

## **THE JCPOA VIEWED FROM IRAN: IT'S THE ECONOMY, STUPID!**

July 14, 2016

Ariane Tabatabai  
*Visiting Assistant Professor of Security  
Studies in the Georgetown University  
School of Foreign Service and a Senior  
Associate with CSIS*

A year ago, Iran's Foreign Ministry officials, in charge of negotiating the Joint Comprehensive Plan of Action (JCPOA), hailed what they described as a new era for their country. The moderate president Hassan Rouhani had pledged to reintegrate his country into the international community. And his team presented the JCPOA as the first step toward this. But a year later, the JCPOA doesn't look like what Iranian officials had called a "win-win" solution from Tehran.

Until the JCPOA was signed, support for the nuclear negotiations cut across party lines in Iran. Most blocs within the regime, as well as the general public, supported the efforts to reach an agreement that would allow their country to continue its nuclear program and receive sanctions relief. Today, that support seems to be fading away. A growing number of critics ask what their country has achieved with the JCPOA. Many (including Supreme Leader Ayatollah Khamenei) argue that Iran gave up key elements of its nuclear program for economic recovery that is nowhere in sight.

The JCPOA looks fragile from Iran. The majority of U.S. presidential candidates vowed to either tear up the deal, or maintain it while increasing pressure on Iran by imposing non-nuclear sanctions.

And unlike some of the nuclear provisions of the JCPOA, sanctions relief isn't irreversible. This is making Tehran nervous. Khamenei recently stated that his country wouldn't walk away from the agreement, but threatened to "burn" it if Washington "tears it up" as some candidates suggested. But the regime's finger pointing is nothing new. What is new is the general population also sharing the view that the United States is trying to stop Iran's economic recovery.

For its part, the Rouhani government has also tried to explain the reasons behind the slow recovery to defend the deal, its chief legacy. It has recognized that there are challenges stemming from the JCPOA itself, but also the domestic barriers to Iran improving its economy. Today, Rouhani's team is trying to explain to the Iranian people that it's working with the United States to address those challenges stemming from U.S. law and politics. And it's eagerly awaiting the deal with Boeing to show something tangible for its concessions a year after the JCPOA was signed. The Boeing deal is also symbolic because it's one of the main fruits of the JCPOA regular Iranians can taste: Iran hasn't been able to purchase civilian aircraft for decades because of sanctions. For years, Iranians have been relying on a fleet purchased by the Shah in the 1970s.

With passenger planes failing, and at times crashing, many prefer to drive long distances or take trains rather than fly their airlines.

But even with the Boeing deal in its pocket, Iran will have a long way to go before its economy fully normalizes. The Rouhani government is tackling systemic corruption and mismanagement. But while most factions within Iran recognize the need for some level of economic reform and reintegration, some of these steps are met with criticism. This is because many of these issues are structural and involve the regime at the highest levels.

But this resistance to normalization goes beyond Iran's economy: It's also about the country's relations with the rest of the world and its conventional military capabilities. The Iranian security establishment believes it needs to project power to make up for the concessions made during the talks. It also sees central authorities collapsing in its neighborhood, leaving a vacuum for non-state actors, like the Islamic State and various al-Qaeda branches, to fill. As a result, Tehran tries to send a signal to its adversaries and non-state actors that it has the means to defend itself. Today, Iran's ballistic missile tests, space program, and cyberactivities are an inherent part of the domestic bargaining game between conservatives and moderates, and a key signaling method serving to project power to adversaries abroad.

A year after its signing, the JCPOA no longer feels like a "win-win" solution to many Iranians. Many don't see economic recovery anywhere in sight. Regardless of where the 2016

presidential elections take the United States, the outcome will be more challenging for the JCPOA. And Iran's own barriers to economic recovery and domestic politics will take a while to fix. Rouhani may have promised more than he could deliver, and the Iranian public is increasingly becoming aware of that. A symbol of this lies in the recent closing of Arj, an air conditioning producer that had been around for nearly 80 years. Many point to this to criticize the JCPOA's failure to produce economic recovery. And the Rouhani government, entering its last year in office before it's up for reelection, needs to deliver on this one promise to preserve its credibility.

**ARIANE TABATABAI**

Visiting Assistant Professor of Security Studies in the Georgetown University School of Foreign Service and a Senior Associate with CSIS



@ArianeTabatabai