Iran: After the Sanctions - Chaos?

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Among all the unknowns that 2019 might have in store for us, one development we need not expect is a collapse of the Islamic Republic due to the Trump administration’s policy of “maximum pressure”.

The return of US sanctions has an impact on Iranians’ lives, especially those of the middle class already impoverished by the previous restrictions which were in force until the implementation of the agreement on the country’s nuclear programme (the Joint Comprehensive Plan of Action or JCPOA). Iranians will suffer a shrinking economy, shortages of drugs and food products, volatile prices and exchange rates, and so on; but the history of the Islamic Republic bears witness to its remarkable resilience in the face of difficulties, including the eight-year war with Iraq, recurrent sanctions, social and economic difficulties connected with structural factors hindering the country’s development, the nature and complexity of its politics and institutions and their internal tensions.

The discontent of many Iranians with their present circumstances is real and justified; but they tend to close ranks in the face of external pressure or attempts to interfere, even if that means propping up a system they do not all agree with. Furthermore this time the sanctions are not international but unilateral, and their potential effect is accordingly smaller: Iran is not isolated, but has the support of Europe, Russia and China in the JCPOA, as well as a network of partners in the region (Turkey, Qatar, Oman) and elsewhere, while the USA has not succeeded in creating a coalition behind its abrogation of the JCPOA and its breach of UN Security Council Resolution 2231.

There is no doubt that Trump’s policy strengthens the Iranian system’s more radical forces (those contrary to the JCPOA and dialogue with the United States), as well as heightening tensions among the various factions. But
at present there is still a broad constituency which supports President Rouhani and shuns a radical ideological approach. Meanwhile, the regime leaders still believe that the moderate line taken in 2013 with Rouhani’s election is the likeliest to preserve the revolution’s heritage, keep the system relatively stable and avoid both domestic violence and foreign interference.

Teheran is aware of the “soft paradigm shift” currently under way in various European countries so far as concerns the USA and the transatlantic connection. As Europe is hit by secondary American sanctions, it suits the Iranians to allow it time to gradually recover greater autonomy in decision-making. Meanwhile, the regime can continue to enjoy a sense of moral superiority attendant on its full compliance with the JCPOA as regularly certified by the IAEA. It is vital, however, that effective signals go on arriving from Brussels to consolidate that attitude. That is the point both of the EU’s continuing policy of bilateral and regional dialogue and involvement, and of initiatives designed to reaffirm Europe’s intention – if not its ability – to ensure that Iran reaps the economic benefits expected from the heavy curbs on its nuclear programme.

Regionally, while continuing to benefit indirectly from Saudi Arabia’s hostile initiatives, Iran has been showing signs that it understands the advantages of a more constructive approach (hence its support of the United Nations in Yemen) or at least a less destructive one (some tactical back-tracking in Syria, with Moscow’s encouragement, has diminished the likelihood of a clash with Israel). It is up to Europe to keep alive a dialogue with Teheran on the region’s crises and, if possible, to extend it to cover the missile programme as well, a cause of concern on both sides of the Atlantic.

Iran is under pressure, certainly, but not on the point of collapse. It will seek to cope with US sanctions as best it can (by evading them, or by selling much of its oil to the big Asian economies); but its political system and institutions can be expected to stay on course rather than perform any dramatic U-turns.

There is greater uncertainty on the American front, where it is unclear whether the aim is to reopen negotiations with Teheran (on the twelve points set out by Secretary of State Pompeo last May) or to provoke “regime collapse” (as certain statements by the national security advisor John Bolton seem to indicate). The two outcomes are incompatible, but neither is a realistic prospect within the two years before the end of Trump’s (first) period of office. As the months go by, the substantially established status of the Islamic Republic (which will celebrate its 40th anniversary in February), together with the maintenance of some portion of its oil exports (estimated at about 1m barrels/day) must surely affect the Administration’s credibility, not least with a presidential election due in 2020. What might the future hold? Trump has made unpredictability a hallmark of his foreign policy, and sudden changes of direction are not unheard-of; some might be in store for Iran, too.