



Photo by: REUTERS

## Analysis: Has the Geneva agreement undercut sanctions to stop Iran's nuclear program?

By BENJAMIN WEINTHAL, JERUSALEM POST  
CORRESPONDENT  
05/01/2014

Deal opened the investment floodgates for Western companies seeking to capitalize on a new business environment in Iran.

BERLIN – The interim nuclear deal reached between the major powers and the Islamic Republic on November 24 opened the investment floodgates for Western companies seeking to capitalize on a new business environment in Iran. Just in the first week of 2014 – before the slated late January implementation of the interim agreement – a series of articles capture the mad dash to jump-start business with Iran.

Finding Geneva a hard sell, in no small measure because Israel and US's Arab allies in the Gulf see gaping holes in the sanctions relief provided to Tehran, a range of Middle East experts voiced new warnings on Sunday in the course of interviews with *The Jerusalem Post*. Avarice-driven conduct by Western businesses will help Tehran develop a nuclear weapon and repress its population's human rights, according to experts.

Prof. Gerald M. Steinberg, a political scientist at Bar-Ilan University, said, "After Geneva, and without any significant change in Iranian behavior, the gold rush is on to resume business as usual."

"The claims made by President Obama and European leaders to the effect that they can simply restore sanctions whenever the Iranian leaders resume production of nuclear weapons looks increasingly hollow."

He added, "If the sanctions continue to unravel, the last resort for stopping Iran is a military operation that Israel, the US and Europe have long sought to avoid."

*Der Spiegel* magazine addressed the breakdown in the anti-Iran business atmosphere, headlining its article: "Chance of a Century: International Investors Flock to Tehran."

Daniel Bernbeck, head of the German-Iranian Chamber of Industry and Commerce in Tehran, told *Der Spiegel* that airplanes to Iran are "full of Italians," which includes managers from Italian energy company Eni S.p.A.

*Der Spiegel* noted, "France is also on the move. In a deal worth billions, the French are about to renew their licensing contract for supplying Peugeot components to Iranian car-maker Iran Khodro.

"And the Americans are already here with ExxonMobil, Chevron Corporation and other US companies," Bernbeck said. "They are responsible for renovating the old oil production facilities and refinery industry, as well as exploring new oil fields. That's a huge multibillion-euro business."

Bernbeck triggered controversy in 2009 with his energetic efforts to attract business to Iran at the expense of

human rights. After Iran's regime allegedly doctored the results of the 2009 presidential election, Bernbeck said he saw "no moral question here at all" in engaging in business deals during the wave of anti-democratic repression.

Canadian MP and former justice minister Irwin Cotler slammed Bernbeck at the time, saying an "important role for civil society is to hold the Daniel Bernbecks to account."

Tom Gross, a Middle East expert, told the *Post*, "The rush by Western companies and diplomats back into Iran is extremely disconcerting, and highly dangerous," adding, "The despotic Iranian regime – which already executes more people than any other government in the world apart from China – will feel even more emboldened to continue its clampdown on liberals, reformers and human rights activists and its persecution of minorities such as the Baha'i, Baluchis and homosexuals."

The flaws in the Iran agreement have come under great scrutiny in the US.

Michael Doran, a senior fellow at the Saban Center for Middle East Policy at the Brookings Institution, told the *Post*, "The idea that the United States could turn on and off the flow of investment to Iran like a spigot was always fanciful. It has sent a clear message that doing business with Iran is now legitimate, and that Tehran and Washington are on a path to improved relations. In doing so it has created an influential economic lobby in the West dedicated to ensuring that the Americans and Iranians remain on that path. The sanctions regime is not dead, but it is damaged."

In Israel, experts expressed growing frustration and disappointment with the international community's failure to confront Iran.

Tommy Steiner, a senior research fellow at the Institute for Policy and Strategy at the Interdisciplinary Center Herzliya, told the *Post*, "The flocking of European and American executives to try and position themselves for making business with Iran in anticipation of additional sanctions relief undercuts the negotiating posture of the US and the EU in the next round of negotiations.

Iranian negotiators might misinterpret the executives' 'charm offensive' and wrongly assume that the soon relief of sanctions is a done deal and that they are not compelled to rollback and dismantle their nuclear program."

Steiner, a leading expert on Israel-EU relations, added, "While one cannot forbid the travel of Western executives to Iran, US and European governments ought to reach out to these companies and explain to them that their eagerness to do business with Iran might cause misperceptions and undermine the diplomatic efforts. In that case, the Western executives will contribute to an escalating crisis with Iran rather than developing new business opportunities."

Emmanuel Navon, director of the communications and political science department at Jerusalem Orthodox College, told the *Post* he is "not surprised" that Western companies are rushing into Iran. The Geneva deal sent a message to loosen sanctions.

"Many of the companies are technically breaking the embargo [against Iran], but because of the atmosphere no one in the West is willing to enforce the sanctions 100 percent," he said. Navon sees Western business "taking advantage of the interim deal" and the West giving Tehran a free pass.

Steinberg said, "This is exactly what Prime Minister Netanyahu warned about after last month's breakthrough in the Geneva talks with Iran. It took more than a decade to build up serious economic sanctions after the IAEA documented Iran's illicit nuclear weapons program, but they were finally exerting pressure on the regime in Tehran."

With Iran securing as much as \$20 billion in sanctions relief, the interim agreement may have erred on the side of providing Iran with a heavy dose of carrots.

This method is likely to undercut the world power's original aim, namely, the use of both carrots and sticks to stop Iran's nuclear program.

*Benjamin Weinthal reports on European affairs for The Jerusalem Post and is a fellow at the Foundation for Defense of Democracies.*



Print



Back to original article

---

JPost.com: [Diplomacy and Politics](#) | [Defense](#) | [Jewish World](#) | [Mideast](#) | [Israel News](#) | [Opinion](#) | [Syria](#) | [Business](#) | [Food](#) | [Arts & Culture](#)

[About Us](#) | [Advertise with Us](#) | [Subscribe](#) | [RSS](#)

All rights reserved © 1995 - 2012 The Jerusalem Post.