

# COUNCIL *on* FOREIGN RELATIONS

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## **Iran Nuclear Negotiations After the Second Extension: Where Are They Going?**

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The nuclear negotiations between the United States and Iran are stalemated. After a decade of patient talks, the prospect of the United States and other powers securing a final agreement are not good. The wheels of diplomacy will grind on and two extensions of the talks have already been granted. But it is time to acknowledge that the policy of engagement was predicated on a series of assumptions that, although logical, have proven largely incorrect. As we assess our next move, it would be wise to reconsider the judgments that have underwritten our approach to one of our most elusive adversaries.

Successive administrations have relied solely on financial stress to temper Iran's nuclear ambitions. At core, this policy has argued that steady economic pressure would change the calculus of the Islamic Republic, eventually leading it to concede the most disturbing aspects of its nuclear program. This was American pragmatism at its most obvious, as economics is thought to transcend ideology and history in conditioning national priorities. To be sure, the policy has not been without its successes, as it solidified a sanctions regime that compelled Iran to change its negotiating style. Still, what was missed was that the Islamic Republic is a revolutionary state that rarely makes judicious economic decisions. In fact, the notion of integration into the global

economy is frightening to Iran's highly ideological rulers, who require an external enemy to justify their absolutist rule.

Washington's diplomatic strategies seemed to be equally uninformed by the changing dynamics of Iranian politics. The fraudulent 2009 presidential election was a watershed even in Iran's history, as it transformed the Islamic Republic from a government of factions into just another Middle Eastern dictatorship. The forces of reform were purged from the body politic, leaving behind any like-minded mullahs. While many in the West see Iran as a country of quarrelling factions and competing personalities, the Iranians themselves talk of nezam—the system. This is not to suggest that there are no disagreements among key actors, but the system has forged a rough consensus on issues such as repressing dissent and preserving the essential trajectory of the nuclear program.

The U.S. misdiagnosis of Iran was at its most glaring when Hassan Rouhani assumed the presidency in 2013. Rouhani's election was considered a rebuke to Supreme Leader Ali Khamenei and his ideological presumptions, and many in Washington convinced themselves that by investing in Rouhani they could usher in an age of moderation in Iran. Suddenly, an empowered Rouhani would make important concessions on the nuclear issue and even collaborate with the United States to steady an unhinged region. Missing from all this was how the system had come together in 2009, consolidated its power and destroyed the democratic left. The Obama administration sought to manipulate Iran's factions at the precise moment when factionalism was no longer the defining aspect of Iranian politics.

Yet another American misapprehension was refusing to listen to what the Iranians were actually saying. The United States perceived that by offering Iran concessions such as the recognition of its right to enrich, Tehran would settle for a modest program. Thus symbolic offerings from the West would diminish Iran's expansive nuclear appetite. In this sense, we seemed to have willfully ignored the persistent Iranian claim that they required an industrial-size nuclear program and in quick order. Today, we find ourselves in a difficult situation of having conceded on important issues—such as the right to enrich—without comparable Iranian compromises.

Although there is little evidence that the Western powers are contemplating alternative strategies, important actors in Iran are beginning to consider life after diplomatic failure. During the past few years, Khamenei has been pressing his concept of resistance economy whereby Iran

would shed its need for foreign contracts and commerce. “Instead of reliance on oil revenues, Iran should be managed through reliance on its internal forces and the resources on the ground,” insisted Khamenei. In the impractical universe of conservatives, Iran can meet the basic needs of its people by developing local industries. Iran’s reactionaries seem to prefer national poverty to nuclear disarmament.

The notions of self-sufficiency and self-reliance have long been hallmarks of conservative thinking in Iran. Since the 1980s, the central tenant of the hardliners foreign policy perspective has been that Iran’s revolution is a remarkable historical achievement that the United States cannot accept or accommodate. Western powers will always conspire against an Islamic state that they cannot control, this thinking goes, and the only way Iran can secure its independence and achieve its national objectives is to lessen its reliance on its principal export commodity. Hardliners believe that isolation from the international community can best preserve Iran’s ideological identity. This siege mentality drives Iran’s quest for nuclear arms and their deterrent power.

Although many are concerned about the longevity of the negotiations should the Congress enact various legislations, it is important to stress that the Islamic Republic is deeply invested in the negotiating process for its own reasons. While the United States sees nuclear diplomacy as advancing the cause of détente and arms control, Iran sees it as yet another shield to hide its ominous policies.

Since the exposure of its illicit nuclear program in 2002, Iran’s main intention has been to legitimize its expanding nuclear infrastructure. The record shows that Iran’s diplomats have gone far in achieving that objective. Although numerous United Nations Security Council resolutions have enjoined Iran to suspend all of its nuclear activities, there is little interest by the great powers in enforcing the injunctions they crafted in the first place. Last year’s interim accord—the Joint Plan of Action—not only acknowledged Iran’s right to enrich uranium at home but also stipulated that, after a period of time, enrichment capacity could be industrialized. These are impressive accomplishments for a state that not only defies the U.N. Security Council but also thwarts the International Atomic Energy Agency's attempt to gain access to its scientists and sites. So long as Iran stays at the table it can count on further Western indulgences.

Iran has also gained much in non-nuclear sectors from its continued participation in the talks. Its dismal human rights record and harsh repression of its citizens are rarely mentioned by the

Western chancelleries. A standard practice of America's Cold War summitry was to press the cause of dissidents in encounters with Soviet representatives. Given fears that Iran's hyper-sensitive mullahs would abjure nuclear compromises should their domestic abuses be highlighted, Western diplomats have been largely silent about Iran's domestic shortcomings. The nuclear talks and the prospects of an accord conveniently shield the Iranian supreme leader, Ayatollah Ali Khamenei, and his penal colony from censure and criticism.

In the region, Iran's aggressive policies remain largely unaddressed given its participation in the nuclear talks. Through its proxies and aid Iran is propping up the Bashar Assad government in Syria and enabling its war against its citizens. Iran is the most consequential external actor in Iraq and has been instrumental in pressing its Shia allies to reject substantial inclusion of Sunni Muslims in Iraq's government. The ominous shadow of Iran hangs over the disorder sweeping Yemen, as the Islamic Republic has long been the benefactor of those who have successfully battled the central government. And Iran's lethal Hezbollah protégé is now operating ominously close to Israeli boundaries.

All the curiosity of America's policy were on display in a letter reportedly sent by President Obama to Khamenei offering to work with Iran in disarming the militant group, the Islamic State. Such correspondence misses the point that Iran has already rejected collaboration with the United States on regional affairs and that its leaders have claimed that America created Islamic State as a means of justifying its return to Iraq.

Iran will not easily alter its approach and our strategy of coercion must move beyond imposing financial penalties. Iran must fact pressure across many fronts, and the Obama administration should focus on mending fences at home while rehabilitating our battered alliances in the Middle East. It is important for Tehran to see that there are no divisions for it to exploit between the White House and Congress. The president would be wise to consult with Congress on various legislations making their way through the hill. Both parties have concerns that can best be addressed through a process of genuine dialogue between the two branches of government. The White House should appreciate that any agreement that does not have the support the Congress is unlikely to survive the Obama presidency.

A new strategy of pressure should also focus on isolating Iran in its neighborhood and undermining its clients. This will necessitate U.S. involvement in the region's many crises. For both humanitarian and strategic reasons, the United States must be invested in the outcome of the

Syrian civil war and change the balance of power in that hapless country. Similarly, the Iraqi government must be pressured into limiting Iran's influence. It is unlikely that Baghdad will move in that direction as long as our campaign against the Islamic State remains hesitant and we hint at possible collaboration with Iran there. The core of the U.S. alliance system in the Middle East remains our close partnership with Israel. The value of U.S. deterrence is not enhanced by perceptions of discord in that essential relationship.

The purpose of this new, robust and coercive strategy is to signal our readiness to compete, to show that we don't need a deal more than Iran does and to raise the price to Tehran of its objectionable policies. It is time to press the Iranians to make the tough choices that they have been unwilling to make.

The United States and Iran are destined to remain adversaries. Beyond the nuclear issue, the Islamic Republic continues to rely on terrorism as an essential instrument of its foreign policy. From the Levant to the Persian Gulf, Iran, Iran and its proxies are busy undermining our allies and promoting their agents. Irrespective of the ebbs and flows of nuclear diplomacy, we should continue to focus our efforts on ways of limiting Iran's aggressive policies in the Middle East.