The EEC and Iran: From the Revolution of 1979 to the Launch of the Critical Dialogue in 1992

Claudia CASTIGLIONI

> "What is more surprising is […] how long optimism, born of wishful thinking or diplomatic calculation, prevailed both in Iran and in the West. The primary illusion found both in Iran and in the Western European countries […] was to see bilateral relations as divorced from their more general context […] as if a better understanding here, or a diplomatic concession there, could dissolve conflicts and differences of interest that often had deeper roots".[1]

The statement above is drawn from a 1994 article on Iran–Western European relations after 1979. It is founded on two basic assumptions: on the one hand, high expectations of a European ability to play mediator in the "cold war" that broke out between Washington and Tehran after the collapse of the Pahlavi regime in 1979; on the other hand, the obstacles they encountered and the missed opportunities to establish a solid and beneficial collaboration in the aftermath of the revolution that, thirty-six years ago, irreversibly changed Iran and its role in the international community. The idea synthesised in Fred Halliday's comment – that the rapprochement between Tehran and Europe after 1979 fell short of both European and Iranian expectations – is grounded on strong evidence. Tehran's deafness to EU pleas to improve its human rights record or to reduce its support to terrorist groups such as Hezbollah and Hamas on the one hand, and European inability to distance itself from the US with regard to crucial issues such as economic sanctions on the other, indicate that the route towards a complete normalization was and still is long and complex. The obstacles and the contradictions that emerged in this path should not, however, discourage us from addressing the analysis of what Halliday labelled an "elusive normalization", but rather suggest we approach the issue in a more critical and multifaceted way.

Starting from these considerations, the article evaluates the policy pursued by the European Economic Community (hereafter EEC) and its members towards Iran, from the watershed of the 1979 revolution to the launch of the first concrete attempt at normalization, the so-called Critical Dialogue of 1992. More specifically, the study looks at the following issues: first, the impact of the revolution on economic and political collaboration between Iran and the members of the EEC; second, the initiatives undertaken by the Community in response to the Iranian events; third the level of internal cohesiveness displayed by the EEC countries when faced with the regime change and with the Iran–Iraq war; and fourth and last, the impact of Cold War constraints and transatlantic ties on the formulation of EEC policy. In addressing these issues, the paper examines both the perspectives of some individual Western European countries, and that of the EEC according to the relevance individual or collective action had in the formulation of European policy towards Iran. The EEC is regarded

1. F. HALLIDAY, *An Elusive Normalization: Western Europe and the Iranian Revolution*, in: *Middle East Journal*, 2(1994), pp.309-326, here: p.314.

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as a key actor in the immediate aftermath of the hostage crisis in light of the role it played in expressing European interests, policies and priorities vis-à-vis both Washington and Tehran. Conversely, the interests, perspectives and initiatives of the major European countries are at the core of the analysis when the EEC lacked the political strength, instruments and will to act with a single voice, as in the case of the Iran–Iraq war. European initiatives and conduct are analysed both in the framework of the European Political Community (EPC) and by looking at the actions taken by European institutions such as the EEC Council of Ministers and the European Council.[2]

The article is divided into three parts: the first one examines the premises and the evolution of the strong collaboration that Tehran and some Western European countries developed from the 1960s on, as well as in the framework of EEC–Iran cooperation. The second and core part describes the EEC reaction to the two events that irreversibly changed Iran's relations with the West: the revolution of February 1979 and the storming of the American embassy in Tehran on November 4th of the same year. Particular attention is paid to the EEC response to US requests to impose sanctions targeting the newly established Islamic Republic of Iran. The third part of the article addresses the inconsistency of the EEC policy vis-à-vis Tehran during the Iran–Iraq war and up to the launch of the Critical Dialogue in 1992; European military support to the cobelligerents despite their formal neutrality in the conflict is used as a case in point to show such inconsistency and its impact on EEC–Iran relations. In some passages the analysis of EEC–Iran relations is combined with a brief examination of the broader geostrategic context, first and foremost the transatlantic alliance. Between the late 1970s and the early 1980s many Western European countries, including the key EEC members, showed increasing reluctance to lend unambiguous support to American policy in the Third World.[3] In this framework the Iranian crisis can shed some light on the changes underway in the European approach to the global arena and in new patterns in the transatlantic alliance, especially on Third World issues.

Europe and Iran: The Golden Era of Collaboration

If the West, and particularly Europe, has been fascinated with Iran since antiquity, Iran long regarded Europe as the cradle of political and economic imperialism.[4]

2. On European Political Cooperation see: M.E. SMITH, *Europe's Foreign and Security Policy: The Institutionalization of Cooperation*, Cambridge University Press, Cambridge, 2004.
3. On the evolution of the transatlantic alliance in this crucial decade see, among others: K.K. PATEL, K. WEISBRODE (eds), *European Integration and the Atlantic Community in the 1980s*, Cambridge University Press, Cambridge, 2013. With specific reference to the Middle East see, among others: B.A. ROBERSON (ed.), *The Middle East and Europe. The Power Deficit*, Routledge, London, 1998.
4. O.H. BONNEROT, *La Perse dans la littérature et la pensée françaises au XVIII*e *siècle*, Champion-Slatkine, Paris, 1988, pp.244-245.

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Britain, in particular, was seen as the ultimate manifestation of Western arrogance, the mighty and distant power that condemned Iran to backwardness and semi-colonialism for decades, depriving it of its wealth and independence. Starting from the late 1950s, though, the sense of foreign interference and exploitation began to allow for emulation and, to a growing extent, collaboration.[5] As oil revenues started to fuel Iran's industrial take-off, Tehran began an intense collaboration with some of the major European countries, especially France, Britain, West Germany and Italy. The 1970s saw a further consolidation of the ties between Iran and Western Europe: Tehran's ascendency to the role of regional power in the framework of the Nixon Doctrine and the impressive rearmament that it implied, increased the strategic and economic means at the Shah's disposal in his partnership with Europe. During the decade Iran became a lender to some Western European countries, providing loans to Britain and France and investing massively in West German industry. The collaboration also came to involve the nuclear field: in the late 1970s the Shah signed contracts with French and German companies for the construction of nuclear facilities.

Among the Western European countries, Britain was the one with the strongest political and military relations with the regime of the Shah. The British military withdrawal from the territories East of Suez in 1971 created a power vacuum in the Gulf that only Mohammed Reza Pahlavi's Iran had the resources and the political ambition to fill.[6] This upgrading of Iran in the region led to an intensification of the military collaboration between the two countries. It has been argued that for London arms sales became "a means of bolstering the position of the monarch as the guarantor of British interests in the region".[7] Although the scale of British arms deals could not be compared to that of the Americans, in proportional terms they were vast: between 1973 and 1978 contracts worth £1.8 billion were signed.[8] As for France and West Germany, according to a study on Iranian foreign relations prepared by the Foreign Office in 1979, neither of them enjoyed the privileged position of Britain and the United States in Iran, but both shared "the general Western approval of the Shah's role as policeman of the area and the Western urgency to maximise exports to Iran".[9] The report also emphasised the predominance of the commercial aspect in German–Iranian relations. "Despite the weakness of the political collaboration be-

5. G.R. AFKHAMI, *The Life and Times of the Shah*, University of California Press, Berkeley, 2009, p. 220.
6. On this point see W.T. FAIN III, *American Ascendancy and British Retreat in the Persian Gulf Region*, Palgrave Macmillan, New York, 2008, and F.G. GAUSE, *British and American Policies in the Persian Gulf, 1968–1973*, in: *Review of International Studies*, 4(1985), pp.247-273.
7. E. POSNETT, *Treating His Imperial Majesty's Warts: British Policy towards Iran 1977-79*, in: *Iranian Studies*, 1(2012), pp.119-137, here: p.121.
8. E. POSNETT, op.cit., p.121.
9. *British Policy on Iran, 1974-1978*, Study prepared by the Foreign and Commonwealth Office available at http://www.fco.gov.uk/en/about-us/our-history/historical-publications/documents-british-policy/british-policy-on-iran-1974-1978.

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tween Tehran and Bonn" – the document argued – "German businessmen regarded Iran as one of the most stable areas outside Western industrialised countries".[10]

The significance of commercial ties was also a key feature of the partnership between Tehran and Rome. In the second half of the 1970s Italy laid the foundations for a strong collaboration with the Shah's regime, especially in the economic field. Italy's Ambassador to Iran, Giulio Tamagnini, eloquently described the climate of optimism that dominated the bilateral relations when he arrived in Tehran:

> "At the time of my assignment to Tehran, in December 1977, Italian and foreign friends described Iran as the 'land of plenty', made richer and richer by oil revenues and wisely ruled by the Shah, monarch and manager of Iran".[11]

Italian firms (many of them state-owned) signed deals with the government of Tehran worth approximately $5.5 billion. Among the companies operating in Iran some well-known names standout such as: ENI (AGIP, Saipem, Snam Progetti), Italimpianti, Agusta, Italstrade and FIAT.[12] The project that most effectively embodied the partnership was the construction of the harbour of Bandar Abbas on the Persian Gulf. The project was launched in the mid-1970s by the Shah in collaboration with a group of Italian companies headed by the society "Condotte d'Acqua", with the aim of creating a big commercial harbour in the South of the country. Such a profitable collaboration translated into open appreciation for the rule of the Shah. In April 1978, on the eve of Foreign Minister Arnaldo Forlani's visit to Iran, Giulio Tamagnini depicted Mohammed Reza Pahlavi as "a mixture of a typical centralizing monarch and a great manager", motivated by the intent to "modernize the country industrially, economically, ethically, and socially".[13]

Starting from the mid-1970s Iran also developed a fruitful collaboration with some Western European countries in the nuclear field. In November 1974 Iran reached preliminary agreements with Kraftwerk Union, a subsidiary of the German firm Siemens, to build two 1,200 MW nuclear reactors near Bushehr, to be completed in 1981 and 1982, and with Framatome of France to build another two 900 MW reactors on the Karun River between Ahvaz and Khorramshahr by 1983 and 1984. The enriched uranium that would fuel Iran's nuclear reactors would be provided by EURODIF, a European conglomerate that was building an enrichment plant in France. In exchange for the concession of a $1 billion loan to help finance the construction of the plant, Iran would receive a 10% share in EURODIF and a similar share of the nuclear fuel that the plant would produce.

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10. *British Policy on Iran*, op.cit. On Iran-Germany relations from World War II to the revolution of 1979 see: S.H. MOUSAVIAN, *Iran-Europe relations: challenges and opportunities*, Routledge, London, 2008, pp.15-22.
11. G. TAMAGNINI, *La caduta dello Scià. Diario dell'ambasciatore italiano a Teheran (1978-1980)*, Edizioni Associate, Roma, 1990, p.13.
12. In 1978 FIAT's involvement in Iran was still very limited compared to other companies. According to Tamagnini, Giovanni Agnelli was expected to visit the country in 1978 to improve his relations with the Shah and pave the way for an increase in the collaboration. The meeting never took place. G. TAMAGNINI, op.cit., p.38.
13. Ibid., p.38.

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Politically Iran tried to use its wealth to promote goals complementary to those of the Atlantic partners; by the end of the decade the country was regarded as a useful ally in the area not only by Washington, but also by the EEC members. The importance Iran assumed during the 1970s is well synthetized by Anthony Parson, British Ambassador to Iran between 1974 and 1979. He observed:

> "Pahlavi Iran in the Shah's last years was more attractive materially and more important politically to Western Europe than at any previous period in modern history with the possible exception of World War II".[14]

On a Community level, the years immediately before the revolution also represented a moment of intense collaboration. According to a report prepared by the European Commission in 1975, at that time the EEC was Iran's biggest supplier and biggest customer. In 1973, 44% of Iran's imports came from the EEC, and 29% of the oil exports and 33% of exports other than oil were consigned to the EEC. Iran's chief purchases from the European market were industrial products, especially motor vehicles and machinery. As for Europe, oil was by far the main Iranian export to the European Community, with other exports including carpets, cotton and caviar.[15] In 1978, on the eve of the revolution, the EEC still represented the first commercial partner of Iran, which in turn ranked sixth among the Community's trading partners. EEC exports to Iran in 1978 amounted to twice the volume of exports from America and three times those from Japan; only in the agrarian sector did American exports exceed the European ones.[16] Energy products made up 94.5% of Community imports, a fact that made Iran the Community's second-biggest supplier of energy products after Saudi Arabia, whereas nearly 83% of EEC exports to Iran consisted of transport machinery and equipment, and manufactured articles.[17] In 1977 the Community imported 78 million tons of oil from Iran, which represented 16% of total EEC oil imports and covered 8.5% of the total internal energy consumption of the Community.

By the early 1970s Iran started to pressure the Community to revise upwards the terms of the trade agreement reached in 1963.[18] In 1976, at a meeting in Brussels in the context of the new round of negotiations, EEC Commissioner Finn Olav Gundelach affirmed that in its ambitious programme of economic development, Iran needed partners with whom it had "close historical, political and cultural relations" and who were, for all these reasons, strongly interested themselves in Iran's devel-

14. A. PARSONS, op.cit., p.219.
15. AEI [Archive of European Integration at the University of Pittsburgh], The European Community and Iran. Note circulated on the occasion of the visit to Iran of Sir Christopher Soames, 12-14.05.1975, available at the: http://aei.pitt.edu/10352/1/10352.pdf.
16. TNA [The National Archives at Kew Gardens], FCO 98/830, Commission Paper on Iran Sanctions, 15.04.1980.
17. *The EEC–Iran relationship*, in: *Europe, Magazine of the European Community*, March–April(1979), p.10.
18. More specifically Tehran wanted the new agreement to eliminate all discrimination against Iranian goods and provide free access to the European Community for products made under EEC–Iran joint ventures. On the relations between Iran and the Common Market in the first years after its establishment see: R.K. RAMAZANI, *The Middle East and the European Common Market*, University Press of Virginia, Charlottesville, 1964, pp.74-78.

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opment. "The Community" – he concluded – "is [in this sense for Iran] a natural partner".[19] The negotiations continued in this promising climate for a few years, before being suspended as a consequence of the revolution. They would be resumed almost twenty years later in the framework of the EU–Iran Comprehensive Dialogue.

Table 1

Iranian trade with the EEC. Total exports from Iran
(in thousand units of account)[20]

	To the Community of Six	To the Community of Nine
1964	357,399	–
1972	1,259,157	–
1973	1,755,013	2,215,760
1974	n.a.	4,660,059

Table 2

Oil exports from Iran
(in thousand units of account)

	To the Community of Six	To the Community of Nine
1964	297,051	–
1972	1,060,347	(1,356,161)
1973	(1,071,337)	n.a.

Table 3

Imports into Iran
(in thousand units of account)[21]

	From the Community of Six	From the Community of Nine
1964	175,151	–
1972	737,818	n.a.
1973	(1,032,560)	1,439,150
1974	n.a.	1,456,615

The 1979 Revolution and the Oil Shock

Given the extent of the collaboration between Tehran and its European partners, it is easy to understand the alarm when, in January 1979, after more than fifty years under Pahlavi rule and after a period of unprecedented economic growth and drastic social

19. AEI, The EC–Iran Negotiations. Opening Statement by Finn Olav Gundelach, 20.12.1976, available at: http://aei.pitt.edu/id/eprint/10868.
20. The value of an EEC unit of account in 1975 was approximately US$1.2.
21. The European Community and Iran Sanctions, 15.04.1980, op.cit.

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transformations, the once all-powerful Shah was toppled by a mob of angry protesters, leaving his Western allies in Europe as much as in Washington, surprised and dismayed.[22] Six years after the embargo imposed in 1973 by the Organization of Arab Petroleum Exporting Countries and the consequent steep surge in oil prices, the unexpected regime change in the fourth contributor to world oil production raised fears of another oil crisis. These fears were fuelled by the widespread conviction that any political shock in the area would trigger an oil shortage and, therefore, a major energy security crisis for the West.[23] Meanwhile, the oil shock turned out to be less harmful and prolonged than expected. Iranian oil progressively started to come back onto the market; the limits of the disruption and, more importantly, the fact that other sources quickly made up for the lost output and the action of the International Energy Agency significantly smoothed the effects of the shock.

Even if the consequences of the regime change proved to be limited with regard to the energy markets, the same cannot be said for its political and economic implications. To this extent the collapse of one of the pillars of Soviet containment in the Middle East did come as a watershed for Tehran's political and commercial partners on both sides of the Atlantic. In this sense the revolution served as a chance for the West to assess its ability to cope with unexpected (and hostile) change in the Third World, as a test for the transatlantic relation, and as an opportunity for the European countries to act together or, at least, to design a common response to the crisis and to Washington's requests to its allies.

From the standpoint of Western Europe, the revolution marked a change first and foremost because of the situation of instability it created. The European capitals responded to the unexpected events taking place in Tehran with a policy of "wait and see": whilst it was broadly accepted that a return to the *status quo ante* was impossible, it was the uncertainty, not the political assessment of the revolution, that came to dominate European analyses of the crisis. In this context, few had a clear understanding of the forces on the ground and of the political struggle that was already unfolding in Tehran. "Apart from Khomeini and the ageing National Front leaders" – a report prepared by the Middle East Department in London noted –

> "the UK knows little of the opposition. The establishment of an Islamic Republic in Iran could bring the country under the influence of the Soviet Union if the young militants and the terrorist groups allied with Khomeini are not able to achieve positions of influence".[24]

22. On Europe–Iran relations from the revolution of 1979 to the end of the war with Iraq see: M.R. SAIDABADI, *Iran's European Relations since 1979*, in: A. MOHAMMADI, A. EHTESHAMI (eds), *Iran and Eurasia*, Ithaca Press, Reading, 2000, pp.59-80; K. BAYRAMZADEH, *Les enjeux principaux des relations entre l'Iran et l'Europe de 1979 à 2003. Une étude sur la sociologie politique des relations internationales*, L'Harmattan, Paris, 2004, pp.78-100, here: p.13.
23. Robert Lieber defines the concept of energy security in terms of "assuring reliable and affordable supplies of energy". R. LIEBER, *The Oil Decade, Conflict and Cooperation in the West*, Praeger, New York, 1983, p.3.
24. TNA, FCO FCO 98/676, European Political Cooperation [hereafter: EPC] Political Committee, 23-24.01.1979.

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Such a hypothesis, that the following weeks would have proved improbable at best, along with the predominance of Cold War language in the approach to the Iranian events, exposes the distorted perception of the crisis circulating among European commentators and policymakers – a perception shared by their American counterparts.

The volatility of the Iranian situation led the major commercial partners of Iran in Europe to adopt a low profile strategy or, to use the words of the British Ambassador Anthony Parsons, to decide "to keep it quiet".[25] Britain, France, Italy and the other Western European countries reduced their trade with Iran, though without precluding the possibility of going back to a situation of "business as usual" in case the moderate forces had the upper hand. According to a report prepared by the Commission, the Community's exports to Iran between January and April 1979 declined by 65.5% compared to the previous year, while imports reduced by 40.8%. In the same period American exports to Iran went down by almost 70% and imports by 16.5%. As regards energy products, between 1978 and 1979 the overall share of Iran in EEC imports declined from 16% in 1978 to 6% in 1979, and then to 5.5% in the first quarter of 1980. Two months later the Foreign Office wrote a report stating that during 1979 EEC exports to Iran totalled 3.3 million dollars, 4 million less than the previous year.[26]

Uncertainty also dominated the political response at the EEC level. The first issue that demanded a joint action by the Nine was the recognition of the provisional government appointed by ayatollah Ruhollah Khomeini upon his return to Iran and led by Prime Minister Mehdi Bazargan. The EEC countries, at London's initiative, almost immediately decided to recognise the new government, proving their intention to keep the dialogue with the new forces in power open.[27] For the rest, the consensus was for a cautious approach, centred on "allowing the Iranian Revolution to run its course" while accepting that "Iran as a market would not recover for perhaps a year". "When a firm government gets to grips with Iran" – the EEC ambassadors concluded in March – "they will need and appreciate Western support".[28] In this volatile context, the Ambassadors of the Nine in Tehran assured political coordination among the EEC countries. Whilst in Brussels attention was focused on issues such as the debate on the British contribution to the European budget and the outcome of the first direct elections to the European Parliament, the diplomatic representatives of the Nine tried their best to respond to the instability of the Iranian situation.[29] "The complex and fluid situation in Iran makes a pragmatic approach necessary" – commented the Head of the British delegation in Paris Nicholas Henderson – "In these circumstances, the

25. TNA, FCO 8/3374, Parsons' comments on a paper prepared by the Middle East Department, 12.02.1979.
26. TNA, FCO 8/3612, Report prepared by the Middle East Department of the Foreign Office, 03.06.1980.
27. TNA, FCO 98/676, EPC Political Committee, 27-28.02.1979.
28. TNA, FCO 98/676, EPC Ministerial Meeting, 12.03.1979.
29. M. GAINAR, *Aux origines de la diplomatie européenne. Les Neuf et la Coopération politique européenne de 1973 à 1980*, Peter Lang, Bruxelles, 2012, p.541.

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Ambassadors of the Nine will remain in close contact and will inform each other of any action which may be of interest to their colleagues".[30]

The Hostage Crisis and the Sanctions

Such a "wait and see" policy, while relatively successful in guiding European action during the moderate interlude of the Bazargan government, showed its limits when faced with the traumatic event that marked the escalation of the crisis between Iran and the West: the seizure of the US embassy on 4 November 1979. The Carter administration reacted almost immediately to the hostage taking placing, less than a week later, an embargo on Iranian oil. Though aware that the nature of the world oil market essentially limited the effect of a single embargo to a simple need for reshuffling the distribution chain, Carter felt it was politically important to eliminate the perception that oil would influence his response to the crisis.[31] Two days later the American administration combined the embargo on oil exports with the decision to freeze Iranian assets.[32]

The EEC countries did not join the US in the embargo. Nevertheless the revolution and the seizure of the US embassy in Tehran did impact the import of petroleum from Iran as they prompted some of the countries that were major importers of Iranian oil to start looking elsewhere for their energy supplies, a trend that, as we saw, had already started in the aftermath of the revolution. As it has been observed:

> "Western Europe's desire to support America in reducing their consumption of Iranian oil was probably no stronger than their general recognition that instability in Iran was making it an unreliable supplier".[33]

A relevant role in the steady decrease in European imports of Iranian oil was also played by Iranian pricing policy. In early 1980 Iran declared a $2.50 per barrel surcharge on its oil, a surcharge that oil companies refused to pay, triggering a reaction from the National Iranian Oil Company, which shut off shipments to British Petroleum and Shell. As a result of the controversy, EEC oil imports from Iran declined from $829 million in January 1980 to $100 million in October, a drop way more significant than any related to the sanctions that would be later adopted.[34]

30. TNA, FCO 98/676, Paris to FCO, 12.02.1979.
31. C. EMERY, *The Transatlantic and Cold War Dynamics of Iran Sanctions, 1979-80*, in: *Cold War History*, 3(2010), pp.371-396, here: p.372; D. YERGIN, *The Prize: the Epic Quest for Oil, Money, and Power*, Simon & Schuster, New York, 1991, p.702.
32. On the asset freeze, see: R. CARSWELL, *Economic Sanctions and the Iranian Experience*, in: *Foreign Affairs*, 2(1981/82), pp.247-265.
33. C. EMERY, op.cit., p.374.
34. P. SHEHADI, *Economic Sanctions and Iranian Trade*, in: *MERIP Reports*, July–August(1981), pp. 15-16.

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While the EEC countries opted for a cautious approach to the oil embargo, their response was more decisive with regard to the asset freeze: France, Britain and the other major financial partners of Washington made sure that the measures adopted by the American administration also targeted Iran's deposits in the European branches of US banks.[35] From a strictly economic viewpoint, neither the freezing of assets nor the ban on oil imports particularly hurt Iran, whose situation had already deteriorated as a consequence of economic mismanagement by the new leadership in power, lack of productivity, the sabotaging actions of extremist groups, and a consistent brain drain. Still, the two initiatives proved effective as political tools aimed at communicating to the regime in Tehran the assertive and proactive attitude that Washington intended to pursue in response to the hostage crisis, along with the high degree of cohesiveness of the Western front in dealing with it.

After the adoption of the oil embargo and of the asset freeze, the Carter administration started to pressure the European countries to enact a new round of more punitive measures against Iran, including economic sanctions. In mid-December the US Secretary of State, Cyrus Vance, visited the major European capitals to seek their support for economic and financial measures against Iran. Fearing a Soviet veto of any US-sponsored initiative at the UN Security Council, the Carter administration viewed informal cooperation between Washington and its principal European partners as crucial to hit Iran's trade relations and curb its commercial revenues. The response Vance obtained from the European partners, though, was not the one Washington had hoped for. While unanimously supporting a UN resolution decreeing sanctions against Iran, the possibility of unilateral measures, which became the only viable option after a Soviet veto on 13 January 1980, raised questions about the effectiveness of such measures and their impact on European commercial interests. A few months after the revolution 45% of Iranian imports were still coming from the EEC, half from West Germany. Britain's existing contracts with Tehran were worth over US$1 billion and Italian state-owned companies Condotte d'Acqua and Italimpianti alone had agreements worth approximately the same amount for the expansion of the Bandar Abbas port and a steel complex.[36] In the light of such a degree of exposure, and despite the decline in trade resulting from the revolution, Western European countries were not ready to jeopardise any chance of re-establishing some form of economic collaboration with Tehran.[37]

Washington's repeated calls between December and February for the imposition of a stronger set of sanctions, also boosted by the announcement of the Carter Doctrine in January 1980, increased European criticism on the matter. According to Ambassador Tamagnini, at the meeting held in Brussels on November 20 to discuss the situation in Tehran, the Ministers of the Nine showed appreciation for European cooperation on the issue, lamenting, on the other hand, the behaviour of Washington,

35. ANF [French National Archives], VGP [Valéry Giscard d'Estaing Papers], 5AG3/2702, Dossier de Jean-Pierre Ruault.
36. H. ALIKHANI, *Sanctioning Iran. Anatomy of a Failed Policy*, I.B Tauris, London, 2000, p.71.
37. M. GAINAR, op.cit., p.545.

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guilty of not addressing "the Nine as such, neither to ask for their opinion nor to show a specific interest in receiving the evaluations of the EEC ambassadors in Tehran".[38] Along the same lines was the position expressed by the British Ambassador in Iran, John Graham. Writing to the Foreign Office in December 1979, he reaffirmed the intention to help the Americans held hostage in Tehran and the American administration without reservation, but complained about their tendency to consider "what's mine is mine; what's yours is negotiable".[39] The response he received from London aptly encompasses the undeniable limits of this widespread criticism:

> "Your sentiments are understandable, and indeed widely shared among America's allies. There is no doubt that the President, for domestic reasons, has often acted first and consulted allies later. At the same time […] [b]oth the Prime Minister and the Secretary of State returned from Washington convinced that […] there were good reasons, on grounds of general Western policy, for going along with it".[40]

In the meantime, and also as a consequence of the increase in regional tensions after the Soviet invasion of Afghanistan, the failed rescue attempt carried out by Washington in early April, and the poor outcome of the repeated attempts by the EEC to find a channel of communication with Iranian authorities, the position of the European leaders started to converge with Washington's. The shift came also as a consequence of the decreasing role of the Ambassadors of the Nine in Tehran. The growing scepticism about the impact of their repeated démarche to the Iranian government, the replacement of the France-educated Minister of Foreign Affairs Abolhassan Banisadr (later to be elected first President of the Islamic Republic) with Sadegh Ghotbzadeh, the decision by Khomeini in early April to delegate the management of crisis to the Parliament, all contributed to such a shift.[41]

In late April, after a further inconclusive meeting between the Ambassadors of the Nine and Ghotbzadeh, the EEC countries bowed to the inevitable. On 22 April the Foreign Ministers of the Community gathered in Luxemburg and passed a resolution requiring all members to impose sanctions against Iran should the American hostages not be released by 17 May.[42] The major points of the declaration were reaffirmed in the final communiqué released after the European Council held in Luxemburg on 27 April.[43] Less than a month later, with the US embassy still under Iranian occupation, European Foreign Ministers gathered in Naples voted to impose limited sanctions on the Islamic Republic to be implemented nationally. The trade restrictions, however, excluded existing contracts entered into prior to 4 November 1979, and allowed case-by-case exceptions for any new contracts. An estimated 10% of the EEC's trade with Iran would have been affected if the accord had been honoured to the letter. With the backdating provisions effectively discarded, however, the actual

38. See: G. TAMAGNINI, op.cit. p.184.
39. TNA, FCO 96/999, UK Embassy in Tehran (Graham) to FCO, 17.12.1979.
40. TNA, FCO 96/999, FCO to UK Embassy in Tehran, 07.01.1980.
41. M. GAINAR, op.cit., p.545.
42. M. GAINAR, op.cit., pp.549-550.
43. The Luxembourg European Council, 27-28.04.1980, reproduced in: the *Bulletin of the European Communities*, 4(1980).

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reduction was less. In Britain the sanctions were given an especially vague formulation that allowed British exports to Iran to increase in 1980 over 1979.[44] Britain was not an exception; according to the data reported in the *Official Journal of the European Communities* in May 1981, despite the sanctions EU exports to Iran between January and November 1980 had increased by over 53%, compared to the same period in 1979.[45]

From the political standpoint, although implying a substantial acceptance of American requests, the measures adopted by the European countries, their timing and their practical details, provoked some criticism among US commentators. Georgetown Professor Robert Lieber voiced this criticism, remarking that

> "European policy towards the Iranian hostage incident exemplifie[d] the array of problems and constraints the Europeans face[d] in dealing with the Middle East [and] reflect[ed] their internal differences as well as problems in relations with the United States".[46]

Back in 1979 Lieber's arguments were quite widespread, also within the inner circle of American policymaking. "Only the direct threat of further moves by the United States" – Jimmy Carter recalled in his memoirs – "would have any real effect on some of our friends".[47] Carter's evaluation of the European approach was partly correct, for the EEC members continued to have significant economic ties to Iran and acted to protect them. Even as late as April 1980 Germany was still getting 12% of its oil imports from Iran, while Britain's monthly trade with Iran exceeded $40 million.[48] But, as has been observed, economic interests do not tell the whole story. EEC leaders also had serious doubts about the adoption of punitive measures without UN support.[49] They never questioned the adoption of sanctions *per se*, neither did they question the reasons for American hostility. What they did question was the effectiveness of the sanctions at securing the release of the hostages, and the relation between such effectiveness and the damage to their national interests.

When the EEC members eventually committed to sanctions, they did so reluctantly.[50] At the British cabinet meeting of 17 April 1980, during the debate over the adoption of sanctions, the Lord Privy Seal Sir Ian Gilmour affirmed that the proposed measures "were unlikely to contribute effectively to the release of the hostages". Yet, he continued,

> "allied action in support of the United States was widely recognized to be inevitable, given the state of American public opinion, the risk of the United States being driven to more

44. "Economic Sanctions and Iranian Trade", op.cit.
45. H. ALIKHANI, op.cit. p.83.
46. R. LIEBER, op.cit., p.63.
47. J. CARTER, *Keeping Faith: Memoirs of a President*, Bantam Books, New York, 1982, p.466.
48. H. ALIKHANI, op.cit., p.83.
49. J. RENOUARD, D.N. VIGIL, *The Quest for Leadership in a Time of Peace: Jimmy Carter and Western Europe, 1977-1981*, in: M. SCHULZ, T.A.SCHWARTZ (eds), *The Strained Alliance: U.S.-European Relations from Nixon to Carter*, Cambridge University Press, Cambridge, 2010, pp. 309-332, here: p.327.
50. J. RENOUARD, D.N. VIGIL, op.cit., pp.325-326.

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> drastic courses of action, and long-term damage to the cohesion of the Western Alliance".[51]

In the decision to endorse Washington's punitive action, a relevant role was, therefore, played by strategic calculations and international factors, more so than a fundamental agreement with the arguments raised by the American government. The evolution of the domestic situation in Iran further concurred with the European decision: the struggle for power in Tehran, the nationalisations of important industrial complexes and banks, and the cancellation of contracts with European companies, all contributed to making any form of commercial partnership less and less attractive for the EEC countries.

At the end of the Italian presidency of the EEC, in June 1980, Giulio Tamagnini left Iran to be replaced, five months later, by Francesco Mezzalama. Before taking office Mezzalama met with the Italian Foreign Minister, Emilio Colombo, to receive instructions regarding his new task. According to the Ambassador, Colombo

> "insisted on the necessity to persuade Tehran that the liberation of the hostages would end the impasse […] and pave the way for the relaunch of the economic cooperation".[52]

The relaunch of the collaboration was, nevertheless, made impossible as the crisis dragged on and as another event came to alter the situation in the region: Iraq's invasion of Iran in September 1980.

Europe and the Iran–Iraq War

The Iraqi invasion of Iran on 22 September 1980 brought a further escalation of the crisis. The attack and the eight-year war that followed delayed any chance of normalization between Europe and Iran and, more importantly, coincided with a return to bilateral approaches to Iran by the EEC countries. In this sense the Community's reaction to the conflict represented a step back from the timid efforts at collective action carried out in the aftermath of the revolution and in the early phases of the hostage crisis.

At the time of the Iraqi invasion most of the Western European countries had good relations with Baghdad; one more so than the others: France. In the early 1970s the two countries had signed an agreement safeguarding French oil interests in Iraq. The agreement was followed, in 1974, by a French offer to provide Iraq with Mirage fighters in exchange for the launch of civil nuclear collaboration between the two countries. By the end of the decade Iraq had become France's chief trade partner in the Middle East and its second oil supplier. Whilst the centrist Valéry Giscard d'Estaing tried in the first months of conflict to pursue a more balanced approach, pro-

51. TNA, CAB 128/67/16, Conclusions of Cabinet's Meeting, 17.04.1980.
52. F. MEZZALAMA, *L'avventura diplomatica. Ricordi di carriera*, Rubettino, Soveria Mannelli, 2006, p.207.

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tecting French commercial and military ties with Iraq without totally jeopardising its relations with Tehran, his successor, François Mitterrand, embraced a more explicit pro-Iraqi stance. The new president decided to reduce French diplomatic representation in Tehran and opted for unequivocal support to Saddam in his fight against the Islamic Republic. In Italy too, pro-Iraqi sentiments were quite rooted. According to Ambassador Mezzalama, in Rome there was a strong political lobby headed by the Socialist Party and with a certain influence at the Ministry of Foreign Affairs, who favoured the Baathist regime and encouraged the adoption of an open, pro-Baghdad policy.[53] In the meantime Iranian–British diplomatic relations were also cooling: in April 1980 the British Ambassador, Sir John Graham, was withdrawn and in the autumn London closed the embassy and placed it under Swedish protection.

Given the sometimes conflicting interests that tied Western European countries and the belligerents, the widespread pro-Iraqi sentiment, and the overall concern to harmonize their policy with the transatlantic ally, it's easy to understand why the conflict, maybe even more than the revolution, brought to the surface ambiguities and limits in European policy and stance vis-à-vis the new government in Tehran. Although EEC countries shared almost the same fears and uncertainties in dealing with the further rise in tensions, their bilateral relations with Iran showed differences which reflected their national interests, differences that, in turn, made it impossible to design any joint initiative in response to the war. In one of the few analyses of European conduct in the conflict, Iranian scholar Ahmad Naghibzadeh provides a particularly negative assessment of European performance throughout the conflict: "Europe's inability to act collectively", he argues,

> "is nowhere more apparent than during the Iran–Iraq war. […] Because the Iran–Iraq war appeared to threaten the flow of oil to Europe, one might expect that Europe would react as a whole. Instead, European nations proved that they were primarily motivated by concerns other than communal interests".[54]

According to Naghibzadeh two factors prevented Europe from "following the EEC interests, encouraging them instead to follow the American line": namely lack of cohesion and inability to secure members' interests independent of American cooperation.[55] More sympathetic is the evaluation provided by Fred Halliday, who emphasised how,

> "given their shared interests in the Middle East and their membership in a NATO under US direction, the European countries could not, even if they were minded to, act in a manner radically at odds with the United States".[56]

53. On Italian policy towards revolutionary Iran see: E. SALGÒ (ed.), *Leggere la rivoluzione islamica iraniana a Roma*, Alpes, Rome, 2010.
54. A. NAGHIBZADEH, *Collectively or singly: Western Europe and the War*, in: F. RAJAEE (ed.), *Iranian Perspective on the Iran–Iraq War*, University of Florida Press, Gainesville, 1997, pp.39-48, here: p.40. On European involvement and interests in the Iran–Iraq war see also: A. CORDESMAN, *The Iran–Iraq War and Western Security, 1984-1987*, Royal United Service Institute, London, 1987.
55. A. NAGHIBZADEH, op.cit., p.40.
56. F. HALLIDAY, op.cit., pp.312-313.

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Even if Naghibzadeh's analysis might appear too harsh on European conduct, especially considering the constraints highlighted by Halliday, it seems fair to argue that the war was, to some extent, a missed opportunity for the Western European countries and for the European Community as a whole. Even acknowledging that their commercial interests should have been prioritised over geostrategic considerations, European action was often lacking in the assertiveness, the consistency, and the cohesion it needed.

In this sense the war brought the EEC countries back to their nationalistic instincts and to their traditional patterns of state-to-state collaboration. Britain and France showed their support to Washington, sending troops to the Persian Gulf region as reinforcement for the US presence protecting free navigation in the Strait of Hormuz. Italy and West Germany, for their part, tried to best profit from the drop in American and, to a lesser extent French, trade relations with Iran to boost their exports to the country. As has been argued:

> "Whilst most of the EEC members converged on the idea that Iran should stay within a European economic sphere of influence, bilateralism remained the dominant mode of dealing on the political and strategic levels".[57]

Even with regard to one of the key priorities shared by the Nine, the security of oil supplies, the attitude that prevailed was of *ad hoc* collective initiatives coordinated through "informal discussion among a few key countries", in most cases resulting in joint actions between Britain, France and the United States, with the occasional participation of Italy and West Germany.[58] Although it is true that the role of the International Energy Agency in responding to the disruption of oil supplies significantly curtailed the room (and the need) for action by the Community in the energy crisis, it is also true that a stronger stance by the Nine on issues such the export of arms to the parties, or on the use of international fora or political pressure on the belligerents to promote a diplomatic solution would have given more credibility to the Community's actorness in the crisis.

On the contrary, however, some European private companies seized the chance to profit from the conflict and, despite the neutrality declared by the leaders in Bonn, Rome, Paris, and London, smuggled weapons into both Iran and Iraq in defiance of international law and parliamentary controls. The transfer of weapons to the two belligerents in what one journalist has called "the biggest arms bazaar in the history of the world" epitomized the inconsistency of EEC policy during the conflict, the prevalence of commercially driven interests, and the inability of the Community's institutions to monitor the policy of the member states in such a delicate yet crucial domain.[59]

57. E. STORNELLI, *Dialogare con Teheran, le relazioni tra Europa e Iran, dalla rivoluzione del 1979 alla questione nucleare*, in: E. SALGÒ, op.cit., pp.85-109, here: p.87.
58. TNA, PREM 19/278, Henderson (Washington) to FCO, 09.06.1980.
59. K.R. TIMMERMAN, *Europe's Arms Pipeline to Iran*, in: *The Nation*, 18-25.07.1987.

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Table 4

Arms exports to Iran from 1951 to 1985
(percentages and millions of dollars)[60]

	UK	France	Rest of Europe	USA	Total (US$m)
1951–1955	0	0	0	99	54
1961–1965	0	0	0	100	1,203
1971–1975	28	2	2	67	9,774
1981–1985	10	7	3	0	1,868

In the case of France, the issue first surfaced in early 1986 with allegations of illegal shipments to Iran of nearly 500,000 artillery shells from 1983 to 1986, in violation of a ban imposed by the French President on arms sales to Iran.[61] The same happened in Italy with the unclear involvement of some Italian companies in the sale of weapons to the Islamic Republic in the second phase of the war.[62] The allegations triggered a series of hearings before the Italian Senate and before the European Parliament,[63] and induced the EP to approve a resolution that openly condemned this flow of weapons to the fighting parties.[64] Besides the clear domestic implications of these allegations, the inadequate control shown by some European governments in the implementation of the arms embargo, coupled with their lack of diplomatic assertiveness and the paucity of Community cohesiveness, stand as further proofs of the small amount of political capital the EEC countries invested in the management of the crisis.

60. Data reported in: B. MØLLER, *The EU policy towards the Persian Gulf*, in: M. KAIM (ed.), *Great Powers and Regional Orders. The United States and the Persian Gulf*, Ashgate, Farnham, 2008, pp. 197–222, here: p.203. The data are calculated by the author on the basis of figures from M. BZOSKA, F.S. PEARSON, *Arms Transfers to the Third World, 1971-1985*, Oxford University Press, Oxford, 1987, pp.338-351.
61. On the so-called "Irangate" affair see the journalistic but still pretty accurate account: W. DE BOCK, J.-C. DENIAU, *Des armes pour l'Iran: L'Irangate Européen,* Gallimard, Paris, 1988.
62. On the allegations see a series of articles that appeared in the Italian newspaper *La Repubblica* in late 1986 and early 1987. Among them: http://ricerca.repubblica.it/repubblica/archivio/repubblica/1987/03/04/gli-utensili-agricoli-erano-armi-da-guerra.html; http://ricerca.repubblica.it/repubblica/archivio/repubblica/1986/11/19/obici-all-iraq-mitraglie-Tehran-ecco-le.html.
63. Transcripts of the allegations reported before the EP can be found at: http://www.radioradicale.it/exagora/fornitura-di-armi-alliran-0.
64. Resolution presented on 8 December 1986 before the European Parliament by EP members Jef Ulburghs and Roberto Cicciomessere on the arms shipment to Iran; the resolution was approved on 11 December 1986.

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Table 5

Arms sales during the Iran–Iraq war
(percentages and millions of dollars)[65]

	Iraq	%	Iran	%
France	4.9	19	132	3.5
Netherlands	0	0	21	0.6
FRG	24	0.1	0	0
Italy	126	0.5	71	1.9
Spain	99	0.4	0	0
UK	16	0.1	180	4.8

This already embarrassing scenario for the Community and for Europe as a whole was further aggravated by the inability of the EEC to take a common position on one of the most ignominious chapters of the war: the deployment of chemical weapons by Baghdad. In March 1984 the Ten only agreed on expressing "distress at reports of these atrocities" but the Community could not reach a majority on the question of export controls on chemicals. It would take other two years for the now twelve EEC members to officially condemn the use of chemical weapons and call for an international chemical weapons ban.[66]

While throughout the conflict France persisted in its policy of open support to Baghdad and covert supply of weapons to Iran, West Germany, Britain and Italy were determined to retain, if not reinforce, their shares of Iranian imports. Even if never intended as an initial step in a collective response to the war, their commercial engagement in the country contributed to preserving a link between Iran's demand for imports and Europe's need for the country's energy supplies. In this sense the relation that German, Italian or British companies maintained with some sectors of the Iranian economy cleared the ground for the initially faint, then increasingly substantial, re-establishment of bilateral relations in the late 1980s and for the launch of a more coordinated and comprehensive plan of normalization in the early 1990s. However, obstacles remained on the road to normalization. In the case of Britain the fatwa issued in 1989 by Ayatollah Khomeini against writer Salman Rushdie represented a major impediment to the improvement of relations up until the early 1990s.[67] As for France, the dispute over Iran's involvement in the EURODIF project, together with the seizure of French hostages in Lebanon by Hezbollah, delayed the normalization of bilateral relations by almost a decade. It was only after the release of the last hostages in May 1988 that President Mitterrand ordered the resumption of diplomatic relations between Paris and Tehran. Three years later, in July 1991, he announced a visit to Tehran, the first by an EEC Head of State in such capacity since the revolution. The assassination of Prime Minister Shapour Bakhtiar in Paris in August 1991 and the

65. B. MØLLER, op.cit., p.205.
66. For the texts of the statements see: C. HILL, K.E. SMITH, *European Foreign Policy, Key documents*, Routledge, London, 2000, pp.328-330.
67. On Iran–Britain relations after the revolution see: C. RUNDLE, *Iran–United Kingdom Relations since the Revolution: Opening Doors*, in: A. EHTESHAMI, M. ZWEIRI (eds), *Iran's Foreign Policy: From Khatami to Ahmadinejad*, Ithaca Press, Reading, 2008, pp.89-104.

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consequent cancellation of the visit only delayed the rapprochement. Between 1991 and 1992 the settlement of the EURODIF dispute and growing French interest in Iran as an export market after the Gulf War and the loss of the Iraqi one, paved the way for the gradual return to Iran of French businessmen, and for a general improvement in the bilateral relations.[68]

In the meantime Iran was also getting ready for a new chapter in its relations with the European countries and with the Community. After closing the war with Iraq in August 1988 and mourning the death of the Supreme Leader and father of the revolution Ruhollah Khomeini in the following June, the country entered a process of economic modernization and political engagement with the West. Under the leadership of the new, pragmatic president, Akbar Hashemi Rafsanjani, elected in 1989, Tehran embraced a series of reforms aimed at liberalizing trade, encouraging foreign firms to enter into joint ventures, and inviting foreign oil companies to participate in oil operations on Iranian soil. The Iranian government also actively contributed to the release of some of the Western hostages still held in Lebanon.

In 1992 the launch of the Critical Dialogue by the European Council ratified this new phase in Europe–Iran relations, translating this progressive rapprochement between some EU countries and Iran into a European policy. The Dialogue was inaugurated on the occasion of a meeting of the European Council held in Edinburgh with the purpose of improving relations with the Islamic Republic in a number of areas, particularly human rights, and of "determining the extent to which closer relations and confidence could have been developed".[69] Both political and economic reasons drove the launch of the initiative. In 1987 the data related to the Iranian import market showed a substantial continuity compared to those of ten years before. The European Community share had remained almost constant: 44% in 1978, 45% in 1987. West Germany's share was still the largest, followed by Italy, Britain, and France. The data are even more relevant when compared with the dramatic decrease in the US share: from 24 to 1%. As stated by Parsons,

> "the statistics suggest that even a violent and disruptive political event such as the Iranian Revolution does not necessarily change traditional patterns of trade except in extreme circumstances such as the Iranian–US breach".[70]

Politically, the launch of the dialogue, presented by some analysts as an initiative grown out of German interest in further consolidating its economic relations with Iran, was actually produced by the awareness that the changes underway in Iran's domestic scene and international posture, together with the new approach embraced

68. The settlement came after France made payments of about $330 million and $300 million in 1986 and 1987, and after the release of French hostages in Beirut. Diplomatic ties were fully restored in May 1988. By 1988 Iran had already resumed its ties with all 12 members of the community including Britain, which still had hostages in Lebanon. On the high expectations and political significance of the Mitterrand visit see: *Mitterrand Will Visit Iran; Easing Tehran's Isolation*, in: *The New York Times*, 04.07.1991.
69. Conclusions of the European Council on Iran, Edinburgh, 12.12.1992, in: C. HILL, K.E. SMITH, op.cit., p.158.
70. A. PARSONS, op.cit., p.228.

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by some of the EEC countries, necessitated a reformulation of European strategy vis-à-vis Tehran.[71] The general consensus that Iran was moving toward a future of modernization and political liberalization also contributed to the new climate of collaboration. The result marked the beginning of a new season, both for Iran's relations with the West, and for the Community, which, through the Dialogue, established itself as Tehran's first diplomatic and commercial interlocutor in a phase of gradual opening and reform of the Islamic Republic.

Conclusions

> "The need for greater European solidarity and the development of close cooperation in foreign policy has been highlighted by the recent increase in international tension as a result of events in Afghanistan and Iran. These events have reminded us of the weakness of a policy of isolation and of the possibilities offered by the European Community, through development of its mechanisms for Political Cooperation, to agree a common European response which may help to deal with the international crises. However limited our capacity to achieve such common positions may yet be; they are the only means by which any of the Community's Member States can significantly influence world events".[72]

These words, pronounced in May 1980 by the British journalist, businessman and politician Christopher Tugendhat, then member of the Jenkins Commission, express clearly both the limits the EEC countries encountered in coordinating their responses to the unexpected political change in Iran and the awareness that instruments such as the EPC, though weak and imperfect, represented the only means at European disposal to have some sort of influence on the global scene.

The analysis presented here has confirmed these two elements and, more generally, the contradictions that have traditionally characterized the Community's international profile. Whereas, on the one hand, the Nine showed a good deal of cohesion and coordination in the response to the hostage-taking in November 1979, and to the American pressure to impose sanctions in the following months, the instruments at their disposal proved, at most, inadequate. In this regard it is revealing that at the most critical moments of the crisis, the most efficient and timely mechanism of collaboration proved to be what historian Marie Gainar has called the "hidden diplomacy" of the Ambassadors of the Nine in Tehran.[73] Though driven by the need to protect national interests, their efforts signalled a genuine attempt to craft a common response in the face of the uncertainty of the Iranian situation and awareness of the European states' vulnerability in such a fluid context. If the Ambassadors of the Nine gave proof

71. On the origins, purposes, and outcomes of the Critical Dialogue see: V.M. STRUWE, *The policy of "critical dialogue": an analysis of European human rights policy towards Iran from 1992 to 1997*, Working Paper presented at the Centre for Middle Eastern and Islamic Studies, Durham, 1998.
72. AEI, Speech by Christopher Tugendhat, 16.05.1980.
73. M. GAINAR, op.cit., p.541.

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of a proactive attitude, occasionally able to make up for the weakness of the political instruments at their disposal, the picture looks gloomier at the institutional level. The EEC Council of Ministers and the European Council addressed the crisis on the occasions of meetings held between 1979 and 1980. Yet, in many cases, such meetings did nothing but harmonize the positions of the Nine and ratify decisions already taken in the ECP framework or through the informal ambassadorial coordination.

The situation appears even worse when we consider the Community's policy vis-à-vis the Iran–Iraq war. As this article has shown, the conflict marked a return of the EEC members to national approaches in their dealings with Tehran. Two elements contributed to this shift: on the one hand the further rise in international tensions made any political dialogue or structural cooperation with Iran impossible, and significantly affected any chance for the Community to draw up a common policy toward the Islamic Republic. On the other, the military support provided by some European countries to the two belligerents, which not only openly violated the policy of neutrality but also represented a breach of the European commitment to cooperation in case of crisis, greatly undermined any chance of developing a common strategy in response to the crisis. After giving proof of (relative) cohesion and assertiveness when confronted with the pressure coming from Washington, with the uncertainty of the Iranian situation, and with the resulting difficulties in the protection of their economic interests, the EEC members were not able to display the same cohesion when the priority shifted from preserving to enhancing such interests and framing them within a multilateral action.

It took the end of the war in July 1988, the death of Ayatollah Khomeini, and the settling of a series of diplomatic and economic disputes between Tehran and some European countries, to break the deadlock in EEC–Iran cooperation and to turn the bilateral collaboration that some EEC countries managed to preserve, if not to reinforce, with Iran during the 1980s into a European policy, a shift ratified by the launch of the Critical Dialogue in December 1992. The following fifteen years would be the high-water mark of European–Iranian "elusive normalization", with a further increase in commercial exchange and a consolidation of the diplomatic relations between the EU and Tehran. In this context the Critical Dialogue, later evolved in the Comprehensive Dialogue, would stand as one of the highest points in European diplomatic action in the Middle East. This phase would end in the mid-2000s with the failure of the EU3–Iran negotiations on the nuclear issue and the consequent convergence of the European and American position in condemning Tehran's defiant conduct vis-à-vis the United Nations and the international community.

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