Episode Title:
Iran and the New U.S. Administration

Guest:
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Jon Alterman:
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Sanam Vakil:
Thank you so much for having me, Jon.

Jon Alterman:
What is the Iranian conclusion on the prospects of negotiations with the United States, after they made the deal with the Obama administration and then had the Trump administration eviscerate it?

Sanam Vakil:
I think that there’s no one conclusion, that’s the reality. Iranian politics are factional, and there is no homogenous opinion within the political establishment. What there is I think, are a mix of feelings of disappointment, mistrust and uncertainty about whether a newly-elected president will be able to have the capital and investment to get back to the negotiating table with the United States and try to deliver a more sustainable nuclear agreement.

Jon Alterman:
What are the institutional centers of support for the framework that the Obama administration struck—the JCPOA? Are there places that still think there is viability in that?

Sanam Vakil:
Yes, there’s the executive branch, led by President Rouhani, and while he doesn’t have complete control of the foreign policy making process, his team are part of the Supreme National Security Council and that body is composed of members of the cabinet members, members of the armed forces, the IRGC, judiciary, executive branch head of the legislature. Together they debate different strategies and make recommendations to Iran’s supreme leader, Ali Khamenei, who makes a decision based on consensus.

Jon Alterman:
And Rouhani had been the secretary general of the National Security Council. I first saw him in Tehran in 2000 when he was in that role and he struck me at that time as the only person in the whole conference, who seemed to have freedom of action. Yet Rouhani’s big bet was, "I can make a deal with United States," and the deal has neither delivered the economic returns that he had advertised, nor has it delivered sustained US compliance. Doesn’t that discredit that line of thought within the National Security Council about how Iran gets out of its current set of constraints?

Sanam Vakil:
I think you captured Iran’s dilemma quite perfectly, Jon. On the one hand, yes, Rouhani’s strategy and the JCPOA has failed to deliver. At the same time though, the political establishment is very aware that in order to unlock this sort of Gordian knot of sanctions and containment and pressure, it does have to, at some point arrive at some new deal with the United States. So from Tehran’s perspective, the question is not if they will make a deal, it’s how they will make a deal.
What we have been witnessing over the past two years in Iran's maximum resistance campaign, where they tried to up the ante and push back against sanctions through all sorts of destabilizing activities in the Persian Gulf, in Iraq, and in Yemen—that was designed to obtain leverage and also prepare the terrain for what Iran will put on the table and how Iran will discuss. The problem is—and I think this is what's oftentimes missing in the American assessment of Iran—is there's an assumption that Iran has to do it and has to do it now because of American pressure. That is a miscalculation because the mindset in Tehran is that they can sustain the pressure and they feel quite buoyed by the fact that they have managed, despite having all facets of their economy being fully sanctioned, to survive. They're not thriving, but they're surviving.

Jon Alterman:
I want to get back to the issue of timing, but I think the immediate issue of timing is Iran has presidential elections scheduled for June. Rouhani is now a lame duck. It's unclear when a Biden administration comes in, whether there'll be anybody to deal with on the other side, whether Rouhani would have the ability to make a deal. But there's also, I guess, the question of whether the negotiations with the United States, the posture toward the United States, would play any role in the presidential elections. Should the United States try to advertise something? Should the United States try to indicate that there's something to be gained by engaging, to ensure that there's a constructive attitude in Iran, or should the United States just sit back? And will the Iranians negotiate in their own good time anyway?

Sanam Vakil:
A couple things. I would say the United States shouldn't make any direct statements of intent, or think that their statements could impact the elections, but any outreach and any effort to engage with Iran between January 20th and Iran's June 2021 elections could indeed have an impact, at least I think they could. Let me explain how and why. Iran's electorate has been more and more disengaged from the political process over the past few years. We know in terms of statistics, that participation in the parliamentary elections that were held in February of 2020, were at the all-time low. I think at the political level, a Biden victory could matter since the pathway to negotiations is something that Iran is weighing. Over the past few months, we've seen a wide array of candidates be floated, something that I have never witnessed before so early on. The supreme leader and hardliners want to find the right conservative candidate, because there is this assumption that conservatives will win this next election. So what matters here is finding the right conservative, not perhaps a hardline neoconservative, but a pragmatic conservative.

Jon Alterman:
Wasn't Rouhani a pragmatic conservative? I mean, that's always the way I interpreted him.

Sanam Vakil:
Well, first of all, you're right. Rouhani was a pragmatic conservative. I think what's interesting is a lot of Iranian presidents come in as pragmatists and become more left of center and become slightly reformists. The only one who didn't take that sort of trajectory was Ali Khamenei, who then went on to be supreme leader and became much more conservative. So I think that for the conservative camp, they're also not monolithic. They have diverse factions and views within them. I think that the pragmatists are probably looking to get back to the negotiating table. The question is, who do they have that can represent them and will they be able to negotiate more effectively, let's say, than the Rouhani
team with his very articulate foreign minister, who has represented the Islamic Republic, I think more forcefully than the president has.

I think more right of the pragmatists are the neo-conservatives, who have a very much more principalist stance against the United States. They too have shown some inclination to negotiate because the former nuclear negotiator Saeed Jalili, for example, has negotiated on behalf of the Islamic Republic under the Ahmadinejad administration, but he was not perceived to be successful at all and they’ve been more confrontational and ideological, and there is an assumption that they might not be able to deliver a deal.

**Jon Alterman:**

What Zarif has said, starting in the fall I think, is that if the United States is coming back into compliance with the JCPOA, the beginning of talks with the United States is not about how Iran will come back into compliance, it’s about how the United States will compensate Iran for the cost of sanctions. Is that a gambit? Is that just a ploy, or do you think the Iranians really will try to string along a Biden administration that seems eager to put relations with Iran back into some sort of established framework?

**Sanam Vakil:**

I think it's an opening salvo, and you're also hearing it in their statements now, that we're only going to work through the framework of the JCPOA. This is their opening position and compensation shouldn't be read as literal compensation. I think that over the past four years, really the biggest damage, or the damage that has been done, has been to the very little trust that was built between Tehran and Washington. So compensation should be read as some sort of face saving justification or confidence building measure that could be offered to Iran to show goodwill. Goodwill begets goodwill and it shouldn't be read as money on a plane or any of those sort of moves. But perhaps it looks like lifting the travel ban against Iranians or offering early Covid-19 sanctions relief, symbolic gestures that can be read in Tehran and sold in Tehran as a sign of goodwill.

**Jon Alterman:**

It also seems to me that generally in the run-up to negotiations, Iran tends to misbehave rather than behave well, that the U.S. sense is you want to create a good climate, so everybody's on their best behavior. The Iranians seem to misbehave, and then the first concession they'll make in the negotiations is, "We'll stop misbehaving," and then they feel they've gotten something without actually giving anything up, because it was something they hadn't started with. If we do get into negotiations, what would you expect some Iranian efforts to be, to improve their negotiating position? Because in my assessment, the Iranians won't do what the United States will do, which is try to create a good climate, but instead would try to create a sense of urgency and necessity to deal with Iran, as we saw with what were reportedly Iranian attacks on Gulf oil facilities about a year and a half ago.

**Sanam Vakil:**

Well, urgency could be created through provocative attacks or behavior between now and the inauguration, which could come from either the Trump administration or the Iranians not being able to hold back in any response. I think that that's something we should be looking out for, but I think in a second phase, there will definitely be pressure coming from the Zarif negotiating team on U.S. negotiators to provide Iran with some compensation or face-saving solutions that come early in order to
placate conservatives within the country. Because competition in Iran is so high in advance of the presidential elections, I think Iranian conservatives are going to be quite obstructive.

I don't expect that we will immediately see any sort of escalation in Iran, or in the Persian Gulf, or in Yemen, but of course we should expect it. But here in this space, this is where multilateral pushback from the United States and the European countries will be important to send strong and clear messages that this is not a JCPOA negotiation all over again, we're going to set the record straight. We're going to try to make this right. In order to make this right, it's going to require different behavior from all parties, including Iran.

**Jon Alterman:**

It sounds almost like the Iranians feel they have the ability to shape this, and yet they are suffering from horrid consequences from Covid-19. They are suffering from significantly reduced oil prices that really cuts government revenue. Do they have as much time as they think they have?

**Sanam Vakil:**

I don't think that they're as confident as you're suggesting. I think the problem is the factional competition inside has a potential to lead to fatigue in the negotiations. If there isn't adequate progress made before the Iranian elections, this can just drag out and that's where things get dangerous. If it starts to drag out for too long and the Iranians begin to shift their positions and demand more or seek too much from the United States too quickly, I think that's a problem. They need to be preparing, I think for three scenarios, ultimately. The immediate return of the United States to the JCPOA, which would require Iran to immediately return to compliance. Of course, that's not going to be perfectly possible because rolling back all of those sanctions and what to do with all of those centrifuges, isn't going to be something that they can all deal with on day one.

There's possibility two, which is the declaration of intent to return and the creation of a process that is probably incremental, where both sides agree to a staged and phased sequence of compliance for compliance, "I'll give you this, you lift that." I think that's the more realistic prospect. Of course, there's the third scenario, which is the bigger one, which tries to build on the JCPOA, through extension of sunsets and timelines and bringing in the ballistic missiles and the regional issues. While I do think that process is really important and necessary, I don't think that either side should be too ambitious and move to the JCPOA two part of the discussion until they've really got some consensus on the JCPOA as it stands.

**Jon Alterman:**

You talked at the very beginning about how Iran has a factional government, there are different schools of thought with lots of different objectives. Do you think fundamentally there's any consensus in the leadership about their desired end state? I mean, is this all just about survival and if you survive another day you've won? Or are there people with a sense of what is both desirable and sustainable in terms of how Iran relates to the outside world?

**Sanam Vakil:**

Yes. I think that there are people who have a vision of what Iran can and should be. I'm not sure there's consensus, and that is a problem. I mean, I think quite simply there are two camps. There's the pragmatist reformist camp that see stability and security defined by Iran’s economic and thereby political integration with the region and the international community. Then you have the other side,
again simplistically, who fear that that integration strategy is going to lead to the unraveling of the Islamic Republic.

So you can't completely legitimize or normalize your relationship with the United States, or your perceived enemies like Israel, but you can come to a transactional agreement that is accepted by all parties.

It's in that space that Iran would like to see itself survive, but also economically thrive, be able to deliver improved economic livelihood to its population, continue to be a regional influencer. I think that we're going to continue to see Iran's interference in other countries because that policy is perceived to be successful, unlike the JCPOA. But perhaps over time, and this is where I think that change could come, but again, it might be generational, through that economic integration, through the greater trade linkages in the region, that you could see Iran invest more productively rather than destructively in its neighborhood.

My general feeling or advice is that you have to accept Iran as it is. It's not going to change. I actually just wrote a paper about Iran having a deep state and that deep state is there to preserve and protect its interests. So accepting the deep state's interests would perhaps lead to less tension in the region because that state would feel less threatened and wouldn't be struggling so much to survive, but in accepting that deep state, of course, you're also abdicating any sort of influence and hope for change. Internally, you're going to step off of the human rights dialogues, and you're going to basically allow for Iran to become a normalized authoritarian state, like many others in the region.

**Jon Alterman:**
As you've pointed out, the deep state is also the mastermind of this effort to support insurgent groups in regional countries and advance Iranian interests that way. To be the voice of the resistance. That'd be a hard pill, I think, for a lot of U.S. administrations to swallow.

**Sanam Vakil:**
I think it would indeed, but at the same time, U.S. policies, and specifically maximum pressure, have empowered the deep state in a very dangerous way. First of all, they are being predatory towards Iran's private sector. They are forcing, let's say safe havens, within Iran to collaborate and engage with them in order to survive, again under all of these sanctions. They're being predatory within the political system because of all of this insecurity. Whereas if the foot is not on the gas pedal all the time, the deep state can relax a little and politics, civil society, discourse, everything comes up again. Whenever all of that pressure is there, everyone has to go undercover and it creates a toxic environment where the journalists are not writing the critical articles. The civil society activists are under threat and the private sector is now beholden to economic interests of the deep state, which range from the IRGC, to the parastatal foundations, to other parts of the deep state entities, in order to survive themselves. So everyone becomes part of the same pot.

**Jon Alterman:**
It almost feels like the deep state created an environment where it's heads, I win, tails, you lose and they benefit however, however this plays out. Sanam Vakil, thank you very much for joining us on Babel. We haven't fixed it yet, so we'll have to have you back.

**Sanam Vakil:**
Thank you so much, Jon. It was a pleasure to be here.