

Written evidence submitted by Mr Roger Higginson (UKI0001)

Relations between the UK and Iran: history, evolution and aims

1. Submission by Roger Higginson, final year Ph.D. student at Sussex University on the British Mandate in Palestine: and former Government official responsible for representing the UK at various EU and UN institutions. He has a general interest in the interactions and divergent perceptions between Middle Eastern countries, European states, and the USA, with a particular focus on Iran. The submission is made in a personal capacity.

Summary

2. British foreign policy towards Iran over the past two centuries has by and large been characterised by interests external to Iran itself. These have included the security of India under the empire, the security of oil supplies to the UK, and the denial of access to those same oil supplies by other countries considered hostile to the UK. As a result, Iranians tend to consider the UK as motivated by self-interest, and unsympathetic to their own concerns. This note argues that the COVID 19 pandemic provides a unique, but possibly time-limited, opportunity to recalibrate the relationship and show that there is indeed potential for the bilateral relationship to be based on shared interests.

Background

The Historical Context

3. The early decades of the 19th century saw the emergence of two imperial powers whose influence on Iran was to continue until the 1960s. From the north, pressure was brought to bear from the expansionist policies of Russia: and from the south from the British as their communication channels to India grew in importance¹.
4. Between the two, Iran perceived Russia to be the greater threat due to its territorial ambitions in relation to Georgia, and so it looked to the UK for support². This suited the UK, which both wished to maintain a distance between the north-west frontier of India and other imperial powers, and also to develop Iran as an export market for –in particular- Manchester textile goods³.

¹ Abbas Amanat: Iran, A Modern History. Yale University Press, 2017, page 175

² Amanat, op. cit., page 193

³ Amanat, op. cit. page 226 - 227

- 5 As the 19th century progressed however, so did the power and wealth of the British empire, which was able to impose commercial treaties that inhibited Iran's economic development. The resulting imbalance created tensions and suspicions which continued to bedevil relations between the two countries well into the twentieth century. It was not however in British interests for Iran to become so weak that it could fall prey to incursions by other imperial powers. When Lord Curzon became Foreign Secretary in 1919 he was very much of the view that the development of the economy and in particular the transport infrastructure would be mutually beneficial to both British and Iranian interests⁴. Iranian nationalists at the time nevertheless thought otherwise, and his proposed bilateral agreement was never ratified.

- 6 British policy towards Iran nevertheless continued largely unchanged. Following the chaotic situation which developed in the country during World War I, the UK supported the seizure of power by Reza Shah in 1921, who created the Pahlavi dynasty, and whose son, Mohammed, was deposed in the 1979 revolution⁵. During that period, British priorities were essentially focussed on protecting the capacity of the Anglo-Iranian Oil Company (later, British Petroleum) to provide the UK with cheap oil, and impeding the expansion of the Soviet Union into the Middle East region. With the advent of Indian independence in 1947, the importance of protecting its north west frontier that had been a driver of British policy towards Iran since the nineteenth century, fell away⁶.

- 7 Up until the end of World War II, Anglo-Iranian relations, although difficult and contested, were at least workable. The situation nevertheless deteriorated in 1953 when the British collaborated with the United States to remove Prime Minister Mossadeq, who was planning to nationalise the Anglo-Iranian Oil Company⁷. This event was the last time that the UK actively intervened in Iran's domestic politics, but its continuing support of the increasingly unpopular Mohammad Reza Shah, combined with its strategic alliance with the even more unpopular United States meant that the country was dubbed the 'Little Satan' by the new Islamic theocracy that seized power in the 1979 revolution.

The More Recent Context

⁴ For a succinct but comprehensive account of Curzon's Iran policy cf. his entry in the Encyclopaedia Iranica: <http://www.iranicaonline.org/articles/curzon-george-nathaniel>

⁵ For a useful discussion of the rise to power of Reza Shah, and his creation of the modern Iranian state, cf. Ervand Abrahamian: A History of Modern Iran. Cambridge University Press, 2008. Chapter 3, 'The iron fist of Reza Shah'.

⁶ For the British withdrawal from India, cf. Peter Clarke: The Last Thousand Days of the British Empire. Penguin Books, 2007. Pages 502-504

⁷ For a discussion of this episode, which has arguably coloured Anglo-Iranian relations ever since, cf. Michael Axworthy: Revolutionary Iran, A History of the Islamic Republic, Penguin Books, 2019. Pages 47 – 50.

- 8 Britain's relations with the Mullahs have always been difficult, but differ in important respects from those between Iran and the USA, where the situation is even worse. First, the bilateral relationship has a much longer heritage, dating back as it does some two hundred years. The USA by contrast did not seriously become involved with Iran until after World War II. More importantly, the UK has maintained diplomatic relations with Tehran whereas the USA has not. No other country can claim either the depth or the duration of the UK's relations with Iran, although both France and Germany have developed important cultural and commercial links of their own.
- 9 The Anglo-Iranian relationship in recent decades has nevertheless been bedevilled by a series of contested events. The publication of Salman Rushdie's 'Satanic Verses' in the UK in September 1988 caused the government of the day significant difficulties in protecting the right to freedom of speech in the face of Ayatollah Khomeini's 'fatwa' against what he claimed was blasphemy⁸. Apart from the issue of free speech, there was the problem for the UK of the head of a foreign state inciting the Muslim community to kill a British resident.
- 10 Since 2015 the bilateral relationship has essentially been framed by the Joint Comprehensive Plan of Action (JCPOA), whereby all EU Member States agreed to lift sanctions against Iran on condition that the latter desisted from its programme for the development of nuclear weapons.⁹ This agreement however was "unilaterally abrogated by the Trump administration in 2018."¹⁰ Since that time American sanctions against Iran have tightened further, and as a result European companies have been wary of trading with Iran as they fear losing access to the lucrative US domestic market.
- 11 To their credit, the UK, France, and Germany "have taken determined steps to establish an alternative trading institution known as INSTEX to bypass US sanctions."¹¹ This however has only recently born fruit¹², and has been the cause of extreme frustration on the Iranian side with what they perceive as the EU's inability to either counter or mitigate what has become a unilaterally imposed sanctions regime by the USA. That situation has been made more acute by the spread of the COVID-19 flu pandemic which has had a significant impact on Iran. Recent estimates are that up to 30,000 people have become infected, and more than 2,200 have died¹³.

⁸ For an interesting perspective on the impact of this event right down to the local constituency level, cf. Jack Straw: *the English Job, Understanding Iran and why it distrusts Britain*. Biteback Publishing, 2019, pages 217 – 222

⁹ Straw, *op.cit.*, pages 318 - 320

¹⁰ Robert Springborg: *Political Economies of the Middle East & North Africa*. Polity Press, 2020, page 2

¹¹ Straw, *op. cit.*, page 335

¹² <https://www.reuters.com/article/us-iran-europe-trade/europe-sends-medical-goods-to-iran-in-trade-test-idUSKBN21111B>

¹³ Cf: <https://www.aljazeera.com/ajimpact/covid-19-rages-slaps-sanctions-iranian-individuals->

- 12 Notwithstanding calls both inside and outside Iran for the lifting of sanctions on humanitarian grounds, its government has not made the situation easier by refusing offers of help, notably in the form of medical equipment and doctors offered by Medecins Sans Frontieres (MSF)¹⁴. As stated succinctly by the Economist, “Iran’s leaders, it seems, prefer to confront the outside world rather than engage with it”¹⁵. That is precisely the challenge that faces the UK in its dealings with the country. Historical experience does not suggest that there are many grounds for optimism, but it is possible that the current flu pandemic may provide some opportunities.
- 13 In March 2020 the Iranian Foreign Minister, Javad Zarif, requested \$5 Billion in emergency funding from the IMF to help fight the Corona virus.¹⁶ This is unsurprising, given that the reduction in economic activity caused by measures taken against COVID-19 has reduced demand for oil, and consequently its price. On 18th March the price of crude oil sank to \$25 per barrel, its lowest level in almost twenty years.¹⁷ Given its role as a major Middle East oil producer this is bound to have a negative impact on government revenues, and limit the capacity of the Iranian state to address a wide range of domestic challenges¹⁸. It is possible that these problems may make the regime more responsive to British attempts to engage with it. Before concluding with any recommendations however it is appropriate to briefly consider what purpose would be served by a policy of engagement.

What should the UK be trying to achieve ?

- 14 Despite the historical vicissitudes of the UK’s bilateral relationship with Iran, it is not impossible to discern what ought to be shared interests. Both countries would benefit from a reduction of military hostilities in the region, in particular in Afghanistan, Iraq, and Syria. This would help Iran in its capacity as an important producer of oil and natural gas, and the UK as a major Western economy with an interest in having access to stable supplies. Critics of Iran will note that in particular the Quds force of the Iranian Revolutionary Guards Corp (IRGC) has been accused of destabilising offensives in Iraq and Syria.
- 15 No doubt from an Iranian perspective these can be justified in terms of supporting their fellow Shia communities in those countries, and maintaining a military presence which could prevent any new attacks on their country from

[200326145240630.html](https://www.economist.com/leaders/2020/03/26/iran-cannot-fight-covid-19-with-conspiracy-theories)

¹⁴ <https://www.economist.com/leaders/2020/03/26/iran-cannot-fight-covid-19-with-conspiracy-theories>

¹⁵ Ibid

¹⁶ <https://www.reuters.com/article/us-health-coronavirus-iran-imf/iran-says-it-has-asked-imf-for-5-billion-emergency-funding-to-fight-coronavirus-idUSKBN20Z17B>

¹⁷ <https://www.economist.com/business/2020/03/21/much-of-global-commerce-has-ground-to-a-halt>

¹⁸ For a flavour of these, cf. Axworthy, op. cit. page 434. Many of the problems stem from a dominance of hydro-carbons in the economy, and a failure to diversify effectively into other fields of commercial activity.

Iraq¹⁹. It is difficult to underestimate the degree of suffering caused by the Iran – Iraq war of 1980 – 1988, with a death toll estimated to exceed 300,000 Iranians²⁰. Policy makers in Western capitals who rightly stress the importance of guaranteeing the free passage of shipping along the straits of Hormuz might also consider whether an offer to guarantee Iran from future attacks on its western border²¹ might be traded for an agreement that the country would curtail its support for Shia militias west of Basra.

- 16 In the absence of direct diplomatic relations between Iran and the USA, maintaining lines of communication at official level between the UK and Iran should become an objective in its own right. The relationship should furthermore be developed in the form of an ongoing dialogue between a strategically important European power and a strategically important Middle East power. On various occasions in recent years the relationship has tended to be ad hoc and transactional, with arguments over the incarceration of Nazarin Zaghari-Ratcliffe being a case in point. This tedious saga may at last be coming to a close.²² It should not be allowed to detract further from the bilateral relationship overall.
- 17 One of the more long-standing grievances that have bedevilled the relationship since the 1979 revolution concerns the sale of British Chieftan tanks to the former Shah for which their government had paid in full, but only some 185 out of 1,750 actually delivered. This has left the UK Treasury with about £400 Million from Iran for which nothing has been supplied.²³ On the supposition that we accept that this money should be refunded (whether, and how much, interest may be due is a separate issue) then the COVID-19 crisis provides an opportunity to pay some or all of this sum in the form of medical aid.
- 18 Engagement with Iran should include frank and open exchanges concerning both the human rights abuses inflicted by the regime on its people²⁴, and its failure (by no means unique to Iran in the Middle East region) to engage with its citizens while relying on oil revenues rather than income taxes to maintain its machinery of government²⁵.

¹⁹ There is no doubt that Iraq's invasion of Iran in 1980, and the eight year war which followed, had a profound impact on Iran and its view of its Arab neighbour. For a discussion of 'the imposed war' cf. Straw, op. cit., pages 189 - 216

²⁰ Amanat, op. cit., page 847

²¹ The Iran: Iraq war is only the latest in a long line of invasions of the country. "Iran is perhaps one of the most invaded and most revolution-prone countries in world history, a debatable merit with lasting consequences." Amanat, op. cit., pages 1 – 2.

²² <https://www.theguardian.com/news/2020/mar/29/nazarin-zaghari-ratcliffe-under-consideration-for-clemency>

²³ For a discussion of this problem, cf. Straw, op. cit., pages 320 - 322

²⁴ Cf. for example the 2019 annual report on Iran by Amnesty International:

<https://www.amnesty.org/en/countries/middle-east-and-north-africa/iran/report-iran/>

²⁵ This is a leitmotif of Robert Springborg's 'Political Economies of the Middle East and North Africa.' Its central hypothesis is that oil producing governments in that region do not rely on taxes levied on their populations, and so see no need to engage with them, or be responsive to their wishes.

- 19 Popular disaffection with the regime has been apparent in both 2018²⁶ and 2019²⁷ and levels of discontent will only increase unless the government engages with its people, rather than suppress them. If they are sincere in their statements of commitment to the ideals of the 1979 revolution they should be making greater efforts to ensure a more equitable distribution of wealth and employment opportunities across the population as a whole. To be successful, this must involve reducing current levels of state control over the economy²⁸.
- 20 If these are the general themes to be included in the policy objectives for engaging with Iran, we can now conclude with some specific recommendations.

Recommendations

- 21 Given the strategic importance of Iran as one of the world's main producers of oil and natural gas, **it is important that the UK devotes significant diplomatic effort and resources to engaging with it**, however frustrating that process may be: there is no sign that the regime of the Mullahs is going to fall any time soon. The relationship must be ongoing and governed by strategic considerations, not piecemeal incidents.
- 22 **The UK should continue its efforts to gather momentum through the INSTEX facility** for the development of legitimate trade with Iran. It should also consider that vehicle as a possible mechanism for settling outstanding liabilities arising from the sale of Chieftan tanks to the former Shah²⁹.
- 23 It should impress upon the Iranian government that **activities designed to produce weapons grade uranium** or plutonium will only increase the severity and duration of US – led sanctions, not reduce them. Should Iran argue that it needs nuclear weapons to protect itself from attack, then consideration should be given to the possibility of guarantees being offered to preserve its territorial integrity in the event of attack from e.g. Iraq. Such guarantees would be conditional on the country continuing to fulfil its obligations under the JCPOA.
- 24 In multilateral fora **the UK should oppose sanctions that effectively punish the whole of the Iranian population**, and make the case that when sanctions are justified these should be targeted on specific senior government individuals or organisations along the lines of those imposed on Russia.

²⁶ <https://www.bbc.co.uk/news/world-middle-east-42553516>

²⁷ <https://www.economist.com/middle-east-and-africa/2019/11/21/rises-in-the-price-of-petrol-are-fuelling-unrest-in-iran>

²⁸ For a discussion of the extent to which the Mullahs and the I.R.G.C. control economic activity in Iran, cf. Springborg, op. cit., pages 86 - 87

²⁹ Cf. para 17 above

25 It should also **support the provision of financial assistance to Iran to cope with the effects of the COVID-19 pandemic.** This should be made conditional on the Iranian government permitting monitoring of such assistance to ensure that it is used for the purposes for which it is granted.

April 20