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From the Ashes of the Nuclear Deal: The Trump Administration's Iran Strategy

Hijab Shah and Melissa Dalton

A set of potentially devastating U.S. sanctions on Iran's petroleum and petrochemical industry will go into effect on November 4, 2018 — two days before the U.S. midterm elections. These sanctions are part of the Trump administration's [Iran strategy](#), built on the assumptions of Iranian insincerity in rolling back its nuclear program under the multinational Joint Comprehensive Plan of Action (JCPOA) agreement and the growth of Iran's destabilizing behavior and capability development in the Middle East. This new strategy came into effect a year ago in October 2017, five months after the Trump administration backed out of the JCPOA, aiming to take a harder line on the Islamic Republic than its predecessor.

As U.S. sanctions are re-imposed, questions [loom](#) within and outside the United States, particularly as European allies work to preserve the JCPOA and may be subject to U.S. sanctions. Past unilateral sanctions against Iran have been perceived as unsuccessful, and the Trump administration's resumed reliance on this controversial economic tool as a main driver of its strategy raises several questions. Are these sanctions doomed to fail? Is hinging U.S. strategy almost entirely on economic sanctions the most effective way to counter the Islamic Republic? What areas might the United States be neglecting in its purportedly multi-pronged, but in reality narrow approach towards Iran? Will Iran find ways to subvert not just economic sanctions, but other U.S. countermeasures as well?

The Administration's Strategy and a Divided Congress

In his October 15, [Foreign Affairs op-ed](#), Secretary of State Michael Pompeo delineated the Trump administration's "maximum pressure" strategy for Iran. The strategy offers a "multi-pronged pressure campaign," focusing mainly on economic sanctions. It also emphasizes an intent to deter expose Iran's malign activity. It targets Iran's growing destabilizing influence in the Middle East, [threatening retaliation](#) for any attacks on U.S. or allied interests that can be traced back to Iran. The strategy relies

heavily on [targeting Iran economically](#), particularly to curb Tehran's funding of the paramilitary Islamic Revolutionary Guard Corps (IRGC) Qods Force and the anti-U.S. and anti-Israel proxies it sponsors in Syria, Lebanon, Yemen, and Iraq.

As with the initial implementation of the JCPOA under President Obama, a [range of views](#) exist within Congress on the Trump administration's new Iran policy. On the one hand, there are those who support a harder line against Iran, pushing the [Countering America's Adversaries Through Sanctions Act](#) in August 2017 that allowed for the re-imposition of sanctions on Iran amongst other countries. On the other hand, there are those who oppose the escalation of U.S.-Iranian tensions, passing an [amendment to the National Defense Authorization Act](#) asserting that the U.S. president did not have the power to militarily strike Iran — as he has [threatened](#) to do — without Congressional approval.

Likelihood of Success?

Some of the harshest critics of the Trump administration's new Iran strategy point to the [failure of past sanctions](#) to deter Iran from engaging in malign activity. The sanctions regime initially instituted by the Carter administration in 1979 and intensified by the Clinton administration in 1995 and the Bush administration in the early 2000s largely bolstered rather than deterred the Islamic Republic and its anti-U.S. narrative. French President Jacques Chirac is [quoted](#) in March 1996 as telling U.S. diplomats in Paris that "it would be very dangerous to isolate Iran totally; experience proves that the U.S. embargo benefits only the extremists." President Chirac foreshadowed the emboldening of the Islamic Republic, the consolidation of power by the IRGC, and the advancing of Iran's nuclear weapons program. Faced with yet another era of U.S. sanctions under President Trump, history could be repeated in this manner, and further isolation could lead Iran to becoming a greater threat to the United States and its allies and partners in the future.

With the new U.S. strategy relying [disproportionately](#) on economic sanctions to mitigate the Iranian threat, the Trump administration may be neglecting other areas that are inadvertently contributing to Iran's rise as a regional power. One such area is how the United States will deal with Saudi Arabia in the aftermath of Jamal Khashoggi's alleged [murder and dismemberment](#) at the hands of Saudi diplomats and officials in Turkey. Iran has largely watched [silently](#) from the sidelines as Saudi Arabia's reputation — and by association, that of the United States — has taken a blow in the international community. This is a boon for Tehran, whose domestic support and regional narrative hinges on painting Saudi Arabia as

the violent, ruthless, and oppressive U.S.- backed power-grabbers destabilizing the Middle East, while painting Iran as the self-reliant, regional alternative. Saudi operations in Yemen that have failed to protect civilians reinforce this narrative. When Iranian President Hassan Rouhani [finally spoke out](#) on the Khashoggi scandal, it was to say that Saudi Arabia would not “dare commit such a crime without the protection of America.”

Policy debates in Washington have centered on how the Khashoggi incident may undermine U.S. (and even Israeli) strategy vis-à-vis Iran, given the reliance on Saudi Arabia’s regional role to counteract Iran. The Trump administration – and Congress’ – policy and legislative choices to respond to the Khashoggi incident will also matter in terms of the resonance they will have the Middle East region, reinforcing negative public perceptions of U.S. credibility. Regional Arab partners will view these U.S. decisions as a litmus test for how far they can go in silencing journalistic and public dissent. Indirectly, Iran may end up with an upper hand in this regional battle of narratives, despite its own terrible human rights and governance record.

Relatedly, also a cause of concern is Iran’s steady recruitment of likeminded non-state proxy groups and sectarian militias that it sponsors within the region, particularly in theaters like Syria, Iraq, and Yemen. This network numbers about [40,000](#) and shares Iran’s ambitions of overthrowing the Sunni-led status quo and countering the influence of the United States, Israel, and other western allies within the Middle East. Their resolve may become potentially stronger still with the imposition of additional sanctions on Iran. Although U.S. sanctions are intended to dry up funding that Iran provides to these proxies, on the other hand it may open avenues for alternative funding streams through sympathetic parties and embolden the vision and objectives of the [Iranian-led alliance](#). This could increase rather than alleviate the threat posed by these groups to the United States and its regional allies and partners.

The impending U.S. sanctions could deal a significant blow to Iran’s already [tanking](#) economy. However, much of the international community — the [European Union \(EU\), China, and Russia](#) in particular — are at odds with the U.S. sanctions decision. They are continuing to work with Iran and shield it from the economic impact of these sanctions in a bid to salvage Iran’s adherence to the JCPOA. Despite EU representatives scrambling to prepare an economic package for Iran offsetting the impact of these incoming U.S. sanctions, the restrictions on Iranian oil and petrochemical trade could slash [\\$36 billion](#) worth of Iranian oil exports by [two-thirds](#). These sanctions will come into place on top of a [previous tranche of sanctions](#) that went into effect on August 7, 2018, which restrict Iran from buying U.S. dollars,

in addition to other constraints; despite the EU, China, and Russia's creation of a "[Special Purpose Vehicle](#)" (SPV) to facilitate Iranian export payments, the euro, yuan, and ruble may not be able to compete long term with the dollar to lubricate the oil trading system. The SPV may be a temporary measure to buy more time politically but may not forestall the unraveling of the JCPOA.

Eventually, domestic economic pressures will likely grow for Iran, but not necessarily in ways or in a direction that the United States can control. As proven by recent [protests](#) in Iran, anger will likely be directed towards the Iranian system with the potential to boil over. [History shows us](#), however, that the threat that domestic pressure poses to the Islamic Republic is more likely to result in a doubling-down of Tehran's consolidation and wielding of power to subdue its citizenry than it is to lead to regime change. Even in the unlikely scenario that the regime in Tehran is toppled domestically, the lack of a viable, organized, and sustained opposition (à la the [Arab Spring](#) revolts in Libya and Egypt) are likely to have unintended consequences that the United States is not prepared for, and could exacerbate rather than mitigate the threat posed by Iran to U.S. and allied interests.

Reinstating economic sanctions on Tehran will not alone address the range of threats the United States faces from Iran — the Trump administration must broaden its scope and focus on the larger challenge. Rather than focusing singularly on Iran's economy as the fulcrum of its new strategy, it must take a holistic approach towards the multifaceted challenge that Iran presents. The U.S. government should consider broadening its countermeasures against Iran. This should include US information operations that expose Iranian destabilizing activities and its human rights abuses, while taking a principled approach to conditioning Saudi arms sales on accountability for the Khashoggi murder and for ending Yemen operations that put Yemeni civilians at risk. The U.S. approach should also include a comprehensive intelligence and operational effort to deny logistical access and resupply to Iran's regional network. In addition, the United States should redouble its diplomatic efforts to bring political settlements to end the wars in Syria and Yemen. Bolstering deterrence exercises with regional partners and European will also signal U.S. allied and partner resolve.

Indeed, a holistic approach to addressing challenges from Iran will be stronger with allies and partners. Repairing relations with European allies by finding areas of common ground on the Iran and broader Middle East file following the JCPOA fallout will be critical, but made more difficult if they face the bite of sanctions. Using pressure to change the Islamic Republic's behavior has proven difficult historically. The one time that it arguably worked, albeit to achieve a short term and narrow halt to Iran's nuclear

activities, required a multinational and multifaceted effort, and a bipartisan sequence of pressure and incentives.

Hijab Shah is a research associate in the International Security Program at the Center for Strategic and International Studies (CSIS) in Washington, D.C. Melissa Dalton is a senior fellow and deputy director of the International Security Program and director of the Cooperative Defense Project at CSIS.

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