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TRANSCRIPT

Babel: Translating the Middle East
“Dina Esfandiary: Will Iran Make a Deal with Trump?”

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FEATURING

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Jon Alterman: Why do you think the United States and Iran are negotiating now? Are you surprised this is happening so early in President Trump's term?

Dina Esfandiary: I'm not that surprised. President Trump was clear on several things. He was clear that he wanted to diminish U.S. presence in the region—that he wanted to get rid of forever wars. He's also very clear that he's a dealmaker, and he wants to resolve problems. And the Iran nuclear issue is an enduring problem. It is, admittedly, a problem that President Trump kind of recreated in his first term when he pulled out of the 2015 nuclear deal a few years later, but he wants to be the man to fix it. And so this really is somewhat of a historic opportunity.

Jon Alterman: Some people have speculated that the negotiations are a consequence of Iran's dire economic straits. They're a consequence of Iran's weakness because of the setbacks dealt to Iranian proxies in the region after the Gaza war. You certainly were paying a lot of attention during the lead-up to the JCPOA negotiations in the mid-2010s. How do you compare Iranian strengths and weaknesses now to Iranian strengths and weaknesses in the 2014–2015 period?

Dina Esfandiary: The economic situation is really quite dire. We've had several years of inflation, high unemployment—none of the economic indicators have been particularly good for Iran. Although, news of these talks did lead to a little bit of a rebound of the riyal, which is welcome news for Iranians. And then, on the security front, yes, Iran has been dealt a blow. It still maintains proxies in the region, and they're not going to go anywhere. But Israel's onslaught against some of these groups has paid off. Hezbollah is weakened, Hamas is weakened, and so Iran finds itself in a different situation. And that might make it more amenable to compromises.

Having said that, the Iranian leadership really doesn't believe that this is an existential time. They think it's more of a time of “we need to question our methods,” “we need to question our presence,” “we need to question how we're doing things in the region and review it.”

There is a bit of a self-assessment going on. But they definitely don't see this as existential. I had a really interesting conversation with an Iranian official who described it to me as: “we've lost the set, but not the game.” And it really shows you how they look at this as a long-term project. And there are natural cycles in this long-term project, where they might

find themselves ahead, and sometimes they'll find themselves weaker. And this is one of those times.

Jon Alterman: What do you think the key things are that the Iranian side learned from the JCPOA experience? And what do you think the key things are that the U.S. side learned from that experience?

Dina Esfandiary: Well, if you talk to Iranian officials, the first thing they'll tell you is: you can't really trust the United States. We came to an agreement. We stuck to our end of the bargain. They pulled out. We even stuck to our end of the bargain for a couple of years after the United States pulled out. And still, not only did the United States pull out and, as a result, not deliver, but even worse, the Europeans who stayed in the deal couldn't deliver."

Interestingly, they don't criticize the Russians and the Chinese in the same manner. But still, they could not deliver much more as a result of the United States pulling out of the deal. That's one of the main lessons. The line that a lot of people were using in the lead-up to the 2015 deal, when they were saying we need an agreement—"we don't trust the Iranians, so we need an agreement where you don't trust, but you verify"—well, I think the Iranian side has learned that you need that too—"we don't trust, so find a way to verify." But in their case, it's about verifying sanctions relief. How do you ensure that this time around, when the United States promises some kind of relief—and the Iranians will definitely ask for that—how do you ensure that it will deliver? I think they'll be tougher on that front.

On the U.S. side, actually they've learned not that you can trust the Iranians, but that if you perhaps dangle enough carrots and combine that with enough sticks, then you can get the Iranians to agree to compromises, and you can get the Iranians to implement the compromises that they agree to. That's quite important for the Western world to understand and to see, because there was a tendency to paint the Iranians as a devil that won't listen and won't implement and won't agree to anything. And I think the Iranians have proved that that's not the case. They've also learned, however, that a nuclear deal is a nuclear deal. It won't be a deal that constrains Iran in other manners, unless that is also a part of the negotiations. And I'm not sure the Iranians want all of that to be part of the negotiations.

Jon Alterman: How ambitious do you think the Iranians are willing to be? Is this, in your mind, likely to be a skinny and short-term deal, or do you think that it could either be more comprehensive or lead to something much more comprehensive?

Dina Esfandiary: My instincts would have been to say that I think the Iranians are going to try to make this as short-term and as skinny as possible. In their ideal scenario, you end up with a similar situation to North Korea—what I call “the North Korea 2.0”—although, admittedly, there wasn't even a deal then, so it's not exactly the same parallel. But if the Iranians could get away with some broad promises of compromise and rolling back their program in exchange for sitting in front of the cameras with Trump, then I think that is something that they've now accepted they would be willing to do, which back in 2018 or in the lead-up to 2018 was certainly something the Iranians were unwilling to do. But there have been statements coming out of Iran that say that they're willing to talk about things like Iran's regional presence, which honestly surprised me. Earlier, when the Iranians were helping out, or at least playing a constructive role in pushing back ISIS in the region, their negotiators were adamant that they wanted to keep the nuclear issue separate from everything else, even though it was in their interest to include it.

This time around, they've actually said they may be willing to talk about their regional presence, which I find very interesting. So that does demonstrate that there may be a willingness to go for a longer-term, larger deal that covers multiple aspects of Iran's problematic behavior, which I honestly thought was not something Iran was willing to do.

Jon Alterman: If you had to guess what either the secret ingredient would be that would help an agreement come together, or the hidden pitfall that would undermine an agreement, even if they came close, what should we be looking for as the sort of decider of success or failure here?

Dina Esfandiary: The secret ingredient is the very thing that overturned the last deal, and I think that that's President Trump and his way of conducting business, and the fact that he sits within the Republican Party—that was the party that was anti-deal last time around. The sense that they could be responsible for a new deal actually will help make it succeed. There are

still a lot of people in the U.S. system—you know better than I do—that are anti-deal and that are very vocal about being anti-deal, but it's a lot harder to be anti-deal under Trump when Trump is leading the deal-making. People are a lot more nervous about it. And he's better at ignoring the criticism that is thrown his way. It kind of gets lost in all the noise at the moment anyway. So I do think that actually he is part of what could make this successful for as long as the Iranians understand that and recognize that, and I think increasingly they do. What could possibly derail this entire thing? Well, there are several things.

I think the first country that could derail these talks is Israel. The Israelis have made it very clear that they don't want a deal. They don't want to be constrained by a deal that Trump signs, because that means Israel can't then go and target Iranian nuclear facilities militarily, which is what the prime minister of Israel, Netanyahu, has said he would like to do. The only deal that's acceptable to them is one that completely dismantles Iran's nuclear program, which is a non-starter for the Iranian side. Israel is a huge and scary spoiler. I do, however, think that it's a spoiler that President Trump can manage. The relationship between Trump and Netanyahu is not as smooth as perhaps Netanyahu's relationship with others. So at least on the Iran file, I think this is something that he can manage.

Other spoilers include things like domestic politics in the United States and domestic politics in Iran. Oddly enough, they mirror each other. There are many people in both countries that don't want a deal to happen. Many Iranians that don't want to be talking to the Americans, and many Americans that don't want to be talking to the Iranians. So that, again, is a bit of a risky spoiler.

Iran's partners in the region could also play the role of a spoiler. While, as we said at the beginning, they've been weakened, they are not all on board with either following Iran's instructions—because they have different relationships with Tehran, and they don't necessarily do what Tehran tells them to do—but also, they don't want de-escalation. If you look at, for example, the Houthis, the group in Yemen that has been very active in the Red Sea, well, it doesn't matter if Iran suddenly turns around and tells them, look, we're dealing with the Trump administration, lessen your attacks. If they believe there's a reason for

them to pursue those attacks, they will pursue them. And that can also derail the talks.

Jon Alterman: And interestingly, you've spent a lot of time understanding where the Gulf Arab states are. And they were very, very skeptical of the deal in 2014–2015, and now they seem, if not very much in favor, at least open to it. But it seems it might even be crossing the line into supportive, no?

Dina Esfandiary: Absolutely. One of the big differences between the lead-up to the 2015 deal and today is the Gulf Arab states were the potential spoilers back then. They didn't want a deal. They supported Trump's maximum pressure campaign after the deal was signed. And they supported Trump pulling out of it.

We are in a completely different world today when it comes to the Gulf Arab states. Saudi Arabia and the UAE have largely normalized with Iran. They have a cordial, sustained dialogue where they have been de-escalating with Iran. They find themselves in a situation today: while they want to contain Iran's nuclear program and its presence in the region, they also believe that they should do it through dialogue and direct de-escalation, which they're pursuing themselves. They don't want the Trump administration and its allies to do anything that could derail this conversation that they now have going with Iran. They're worried about being caught in the middle if there is some kind of military attack against Iran. They're walking a fine line and trying to balance in the middle and ensure that this leads to a deal, so that things don't escalate in the region.

Jon Alterman: You've known a lot of the Iranian negotiators. I'm not sure if you know folks on the U.S. negotiating team, at least this time around. How do you judge the strengths and weaknesses of the U.S. and Iranian negotiating teams in going into these talks?

Dina Esfandiary: Well, the Iranian negotiators this time around are the same negotiators as last time around. They're seasoned negotiators. They've done this for a while. They know what to look for. They know what to ignore. They know what the Americans can actually deliver on and what they can't deliver on. And they've learned all of that from the last round of negotiations. They're very well placed to conduct these negotiations.

On the U.S. side, the team is new. Steve Witkoff is new to these kinds of negotiations. I'm sure he's done many real estate negotiations and many fruitful ones, but it's not quite the same. He will bring a fresh perspective, but he won't have the experience that the Iranian side has. And the same could be said on the technical level. My worry is that on the U.S. side, the teams are not as well staffed as they have been in the past. And again, they'll be facing an Iranian side who's done this before. It's not their first rodeo, so they know what to do. And that will make the Iranians somewhat more comfortable. I'm not sure it will make much of a difference in the negotiations, but I do think the Iranians will be going in knowing what they can ask, what's worth pushing on, and what's not worth pushing on.

Jon Alterman: Is there a role for Europe in these negotiations, either vis-à-vis the Trump administration, vis-à-vis the Iranians, or does Europe have somewhat strained relations with both at this point?

Dina Esfandiary: As someone who sits in Europe, I want to be able to say there's a big role for Europe to play. But I think today there isn't. The Europeans were absolutely key to the negotiation of the first nuclear deal. But they were disappointing when it came to the implementation of the deal once the United States was no longer a member or a party to the deal. They've strained relations with both sides. And certainly, the Iranians don't really see them as trustworthy anymore. They don't think they can deliver. They don't see the point in engaging with the Europeans separately, although they did do it for several weeks a few months ago. And they've actually been quite good at ensuring that the Europeans are kept in the loop, as is the American side, I'm sure. But there isn't that level of trust in the Europeans and their ability to deliver, and in making engaging with them worth it on the Iranian side, basically.

They've really focused all their efforts on the Trump administration, because they think that the only person who can deliver today is Trump. And if Trump signs on, then the Europeans will basically have to get on board. Now, the only place where the Iranians are kind of watching the Europeans with a little bit of nervousness is this October deadline that we have coming up—this October—with the date at which Iran's nuclear program is supposed to have been normalized, had things gone as planned. This is effectively the last date where the Europeans can

trigger snapback sanctions, which was that mechanism that was in the nuclear deal that allowed them to basically punish countries that didn't implement the deal.

There is a little bit of worry on both sides—on the Iranian side, but even on the European side—about whether they should go for that, shouldn't go for that. How long do they wait with the negotiations between the United States and Iran, where they go, and whether they lead to anything before they trigger it? Because I think there's a 90-day window. They would have to trigger it over the summer. There's a little bit of anxiety and stress on all sides about what Europe might do if these talks don't go anywhere—or actually, conversely, if they do go somewhere but it's not good enough for Europe.

Jon Alterman: Is there a Chinese and Russian role in any of this, either in helping bring this together, or do you think they'll try in some ways to break things apart?

Dina Esfandiary: The Russians and the Chinese have, this entire time, played a really interesting role. In the lead-up to the first deal, despite the fact that they sometimes didn't see eye-to-eye with the Americans or with others on a range of issues, they did manage to maintain a unified front when it came to negotiating on Iran's nuclear program and really ensuring that Iran wouldn't become a nuclear weapons state. The Russians and the Chinese still would rather Iran not become a nuclear weapons state. They don't want a proliferation of nuclear weapons. And so, as a result, they are supportive of these negotiations.

They are less unified with the United States and with American allies for a range of obvious reasons, and not all of them are related to the nuclear negotiations. They're also less unified because they see the same thing that the Iranians saw, which is that there was a deal, it was working, and it was the United States that pulled out and reimposed sanctions on Iran. They're a bit wary of the whole process. Having said that, they've been supportive of the negotiations. There have been a lot of conversations between the Iranians and the Chinese, and the Iranians and the Russians—both keeping them in the loop, but also just discussing what a new nuclear deal could look like. And that's broadly positive.

The kind of negative role that they play, though, is that they do provide Iran with a backup. Again, this isn't a few years ago. Today, Iran has really built its ties with the Russians and the Chinese. Would it prefer to be Western-facing? Perhaps. But it can't afford to ignore the Russians and the Chinese, and so their relationship has really grown on multiple levels, from economic to political to military. And should these talks not work out, Iran can continue to rely on the Russians and Chinese. And so that means that Iran won't be as adamant or as desperate—I don't like using the word "desperate"—but as desperate for a deal.

Jon Alterman: But it seems to me that, in a broader sense, Iran enters these negotiations with a looming secular decline. You have the weakening economy, you have the energy transition, you have what is likely to be a somewhat messy leadership transition, as Ayatollah Khamenei, now in his mid-eighties and ailing, leaves the scene. The Revolutionary Guard may take a different role in domestic politics—an even more overt role. But it feels to me that, if you're betting on Iran in the next five years or so, it's hard to be very confident about Iran's prospects. I would imagine, both from an Iranian negotiating position on this nuclear deal, but also in terms of the way other great powers see the Iranians, that the Iranians are in a somewhat diminished position—and one that's going to get worse, not better. A) Do you agree with that analysis, and B) how does that affect this issue of the negotiations—how long they'll last and what kinds of outcomes we'll get?

Dina Esfandiary: I do agree. Iran is somewhat weakened compared to a few years ago, as we said earlier. We talked about the regional factor, but you mentioned another one that's key—the leadership transition. The supreme leader is getting old. There will come a time where they will have to think about another supreme leader. And that is going to be the single most important event that today's Islamic Republic will face: how they manage that transition, who comes in his place. It will determine what direction the Islamic Republic goes in—whether it will be more open, whether it will be more closed, whether ideology will be a big factor or not. All of those things will be determined by the process of agreeing on a new supreme leader and who that new supreme leader will be. It will be a huge moment for the Islamic Republic. And they know that this is coming up, which is why I would argue up until October 7, they were really trying to keep all fronts as quiet as possible, because it was going to be an all-hands-on-deck moment. And now they're spread thin.

They're not as confident in the region. Economically, they're not doing as well. And so all of this puts them in an uncomfortable position. It puts them in an odd place. But I don't think all Iranian officials agree with me. And what matters more is not so much what I think, but how they view their situation. They see themselves, yes, as weakened. But as I said earlier, for them, it's cyclical. The Islamic Republic doesn't work in four-year election cycles. It isn't split into two opposing parties that are at each other's throats all the time. They see these things—and the infighting and the ups and downs—as completely normal. They think, yes, their proxies in the region have been weakened. But their relationships with these proxies ebb and flow and go up and down. And some of these proxies—their ideology is going to endure, if not harden, as a result of everything that's happening in the region. And so potentially, down the line, it could be another success. They really see things very differently from the way that we see them.

They see the relationship that they've built with the Russians and the Chinese. Do they want to be only reliant on them? No, absolutely not. But do they offer them a pretty decent backup in today's world, if things don't work out with the Americans and the Europeans? They think, sure, it's something that they can manage. They've built up what they call their idea of a “resistance economy.” The economy is doing poorly, but the diversity in the economy is probably better now than it was a few years ago. So, from their perspective, yes, they're weakened—but it's like a temporary setback. And they're facing a historic opportunity on the other side with an administration which they see as one that could do a lot more to deliver, and one that can keep the naysayers—the anti-dealers—under control. I don't think that they see themselves as weak as perhaps we might have a tendency to see them today. Weakened, yes—but permanently weakened, no.

Jon Alterman: You know better than I do—the Iranians are often very patient in negotiations. And this is an unprecedentedly impatient U.S. administration. How do you think that will play out in these negotiations? Do you think ultimately the president's impatience will win the day and he'll be able to create a sense of urgency? Or would you expect the Iranians will take this longer view—a cyclical view—and say, well, if we don't get it this time around, there'll always be next time?

Dina Esfandiary: I'm torn. I'm torn because I think the Iranians, yes, they like longer negotiations. They have an interest in dragging these ones out, as they have past negotiations. The more time they can buy themselves, the

better it is—also because I don't think they're very good at committing to things quickly. It's just not in the way that they do things. Having said that, the flip side of that is that an impatient president might mean a president that's willing to also concede on more. The Iranians aren't sure where they sit, basically. I think the middle ground would not be good for them. But they either play the very long game and get away with it, or they try to maximize this urgency that they're facing right now and try to get as much as possible from a U.S. deal, from a U.S. administration.

They're probably trying to do both, which doesn't necessarily work—because how do you go for a quick deal if you're also aiming for a longer one? But I just think they're at a stage where they're exploring. They're being pretty clear about what they can agree to and what they can't agree to in a way that perhaps in the past they weren't as clear on. And there was a lot of back and forth in the lead-up to the 2015 deal, with the supreme leader setting red lines, the Iranian negotiators blowing past them, then coming back. I mean, it was just a horrific back-and-forth dance that I think everybody was tired of—which I don't think you're seeing this time around, at least not so far in the three rounds of talks that we've had. It's progressed relatively quickly. So now it will really just be a question of: are you going to be able to hash out the real technical details in a way that's satisfactory to both sides in Trump's two-month timeframe? And the Iranians are going to try, all the while having as a backup their long-term plan. I don't know how that's going to work out, though.

Jon Alterman: We will have to catch up with you again. Dina Esfandiary, thank you very much for joining us on Babel.

Dina Esfandiary: Thank you so much for having me.

(END.)