The restoration of the US political ties with Cuba and Iran signals Obama’s determination to deliver on his promise made as presidential candidate to reiterate the principle of engaging one’s enemies. Like his predecessors: Richard Nixon visited the Peoples Republic of China in 1972 and Ronald Reagan negotiated arms reductions with the Soviet Union in 1987; Obama made a historic move by starting the process of normalisation of the U.S. relations with Cuba and by making a preliminary agreement with Tehran within the P5+1 negotiations over Iran’s nuclear program. Even though both Cuba and Iran still remain burdened with embargoes/sanctions and listed in the US as State Sponsor of Terrorism, the first significant steps towards thawing the relations have been made. Given that Obama’s decisions in each case were made in particular circumstances and each of his decisions might have very different regional outcomes, it remains to be seen how they will influence the regional geo-political dynamics.

In the case of the American-Cuban breakthrough, the end of Cuba’s isolation has a potential to considerably improve cooperation at the regional inter-American level. Since the beginning of Obama’s first term in the Office, one of the President’s foreign policy goals was to open a new chapter in the US relations with the Southern hemisphere neighbours. In spite of this, the two Summits of the Americas in 2009 and 2012 turned out to be futile in this respect mainly due to tensions over Cuba not being allowed to take part in the gatherings. This year, Obama managed to change the dynamic. Cuba was invited to attend the meeting for the first time since the Summit’s establishment in 1994. In fact, the first historic meeting of Barack Obama and Raúl Castro took place in Panama on the sidelines of this year’s Summit. Obama stated on the occasion that the best way to address the US disagreements with Cuba and other countries in the hemisphere on issues such like human rights and democracy was by engaging with them. Even though many tensions between the US and its South American neighbours remain to be solved, Obama’s move to re-establish the US relations with Cuba was warmly welcomed by all the leaders taking part in the summit.

The process of normalisation of the US-Cuba bilateral relations, which started last year, was indeed long awaited throughout the Latin American and Caribbean region. In the aftermath of a successful secretly negotiated deal on prisoners swap, the US President announced the restoration of full diplomatic relations with Cuba. The initial steps proposed by Obama included the re-establishment of
the embassies in Havana and Washington; exchange of high-level officials’ visits; cooperation in areas such as health, migration, counter-terrorism, drug trafficking and disasters response; facilitation of travel, commerce and flow of information to and from Cuba and most importantly a review of Cuba’s status as a State Sponsor of Terrorism. Four months later, in mid-April the State Department submitted to the White House a report demonstrating that Cuba no longer deserves the designation imposed in 1982. The review assessed that Cuba meets the criteria established by Congress for rescission. Thus, Obama’s decision to remove Cuba from the list is rather unlikely to be challenged by the Congress and therefore should take effect by the end of May, 45 days from the submission of the report.

Yet, lifting the decades-long embargo against Cuba remains much more problematic. The Cuban embargo is enforced through six separate statutes; the purpose of one of them called Cuban Democracy Act of 1992 is to maintain sanctions on Cuba as long as the Cuban government refuses to move towards democratization and greater respect for human rights. Despite the Obama’s administration believe that this goal can be easier to achieve through engagement than isolation, a decision regarding lifting the embargo, as a legal matter, needs to be approved by the US Congress and thus remain uncertain.

Unlike the US-Cuba re-establishment of diplomatic relations, the opening of dialogue with Iran and the question of ending the US sanctions go beyond the bilateral relations framework. Lifting US sanctions, as well as the sanctions imposed on Iran by the EU and the UN, depends on the finalisation of the agreement constraining Iran’s capability to make nuclear weapons. The preliminary agreement on Iran’s nuclear program that was reached in the Swiss city of Lausanne on the 10th of April is part of the negotiation process initiated in 2006 between Iran and the so-called P5+1 major powers (five permanent members of the UN Security Council plus Germany). The Framework Agreement still has to be completed through a Final Agreement by June 30, 2015. The main objective of the negotiations on the US and its counterparts side is to increase the so-called breakout period in which Iran could develop a nuclear weapon from a couple of months to more than one year. In the preliminary agreement, Iran has agreed to reduce sharply the number of centrifuges that produce enriched uranium, reduce its existing stocks and modify its heavy water Arak reactor to produce non-weapon grade plutonium. Iran also accepted a strong inspection process by the International Atomic Energy Agency. In return Iranian leaders expect the punishing sanctions, which have severely limited Iran’s oil exports and crippled its economy, to be lifted as soon as a written accord is signed. The dispute over the timing of the punitive measures removal has been the main flash point when the American and Iranian leaders commented the initial deal. Currently however, Obama does not insist that the US sanctions can be removed only in phases as Iran follows with its obligations. Rather than the timing of sanctions relief, the priority is to create a system for re-imposing sanctions in case Iran is caught cheating.

In contrast with the Cuban case, a nuclear deal with Iran, the first serious engagement between the US and the Ayatollahs’ regime since the 1979 revolution, has not been welcome everywhere in the region. Israel and Saudi Arabia, aware that a nuclear deal could lead to surprising shifts in the region, remain the most outspoken critics of the agreement under negotiation. Iran with a population of about 80 million is not only the largest country in the region but also has enormous oil and gas resources. If it is released from the sanctions, and gains access to western investment and technology, Iran could rapidly become the leading regional power. On top of that, Tehran has substantive influence in Syria, Iraq, Yemen, Lebanon and Gaza and is already a sort of ally against ISIS extremists in Iraq. A collaborative Iran would be a major advantage to the US. Hence, for Israel’s leadership a real fear is perhaps not so much Iran getting a nuclear weapon but the possibility of diminishing Israel’s strategic importance to the US as a potential consequence
of a nuclear deal. Iran’s Sunni Arab neighbours, especially Saudi Arabia, are also concerned. They see the potential strengthening of Shia Iran as a long-term threat to their predominance in the region. Like Israel, they would very much like to see the deal fail. Obama’s administration has to face complex strategic challenges in the Middle East – it needs to handle multiple proxy confrontations between Iran and the US regional allies, while pushing the negotiators to finalize successfully the nuclear deal with Iran. A failure of the final agreement might mean confrontation with Iran instead of cooperation.