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“The Risk of Premature Sanctions”

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The Paradox of Iran

The paradox of Iran is that of a society which aspires to be like South Korea—prosperous and globally-integrated—hindered by a hardline revolutionary elite whose ideological rigidity and isolationism more closely resembles North Korea. During Iran’s 2013 presidential campaign, Hassan Rouhani marketed himself to both these interest groups as the man who could reconcile the ideological prerogatives of the Islamic Republic with the economic interests of the Iranian nation. Despite these raised expectations, however, Iran today remains a country of enormous but unfulfilled potential.

From the outset of his presidency, Rouhani understood that Iran’s economic malaise could not be reversed without lifting sanctions, and lifting sanctions requires a nuclear deal. He accordingly invested all of his political capital in nuclear diplomacy rather than domestic affairs, and refrained from unsettling Iran’s conservatives—whose support he needs to secure a nuclear compromise—with talk of democracy and human rights, or an alteration of Tehran’s regional policies. The combination of an interim nuclear deal, normalized U.S.-Iran dialogue, and the appointment of competent economic managers has helped curb rampant inflation, increase oil exports, and improve private sector confidence.

While Iran’s economy has shown modest signs of improvement, however, members of Iranian civil society who supported Rouhani contend that more than a year later, [little has changed](#). According to Ahmad Shaheed, the United Nations Special Rapporteur on the situation of human rights in Iran, Iran’s already high execution rate has increased substantially since Rouhani’s election, while the persecution of religious minorities remains widespread. In recent weeks, the Islamic Republic reminded the world it is a place where young women risk acid attacks for “bad hijab,” imprisonment for attending male volleyball matches, and execution for protecting themselves against alleged rapists.

While Rouhani’s international detractors accuse him of being duplicitous, his domestic supporters worry that the fate of his presidency rests largely on a nuclear deal that he does not have the authority to complete. Critical decisions such as the nuclear file continue to require the blessing of Supreme Leader Ayatollah Ali Khamenei together with the Islamic Revolutionary Guard Corps, whose political and economic interests appear to be symbiotic. While a clear majority of Iran’s population and much of the outside world want to see Iran emerge from political and economic isolation, the Islamic Republic’s 35-year history has demonstrated that what hardliners lack in popular support, they make up for in coercive strength.

Implications of a Nuclear Deal for Iran Internally

Optimists hope that a nuclear deal will empower Tehran’s moderate officials and embolden civil society, creating a more tolerant and auspicious environment for reform. Skeptics fear that in the aftermath of any deal, the Islamic Republic will heighten its repressive apparatus to show its public that external flexibility doesn’t signal internal weakness. These scenarios are not mutually exclusive—a nuclear deal could both embolden moderates and invite a backlash from hardliners.

What’s important to note is that Iranian civil society has expressed near universal support for a nuclear accommodation. While [not all are hopeful](#) that it will lead to greater civil liberties, many believe a more internationally integrated Iran is conducive to the advancement of an open society. Contemporary history corroborates their instincts. Since the advent of the Islamic Republic, the country’s most repressive periods have been at times of external conflict and crises, which Tehran’s

hardliners have often instigated, exploited, and prolonged for internal political expediency, such as the 1979 hostage crisis.

Indeed, for Iran's hardliners the economic welfare of its citizens has always been secondary to domestic political expediency and revolutionary ideology. They shrewdly understand their authority is best preserved in isolation—similar to their allies in places like Pyongyang and Havana—and enmity with the United States is needed for internal legitimation. A nuclear deal that reduces Iran's isolation, potentially strengthens moderates at home, and raises popular expectations for further rapprochement with the United States, could be more threatening to regime stability than a continued standoff.

Implications of a Nuclear Deal for Iran's Foreign Policy

Advocates of a nuclear deal often assert that it would strengthen Tehran's moderates and augur greater U.S.-Iran regional cooperation on contentious matters such as Syria, Iraq, and Persian Gulf security. Skeptics fear a deal would not only fail to moderate Iran's regional policies, but would also provide Tehran a significant financial boost to buttress the Assad regime in Damascus and other regional proxies hostile to the United States and Israel.

While domestic Iranian politics is famously unpredictable, there is neither historical precedent, nor recent evidence, to suggest the Islamic Republic might abandon or modify its longstanding revolutionary principles, namely opposition to U.S. influence and Israel's existence. Throughout the last three decades these pillars of Iran's foreign policy have shown little signs of change, despite the election of moderate presidents or tremendous financial strain due to sanctions and/or low oil prices.

This is despite the fact that since 1979, the United States and Iran have faced common adversaries in the USSR, Saddam Hussein, the Taliban, al-Qaeda, and now ISIS. Indeed, as Henry Kissinger once wrote, "there are few nations in the world with whom the United States has more common interests and less reason to quarrel than Iran." Yet successive U.S. presidents have tried and failed to turn these overlapping interests into a cooperative working relationship.

While the overlap in U.S. and Iranian interests may at times allow for tactical cooperation, as long as Ayatollah Khamenei remains Supreme Leader Iran is likely to maintain strategic enmity with the United States. One of the fault lines between Iran's so-called "principlists"—those who believe in fealty to the principles of the 1979 revolution—and its pragmatists is the fact that the latter have been willing to work with the United States against Sunni radical groups (such as the Taliban and al-Qaeda), while the former have been willing to work with Sunni radical groups against the United States.

Though Khamenei's hostility is cloaked in ideology, in reality it's driven by self-preservation. As the powerful cleric Ahmad Jannati once noted, "If pro-American tendencies come to power in Iran, we have to say goodbye to everything. After all, anti-Americanism is among the main features of our Islamic state." In July 2014 Khamenei himself asserted that "Reconciliation between Iran and America is possible...but reconciliation between the Islamic Republic and America is not."

Managing Irresolution

There is a strong possibility that nuclear negotiations will result in neither a comprehensive resolution nor a comprehensive failure, but a limited agreement and extended negotiations. In such a scenario, the role of Congress remains especially critical. While the precise merits and demerits of a limited deal and the terms of an extension cannot be assessed beforehand, two broad principles are important to keep in mind:

- Any scenario must be measured against not a utopian ideal (the total dismantlement of Iran's nuclear program), but realistic alternatives.
- The intent of U.S. policy should be to deter Iran's nuclear advancement, not provoke it.

Given the widespread assessment of the United States and European allies that economic pressure forced Tehran to seriously negotiate, Congress might be tempted to enact additional sanctions in order to coerce an Iranian compromise. Premature, unilateral U.S. sanctions, however, run the risk of jeopardizing P5+1 unity, tainting America's favorable standing among the Iranian people, and precipitating a conflict.

Rather the force greater Iranian nuclear concessions, additional sanctions would more likely encourage Iran to recommence its nuclear activities and curtail its already limited cooperation with the International Atomic Energy Association (IAEA). Iran's calculations—which may prove to be miscalculations—are in part driven by the view that President Obama is desperate for a foreign policy victory and Washington, not Tehran, will be blamed for abrogating the collectively agreed upon Joint Plan of Action (JPOA).

While the global embargo of the Iranian economy has up until now remained largely intact, in the event of a diplomatic breakdown it's uncertain whether Europe, Russia, and Asia will continue to forsake their own commercial and strategic ties with Iran to placate the United States. In contrast to the era of bombastic Iranian president Mahmoud Ahmadinejad, today China, Russia, and even many European allies believe Iran is too critical to Middle East stability to be shunned, and President Rouhani and Foreign Minister Zarif are reasonable leaders who should be engaged and strengthened, not sanctioned and weakened.

The worst scenario for U.S. interests is one in which Congress overwhelmingly passes new sanctions, Iran resumes its nuclear activities, and international unity unravels. Such an outcome would force the United States to revisit the possibility of another military conflict in the Middle East, an option that few Americans favor.

In this context, Congressional legislation should be devised to lock-in Iran's current compromises, deter Iranian encroachment, and incentivize greater Iranian compromises. In essence, Iran should have both strong disincentives to move forward together with strong incentives to compromise. In order to maintain international unity, it's important that Iranian encroachment trigger additional Congressional sanctions, rather than Congressional sanctions triggering Iranian encroachment. Put another way, Congressional sanctions should be conceived in order to deter Iran's nuclear ambitions, not provoke them.

It's also important for Congress to think more creatively about ways to align itself with the aspirations of the Iranian people, not only against the nuclear aspirations of the Iranian government. U.S. policies necessary to counter Iran's nuclear program and the policies needed to facilitate political transformation in Iran are at loggerheads. The economic pressure and political isolation that have proven necessary to force Tehran to reassess its nuclear ambitions are hurtful to Iranian civil society and the private sector, which require political and economic engagement.