolutions by the UNSC in 2006, 2007, 2008 and the last is in 2010—all were imposing sanctions against Iran, which are legally binding all UN member states. The European Union fully implement these United Nations sanctions and has also adopted a number of complementary measures. 96

IAEA findings on Iranian activities relating to the development of military nuclear technology, reflected in the IAEA report from October 2011, have further heightened concerns over the nature of Iran's nuclear program.

96 Ibid.
Against that background and the lack of engagement from the Iranian side with the efforts aimed at constructive talks, on behalf of the E3+3 (France, Germany, United Kingdom, China, Russia and the United States), the EU therefore decided, at the end of 2011, to extend its sanctions regime. Since the EU believed that if the sanctions regime were extended, someday Iran will stop its nuclear program for military purposes.

The end objective of the EU remains to achieve a comprehensive, negotiated, long-term settlement which restores international confidence in the exclusively peaceful nature of the Iranian nuclear program, while respecting Iran’s legitimate rights to the peaceful use of nuclear energy under the NPT.

High Representative Catherine Ashton, in her role as designated negotiator on behalf of the E3+3, has repeatedly signaled readiness to resume talks, starting with a confidence-building phase aimed at facilitating a constructive dialogue on the basis of reciprocity and a step-by-step approach. It aims to make Iran to listen to the opinion of European Union in order to halt Iran’s nuclear program. If Iran continues to develop the military nuclear program it will destroy the world peace.

The EU continues to urge Iran to respond clearly and positively to that offer of negotiations and to demonstrate its readiness to address seriously existing concerns on the nuclear issue, without preconditions.

In this connection, Iran must take the actions needed to reassure the international community that its program is entirely peaceful including by

---

98 Ibid.
implementing its international obligations and relevant UNSC resolutions in full co-operation with the IAEA.

A comprehensive package of incentives including full political and technological support for peaceful nuclear program and the normalization of economic relations, is part of the offer made by the E3+3 with the support from EU.99 All this was done because actually the European Union and its allies support the Iran’s purposes and its right to have a nuclear but in one condition, the nuclear is made only for peaceful purposes.

4.5 Sanctions by the West

Since 2002 the Iranian nuclear program has been seen by the West as a problem. The West in this case, the United States and EU3 (French, Germany and United Kingdom) remain involved actively in the process of negotiation and diplomacy to ask Iran to stop its military nuclear program with the base of worries that nuclear program is a peaceful effort to cover up the desire of Iran to have nuclear weapons.

The process of negotiation and diplomacy between Iran and EU3 is considered by the US as in appropriate. The United States as a non-party to the issue cannot involve itself in the negotiation process, and this is further appreciated due to the fact that the US has had a bad relations and both do not have any diplomatic relations. United States engaged more with suppressing or trying to convince EU3

to align with their desires. Especially to bring the issue of Iran's nuclear program to the UNSC in order to impose tougher sanctions. United States efforts are to convince EU3 to bring Iran's nuclear program to the domain of international crises discussed in the UN Security Council.

Meantime, Iran tries very hard to convince the other countries that Iran’s nuclear program is indeed for peaceful purposes. But the fact showed otherwise. In August 2010, Iran began enriching uranium at 20 percent in the nuclear reactor of Natanz. On January 1st, 2011, according to the Institute for Science and International Security, Iran has a 4.922 kilogram of low uranium hexafluoride is enriched. Having enriched weapons-grade uranium, this may be enough for making four nuclear warheads.

In the same year, the IAEA issued a report saying that Iran is developing nuclear weapons. This happens because of the Iran/Iran regime did not demonstrate transparency with IAEA. It raises the suspicion of the Western countries (Europe and United States) against Iran’s nuclear.

The reaction by the European Union and the United States or the West toward the Iran’s nuclear program is visibly drifting along “the carrot and stick” line, while Iran is smartly playing the game of “tug of war”. Once again it is aimed to stop the nuclear program of Iran. That nuclear program of Iran suspected by the Western countries would be tantamount to threatening the world peace.

---

As the stormy political situation in the region has been relatively dying down, a relatively friendly business environment surfaced. European enterprises were ready to engage in what has been a promising market. The Europeans imported mainly oil from Iran and hoped to be able to invest in Iran’s vast gas supplies. Iran, in turn, bought mostly machinery.

Yet business relations with Iran faced many practical obstacles, including an overbearing bureaucracy, weak legal system and the absence of a European Trade and Cooperation Agreement. Yet business relations with Iran faced many practical obstacles, including an overbearing bureaucracy, weak legal system and the absence of a European Trade and Cooperation Agreement. The trade relations between Europe and Iran were good until Iran announced its nuclear program.

The United States appeared to be the main country leading efforts to give sanctions against Iran through UNSC. The historical background of Iran’s Islamic Revolution in 1979 is one of the major events that frame up the interests of United States and its allies in the Middle East region. Thus, it can be said that the fundamental principle of mutual trust is conspicuously absent in relations between these two parties. The United States believes that the ultimate goal of the development of nuclear technology by Iran is creating weapons of mass destruction, which is in turn posing a threat to the economic and political systems embraced by the former.

Responding to Iran’s proliferation-sensitive nuclear activities, the EU has gradually introduced comprehensive restrictive measures in the form of sanctions or coercive measures (using stick) since 2007. While implementing UN decisions, 101

---

the EU also operationalized strong UN autonomous measures. These measures as enforced on 24 April 2012, cover the following:

- Export and import ban on arms,
- Export and import ban on goods and technology related to nuclear enrichment or nuclear weapon systems, including concerning nuclear materials and facilities, certain chemicals, electronics, sensors and lasers, navigation and avionics,
- Exports of a separate set of goods that could contribute to nuclear enrichment are subject to authorization by national authorities and only permitted if they do not contribute to nuclear enrichment and weapons development,
- Ban on investment by Iranian nationals and entities in uranium mining and production of nuclear material and technology within the EU,
- Ban on imports of crude oil and petroleum products from Iran. The prohibition concerns import, purchase and transport of such products as well as related finance and insurance. Contracts concluded before 23 January 2012 can be executed until 1 July 2012,
- Ban on imports of petrochemical products from Iran. Contracts concluded before 23 January 2012 can be executed until 1 May 2012,
- Export and import ban on dual-use goods and technology, for instance telecommunication systems and equipment, information security systems and equipment, nuclear technology and low-enriched uranium,
- Export ban on key equipment and technology for the oil and gas industries, which is for exploration and production of oil and natural gas, refining and liquefaction of natural gas and for the petrochemical industry in Iran. Ban on financial and technical assistance for such transactions. This includes for instance geophysical survey equipment, drilling and production platforms for crude oil and natural gas, equipment for shipping terminals of liquefied gas, petrol pumps and storage tanks,
- Ban on investment in the Iranian oil and gas industries (exploration and production of oil and gas, refining and liquefaction of natural gas) and in the Iranian petrochemical industry. This means no credits, loans, new investment in and joint ventures with such companies in Iran,
- No new medium or long term commitments by EU member states for financial support for trade with Iran. Restraint on a short-term commitments,
- Member states must not give new grants and concessional loans to the government of Iran. Prohibition to provide insurance and re-insurance to the Iranian government and Iranian entities (except health and travel insurance)
- Trade in gold, precious metals and diamonds with Iranian public bodies and the central, bank is prohibited. N delivery of Iranian denominated banknotes and coinage to the Iranian central bank,
- Enhanced monitoring over the activities of EU financial institutions with Iranian banks and their branches, including the Iranian central bank. Banks must require full information, keep records of all transactions and report
transactions they suspect to concern proliferation financing to national authorities,

- Restrictions on financial transfers to and from Iran. Banks must notify transfer above 10,000 EUR to national authorities and request prior authorization for transactions above 40,000 EUR (with humanitarian exemptions). Only permitted if it does not contribute to nuclear enrichment or weapons development,

- Prohibition for Iranian banks to open branches and create joint ventures in the EU. EU financial institutions may not open branches or bank accounts in Iran, either,

- Ban on the issuance of and trade in Iranian government or public bonds with the Iranian government, central bank and Iranian banks,

- Member states must require their nationals to exercise vigilance over business with entities incorporated in Iran, including those of the Iranian Revolutionary Guard Corps (IRGC) and of the Islamic Republic of Iran Shipping Lines (IRISL),

- National customs authorities must require prior information about all cargo to and from Iran. Such cargo can be inspected to ensure that trade restrictions are respected. Prohibited goods can be seized by member states,

- Cargo flights operated by Iranian carriers or coming from Iran may not have access to EU airports (except mixed passenger and cargo flights). No maintenance services to Iranian cargo aircraft or servicing to Iranian
vessels may be provided if there are suspicions that it carries prohibited goods,

- Visa bans on persons designated by the UN or associated with or providing support for Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, for instance by acquiring prohibited goods and technology or by assisting listed persons or entities in violating UN and EU provisions; and other members of the IRGC,

As of 24 April, visa bans apply to 115 persons - 41 of them have been designated by the UN, the others are autonomous EU designations. A number of humanitarian exemptions are made to the visa ban. Those individuals are also subject to an asset freeze.

- Asset freeze on entities associated with Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems, for instance by acquiring prohibited goods and technology or by assisting listed persons or entities in violating UN and EU provisions; and senior members and entities of IRGC and the IRISL.102

The number of listed entities amounts to 440, including the Iranian central bank. 75 of them were designated by the UN, the others are autonomous EU designations. They include companies, the banking and insurance sectors, the nuclear technology industry and in the field of aviation, armament, electronics, shipping, chemical industry, metallurgy and the oil and gas industry as well as

---

branches and subsidiaries of IRGC and IRISL. Humanitarian exemptions also apply to the asset freeze. No specialized financial messaging services may be provided to the persons and entities subject to an asset freeze. The Council regularly reviews the list of persons and entities subject to admission restrictions and asset freezes. 103

United States and European Union strongly stated that sanctions are the effective way to suppress Iran, therefore US is now more focused on the economic embargo.

4.5.1 Sanctions by European Union

The European Union has imposed restrictions on cooperation with Iran in foreign trade, financial services, energy sectors ad technologies and banned the provision of insurance and reinsurance by insures in member states to Iran and Iranian-owned companies. 104

Business relations became more complicated under the Ahmadinejad government, this is due to international sanctions impacting on Iran. Between 2008 and 2009, EU exports to Iran declined by some 45 percent. In 2010, sanctions were believed to produce further declines. 105

EU exports to Iran in 2009:
- 18.4 billion Euros, down 45 percent compared to 2008
- Machinery and transport equipment - 54 percent
- Manufactured goods - 16.9 percent
- Chemicals - 12.1 percent

EU imports from Iran in 2009:
- 10.3 billion Euros, fairly constant
- Energy and energy related products - 90 percent

Since 2006, Europe’s Iran policy has increasingly been reduced to nuclear issues. Actions have in turn been increasingly focused on sanctions.

As understood, EU sanctions are meant to persuade Iran to comply with its international obligations and to constrain its development of sensitive technologies in support of its nuclear and missile program. These measures complement UNSC resolutions and include additional autonomous EU measures. The EU sanctions regime will be assessed against the behavior of the government of Iran.

The EU sanctions were last strengthened on 23 January 2012 when the Foreign Affairs Council, inter-alia imposed an import ban on Iranian crude oil and froze the assets of the Iranian central bank within the EU.  

So on January 23rd, 2012, the EU agreed to an oil embargo towards Iran, effective from July and freeze the assets of Iran’s central bank. The next month, Iran symbolically pre-empted the embargo by ceasing sales to Britain and France

---

107 Ibid
(both countries had already almost eliminated their reliance on Iranian oil and Europe as a whole had nearly halved its Iranian imports), though some Iranian politicians called for an immediate sales halt to all EU states, so as to hurt countries like Greece, Spain and Italy who were yet to find alternative sources.  

On March 17th, 2012, all Iranian banks identified as institutions in breach of EU sanctions were disconnected from the SWIFT, the world's hub of electronic financial transactions. One side effect of the sanctions is that the global shipping insurers based in London are unable to provide cover for items as far afield as Japanese shipments of Iranian liquefied petroleum gas to South Korea.

The EU formally adopted the oil embargo against Iran, on July 1st, 2012. This is one of the sanctions practiced by the Western powers over Iran's nuclear development, in addition to the financial and trade sanctions already activated.

At a meeting in Luxemburg on Monday, 25 July 2012, the EU Ministry of Foreign Affairs unanimous agreed that EU embargo on Iranian oil would remain despite several obstacles, such as the Greek dependence on Iranian oil. Iran refuses to send 500 thousand barrels of oil to Greece. It is as advanced in response to the EU oil sanctions, imposed against the country. Because of default, Iran was forced to stop selling oil to the two Greek companies. Both Greek oil companies were unable to make payments due to the crisis that hit the country.


110 Ibid.
It is truism that Iran's decision to halt oil supplies to Greece has increasingly caused negative impact on the country's financial crisis. Two Greek oil companies which no longer receive supplied oil from Iran are Hellenic Petroleum and Motor Oil Hellas. Cessation of oil supply by Iran is expected to further deepen the financial crisis in Greece.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sanctions</th>
<th>Impacts on Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Restriction on foreign trade, financial services, energy sectors ad technologies and banned the provision of insurance and reinsurance by insures in member states to Iran and Iranian-owned companies.</td>
<td>Reduced Iran's access to products needed for the oil and energy sectors, Finance of Iran</td>
</tr>
<tr>
<td>2011</td>
<td>Export and import ban on goods and technology related to nuclear enrichment or nuclear weapon systems, United Kingdom implements unilateral sanctions against Iranian banks</td>
<td>Reduced Iran's access to products needed for the oil and energy sectors, Finance of Iran</td>
</tr>
<tr>
<td>2012</td>
<td>All Iranian banks disconnected from SWIFT, Oil Embargo</td>
<td>Finance of Iran</td>
</tr>
</tbody>
</table>

Table. 4.5.1 List of European Union Sanctions Towards Iran
4.5.2 Sanctions by United States

Economic, trade, scientific and military sanctions against Iran imposed by the U.S. government, or under U.S. pressure by the international community through the United Nations Security Council. Currently the sanctions include an embargo on dealings with Iran by the United States, and a ban on selling aircraft and repair parts to Iranian aviation companies.

In 1979, after the U.S. permitted the exiled Shah of Iran to enter the United States for medical treatment, and after rumors of another U.S. backed coup and re-installation of the Shah, a group of radical students took action in Tehran by seizing the American Embassy and taking hostage the people inside.\footnote{Moin Khomeini, (2000), p.220}

The United States responded and President Carter issued Executive Order 12170 in November 1979 freezing about $12 billion in Iranian assets, including bank deposits, gold and other properties. Some assets — Iranian officials say $10 billion, U.S. officials say much less — still remain frozen pending resolution of legal claims arising from the revolution.

After the invasion of Iran by Iraq, the United States increased sanctions against Iran. In 1984, sanctions were approved that prohibit weapons sales and all U.S. assistance to Iran. The United States also opposed all loans to Iran from international financial institutions. In October 1987, President Reagan issued Executive Order 12613 prohibiting the importation and exportation of any goods or services from Iran.
President Ahmadinejad lifted the suspension of uranium enrichment that had been agreed with the EU3, and the International Atomic Energy Agency reported Iran's non-compliance with its safeguards agreement to the UN Security Council. The U.S. government then began pushing for UN sanctions against Iran over its nuclear program.

In June 2005, President George W. Bush issued Executive Order 13382 freezing the assets of individuals connected with Iran's nuclear program. In June 2007, the U.S. state of Florida enacted a boycott on companies trading with Iran and Sudan, while New Jersey's state legislature was considering similar action.112

On June 24, 2010, the United States Senate and House of Representatives passed the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA), which President Obama signed into law July 1, 2010. The CISADA greatly enhanced restrictions in Iran. Such restrictions included the rescission of the authorization for Iranian-origin imports for articles such as rugs, pistachios, and caviar.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sanctions</th>
<th>Impacts on Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Arms ban and an almost total economic embargo on Iran which includes sanctions on companies</td>
<td>Reduced Iran's access to products needed for the aviation companies, Finance of Iran</td>
</tr>
</tbody>
</table>

112 "New Jersey mulls banning Iran investments". The Jerusalem Post. Associated Press. 14 June 2007
<table>
<thead>
<tr>
<th>Year</th>
<th>European Union Sanctions Towards Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Export and import ban on goods and technology related to nuclear enrichment or nuclear weapon systems, Unilateral sanctions against the Central Bank of Iran</td>
</tr>
<tr>
<td></td>
<td>Reduced Iran's access to products needed for the aviation companies, Finance of Iran</td>
</tr>
<tr>
<td>2012</td>
<td>Oil Embargo</td>
</tr>
<tr>
<td></td>
<td>Finance of Iran</td>
</tr>
</tbody>
</table>

**Table. 4.5.2 List of European Union Sanctions Towards Iran**

### 4.5.3 Sanctions by the United Nations Security Council

In November 2004, Iran signed a temporary agreement with Germany, France and Britain to suspend uranium enrichment. It turned out to have a positive impact on Iran because it can avoid the intervention from the UN Security Council. However, the IAEA assumes that Iran does not give a report on its nuclear activities clearly. This problem eventually resurfaces and must be handled by the UN Security Council. (www.globalpolicy.org)
Starting from 2006 to 2008, the UN Security Council has issued three resolutions containing sanctions on Iran over its nuclear activities. First, Resolution 1696 was on July 31st, 2006. This resolution was issued because of the IAEA did not get clear information on Iran's nuclear and Iran does not want to implement the suggestions of the IAEA and decided to continue uranium enrichment. This resolution was discussed during the meeting of the five permanent members of the UN Security Council that is; the United States, Britain, France, Russia and China plus Germany and the European Union in Paris on July 12, 2006. The contents of the resolution stipulated that Iran must follow the steps suggested by the IAEA, guarantee that its nuclear is for peaceful purposes, report any activity, and appeal to all countries to not help Iran. And the deadline is set until 31 August 2006. (www.globalpolicy.org)

It turned out that Iran was still not willing to cooperate with the IAEA. All activities related to the enrichment process is not reported. Iran also did not implement some of the suggestions put forth by the IAEA. Finally, the second resolution is issued, the Resolution 1737 on December 23rd, 2006. The resolution still contains an appeal to Iran, to report all enrichment-related activities to the IAEA, an appeal to all countries to not supply, sell, or transfer any kind (such as material, financial aid, technology) that would contribute to Iran's nuclear development, even if there are goods to be traded then it must be known by the IAEA. The deadline for Iran to implement the contents of this resolution is 60 days. (UN, 2006)
The third resolution issued by the UN Security Council after Iran failed to meet the appeals in the two previous resolutions (UN, 2007). Resolution 1747 on 24th March 2007, impose more severe sanctions against Iran include a ban on arms trade, asset freeze 28 people and organizations associated with the nuclear program, the demand for the countries to impose travel bans (travel ban) against those related sanctions. The resolution also imposed economic sanctions against Iran and called on all countries and international financial institutions not to make new commitments in financial aid or loans with Iran. (Ridwan, 2007)

The fourth resolution issued by the UN Security Council on March 3, 2008 it referred to the Resolution 1803. After a few times during 2007 IAEA report, Iran apparently did not show progression to cooperate with the IAEA. The content of this resolution approximately similar with the previous resolution. In this resolution, the Security Council reaffirmed the contents of the three previous resolutions. (UN, 2008)

The resolutions that contain sanctions on Iran for refusing to halt uranium enrichment are supported by the majority of member of the UN Security Council countries, both permanent and non-permanent members. It turns out that Russia and China which belong to the permanent members of the UN Security Council and involved in setting up a third draft resolution issued by the UN Security Council and instead support Iran by rejecting the tougher sanctions on Iran. Unlike members of other UN Security Council, which wanted the pressure and tougher sanctions on Iran, Russia and China instead insist that the conflict should be settled in a peaceful settlement. (Deutsche Welle, 2007)
The fifth resolution or resolution 1835 was unanimously on September 27th, 2008. In contrast to its predecessors, Resolution 1835 was not adopted under Chapter VII of the UN Charter, nor does it set out new provisions that Tehran must comply with. Instead, it simply reaffirms the four previous resolutions, as well as a statement made by the Security Council’s President on March 29, 2006. It then reaffirms the council’s commitment “to an early negotiated solution to the Iranian nuclear issue.” The resolution 1835’s sanction does not outline new sanctions against Iran. And the resolution 1835’s does not outline new monitoring mechanisms.

The sixth resolution is on June 9th, 2010, the Security Council adopted Resolution 1929, with 12 countries voting in favor, Brazil and Turkey voting against, and Lebanon abstaining. The resolution reiterates the UNSC’s demands from previous resolutions that Iran halt all enrichment activity and other activities related to nuclear weapons development.

This resolution imposed the sixth round of sanction against Iran. It bans Iran from investing in nuclear and missile technology abroad, including investment in uranium mining. It establishes a complete arms embargo on Iran, banning the sale of “battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems” to Iran. Iran is also prohibited from undertaking any activity related to ballistic missiles, and the resolution requires states to take necessary measures to prevent technology relevant to ballistic missiles from reaching Iran. It also updates the list of items banned for transfer to and from Iran.
Resolution 1929 also subjects Iran to a new inspection regime designed to detect and stop Iranian smuggling. States are called upon to inspect vessels on their territory that are suspected of carrying Iranian prohibited cargo, and are expected to comply with these rules on the high seas, including disposing of confiscated Iranian prohibited cargo. States are also required to refuse services to ships that are not in compliance with these sanctions.

Lastly, this resolution includes financial sanctions targeting Iran’s ability to finance proliferation activities. Three companies related to the Islamic Republic of Iran Shipping Lines are subject to an asset freeze and states are requested to report any circumventing of sanctions by Iran. States must require their citizens and corporations to “exercise vigilance” when doing business with Iran or Iranian entities that contribute to proliferation efforts. 15 IRGC-related companies and 40 other Iranian companies are subject to an asset freeze. States are also called upon to limit their interactions with Iranian financial institutions.

Resolution 1929 requests that the Secretary-General create a panel of eight experts that will “assist the Committee in carrying out its mandate” and “make recommendations on actions the Council, or the Committee or State, may consider improving implementation of the relevant measures.”

It “urges” states and relevant UN bodies to comply with the recommendations of the Panel of Experts and “calls upon” states to submit a report 60 days after the adoption of the resolution on how they plan to comply with the sanctions regime. It also requests a report within 90 days of the resolution’s adoption from the IAEA on whether Iran has complied with the demands of this and previous resolutions.
The seventh resolution or Resolution 1984 is adopted on June 9th, 2011, concerning Iran and non-proliferation, the Council extended the mandate of an expert panel monitoring sanctions against the country over its nuclear program for a period of one year. 113

The resolution, proposed by France, Germany, the United Kingdom and United States, was adopted by a vote of 14 in favour, none against and one abstention from Lebanon.

In the preamble of Resolution 1984, the Security Council noted the importance of credible and objective assessments, analysis and recommendations in the reports of the expert panel. It determined that the proliferation of weapons of mass destruction constituted a threat to international peace and security. 114

Acting under Article 41 of Chapter VII of the United Nations Charter, Council members extended the mandate of the expert panel monitoring the Iranian sanctions until June 9, 2012. 115 The panel was required to report to the Council by December 9, 2011 and again at the end of its mandate. All states, organisations and United Nations bodies were urged to co-operate with the Committee established in Resolution 1737 and the expert panel.

114 “UN Security Council extends mandate of Iran panel of experts”. Xinhua. 9 June 2011.
The last or the eight resolutions was unanimously adopted on June 7th, 2012 concerning o extends mandate of expert panel monitoring sanctions against Iran. 116

The Security Council this morning decided to extend until 9 July 2013 the mandate of the Panel of Experts of its Committee to monitor the implementation of the sanctions regime against Iran, imposed in relation to the country’s nuclear programs.

Through the unanimous adoption of resolution 2049 (2012), the Council also requested the Panel, which had been created by resolution 1929 in 2010, to provide several reports on compliance with the sanctions regime, with a final report to be submitted no later than 30 days before the termination of the mandate.

<table>
<thead>
<tr>
<th>United Nations Security Council Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNSCR</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>United Nations Security Council Resolution 1696</td>
</tr>
<tr>
<td>United Nations Security Council Resolution 1737</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Date</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Security Council Resolution 1803</td>
<td>3 March 2008</td>
<td>Extended the asset freezes and called upon states to monitor the activities of Iranian banks, inspect Iranian ships and aircraft, and to monitor the movement of individuals involved with the program through their territory.</td>
</tr>
<tr>
<td>United Nations Security Council Resolution 1835</td>
<td>2008</td>
<td>The resolution was in response to the 15 September report of the IAEA that stated that Iran had not suspended uranium-enrichment-related activities.</td>
</tr>
<tr>
<td>United Nations Security Council Resolution 1929</td>
<td>9 June 2010</td>
<td>Banned Iran from participating in any activities related to ballistic missiles, tightened the arms embargo, travel bans on individuals involved with the program, froze the funds and assets of the Iranian Revolutionary Guard and Islamic Republic of Iran Shipping Lines, and recommended that states inspect Iranian cargo, prohibit the servicing of Iranian vessels involved in prohibited activities, prevent the provision of financial services used for sensitive nuclear activities, closely watch Iranian individuals and entities when dealing with them, prohibit the opening of Iranian banks on their territory and prevent Iranian banks from entering into relationship with their banks if it might</td>
</tr>
</tbody>
</table>
contribute to the nuclear program, and prevent financial institutions operating in their territory from opening offices and accounts in Iran.

| **United Nations Security Council Resolution 1984** | 9 June 2011 | This resolution extended the mandate of the panel of experts that supports the Iran Sanctions Committee for one year. |

4.6 Do the Sanctions Effective?

There are hard facts showing that the sanctions or coercive measures by the West and the UN against Iran bear no fruition. Tehran has been successful to clinch against them and such measures are not without inherent drawbacks. Instead of succumbing to the West pressure, Iran decidedly mastered strategy to address such a pressure.

First, the escalation of the economic embargo has recently been predicted long time ago by Ayatollah Khamenei. Supreme Leader of the Islamic Revolution of Iran for the past four consecutive years has established a policy of "National Economic Alert 'for tsunami embargo, among the other things: "Years of Reform
Consumption", "Year of Extra Work", “The Year of Economic Jihad”, and this year proclaimed as "National Year of Production: Labor and Capital Supports Iran".

Second, the Iranian government sought to make the sanctions as an opportunity to break the dependence on oil revenues. Ayatollah Khamenei said, ".. This dependence is a legacy of hundreds of years of our economy. And sanctions should be in terms of current opportunities. We have to find a substitute for oil as a source of economic activity ..."

It seems that the program is not just a figment. Iran continually reduce its dependence on oil to boost non-oil production. Recent data released by customs officials that Iran total foreign trade volume of the country during the first eight months of the current Iranian calendar year (started March 20, 2012) reached $ 65,326 billion.

Third, Iran sociological fabric is the bazaaris, the merchants, who have a thousand ways to create and take advantage of opportunities, even though the vortex sanctions. When sanctions restricting access to international banking transactions, Iran using gold, barter and optimization of the local currency as a means of interstate commerce transactions. Reuters (29/11) reported that Iran using gold in a variety of international transactions, including with neighboring Turkey. In the same token, Iran made a similar way to India and other countries. With this strategy Iran concurrently launched a fight against the domination of the dollar and the euro as the currency of international standards.
Indeed as the heavy waves of sanctions crashing Iran, Tehran instead bowing to that pressure, Iran in the contrary firmly strengthens its nuclear program. For the government of Tehran and the Iranian people mostly, Iran's nuclear program is part of the dignity of the nation. "It's set in stone" that is not negotiable although they had to be redeemed with a risk that is not small. Since the United States has long had a wide array of sanctions on Iran, the new U.N. resolutions have impacted Europe far more.

Those resolutions have had two other negative effects: First, it prevents the EU from formulating a cohesive Iran strategy that would also factor in human rights, regional issues and energy.\textsuperscript{117} Second, sanctions ceased to be a tool because they became both the EU's strategy and policy on Iran. The array of sanctions imposed under the four U.N. resolutions since 2006 have progressively moved toward a containment policy. For Europe, they are also effectively irreversible without U.S. consent. From that perspective, the EU has out-sanctioned itself from having any influence with Iran.\textsuperscript{118}

The United States sanctions against Iran dubbed as the most effective mean compared with the other ways, such as the military approach strongly lauded by the Prime Minister of Israel. The Israel Prime Minister argued that those sanctions will weaken the citizen’s support to the Iranian government. Together with the weakening of national identity and statehood due to the blistering impact of sanctions, the forces outside would fully support the opposition in the country to

\textsuperscript{118} Ibid
overthrow the regime. But this argument proved to be flawed for Iran remains far from crumbling.

4.7 The Way Forward: Any Light at the End of the Tunnel?

Any light at the end of the tunnel is a phrase means that there is always a way in every problem. So, the meaning of the way forward: any light at the end of the tunnel is or in the future the Iranian nuclear program can be solved without any harm? Maybe this question not just asked by the researcher but maybe all of the people in the world who concerned with this issue. But the researcher believed that this issue will solved without hurting both parties, it is just the matter of time.

The researcher believed that the way to solve Iran’s nuclear program is through persuasive diplomacy. For one, the coercive diplomacy applied before such as sanctions towards Iran lead to no avail. It’s arguably correct to the theory that persuasive diplomacy serves as the final solution the issue is to fully respect the legitimate interests and rights of all stake holders involved. Because the fact says that coercive diplomacy is not effective enough to stop the development of Iran nuclear program.

There is some phrase said that “There is never a good war or a bad peace”, it means that if solve a problem with a war then there will never get a happy ending. And the opposite from it, is when solved a problem in a peace way, both of the parties who have problems with it will get a good solution that give benefit for them. From the researcher’s opinion rather than coercive diplomacy, the Western
countries should use persuasive diplomacy. The researcher believes that persuasive diplomacy will go smoothly and will not harm both sides.

The researcher believes that the persuasive diplomacy is a better way to solve the Iranian nuclear program. The coercive diplomacy may seem and sometimes is an attractive alternative for both parties doing nothing and for going to war. On the other hand, Robert Art and Patrick Cronin state that “Coercive diplomacy is difficult and has a relatively low success rate”. 119 Coercive diplomacy diminishes the room for manoeuvre of the threatening state. It restrains its freedom of action. More fundamentally the strategy of coercive diplomacy can also fail. In this case there are two basic scenarios left for the threatening state. In one of the threat can be carried out. This may have negative consequences for the threatening state as well. 120 The alternative approach is consists in doing nothing or trying to find another diplomatic solution.

From the researchers’ perspective as an International Relations-student, the researcher suggests that Indonesia should join with Russia and China. It is because Indonesia, Russia and China did not imposed sanctions towards Iranian nuclear program. These countries are neutral countries because they were friends both with Iran and even the Western countries. From this case these three countries should have a talk with Iran in persuasive diplomacy, in order to tell Iran transparent and following all the regulations and procedures that given by the IAEA.

120 Ibid.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Up until now many efforts of diplomacy had been pursued by Iran and the Western countries however there are so many people remain pessimistic about the result of those negotiations. It is due to the fact that the negotiations were still on and off but at the end it did not produce any results. This is happened because both sides (Iran and the Western countries) still defend their own interests.

For more than three years, the EU has taken the lead in trying to convince Iran to give up its efforts to acquire a large-scale civilian nuclear program by enforcing coercive measures in the form of sanctions. But thus far, it did not succeed. Of course the EU theoretically still has room to persuade Iran to give up the bulk of its nuclear program, the odds are that Iran will never back off.

While Iran may suspend its enrichment program for another (short) period, it is unlikely that it will give up its right to enrich uranium. Because Iran is a signatory to the NPT and Iran have rights to make a nuclear program for peaceful purposes.

The dreaded West see Iran's uranium enrichment project is alarming. Tehran says the project was carried out for peaceful purposes only. But in 2010, after having produced nearly 190 pounds enriched uranium and in August, Iran started uranium enrichment of 20 percent in factory in Natanz. And in 2011, Iran has a uranium hexafluoride of low enriched enough to make four nuclear warheads.
The tensions over the Iran’s nuclear program are not reduced. Thus, in February 2012, Iran was reported to have been successfully developing a nuclear program. Responding to this, some countries want to strengthen their sanctions against Tehran. Right at the beginning of July 2012, Iran was subjected to oil embargo sanctions. The sanctions are exercised by the US and its allies (European countries) over the Iran’s nuclear program.

The negotiation was already done by the Western countries. For example between Iran and the P5+1 over Tehran's nuclear enrichment activities, it has failed to reach an agreement and Iran is much closer to mastering the technology of nuclear weapons. Many actors precipitated this breakdown, including the West's inability to handle the Iranian psychology, the failure to pose severe enough punitive measures In case of Iran's defiance, and the misleading U.S. policy that gave Iran room to maneuver. There is a need for new strategy toward Iran consisting of three tracks of separate but interconnected negotiations:

1. Focus on the negotiations on Iran's enrichment program and the economic incentive package,
2. Concentrate on regional security and the consequences of continued Iranian defiance and
3. Address Iran's and the United States' grievances against each other.

The US must initiate all three tracks to avoid failure in negotiations that would leave the West and Israel facing a nuclear Iran.
The Iranian nuclear case supports the theoretical evidence that making threats does not always help. Coercive diplomacy in practice is more complicated than it seems. And Iran seems to be not afraid of the sanctions imposed by the Western countries (the US).

Iran claims that its uranium enrichment program will be used for peaceful purposes and technology. Iran precisely invites UN who is in charge of monitoring the nuclear activities for all the country in the world, it called the IAEA monitors to come and visit Iran and inspect its nuclear activities. United States is a party taking a strong stand by asserting that Iran uranium enrichment program is being used to develop nuclear weapons. Then United States reported these Iran’s case to the United Nations Security Council.

And the fact says that, those sanctions are not effective enough to stop Iran’s nuclear program. Because when Iran get sanctions from the Western countries Iran become more powerful and still insist to launch and develop its nuclear program, in full conformity with its commitment a signatory of the NPT.

So, according to the research, sanctions imposed on Iran over its nuclear program are not effective enough. Because the sanctions, given by the Western countries are in fact the coercive diplomacy, and this mode of diplomacy is counterproductive for the promotion of good relationship between countries.

So the researcher suggests for having a more appropriate diplomacy such as persuasive diplomacy. Besides the persuasive diplomacy is a strategy to persuade the opponent to do what the persuader wants, with unnecessarily sacrificing good relations between the countries.
5.2 Recommendations

The other recommendation from the researcher is only one. If the researcher was the President of Republic Indonesia, the President will send Indonesia representatives such as the Minister of Foreign Affairs, and try to convince Iran – a party to the NPT – in collaboration with China and Russia to keep its nuclear program for peaceful purposes only in full conformity with the NPT.

The fact says that coercive diplomacy used by the Western countries to stop Iran’s nuclear program does not work at all. On the contrary, Iran still insists to launch and develop its nuclear program. It causes difficulties for the Western countries to convince Iran towards its nuclear program.

Through persuasive diplomacy Indonesia only wants to keep the peaceful working relations between the countries – a prerequisite to prevent the World War III. It is envisaged that the representatives of Indonesia together with the representatives of China and Russia will try to talk and find a comprehensive solution to the Iran’s nuclear program and not offending Iran.

The best solution that the President of Indonesia will suggest to the representatives of Indonesia in the meeting with the representatives of Russia and China is a indeed in line with the basic tenet of free and active foreign policy of Indonesia. Indonesia, China and Russia will try to persuade Iran to listen and abide by the transparency principle of the IAEA. Following the procedures and principles that provided by IAEA will never cause harm to any member state.
The researcher believes that, through persuasive diplomacy initiated by the President of the Republic of Indonesia and Iran’s nuclear program issue can be solved immediately and amicably.
Reference

Book:


G. Thomas (2011) A typology for the case study in social science following a review of definition, discourse and structure. *Qualitative Inquiry*, 17, 6, 511-521


Internet:

http://www.un.org/disarmament/WMD/Nuclear/NPT.shtml


http://www.iaea.org/About/history.html


Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination. (Article IV, Nuclear Non-Proliferation Treaty). Retrieved 18 December 2012.
http://disarmament.un.org/wmd/npt/npttext.html

www.acronym.org.uk/wmd/iranpres.htm

http://en.wikipedia.org/wiki/Natanz

http://en.wikipedia.org/wiki/Arak,_Iran

http://en.wikipedia.org/wiki/Coercive_diplomacy

http://www.diplomacy.edu/persuasion
http://en.wikipedia.org/wiki/Peace


http://www.iranaffairs.com/iran_affairs/2006/05/blasts_from_the.html

http://en.rian.ru/trend/dispute/

"Iran sees Bushehr plant at full capacity in one year". AFP. Retrieved 24 December 2012.
http://afp.google.com/article/ALeqM5iCbR-4ck0a5j2K7hOmnSaHH-OPmg

http://www.reuters.com/article/2011/11/19/us-nuclear-iran-iaea-idUSTRE7AG0RP20111119


"Iran’s nuclear defiance finds rare common ground in fractured country". Retrieved 20 November 2012.
http://www.thetruthseeker.co.uk/?p=37909


http://en.wikipedia.org/wiki/Trinity_(nuclear_test)

http://en.wikipedia.org/wiki/Persuasion


   http://en.wikipedia.org/wiki/Peace

   http://en.wikipedia.org/wiki/Vis-%C3%A0-vis

   http://en.wikipedia.org/wiki/Peace#cite_note-9


   http://en.wikipedia.org/wiki/Qualitative_research


   http://mata-news.blogspot.com/2012/09/7-negara-penghasil-minyak-bumi-terbesar.html#.UQAG6B3OvxkF

"Rusia Sentil Uni Eropa Soal Sanksi Terhadap Iran  dunia". Retrieved on December 5 2012.
http://berkarya.um.ac.id/2010/09/19/perbedaan-penelitian-kualitatif-dan-kuantitatif/

http://id.wikipedia.org/wiki/Iran

http://www.britannica.com/EBchecked/topic/293359/Iran

http://www.chicagotribune.com/news/nationworld/chi-061209atoms-day1-story,0,2034260.htmlstory

http://www.iranaffairs.com/iran_affairs/2006/05/blasts_from_the.html

http://www.informationclearinghouse.info/article31795.htm

http://en.rian.ru/world/20110912/166785925.html

“Bushehr NPP to be brought to full capacity by year-end”. The Voice of Russia. 29 November 2012. Retrieved 22 December 2012.

http://afp.google.com/article/ALeqM5iCbR-4ck0a5j2K7hOmNsaHH-OPmg

http://en.wikipedia.org/wiki/Nuclear_program_of_Iran#Iran.27s_nuclear_program_and_the_NPT
“TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS (NPT)”. Retrieved on 28 December 2012.

http://www.un.org/disarmament/WMD/Nuclear/NPT.shtml


http://www.dw.de/eu-and-iran-avert-nuclear-deadlock/a-1595892


http://www.reuters.com/article/2011/11/19/us-nuclear-iran-iaea-idUSTRE7AG0RP20111119


http://www.thetruthseeker.co.uk/?p=37909


http://citation.allacademic.com/meta/p_mla_apa_research_citation/1/7/8/7/0/pages178706/p178706-27.php


http://www.isisnucleariran.org/sites/detail/parchin/

Ladane Nasseri. "Iran Won't Yield to Pressure, Foreign Minister Says; Nuclear News Awaited". Bloomberg.


http://homelandvoice.com/2013/02/iran-to-build-16-new-nuclear-reactors/

Journal:


Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, Resolution adopted on 4 February 2006, The adopted agenda (GOV/2006/13)


**Magazine/Newspaper:**


"New Jersey mulls banning Iran investments". *The Jerusalem Post*. 14 January 2013
Appendices
TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Notification of the entry into force

1. By letters addressed to the Director General on 5, 6 and 20 March 1970 respectively, the Governments of the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Union of Soviet Socialist Republics, which are designated as the Depositary Governments in Article IX. 2 of the Treaty on the Non-Proliferation of Nuclear Weapons, informed the Agency that the Treaty had entered into force on 5 March 1970.

2. The text of the Treaty, taken from a certified true copy provided by one of the Depositary Governments, is reproduced below for the convenience of all Members.

---

TREATY
ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

The States concluding this Treaty, hereinafter referred to as the “Parties to the Treaty”,

Considering the devastation that would be visited upon all mankind by a nuclear war and the consequent need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples,

Believing that the proliferation of nuclear weapons would seriously enhance the danger of nuclear war,

In conformity with resolutions of the United Nations General Assembly calling for the conclusion of an agreement on the prevention of wider dissemination of nuclear weapons,

Undertaking to cooperate in facilitating the application of International Atomic Energy Agency safeguards on peaceful nuclear activities,

Expressing their support for research, development and other efforts to further the application, within the framework of the International Atomic Energy Agency safeguards system, of the principle of safeguarding effectively the flow of source and special fissionable materials by use of instruments and other techniques at certain strategic points,

Affirming the principle that the benefits of peaceful applications of nuclear technology, including any technological by-products which may be derived by nuclear-weapon States from the development of nuclear explosive devices, should be available for peaceful purposes to all Parties to the Treaty, whether nuclear-weapon or non-nuclear-weapon States,

Convinced that, in furtherance of this principle, all Parties to the Treaty are entitled to participate in the fullest possible exchange of scientific information for, and to contribute alone or in cooperation with other States to, the further development of the applications of atomic energy for peaceful purposes,

Declaring their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake effective measures in the direction of nuclear disarmament,

Urging the co-operation of all States in the attainment of this objective,
Recalling the determination expressed by the Parties to the 1963 Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water in its Preamble to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time and to continue negotiations to this end,

Desiring to further the easing of international tension and the strengthening of trust between States in order to facilitate the cessation of the manufacture of nuclear weapons, the liquidation of all their existing stockpiles, and the elimination from national arsenals of nuclear weapons and the means of their delivery pursuant to a Treaty on general and complete disarmament under strict and effective international control,

Recalling that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the Purposes of the United Nations, and that the establishment and maintenance of international peace and security are to be promoted with the least diversion for armaments of the world's human and economic resources,

Have agreed as follows:

ARTICLE I

Each nuclear-weapon State Party to the Treaty undertakes not to transfer to any recipient whatsoever nuclear weapons or other nuclear explosive devices or control over such weapons or explosive devices directly, or indirectly; and not in any way to assist, encourage, or induce any non-nuclear-weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, or control over such weapons or explosive devices.

ARTICLE II

Each non-nuclear-weapon State Party to the Treaty undertakes not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive devices or of control over such weapons or explosive devices directly, or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

ARTICLE III

1. Each Non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, for the exclusive purpose of verification of the fulfilment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this Article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this Article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere.
2. Each State Party to the Treaty undertakes not to provide: (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material, to any non-nuclear-weapon State for peaceful purposes, unless the source or special fissionable material shall be subject to the safeguards required by this Article.

3. The safeguards required by this Article shall be implemented in a manner designed to comply with Article IV of this Treaty, and to avoid hampering the economic or technological development of the Parties or international co-operation in the field of peaceful nuclear activities, including the international exchange of nuclear material and equipment for the processing, use or production of nuclear material for peaceful purposes in accordance with the provisions of this Article and the principle of safeguarding set forth in the Preamble of the Treaty.

4. Non-nuclear-weapon States Party to the Treaty shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this Article either individually or together with other States in accordance with the Statute of the International Atomic Energy Agency. Negotiation of such agreements shall commence within 180 days from the original entry into force of this Treaty. For States depositing their instruments of ratification or accession after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.

ARTICLE IV

1. Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty.

2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world.

ARTICLE V

Each Party to the Treaty undertakes to take appropriate measures to ensure that, in accordance with this Treaty, under appropriate international observation and through appropriate international procedures, potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to the Treaty on a non-discriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development. Non-nuclear-weapon States Party to the Treaty shall be able to obtain such benefits, pursuant to a special international agreement or agreements, through an appropriate international body with adequate representation of non-nuclear-weapon States. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force. Non-nuclear-weapon States Party to the Treaty so desiring may also obtain such benefits pursuant to bilateral agreements.
ARTICLE VI

Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control.

ARTICLE VII

Nothing in this Treaty affects the right of any group of States to conclude regional treaties in order to assure the total absence of nuclear weapons in their respective territories.

ARTICLE VIII

1. Any Party to the Treaty may propose amendments to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all Parties to the Treaty. Thereupon, if requested to do so by one-third or more of the Parties to the Treaty, the Depositary Governments shall convene a conference, to which they shall invite all the Parties to the Treaty, to consider such an amendment.

2. Any amendment to this Treaty must be approved by a majority of the votes of all the Parties to the Treaty, including the votes of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. The amendment shall enter into force for each Party that deposits its instrument of ratification of the amendment upon the deposit of such instruments of ratification by a majority of all the Parties, including the instruments of ratification of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. Thereafter, it shall enter into force for any other Party upon the deposit of its instrument of ratification of the amendment.

3. Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realised. At intervals of five years thereafter, a majority of the Parties to the Treaty may obtain, by submitting a proposal to this effect to the Depositary Governments, the convening of further conferences with the same objective of reviewing the operation of the Treaty.

ARTICLE IX

1. This Treaty shall be open to all States for signature. Any State which does not sign the Treaty before its entry into force in accordance with paragraph 3 of this Article may accede to it at any time.

2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics and the United States of America, which are hereby designated the Depositary Governments.

3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositaries of the Treaty, and forty other States signatory to this Treaty and the deposit of their instruments of ratification. For the purposes of this Treaty, a nuclear-weapon State is one which has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to 1 January, 1967.
4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification or of accession, the date of the entry into force of this Treaty, and the date of receipt of any requests for convening a conference or other notices.

6. This Treaty shall be registered by the Depositary Governments pursuant to Article 102 of the Charter of the United Nations.

ARTICLE X

1. Each Party shall in exercising its national sovereignty have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty and to the United Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it regards as having jeopardized its supreme interests.

2. Twenty-five years after the entry into force of the Treaty, a conference shall be convened to decide whether the Treaty shall continue in force indefinitely, or shall be extended for an additional fixed period or periods. This decision shall be taken by a majority of the Parties to the Treaty.

ARTICLE XI

This Treaty, the English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of this Treaty shall be transmitted by the Depositary Governments to the Governments of the signatory and acceding States.

IN WITNESS WHEREOF the undersigned, duly authorised, have signed this Treaty.

DONE in triplicate, at the cities of London, Moscow and Washington, the first day of July, one thousand nine hundred and sixty-eight.
THE TEXT OF THE AGREEMENT BETWEEN IRAN AND THE AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS


2. The Agreement entered into force on 15 May 1974, pursuant to Article 25.

[1] The footnotes to the text have been added in the present information circular.
AGREEMENT BETWEEN
IRAN
AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE
APPLICATION OF SAFEGUARDS IN CONNECTION WITH
THE TREATY ON THE NON-PROLIFERATION OF
NUCLEAR WEAPONS

WHEREAS Iran is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (hereinafter referred to as "the Treaty")[2] opened for signature at London, Moscow and Washington on 1 July 1968 and which entered into force on 5 March 1970:

WHEREAS paragraph 1 of Article III of the Treaty reads as follows:

"Each non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, for the exclusive purpose of verification of the fulfilment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this Article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this Article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere".

WHEREAS the International Atomic Energy Agency (hereinafter referred to as "the Agency") is authorized, pursuant to Article III of its Statute, to conclude such agreements;

NOW THEREFORE the Government of Iran and the Agency have agreed as follows:

PART I

BASIC UNDERTAKING

Article 1

The Government of Iran undertakes, pursuant to paragraph 1 of Article III of the Treaty, to accept safeguards, in accordance with the terms of this Agreement, on all source or special fissionable material in all peaceful nuclear activities within its territory, under its jurisdiction or carried out under its control anywhere, for the exclusive purpose of verifying that such material is not diverted to nuclear weapons or other nuclear explosive devices.

APPLICATION OF SAFEGUARDS

Article 2

The Agency shall have the right and the obligation to ensure that safeguards will be applied, in accordance with the terms of this Agreement, on all source or special fissionable material in all peaceful nuclear activities within the territory of Iran, under its jurisdiction or carried out under its control anywhere, for the exclusive purpose of verifying that such material is not diverted to nuclear weapons or other nuclear explosive devices.
CO-OPERATION BETWEEN THE GOVERNMENT OF IRAN AND THE AGENCY

Article 3

The Government of Iran and the Agency shall co-operate to facilitate the implementation of the safeguards provided for in this Agreement.

IMPLEMENTATION OF SAFEGUARDS

Article 4

The safeguards provided for in this Agreement shall be implemented in a manner designed:

(a) To avoid hampering the economic and technological development of Iran or international co-operation in the field of peaceful nuclear activities, including international exchange of nuclear material;

(b) To avoid undue interference in Iran's peaceful nuclear activities, and in particular in the operation of facilities; and

(c) To be consistent with prudent management practices required for the economic and safe conduct of nuclear activities.

Article 5

(a) The Agency shall take every precaution to protect commercial and industrial secrets and other confidential information coming to its knowledge in the implementation of this Agreement.

(b) (i) The Agency shall not publish or communicate to any State, organization or person any information obtained by it in connection with the implementation of this Agreement, except that specific information relating to the implementation thereof may be given to the Board of Governors of the Agency (hereinafter referred to as "the Board") and to such Agency staff members as require such knowledge by reason of their official duties in connection with safeguards, but only to the extent necessary for the Agency to fulfil its responsibilities in implementing this Agreement.

(ii) Summarized information on nuclear material subject to safeguards under this Agreement may be published upon decision of the Board if the States directly concerned agree thereto.

Article 6

(a) The Agency shall, in implementing safeguards pursuant to this Agreement, take full account of technological developments in the field of safeguards, and shall make every effort to ensure optimum cost-effectiveness and the application of the principle of safeguarding effectively the flow of nuclear material subject to safeguards under this Agreement by use of instruments and other techniques at certain strategic points to the extent that present or future technology permits.

(b) In order to ensure optimum cost-effectiveness, use shall be made, for example, of such means as:

(i) Containment as a means of defining material balance areas for accounting purposes;
(ii) Statistical techniques and random sampling in evaluating the flow of nuclear material, and

(iii) Concentration of verification procedures on those stages in the nuclear fuel cycle involving the production, processing, use or storage of nuclear material from which nuclear weapons or other nuclear explosive devices could readily be made, and minimization of verification procedures in respect of other nuclear material, on condition that this does not hamper the Agency in applying safeguards under this Agreement.

NATIONAL SYSTEM OF MATERIALS CONTROL

Article 7

(a) The Government of Iran shall establish and maintain a system of accounting for and control of all nuclear material subject to safeguards under this Agreement.

(b) The Agency shall apply safeguards in such a manner as to enable it to verify, in ascertaining that there has been no diversion of nuclear material from peaceful uses to nuclear weapons or other nuclear explosive devices, findings of Iran's system. The Agency's verification shall include, inter alia, independent measurements and observations conducted by the Agency in accordance with the procedures specified in Part II of this Agreement. The Agency, in its verification, shall take due account of the technical effectiveness of Iran's system.

PROVISION OF INFORMATION TO THE AGENCY

Article 8

(a) In order to ensure the effective implementation of safeguards under this Agreement, the Government of Iran shall, in accordance with the provisions set out in Part II of this Agreement, provide the Agency with information concerning nuclear material subject to safeguards under this Agreement and the features of facilities relevant to safeguarding such material.

(b) (i) The Agency shall require only the minimum amount of information and data consistent with carrying out its responsibilities under this Agreement.

(ii) Information pertaining to facilities shall be the minimum necessary for safe-guarding nuclear material subject to safeguards under this Agreement.

(c) If the Government of Iran so requests, the Agency shall be prepared to examine on premises of Iran design information which the Government of Iran regards as being of particular sensitivity. Such information need not be physically transmitted to the Agency provided that it remains readily available for further examination by the Agency on premises of Iran.

AGENCY INSPECTORS

Article 9

(a) (i) The Agency shall secure the consent of the Government of Iran to the designation of Agency inspectors to Iran.

(ii) If the Government of Iran, either upon proposal of a designation or at any other time after a designation has been made, objects to the designation, the Agency shall propose to the Government of Iran an alternative designation or designations.
(iii) If, as a result of the repeated refusal of the Government of Iran to accept the designation of Agency inspectors, inspections to be conducted under this Agreement would be impeded, such refusal shall be considered by the Board, upon referral by the Director General of the Agency (hereinafter referred to as “the Director General”), with a view to its taking appropriate action.

(b) The Government of Iran shall take the necessary steps to ensure that Agency inspectors can effectively discharge their functions under this Agreement.

c) The visits and activities of Agency inspectors shall be so arranged as:

(i) To reduce to a minimum the possible inconvenience and disturbance to the Government of Iran and to the peaceful nuclear activities inspected; and

(ii) To ensure protection of industrial secrets or any other confidential information coming to the inspectors’ knowledge.

PRIVILEGES AND IMMUNITIES

Article 10

The Government of Iran shall accord to the Agency (including its property, funds and assets) and to its inspectors and other officials, performing functions under this Agreement, the same privileges and immunities as those set forth in the relevant provisions of the Agreement on the Privileges and Immunities of the International Atomic Energy Agency[3].

TERMINATION OF SAFEGUARDS

Article 11

Consumption or dilution of nuclear material

Safeguards shall terminate on nuclear material upon determination by the Agency that the material has been consumed, or has been diluted in such a way that it is no longer usable for any nuclear activity relevant from the point of view of safeguards, or has become practically irrecoverable.

Article 12

Transfer of nuclear material out of Iran

The Government of Iran shall give the Agency advance notification of intended transfers of nuclear material subject to safeguards under this Agreement out of Iran, in accordance with the provisions set out in Part II of this Agreement. The Agency shall terminate safeguards on nuclear material under this Agreement when the recipient State has assumed responsibility therefor, as provided for in Part II of this Agreement. The Agency shall maintain records indicating each transfer and, where applicable, the re-application of safeguards to the transferred nuclear material.

Article 13

Provisions relating to nuclear material to be used in non-nuclear activities

Where nuclear material subject to safeguards under this Agreement is to be used in non-nuclear activities, such as the production of alloys or ceramics, the Government of Iran shall agree with the Agency, before the material is so used, on the circumstances under which the safeguards on such material may be terminated.

NON-APPLICATION OF SAFEGUARDS TO NUCLEAR MATERIAL TO BE USED IN NON-PEACEFUL ACTIVITIES

Article 14

If the Government of Iran intends to exercise its discretion to use nuclear material which is required to be safeguarded under this Agreement in a nuclear activity which does not require the application of safeguards under this Agreement, the following procedures shall apply:

(a) The Government of Iran shall inform the Agency of the activity, making it clear:

(i) That the use of the nuclear material in a non-proscribed military activity will not be in conflict with an undertaking the Government of Iran may have given and in respect of which Agency safeguards apply, that the material will be used only in a peaceful nuclear activity; and

(ii) That during the period of non-application of safeguards the nuclear material will not be used for the production of nuclear weapons or other nuclear explosive devices;

(b) The Government of Iran and the Agency shall make an arrangement so that, only while the nuclear material is in such an activity, the safeguards provided for in this Agreement will not be applied. The arrangement shall identify, to the extent possible, the period or circumstances during which safeguards will not be applied. In any event, the safeguards provided for in this Agreement shall apply again as soon as the nuclear material is reintroduced into a peaceful nuclear activity. The Agency shall be kept informed of the total quantity and composition of such unsafeguarded material in Iran and of any export of such material; and

(c) Each arrangement shall be made in agreement with the Agency. Such agreement shall be given as promptly as possible and shall relate only to such matters as, inter alia, temporal and procedural provisions and reporting arrangements, but shall not involve any approval or classified knowledge of the military activity or relate to the use of the nuclear material therein.

FINANCE

Article 15

The Government of Iran and the Agency will bear the expenses incurred by them in implementing their respective responsibilities under this Agreement. However, if the Government of Iran or persons under its jurisdiction incur extraordinary expenses as a result of a specific request by the Agency, the Agency shall reimburse such expenses provided that it has agreed in advance to do so. In any case the Agency shall bear the cost of any additional measuring or sampling which inspectors may request.

THIRD PARTY LIABILITY FOR NUCLEAR DAMAGE

Article 16

The Government of Iran shall ensure that any protection against third party liability in respect of nuclear damage, including any insurance or other financial security, which may be available under its laws or regulations shall apply to the Agency and its officials for the purpose of the implementation of this Agreement, in the same way as that protection applies to nationals of Iran.
INTERNATIONAL RESPONSIBILITY

Article 17

Any claim by the Government of Iran against the Agency or by the Agency against the Government of Iran in respect of any damage resulting from the implementation of safeguards under this Agreement, other than damage arising out of a nuclear incident, shall be settled in accordance with international law.

MEASURES IN RELATION TO VERIFICATION OF NON-DIVERSION

Article 18

If the Board, upon report of the Director General, decides that an action by the Government of Iran is essential and urgent in order to ensure verification that nuclear material subject to safeguards under this Agreement is not diverted to nuclear weapons or other nuclear explosive devices, the Board may call upon the Government of Iran to take the required action without delay, irrespective of whether procedures have been invoked pursuant to Article 22 of this Agreement for the settlement of a dispute.

Article 19

If the Board, upon examination of relevant information reported to it by the Director General, finds that the Agency is not able to verify that there has been no diversion of nuclear material required to be safeguarded under this Agreement, to nuclear weapons or other nuclear explosive devices, it may make the reports provided for in paragraph C of Article XII of the Statute of the Agency (hereinafter referred to as "the Statute") and may also take, where applicable, the other measures provided for in that paragraph. In taking such action the Board shall take account of the degree of assurance provided by the safeguards measures that have been applied and shall afford the Government of Iran every reasonable opportunity to furnish the Board with any necessary reassurance.

INTERPRETATION AND APPLICATION OF THE AGREEMENT AND SETTLEMENT OF DISPUTES

Article 20

The Government of Iran and the Agency shall, at the request of either, consult about any question arising out of the interpretation or application of this Agreement.

Article 21

The Government of Iran shall have the right to request that any question arising out of the interpretation or application of this Agreement be considered by the Board. The Board shall invite the Government of Iran to participate in the discussion of any such question by the Board.

Article 22

Any dispute arising out of the interpretation or application of this Agreement, except a dispute with regard to a finding by the Board under Article 19 or an action taken by the Board pursuant to such a finding, which is not settled by negotiation or another procedure agreed to by the Government of Iran and the Agency shall, at the request of either, be submitted to an arbitral tribunal composed as follows: the Government of Iran and the Agency shall each designate one arbitrator, and the two arbitrators so designated shall elect a third, who shall be the Chairman. If, within thirty days of the request for arbitration, either the Government of Iran or the Agency has not designated an arbitrator, either the Government of
Iran or the Agency may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected. A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall require the concurrence of two arbitrators. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal shall be binding on the Government of Iran and the Agency.

**SUSPENSION OF APPLICATION OF AGENCY SAFEGUARDS UNDER OTHER AGREEMENTS**

**Article 23**

The application of Agency safeguards in Iran under other safeguards agreements with the Agency shall be suspended while this Agreement is in force; provided, however, that Iran's undertaking in those and other agreements not to use items which are subject thereto in such a way as to further any military purpose shall continue to apply.[4]

**AMENDMENT OF THE AGREEMENT**

**Article 24**

(a) The Government of Iran and the Agency shall, at the request of either, consult each other on amendment to this Agreement.

(b) All amendments shall require the agreement of the Government of Iran and the Agency.

(c) Amendments to this Agreement shall enter into force in the same conditions as entry into force of the Agreement itself.

(d) The Director General shall promptly inform all Member States of the Agency of any amendment to this Agreement.

**ENTRY INTO FORCE AND DURATION**

**Article 25**

This Agreement shall enter into force on the date upon which the Agency receives from the Government of Iran written notification that Iran’s statutory and constitutional requirements for entry into force have been met. The Director General shall promptly inform all Member States of the Agency of the entry into force of this Agreement.

**Article 26**

This Agreement shall remain in force as long as Iran is party to the Treaty.

**PART II**

**INTRODUCTION**

**Article 27**

The purpose of this part of the Agreement is to specify the procedures to be applied in the implementation of the safeguards provisions of Part I.

---

[4] In relation to this provision, see documents INFCIRC/97/Mod.1 and INFCIRC/127/Mod.1.
OBJECTIVE OF SAFEGUARDS

Article 28

The objective of the safeguards procedures set forth in this part of the Agreement is the timely detection of diversion of significant quantities of nuclear material from peaceful nuclear activities to the manufacture of nuclear weapons or of other nuclear explosive devices or for purposes unknown, and deterrence of such diversion by the risk of early detection.

Article 29

For the purpose of achieving the objective set forth in Article 28, material accountancy shall be used as a safeguards measure of fundamental importance, with containment and surveillance as important complementary measures.

Article 30

The technical conclusion of the Agency's verification activities shall be a statement, in respect of each material balance area, of the amount of material unaccounted for over a specific period, and giving the limits of accuracy of the amounts stated.

NATIONAL SYSTEM OF ACCOUNTING FOR AND CONTROL OF NUCLEAR MATERIAL

Article 31

Pursuant to Article 7 the Agency, in carrying out its verification activities, shall make full use of Iran’s system of accounting for and control of all nuclear material subject to safeguards under this Agreement and shall avoid unnecessary duplication of Iran's accounting and control activities.

Article 32

Iran’s system of accounting for and control of all nuclear material subject to safeguards under this Agreement shall be based on a structure of material balance areas, and shall make provision, as appropriate and specified in the Subsidiary Arrangements, for the establishment of such measures as:

(a) A measurement system for the determination of the quantities of nuclear material received, produced, shipped, lost or otherwise removed from inventory, and the quantities on inventory;

(b) The evaluation of precision and accuracy of measurements and the estimation of measurement uncertainty;

(c) Procedures for identifying, reviewing and evaluating differences in shipper/receiver measurements;

(d) Procedures for taking a physical inventory;

(e) Procedures for the evaluation of accumulations of unmeasured inventory and unmeasured losses;

(f) A system of records and reports showing, for each material balance area, the inventory of nuclear material and the changes in that inventory including receipts into and transfers out of the material balance area;
(g) Provisions to ensure that the accounting procedures and arrangements are being operated correctly; and

(h) Procedures for the provision of reports to the Agency in accordance with Articles 59-69.

STARTING POINT OF SAFEGUARDS

Article 33

Safeguards under this Agreement shall not apply to material in mining or ore processing activities.

Article 34

(a) When any material containing uranium or thorium which has not reached the stage of the nuclear fuel cycle described in paragraph (c) is directly or indirectly exported to a non-nuclear-weapon State, the Government of Iran shall inform the Agency of its quantity, composition and destination, unless the material is exported for specifically non-nuclear purposes;

(b) When any material containing uranium or thorium which has not reached the stage of the nuclear fuel cycle described in paragraph (c) is imported, the Government of Iran shall inform the Agency of its quantity and composition, unless the material is imported for specifically non-nuclear purposes; and

(c) When any nuclear material of a composition and purity suitable for fuel fabrication or for isotopic enrichment leaves the plant or the process stage in which it has been produced, or when such nuclear material, or any other nuclear material produced at a later stage in the nuclear fuel cycle, is imported into Iran, the nuclear material shall become subject to the other safeguards procedures specified in this Agreement.

TERMINATION OF SAFEGUARDS

Article 35

(a) Safeguards shall terminate on nuclear material subject to safeguards under this Agreement, under the conditions set forth in Article 11. Where the conditions of that Article are not met, but the Government of Iran considers that the recovery of safeguarded nuclear material from residues is not for the time being practicable or desirable, the Government of Iran and the Agency shall consult on the appropriate safeguards measures to be applied.

(b) Safeguards shall terminate on nuclear material subject to safeguards under this Agreement, under the conditions set forth in Article 13, provided that the Government of Iran and the Agency agree that such nuclear material is practically irrecoverable.

EXEMPTIONS FROM SAFEGUARDS

Article 36

At the request of the Government of Iran, the Agency shall exempt nuclear material from safeguards, as follows:

(a) Special fissionable material, when it is used in gram quantities or less as a sensing component in instruments;
(b) Nuclear material, when it is used in non-nuclear activities in accordance with Article 13, if such nuclear material is recoverable; and

(c) Plutonium with an isotopic concentration of plutonium-238 exceeding 80%.

Article 37

At the request of the Government of Iran the Agency shall exempt from safeguards nuclear material that would otherwise be subject to safeguards, provided that the total quantity of nuclear material which has been exempted in Iran in accordance with this Article may not at any time exceed:

(a) One kilogram in total of special fissionable material, which may consist of one or more of the following:

(i) Plutonium;

(ii) Uranium with an enrichment of 0.2 (20%) and above, taken account of by multiplying its weight by its enrichment; and

(iii) Uranium with an enrichment below 0.2 (20%) and above that of natural uranium, taken account of by multiplying its weight by five times the square of its enrichment;

(b) Ten metric tons in total of natural uranium and depleted uranium with an enrichment above 0.005 (0.5/6);

(c) Twenty metric tons of depleted uranium with an enrichment of 0.005 (0.5/6) or below; and

(d) Twenty metric tons of thorium;

or such greater amounts as may be specified by the Board for uniform application.

Article 38

If exempted nuclear material is to be processed or stored together with nuclear material subject to safeguards under this Agreement, provision shall be made for the reapplication of safeguards thereto.

SUBSIDIARY ARRANGEMENTS

Article 39

The Government of Iran and the Agency shall make Subsidiary Arrangements which shall specify in detail, to the extent necessary to permit the Agency to fulfil its responsibilities under this Agreement in an effective and efficient manner, how the procedures laid down in this Agreement are to be applied. The Subsidiary Arrangements may be extended or changed by agreement between the Government of Iran and the Agency without amendment of this Agreement.

Article 40

The Subsidiary Arrangements shall enter into force at the same time as, or as soon as possible after, the entry into force of this Agreement. The Government of Iran and the Agency shall make every effort to achieve their entry into force within ninety days of the entry into force of this Agreement; an extension of that period shall require agreement between the Government of Iran and the Agency. The Government of Iran shall provide the Agency promptly with the information required for completing the Subsidiary Arrangements.
Upon the entry into force of this Agreement, the Agency shall have the right to apply the procedures laid down therein in respect of the nuclear material listed in the inventory provided for in Article 41, even if the Subsidiary Arrangements have not yet entered into force.

**INVENTORY**

**Article 41**

On the basis of the initial report referred to in Article 62, the Agency shall establish a unified inventory of all nuclear material in Iran subject to safeguards under this Agreement, irrespective of its origin, and shall maintain this inventory on the basis of subsequent reports and of the results of its verification activities. Copies of the inventory shall be made available to the Government of Iran at intervals to be agreed.

**DESIGN INFORMATION**

**General provisions**

**Article 42**

Pursuant to Article 8, design information in respect of existing facilities shall be provided to the Agency during the discussion of the Subsidiary Arrangements. The time limits for the provision of design information in respect of the new facilities shall be specified in the Subsidiary Arrangements and such information shall be provided as early as possible before nuclear material is introduced into a new facility.

**Article 43**

The design information to be provided to the Agency shall include, in respect of each facility, when applicable:

(a) The identification of the facility, stating its general character, purpose, nominal capacity and geographic location, and the name and address to be used for routine business purposes;

(b) A description of the general arrangement of the facility with reference, to the extent feasible, to the form, location and flow of nuclear material and to the general layout of important items of equipment which use, produce or process nuclear material;

(c) A description of features of the facility relating to material accountancy, containment and surveillance; and

(d) A description of the existing and proposed procedures at the facility for nuclear material accountancy and control, with special reference to material balance areas established by the operator, measurements of flow and procedures for physical inventory taking.

**Article 44**

Other information relevant to the application of safeguards shall also be provided to the Agency in respect of each facility, in particular on organizational responsibility for material accountancy and control. The Government of Iran shall provide the Agency with supplementary information on the health and safety procedures which the Agency shall observe and with which the inspectors shall comply at the facility.
Article 45

The Agency shall be provided with design information in respect of a modification relevant for safeguards purposes, for examination, and shall be informed of any change in the information provided to it under Article 44, sufficiently in advance for the safeguards procedures to be adjusted when necessary.

Article 46

Purpose of examination of design information

The design information provided to the Agency shall be used for the following purposes:

(a) To identify the features of facilities and nuclear material relevant to the application of safeguards to nuclear material in sufficient detail to facilitate verification;

(b) To determine material balance areas to be used for Agency accounting purposes and to select those strategic points which are key measurement points and which will be used to determine flow and inventory of nuclear material, in determining such material balance areas the Agency shall, inter alia, use the following criteria:

(i) The size of the material balance area shall be related to the accuracy with which the material balance can be established;

(ii) In determining the material balance area advantage shall be taken of any opportunity to use containment and surveillance to help ensure the completeness of flow measurements and thereby to simplify the application of safeguards and to concentrate measurement efforts at key measurement points;

(iii) A number of material balance areas in use at a facility or at distinct sites may be combined in one material balance area to be used for Agency accounting purposes when the Agency determines that this is consistent with its verification requirements; and

(iv) A special material balance area may be established at the request of the Government of Iran around a process step involving commercially sensitive information;

(c) To establish the nominal timing and procedures for taking of physical inventory of nuclear material for Agency accounting purposes;

(d) To establish the records and reports requirements and records evaluation procedures;

(e) To establish requirements and procedures for verification of the quantity and location of nuclear material; and

(f) To select appropriate combinations of containment and surveillance methods and techniques and the strategic points at which they are to be applied.

The results of the examination of the design information shall be included in the Subsidiary Arrangements.

Article 47

Re-examination of design information

Design information shall be re-examined in the light of changes in operating conditions, of developments in safeguards technology or of experience in the application of verification procedures, with a view to modifying the action the Agency has taken pursuant to Article 46.
Article 48

Verification of design information

The Agency, in co-operation with the Government of Iran, may send inspectors to facilities to verify the design information provided to the Agency pursuant to Articles 42-45, for the purposes stated in Article 46.

INFORMATION IN RESPECT OF NUCLEAR MATERIAL OUTSIDE FACILITIES

Article 49

The Agency shall be provided with the following information when nuclear material is to be customarily used outside facilities, as applicable:

(a) A general description of the use of the nuclear material, its geographic location, and the user’s name and address for routine business purposes; and

(b) A general description of the existing and proposed procedures for nuclear material accountancy and control, including organizational responsibility for material accountancy and control.

The Agency shall be informed, on a timely basis, of any change in the information provided to it under this Article.

Article 50

The information provided to the Agency pursuant to Article 49 may be used, to the extent relevant, for the purposes set out in Article 46(b)-(f).

RECORDS SYSTEM

General provisions

Article 51

In establishing its system of materials control as referred to in Article 7, the Government of Iran shall arrange that records are kept in respect of each material balance area. The records to be kept shall be described in the Subsidiary Arrangements.

Article 52

The Government of Iran shall make arrangements to facilitate the examination of records by inspectors, particularly if the records are not kept in English, French, Russian or Spanish.

Article 53

Records shall be retained for at least five years.

Article 54

Records shall consist, as appropriate, of:

(a) Accounting records of all nuclear material subject to safeguards under this Agreement, and

(b) Operating records for facilities containing such nuclear material.
Article 55

The system of measurements on which the records used for the preparation of reports are based shall either conform to the latest international standards or be equivalent in quality to such standards.

Accounting records

Article 56

The accounting records shall set forth the following in respect of each material balance area:

(a) All inventory changes, so as to permit a determination of the book inventory at any time;
(b) All measurement results that are used for determination of the physical inventory; and
(c) All adjustments and corrections that have been made in respect of inventory changes, book inventories and physical inventories.

Article 57

For all inventory changes and physical inventories the records shall show, in respect of each batch of nuclear material: material identification, batch data and source data. The records shall account for uranium, thorium and plutonium separately in each batch of nuclear material. For each inventory change, the date of the inventory change and, when appropriate, the originating material balance area and the receiving material balance area or the recipient, shall be indicated.

Article 58

Operating record

The operating records shall set forth, as appropriate, in respect of each material balance area:

(a) Those operating data which are used to establish changes in the quantities and composition of nuclear material;
(b) The data obtained from the calibration of tanks and instruments and from sampling and analyses, the procedures to control the quality of measurements and the derived estimates of random and systematic error;
(c) A description of the sequence of the actions taken in preparing for, and in taking, a physical inventory, in order to ensure that it is correct and complete; and
(d) A description of the actions taken in order to ascertain the cause and magnitude of any accidental or unmeasured loss that might occur.

REPORTS SYSTEM

General provisions

Article 59

The Government of Iran shall provide the Agency with reports as detailed in Articles 60-69 in respect of nuclear material subject to safeguards under this Agreement.
Article 60

Reports shall be made in English, French, Russian or Spanish, except as otherwise specified in the Subsidiary Arrangements.

Article 61

Reports shall be based on the records kept in accordance with Articles 51-58 and shall consist, as appropriate, of accounting reports and special reports.

Accounting reports

Article 62

The Agency shall be provided with an initial report on all nuclear material subject to safeguards under this Agreement. The initial report shall be dispatched by the Government of Iran to the Agency within thirty days of the last day of the calendar month in which this Agreement enters into force, and shall reflect the situation as of the last day of that month.

Article 63

The Government of Iran shall provide the Agency with the following accounting reports for each material balance area:

(a) Inventory change reports showing all changes in the inventory of nuclear material. The reports shall be dispatched as soon as possible and in any event within thirty days after the end of the month in which the inventory changes occurred or were established; and

(b) Material balance reports showing the material balance based on a physical inventory of nuclear material actually present in the material balance area. The reports shall be dispatched as soon as possible and in any event within thirty days after the physical inventory has been taken.

The reports shall be based on data available as of the date of reporting and may be corrected at a later date, as required.

Article 64

Inventory change reports shall specify identification and batch data for each batch of nuclear material, the date of the inventory change and, as appropriate, the originating material balance area and the receiving material balance area or the recipient. These reports shall be accompanied by concise notes:

(a) Explaining the inventory changes, on the basis of the operating data contained in the operating records provided for under Article 58(a); and

(b) Describing, as specified in the Subsidiary Arrangements, the anticipated operational programme, particularly the taking of a physical inventory.

Article 65

The Government of Iran shall report each inventory change, adjustment and correction, either periodically in a consolidated list or individually. Inventory changes shall be reported in terms of batches. As specified in the Subsidiary Arrangements, small changes in inventory of nuclear material, such as transfers of analytical samples, may be combined in one batch and reported as one inventory change.
Article 66

The Agency shall provide the Government of Iran with semi-annual statements of book inventory of nuclear material subject to safeguards under this Agreement, for each material balance area, as based on the inventory change reports for the period covered by each such statement.

Article 67

Material balance reports shall include the following entries, unless otherwise agreed by the Government of Iran and the Agency:

(a) Beginning physical inventory;
(b) Inventory changes (first increases, then decreases);
(c) Ending book inventory;
(d) Shipper/receiver differences;
(e) Adjusted ending book inventory;
(f) Ending physical inventory; and
(g) Material unaccounted for.

A statement of the physical inventory, listing all batches separately and specifying material identification and batch data for each batch, shall be attached to each material balance report.

Article 68

Special reports

The Government of Iran shall make special reports without delay:

(a) If any unusual incident or circumstances lead the Government of Iran to believe that there is or may have been loss of nuclear material that exceeds the limits specified for this purpose in the Subsidiary Arrangements; or
(b) If the containment has unexpectedly changed from that specified in the Subsidiary Arrangements to the extent that unauthorized removal of nuclear material has become possible.

Article 69

Amplification and clarification of reports

If the Agency so requests, the Government of Iran shall provide it with amplifications or clarifications of any report, in so far as relevant for the purpose of safeguards.

INSPECTIONS

Article 70

General provisions

The Agency shall have the right to make inspections as provided for in Articles 71-82.
Purposes of inspections
Article 71

The Agency may make ad hoc inspections in order to:

(a) Verify the information contained in the initial report on the nuclear material subject to safeguards under this Agreement,

(b) Identify and verify changes in the situation which have occurred since the date of the initial report; and

(c) Identify, and if possible verify the quantity and composition of, nuclear material in accordance with Articles 93 and 96, before its transfer out of or upon its transfer into Iran.

Article 72

The Agency may make routine inspections in order to:

(a) Verify that reports are consistent with records;

(b) Verify the location, identity, quantity and composition of all nuclear material subject to safeguards under this Agreement; and

(c) Verify information on the possible causes of material unaccounted for, shipper/receiver differences and uncertainties in the book inventory.

Article 73

Subject to the procedures laid down in Article 77, the Agency may make special inspections:

(a) In order to verify the information contained in special reports; or

(b) If the Agency considers that information made available by the Government of Iran including explanations from the Government of Iran and information obtained from routine inspections, is not adequate for the Agency to fulfil its responsibilities under this Agreement.

An inspection shall be deemed to be special when it is either additional to the routine inspection effort provided for in Articles 78-82 or involves access to information or locations in addition to the access specified in Article 76 for ad hoc and routine inspections, or both.

Scope of inspections
Article 74

For the purposes specified in Articles 71-73, the Agency may:

(a) Examine the records kept pursuant to Articles 51-58;

(b) Make independent measurements of all nuclear material subject to safeguards under this Agreement;

(c) Verify the functioning and calibration of instruments and other measuring and control equipment;

(d) Apply and make use of surveillance and containment measures; and

(e) Use other objective methods which have been demonstrated to be technically feasible.
Article 75

Within the scope of Article 74, the Agency shall be enabled:

(a) To observe that samples at key measurement points for material balance accountancy are taken in accordance with procedures which produce representative samples, to observe the treatment and analysis of the samples and to obtain duplicates of such samples;

(b) To observe that the measurements of nuclear material at key measurement points for material balance accountancy are representative, and to observe the calibration of the instruments and equipment involved;

(c) To make arrangements with the Government of Iran that, if necessary:
   (i) Additional measurements are made and additional samples taken for the Agency's use;
   (ii) The Agency's standard analytical samples are analysed;
   (iii) Appropriate absolute standards are used in calibrating instruments and other equipment; and
   (iv) Other calibrations are carried out;

(d) To arrange to use its own equipment for independent measurement and surveillance, and if so agreed and specified in the Subsidiary Arrangements to arrange to install such equipment;

(e) To apply its seals and other identifying and tamper-indicating devices to containments, if so agreed and specified in the Subsidiary Arrangements; and

(f) To make arrangements with the Government of Iran for the shipping of samples taken for the Agency's use.

Access for inspections

Article 76

(a) For the purposes specified in Article 71 (a) and (b) and until such time as the strategic points have been specified in the Subsidiary Arrangements, the Agency inspectors shall have access to any location where the initial report or any inspections carried out in connection with it indicate that nuclear material is present;

(b) For the purposes specified in Article 71(c) the inspectors shall have access to any location of which the Agency has been notified in accordance with Articles 92(d)(iii) or 95(d)(iii);

(c) For the purposes specified in Article 72 the inspectors shall have access only to the strategic points specified in the Subsidiary Arrangements and to the records maintained pursuant to Articles 51-58; and

(d) In the event of the Government of Iran concluding that any unusual circumstances require extended limitations on access by the Agency, the Government of Iran and the Agency shall promptly make arrangements with a view to enabling the Agency to discharge its safeguards responsibilities in the light of these limitations. The Director General shall report each such arrangement to the Board.
Article 77

In circumstances which may lead to special inspections for the purposes specified in Article 73, the Government of Iran and the Agency shall consult forthwith. As a result of such consultations the Agency may:

(a) Make inspections in addition to the routine inspection effort provided for in Articles 78-82; and

(b) Obtain access, in agreement with the Government of Iran, to information or locations in addition to those specified in Article 76. Any disagreement concerning the need for additional access shall be resolved in accordance with Articles 21 and 22; in case action by the Government of Iran is essential and urgent, Article 18 shall apply.

Frequency and intensity of routine inspections

Article 78

The Agency shall keep the number, intensity and duration of routine inspections, applying optimum timing, to the minimum consistent with the effective implementation of the safeguards procedures set forth in this Agreement, and shall make the optimum and most economical use of inspection resources available to it.

Article 79

The Agency may carry out one routine inspection per year in respect of facilities and material balance areas outside facilities with a content or annual throughput, whichever is greater, of nuclear material not exceeding five effective kilograms.

Article 80

The number, intensity, duration, timing and mode of routine inspections in respect of facilities with a content or annual throughput of nuclear material exceeding five effective kilograms shall be determined on the basis that in the maximum or limiting case the inspection regime shall be no more intensive than is necessary and sufficient to maintain continuity of knowledge of the flow and inventory of nuclear material, and the maximum routine inspection effort in respect of such facilities shall be determined as follows:

(a) For reactors and sealed storage installations the maximum total of routine inspection per year shall be determined by allowing one sixth of a man-year of inspection for each such facility;

(b) For facilities, other than reactors or sealed storage installations, involving plutonium or uranium enriched to more than 5%, the maximum total of routine inspection per year shall be determined by allowing for each such facility 30 x E man-days of inspection per year, where E is the inventory or annual throughput of nuclear material, whichever is greater, expressed in effective kilograms. The maximum established for any such facility shall not, however, be less than 1.5 man-years of inspection; and

(c) For facilities not covered by paragraphs (a) or (b), the maximum total of routine inspection per year shall be determined by allowing for each such facility one third of a man-year of inspection plus 0.4 x E man-days of inspection per year, where E is the inventory or annual throughput of nuclear material, whichever is greater, expressed in effective kilograms.

The Government of Iran and the Agency may agree to amend the figures for the maximum inspection effort specified in this Article, upon determination by the Board that such amendment is reasonable.
Article 81

Subject to Articles 78-80 the criteria to be used for determining the actual number, intensity, duration, timing and mode of routine inspections in respect of any facility shall include:

(a) The form of the nuclear material, in particular, whether the nuclear material is in bulk form or contained in a number of separate items; its chemical composition and, in the case of uranium, whether it is of low or high enrichment; and its accessibility;

(b) The effectiveness of Iran's accounting and control system, including the extent to which the operators of facilities are functionally independent of Iran's accounting and control system; the extent to which the measures specified in Article 32 have been implemented by the Government of Iran; the promptness of reports provided to the Agency; their consistency with the Agency's independent verification; and the amount and accuracy of the material unaccounted for, as verified by the Agency;

(c) Characteristics of Iran's nuclear fuel cycle, in particular, the number and types of facilities containing nuclear material subject to safeguards, the characteristics of such facilities relevant to safeguards, notably the degree of containment; the extent to which the design of such facilities facilitates verification of the flow and inventory of nuclear material; and the extent to which information from different material balance areas can be correlated;

(d) International interdependence, in particular, the extent to which nuclear material is received from or sent to other States for use or processing; any verification activities by the Agency in connection therewith; and the extent to which Iran's nuclear activities are interrelated with those of other States; and

(e) Technical developments in the field of safeguards, including the use of statistical techniques and random sampling in evaluating the flow of nuclear material.

Article 82

The Government of Iran and the Agency shall consult if the Government of Iran considers that the inspection effort is being deployed with undue concentration on particular facilities.

Notice of inspections

Article 83

The Agency shall give advance notice to the Government of Iran before arrival of inspectors at facilities or material balance areas outside facilities, as follows:

(a) For ad hoc inspections pursuant to Article 71 (c), at least 24 hours; for those pursuant to Article 71 (a) and (b) as well as the activities provided for in Article 48, at least one week;

(b) For special inspections pursuant to Article 73, as promptly as possible after the Government of Iran and the Agency have consulted as provided for in Article 77, it being understood that notification of arrival normally will constitute part of the consultations; and

(c) For routine inspections pursuant to Article 72, at least 24 hours in respect of the facilities referred to in Article 80(b) and sealed storage installations containing plutonium or uranium enriched to more than 516, and one week in all other cases,
Such notice of inspections shall include the names of the inspectors and shall indicate the facilities and
the material balance areas outside facilities to be visited and the periods during which they will be
visited. If the inspectors are to arrive from outside Iran the Agency shall also give advance notice of
the place and time of their arrival in Iran.

Article 84

Notwithstanding the provisions of Article 83, the Agency may, as a supplementary measure,
carry out without advance notification a portion of the routine inspections pursuant to Article 80 in
accordance with the principle of random sampling. In performing any unannounced inspections, the
Agency shall fully take into account any operational programme provided by the Government of Iran
pursuant to Article 64(b). Moreover, whenever practicable, and on the basis of the operational
programme, it shall advise the Government of Iran periodically of its general programme of announced
and unannounced inspections, specifying the general periods when inspections are foreseen. In carrying
out any unannounced inspections, the Agency shall make every effort to minimize any practical
difficulties for the Government of Iran and for facility operators, bearing in mind the relevant provisions
of Articles 44 and 89. Similarly the Government of Iran shall make every effort to facilitate the task of
the inspectors.

Designation of inspectors
Article 85

The following procedures shall apply to the designation of inspectors:

(a) The Director General shall inform the Government of Iran in writing of the name,
    qualifications, nationality, grade and such other particulars as may be relevant, of each
    Agency official he proposes for designation as an inspector for Iran;

(b) The Government of Iran shall inform the Director General within thirty days of the receipt
    of such a proposal whether it accepts the proposal;

(c) The Director General may designate each official who has been accepted by the
    Government of Iran as one of the inspectors for Iran, and shall inform the Government of
    Iran of such designations; and

(d) The Director General, acting in response to a request by the Government of Iran or on his
    own initiative, shall immediately inform the Government of Iran of the withdrawal of the
    designation of any official as an inspector for Iran.

However, in respect of inspectors needed for the activities provided for in Article 48 and to carry out
ad hoc inspections pursuant to Article 71 (a) and (b) the designation procedures shall be completed if
possible within thirty days after the entry into force of this Agreement. If such designation appears
impossible within this time limit, inspectors for such purposes shall be designated on a temporary basis.

Article 86

The Government of Iran shall grant or renew as quickly as possible appropriate visas, where
required, for each inspector designated for Iran.

Conduct and visits of inspectors
Article 87

Inspectors, in exercising their functions under Articles 48 and 71-75, shall carry out their
activities in a manner designed to avoid hampering or delaying the construction, commissioning or
operation of facilities, or affecting their safety. In particular inspectors shall not operate any facility
themselves or direct the staff of a facility to carry out any
operation. If inspectors consider that in pursuance of Articles 74 and 75, particular operations in a facility should be carried out by the operator, they shall make a request therefor.

Article 88

When inspectors require services available in Iran, including the use of equipment, in connection with the performance of inspections, the Government of Iran shall facilitate the procurement of such services and the use of such equipment by inspectors.

Article 89

The Government of Iran shall have the right to have inspectors accompanied during their inspections by representatives of the Government of Iran, provided that inspectors shall not thereby be delayed or otherwise impeded in the exercise of their functions.

STATEMENTS ON THE AGENCY’S VERIFICATION ACTIVITIES

Article 90

The Agency shall inform the Government of Iran of:

(a) The results of inspections, at intervals to be specified in the Subsidiary Arrangements; and

(b) The conclusions it has drawn from its verification activities in Iran, in particular by means of statements in respect of each material balance area, which shall be made as soon as possible after a physical inventory has been taken and verified by the Agency and a material balance has been struck.

INTERNATIONAL TRANSFERS

Article 91

General provisions

Nuclear material subject or required to be subject to safeguards under this Agreement which is transferred internationally shall, for purposes of this Agreement, be regarded as being the responsibility of the Government of Iran:

(a) In the case of import into Iran, from the time that such responsibility ceases to lie with the exporting State, and no later than the time at which the material reaches its destination; and

(b) In the case of export out of Iran, up to the time at which the recipient State assumes such responsibility, and no later than the time at which the nuclear material reaches its destination.

The point at which the transfer of responsibility will take place shall be determined in accordance with suitable arrangements to be made by the States concerned. Neither Iran nor any other State shall be deemed to have such responsibility for nuclear material merely by reason of the fact that the nuclear material is in transit on or over its territory, or that it is being transported on a ship under its flag or in its aircraft.
Transfers out of Iran

Article 92

(a) The Government of Iran shall notify the Agency of any intended transfer out of Iran of nuclear material subject to safeguards under this Agreement if the shipment exceeds one effective kilogram, or if, within a period of three months, several separate shipments are to be made to the same State, each of less than one effective kilogram but the total of which exceeds one effective kilogram.

(b) Such notification shall be given to the Agency after the conclusion of the contractual arrangements leading to the transfer and normally at least two weeks before the nuclear material is to be prepared for shipping.

(c) The Government of Iran and the Agency may agree on different procedures for advance notification.

(d) The notification shall specify:

(i) The identification and, if possible, the expected quantity and composition of the nuclear material to be transferred, and the material balance area from which it will come;

(ii) The State for which the nuclear material is destined;

(iii) The dates on and locations at which the nuclear material is to be prepared for shipping;

(iv) The approximate dates of dispatch and arrival of the nuclear material; and

(v) At what point of the transfer the recipient State will assume responsibility for the nuclear material for the purpose of this Agreement, and the probable date on which that point will be reached.

Article 93

The notification referred to in Article 92 shall be such as to enable the Agency to make, if necessary, an ad hoc inspection to identify, and if possible verify the quantity and composition of, the nuclear material before it is transferred out of Iran and, if the Agency so wishes or the Government of Iran so requests, to affix seals to the nuclear material when it has been prepared for shipping. However, the transfer of the nuclear material shall not be delayed in any way by any action taken or contemplated by the Agency pursuant to such a notification.

Article 94

If the nuclear material will not be subject to Agency safeguards in the recipient State, the Government of Iran shall make arrangements for the Agency to receive, within three months of the time when the recipient State accepts responsibility for the nuclear material from Iran, confirmation by the recipient State of the transfer.

Transfers into Iran

Article 95

(a) The Government of Iran shall notify the Agency of any expected transfer into Iran of nuclear material required to be subject to safeguards under this Agreement if the shipment exceeds one effective kilogram, or if, within a period of three months, several separate shipments are to be received from the same State, each of less than one effective kilogram but the total of which exceeds one effective kilogram.
(b) The Agency shall be notified as much in advance as possible of the expected arrival of the nuclear material, and in any case not later than the date on which the Government of Iran assumes responsibility for the nuclear material.

(c) The Government of Iran and the Agency may agree on different procedures for advance notification.

(d) The notification shall specify:

(i) The identification and, if possible, the expected quantity and composition of the nuclear material;

(ii) At what point of the transfer the Government of Iran will assume responsibility for the nuclear material for the purpose of this Agreement and the probable date on which that point will be reached; and

(iii) The expected date of arrival, the location where, and the date on which, the nuclear material is intended to be unpacked.

Article 96

The notification referred to in Article 95 shall be such as to enable the Agency to make, if necessary, an ad hoc inspection to identify, and if possible verify the quantity and composition of, the nuclear material at the time the consignment is unpacked. However, unpacking shall not be delayed by any action taken or contemplated by the Agency pursuant to such a notification.

Article 97

Special reports

The Government of Iran shall make a special report as envisaged in Article 68 if any unusual incident or circumstances lead the Government of Iran to believe that there is or may have been loss of nuclear material, including the occurrence of significant delay, during an international transfer.

DEFINITIONS

Article 98

For the purposes of this Agreement:

A. Adjustment means an entry into an accounting record or a report showing a shipper/receiver difference or material unaccounted for.

B. Annual throughput means, for the purposes of Articles 79 and 80, the amount of nuclear material transferred annually out of a facility working at nominal capacity.

C. Batch means a portion of nuclear material handled as a unit for accounting purposes at a key measurement point and for which the composition and quantity are defined by a single set of specifications or measurements. The nuclear material may be in bulk form or contained in a number of separate items.

D. Batch data means the total weight of each element of nuclear material and, in the case of plutonium and uranium, the isotopic composition when appropriate. The units of account shall be as follows:

(a) Grams of contained plutonium;

(b) Grams of total uranium and grams of contained uranium-235 plus uranium-233 for uranium enriched in these isotopes; and

(c) Kilograms of contained thorium, natural uranium or depleted uranium.
For reporting purposes the weights of individual items in the batch shall be added together before rounding to the nearest unit.

E. **Book inventory** of a material balance area means the algebraic sum of the most recent physical inventory of that material balance area and of all inventory changes that have occurred since that physical inventory was taken.

F. **Correction** means an entry into an accounting record or a report to rectify an identified mistake or to reflect an improved measurement of a quantity previously entered into the record or report. Each correction must identify the entry to which it pertains.

G. **Effective kilogram** means a special unit used in safeguarding nuclear material. The quantity in effective kilograms is obtained by taking:

   (a) For plutonium, its weight in kilograms;

   (b) For uranium with an enrichment of 0.01 (1%) and above, its weight in kilograms multiplied by the square of its enrichment;

   (c) For uranium with an enrichment below 0.01 (1%) and above 0.005 (0.5%) its weight in kilograms multiplied by 0.0001; and

   (d) For depleted uranium with an enrichment of 0.005 (0.5%) or below, and for thorium, its weight in kilograms multiplied by 0.00005.

H. **Enrichment** means the ratio of the combined weight of the isotopes uranium-233 and uranium-235 to that of the total uranium in question.

I. **Facility** means:

   (a) A reactor, a critical facility, a conversion plant, a fabrication plant, a reprocessing plant, an isotope separation plant or a separate storage installation; or

   (b) Any location where nuclear material in amounts greater than one effective kilogram is customarily used.

J. **Inventory change** means an increase or decrease, in terms of batches, of nuclear material in a material balance area; such a change shall involve one of the following:

   (a) Increases:

      (i) Import;

      (ii) Domestic receipt: receipts from other material balance areas, receipts from a non-safeguarded (non-peaceful) activity or receipts at the starting point of safeguards;

      (iii) Nuclear production: production of special fissionable material in a reactor; and

      (iv) De-exemption: re-application of safeguards on nuclear material previously exempted therefrom on account of its use or quantity.

   (b) Decreases:

      (i) Export;

      (ii) Domestic shipment: shipments to other material balance areas or shipments for a non-safeguarded (non-peaceful) activity;
(iii) Nuclear loss: loss of nuclear material due to its transformation into other element(s) or isotope(s) as a result of nuclear reactions;

(iv) Measured discard: nuclear material which has been measured, or estimated on the basis of measurements, and disposed of in such a way that it is not suitable for further nuclear use;

(v) Retained waste: nuclear material generated from processing or from an operational accident, which is deemed to be unrecoverable for the time being but which is stored;

(vi) Exemption: exemption of nuclear material from safeguards on account of its use or quantity; and

(vii) Other loss: for example, accidental loss (that is, irretrievable and inadvertent loss of nuclear material as the result of an operational accident) or theft.

K. Key measurement point means a location where nuclear material appears in such a form that it may be measured to determine material flow or inventory. Key measurement points thus include, but are not limited to, the inputs and outputs (including measured discards) and storages in material balance areas.

L. Man-year of inspection means, for the purposes of Article 80, 300 man-days of inspection, a man-day being a day during which a single inspector has access to a facility at any time for a total of not more than eight hours.

M. Material balance area means an area in or outside of a facility such that:

(a) The quantity of nuclear material in each transfer into or out of each material balance area can be determined; and

(b) The physical inventory of nuclear material in each material balance area can be determined when necessary, in accordance with specified procedures,

in order that the material balance for Agency safeguards purposes can be established.

N. Material unaccounted for means the difference between book inventory and physical inventory.

0. Nuclear material means any source or any special fissionable material as defined in Article XX of the Statute. The term source material shall not be interpreted as applying to ore or ore residue. Any determination by the Board under Article XX of the Statute after the entry into force of this Agreement which adds to the materials considered to be source material or special fissionable material shall have effect under this Agreement only upon acceptance by Iran.

P. Physical inventory means the sum of all the measured or derived estimates of batch quantities of nuclear material on hand at a given time within a material balance area, obtained in accordance with specified procedures.

Q. Shipper/receiver difference means the difference between the quantity of nuclear material in a batch as stated by the shipping material balance area and as measured at the receiving material balance area.

R. Source data means those data, recorded during measurement or calibration or used to derive empirical relationships, which identify nuclear material and provide batch data. Source data may include, for example, weight of compounds, conversion factors to determine weight of element, specific gravity, element concentration, isotopic ratios, relationship between volume and manometer readings and relationship between plutonium produced and power generated.
S. **Strategic point** means a location selected during examination of design information where, under normal conditions and when combined with the information from all strategic points taken together, the information necessary and sufficient for the implementation of safeguards measures is obtained and verified; a strategic point may include any location where key measurements related to material balance accountancy are made and where containment and surveillance measures are executed.

DONE in Vienna on the 19th day of June 1973 in duplicate in the English language.

For the GOVERNMENT OF IRAN:

(signed) Dr. M. Sadri

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) Sigvard Eklund