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THE CURRENT: What have “maximum pressure” sanctions against Iran accomplished?

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(MUSIC)

PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

This week, the Trump administration issued new unilateral sanctions against Iran, following an attempt to reimpose UN sanctions as part of the JCPOA nuclear deal, an agreement the U.S. withdrew from in 2018. With us to discuss this move and what it means for the U.S., Iran, and the nuclear deal is Suzanne Maloney, vice president and director, Foreign Policy here at Brookings. Suzanne, thanks for talking to us this morning.

MALONEY: Glad to be here.

PITA: So why now? What led the administration to believe that they needed to issue new sanctions against Iran at this time?

MALONEY: Well, the trigger for the decision to go nuclear, as one might say, with respect to the broader process of U.S. unilateral sanctions and engagement with the United Nations on Iran was the expectation of the expiration of an arms embargo on Iran in October of this year. And that was really what prompted the administration to seek to invoke the snapback clause, which was one of the many complicated elements of the 2015 Joint Comprehensive Plan of Action negotiated by the Obama administration and five other world powers with Iran as a means of trying to defer Iran's nuclear advancement.

The snapback provision essentially means that any one of the permanent five members of the UN Security Council, if it is unsatisfied with the Iranian compliance with the nuclear deal, can effectively force the reimposition of United Nations sanctions that had been in existence prior to the deal. Of course, the complication here is the United States is no longer a party to the deal by its own choice, as you indicated in the opening question. By departing from the deal, the U.S., in the eyes of the other parties to the agreement, as well as in the eyes of the UN secretary general, is no longer having status to invoke snapback and to force the United Nations and the rest of the international community to reimpose their own sanctions on Iran. This is a highly contested legal issue. There is a technical, narrow legal argument that even some of my colleagues at Brookings have at times endorsed, that despite its departure from the deal, the U.S. can still claim status.

But the real relevance here is the political relevance. From the perspective of other world powers that had been seeking to preserve the deal despite U.S. efforts to undermine it now for more than two

years, it simply doesn't matter what the legal arguments might be. The real important question here is the fact that the U.S. is no longer considered by the other parties to the deal to have this status and therefore they have effectively all stated that they will not abide by the U.S. decision.

PITA: What does this mean for the integrity of the deal, so to speak? If the U.S. is issuing its own level of punishment in its own sanctions, even without the imposition of the formal UN sanctions, how does this affect Iran? I guess maybe I should ask first, what is involved in the U.S.' own unilateral sanctions that it has put into place?

MALONEY: Well, here's the additional complication. The United States has been in a go-it-alone mode on Iran really since the beginning of the Trump administration in 2017. And certainly after the departure from the deal, and then a year later in May of 2019, the decision by the Trump administration to try to ratchet up economic pressure by refusing to provide waivers for Iran's continued export of oil to other countries around the world, there has been a sense that the U.S. is pursuing a wholly unilateral approach to Iran, one that its traditional partners and allies and of course the other critical parties to this arrangement completely opposed. And so, in many respects this decision this week only crystallizes, only formalizes a process that has been underway now for at least three and a half years, of separation of U.S. policy on Iran from all of its partners, whose partnership has really been so effective in trying to come to a diplomatic arrangement with Iran, which, while not perfect, certainly represented an improvement over the situation that existed until the deal was negotiated.

For that reason, I think we are very much in a position where Washington's policies are completely disassociated from its allies and partners on Iran, where American economic pressure exists independent of the decisions of the rest of the world. The difficulty of course is that the U.S. economy is still the largest economy in the world and our ability to restrict Iran's access to the international financial system remains quite powerful. And so, while the rest of the world is not in fact supportive of the sanctions that the United States has imposed under the Trump administration on Iran, in many cases we've seen firms, individuals, entities around the world have been forced to abide by them simply to preserve their own access to the American economy and to the U.S. dollar.

This latest round will prove interesting I think what we'll see is that in many cases European governments, despite their disinclination to support the Trump approach to Iran, are likely to avoid direct conflict with these new measures because they, in and of themselves, are not terribly interested in seeing Iran's conventional military capability enhanced by new arms sales. But of course, the real challenge will come from Russia, China, and other third parties that will see an economic opportunity to provide weaponry to Iran, to further ingratiate themselves with the Iranian leadership. And there I think we will see a Trump administration at least very predisposed to applying sanctions to those entities in Russia, China and elsewhere that do engage with Iran on military sale.

PITA: I want to ask you to dig into that a little bit more, looking in the longer-term perspective. As you said, no one would be surprised that Russia and China would take up further trade with Iran once this arms embargo expires, but the rejection by U.S. allies and former partners, what sort of effect does that have in the longer term, in terms of international willingness to cooperate with not even just this specific set of new restrictions on Iran, but more broadly, in terms of cooperating with the US.?

Maloney: Well, I think that we are reaching the tipping point. Trump's policy on Iran has always incorporated a kind of disdain for taking into account the perspectives of allies. And it's moved now to really an explicit rejection of any kind of multilateral diplomacy on Iran. We know from 40 years that

unilateral diplomacy hasn't resolved our differences with Iran and our concerns about Iran's nuclear ambitions, as well as its actions in the region. And so, the decision to go it alone and the sharp breach with not just our allies in the kind of closed-door diplomacy that helped bring about the nuclear agreement, but also with the United Nations itself on this issue with the global community on the question of Iran, I think vastly erodes American leadership and puts us in a position of great weakness, not simply when it comes to dealing with Iran, but when it comes to all the other challenges that we might be facing.

I think the other important aspect of this latest round of diplomacy and sanctions on Iran from the Trump administration is that it exposes the utter lack of efficacy of the Trump administration's policy on Iran. That despite applying maximum pressure, despite finding everything that moves and sanctioning it in Iran, Iran continues to reject any new negotiations with the Trump administration on the deal. It has itself walked away from some of its obligations under the nuclear deal and began to expand its nuclear program in ways that bring it closer to nuclear capability in a very worrisome fashion for the rest of the world. And we see no meaningful diminution of Iran's sway across the region and its ability to wreak havoc in key areas and promote instability across the Middle East. And so, when you look at the track record of what "maximum pressure" has accomplished, it's very, very minimal and it's come at a very great cost to U.S. leadership around the world and U.S. credibility in the international environment.

PITA: Joe Biden has said that if he wins the election that he would be looking to return the U.S. to the nuclear deal and try to renew negotiations in order to build a more comprehensive nuclear agreement. If he does win in November, what will a Biden administration be facing with Iran? Will they be willing to come back to the table to a new administration? Between them, and the rest of the world, what will a Biden administration's options be?

MALONEY: Biden has signaled that Iran is an important priority, not simply because of the significance of trying to put more distance between Tehran and nuclear weapons capability, but because of the symbolic value of American rejuvenation of its support for international agreements. The JCPOA has not been widely read outside the world of policy wonks and diplomats, but it is a symbol, much like the Paris Accords, of an America that was willing and capable of leading the world to find diplomatic solutions to the world's toughest problems. And so, I think a Biden administration would look for an early easy win on Iran simply to send that signal to the rest of the world that we're back and we're ready to cooperate.

There will be some difficulties, of course. The Iranians have said that the U.S. must move first and, of course, that may be less palatable, once in power, to a Biden administration. Iranians have also said, as recently as just this week in comments by Foreign Minister Javad Zarif, that they expect compensation. The Iranian economy's been devastated by the sanctions that have been imposed by the Trump administration in contravention to its obligations under the nuclear deal. The tally that Iranians and outside economists often cite is hundreds of billions of dollars, not simply in oil revenues that were not achieved because of the prohibitions on those transactions, but in the deferred growth that the Iranian economy would have experienced had these sanctions not been in place. And so, I think we are likely to experience an Iran that is going to try to get as much as it can even an early phase of diplomacy and it is not going to be amenable to what the Biden administration describes as its real goal, which would be not simply to rejoin the deal, but to begin follow-on negotiations about what a broader, longer-range agreement might look like. And this is particularly important because some of the other restrictions under the deal. Notably, the restrictions on long-range missiles begin to expire in 2023 and so there will be a

need for Biden administration, if one comes to office, to demonstrate that it's beginning to take action to avert Iran's greater access to technology that would occur during a first term of a Biden administration.

The other issue, I think, is simply just bandwidth. Iran is an important priority; the symbolism, as I said, as important, but a Biden administration, if it comes into office in January, will be facing an array of other issues and a need to focus on the economy, on containing and mitigating the pandemic, and trying to rebuild America as much as it needs to be rebuilding U.S. diplomacy in the world. For that reason, I expect that what we'll see is a relatively modest diplomatic arrangement between the United States, its partners, and possibly, hopefully Iran to find some platform for negotiations that will preserve the space for diplomacy, while a President Biden and the rest of the administration put the bulk of their focus not on international diplomacy on Iran, but on the broader challenge of this pandemic and the economic crisis that the world is facing.

PITA: All right. Well, Suzanne, thanks very much for talking to us and explaining this today.

MALONEY: Thanks so much to you, Adrianna.