

Political Study

Factors of Strength and weakness of the US strategy towards Iran



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The US President Donald Trump has set his administration's goal of reaching a new deal with Iran that would lead to a change in the behavior of the Iranian political system. The Secretary of State Mike Pompeo presented the 12-point plan that deals mainly with three main issues: the imbalanced nuclear deal, Iran's nuclear capability, and its behavior threatening regional stability and security. Trump adopted the strategy of "maximum pressure" to reach this deal, and sanctions are the backbone of this strategy. Trump's administration is testing its strategy by gradually escalating while offering negotiations to reach a new agreement.

This paper attempts to answer a major question about the strengths and weaknesses of the current "intense pressure" strategy and its impact on changing Iran's behavior, based on four main assumptions:

- The nuclear agreement left the Trump administration with a number of challenges concerning Iran's file, and reaching a new agreement requires these challenges to be dealt with.
- A gradual American escalation with the aim of changing Iran's behavior may enable it to reach the stage of negotiations with Tehran without unexpected reactions that may disturb the regional or international landscape. Also, if Iran reaches this stage while exhausted, its expected gains from the negotiations will be minimized to the least.

The possibility of conflict between the United States and international actors poses a real challenge to the implementation of the Trump administration's strategy.

The more the American strategy is integrated and balanced, the more the goal of changing Iran's behavior, depriving it of maneuvering space and procrastination will be achieved.

First: Strengths of the US strategy towards Iran

The United States occupies the most important international position and this supports its maximum pressure strategy on Iran. The strengths of this strategy can be seen in the following:

1- Blocking trade transactions within the scope of sanctions

US sanctions on Iran's financial transactions are gaining strength because of the US's ability to control the movement of money and financial transactions internationally stemming from the strength and prestige of the US dollar.⁽¹⁾ Trump also has the authority to impose sanctions on the Society for Worldwide Interbank Financial Telecommunications (SWIFT), that is the principal mechanism used by banks around the world for transferring money. Also, Trump can impose sanctions on its directors, in the event that they refuse to exclude Iranian banks from international financial transactions. Trump can use his executive powers to put board members and senior officials of the European Central Bank

and the European Investment Bank, as well as, national central banks on the list of US sanctions.

The US Department of the Treasury has the power to target Iranian companies such as national shipping companies, airlines, insurance services and its Atomic Energy Organization, that has been placed on the list of US sanctions since November 4, 2018, as well as, companies owned or controlled by Iran's Revolutionary Guards and the defense industry. These sectors make up about 20% of the total market value of Tehran's Stock Exchange. The US Treasury Department may impose sanctions on the group of companies belonging to the Supreme Leader Ali Khamenei. It has a budget of \$ 200 billion, including funds and charities, where officials deposit their assets. Trump can also use his executive powers to target companies in which Iran's Revolutionary Guards have a stake, expand sanctions to Iran's mining, construction and engineering industries, and any other sectors of strategic importance.⁽²⁾

In addition, the United States can impose sanctions on all countries, institutions, companies, and individuals who violate its sanctions program. Thus, Trump has deprived Iran from the advantages of the agreement just as he threatened to withdraw from the JCPOA. Before the sanctions came into force, many large companies withdrew from the Iranian market under the influence of US threats.⁽³⁾ Also, several countries reassessed their positions and pursued a let's-wait-and-see policy towards the US position. Furthermore, the European Union (EU) has failed to provide an alternative financial exchange mechanism to continue transactions with Tehran.

2- Influencing the oil market and lowering Iranian oil exports

The United States has a big impact on the oil market because it is the second largest producer in the world and is expected to become the number one producer with 12 million barrels per day, surpassing Russia that produces 11.6 million barrels. As oil is the main source of national income in Iran (Iran's exports were 2.7 million barrels before the sanctions were imposed and after November 4, they went down to 1.1 million barrels per day), the United States targeted its sanctions to hit Iran's energy sector.⁽⁴⁾ The United States through cooperation with its allies can ensure the stability of the oil market by:

- Making up for any shortage in the market resulting from the lowering of Iran's oil exports after the sanctions on its energy sector.
- Lowering prices by increasing supply in the markets, and this is important in whether the US strategy towards Iran will be a success or a failure. Oil sanctions are an important part of Trump's strategy of maximum pressure. Since sanctions on the energy sector came into force on November 4, these sanctions will be tested and reviewed by the US administration to determine maneuvering space and possible options.⁽⁵⁾ Some consider that the exceptions granted by the United States to eight countries to continue importing Iranian oil for six months reflect a weakness in one of the parts of the US strategy, these exceptions – on

the contrary - have been reached through dialogue and understanding with these countries, and this is significant. Some of these countries are allies to the US and can be contained. These exceptions are part of an agreement on lowering Iranian oil imports during the exemption period, which means that the United States has the ability to pressure these parties except Russia and China or help them find alternatives during the exemption period.

3- The strategic relationship with regional allies

The United States has strategic allies who agree and coordinate with it to reach the goal of changing the behavior of the Iranian system. Indeed, these allies, led by Saudi Arabia, have played an important role in reassessing the new US role in the “post-nuclear agreement” era. These allies, especially Saudi Arabia, have provided the climate and momentum for the success of Trump’s strategy. Iran’s threat is a critical key to understand Saudi Arabia’s foreign and defense policy orientations. There is no doubt that these orientations have emerged in face of the regional situation and regional re-positioning to counter Iranian influence and its destabilizing effects. The Saudi orientations paved the way for rearranging alliances in the region and restoring the warm US-Gulf ties under the umbrella of facing the Iranian threat.⁽⁶⁾

The United States is benefiting from coordination with its allies in the region to put more pressure on Iran.⁽⁷⁾ At the level of security coordination, the United States is making efforts to form a security alliance of its declared objectives to confront the Iranian threat. These arrangements come in what some call the formation of an “Arab NATO”,⁽⁸⁾ known as the “Middle East Strategic Alliance”, with the participation of five Gulf States as well as Egypt and Jordan. During the current phase, consultations are being held between the United States and the countries of this alliance to reach the appropriate formula and the role assigned to it, in spite of the many challenges facing it. But in any case, this alliance reflects an aspect of US policy to counter Iranian influence.⁽⁹⁾ It seems that this alliance will be a regional umbrella and an alternative to the former American protection umbrella, in the light of the American desire to withdraw its forces from the Middle East. At the level of economic coordination, regional countries, especially the Gulf, are expected to pursue a carrot and stick policy by building relationships with companies that have been forced to withdraw from the Iranian market or freeze trade relations with them. Or they may give them competitive investment quotas in local markets. Others have stopped any business dealings with companies that have ignored the sanctions and deal with Iran. Finally, the US strategy supports its oil policy coordination with the Gulf States and this coordination:

- Could lead to lowering global oil prices
- Provide alternatives to Iranian oil on the market
- This situation grants the United States bigger leverage to tighten its oil sanctionsonIran.⁽¹⁰⁾

4- The possibility to contain international allies

Regardless of the apparent disagreement between the United States and some European parties, the relationship between the two sides is of a strategic nature. Despite the opposition of the European Troika members' and the EU countries to the American position on its withdrawal from the nuclear agreement, the United States still has the power and ability to change this position, especially since European-American interests cannot be sacrificed to maintain relations with Iran. The two sides agree on the dangers posed by Iran, particularly with regard to Tehran's ballistic missile program and its destabilizing regional behavior. Europe can help the United States through the sanctions imposed on the missile program and human rights violations as well as counter-terrorism regulations, which are the JCPOA did not suspend.

This can clearly be seen in some European countries' refusing to sponsor alternative financial channels for dealings with Iran so as not to anger the US administration. This alternative financial system would threaten the financial clout of Washington. This financial measure, expected to be taken by Russia and China, seems unlikely to be pursued by Europe even if there is a temporary gap in the relationship between the parties caused by Trump's policy on some common issues.⁽¹¹⁾ The US National Security Advisor, John Bolton said, "the United States will not allow the European Union or any other party to undermine those sanctions". The comments followed EU plans to establish a special mechanism to circumvent US sanctions on Iranian oil exports.⁽¹²⁾

It is clear that apart from Russia and China, for political and competitive reasons with the United States, many countries, including European ones, will be forced by US pressure, to stop economic dealings with Iran. Investing in Iran is almost impossible at least for now. However, some small European and Asian companies that have no dealings with the United States may continue to deal with Iran, but they are unable to save the Iranian economy or fill the vacuum created after the withdrawal of larger companies.

5- Credibility and the ability to create momentum and influence

Trump's attitude towards Iran has been serious and has gained credibility as he withdrew from the nuclear agreement and then reinstated full of sanctions against Iran. This gave the strategy considerable momentum and psychological influence. Before the withdrawal from the nuclear agreement, Trump's statements and positions created an atmosphere of suspicion. This was taken into account by many countries and global economic entities. This momentum prevented Iran benefiting from the nuclear deal.⁽¹³⁾

After the exit from the nuclear agreement, Iran's oil exports have declined. Many major companies have flown out of the Iranian market. Most of them are companies operating in key sectors of the Iranian economy such as oil, gas, aviation, banking, insurance, and shipping. The price of the US dollar against the Iranian

toman in the parallel market increased by more than 110%, from 4200 Tomans per dollar at the end of December 2017 to 9,000 Tomans per dollar on the 24th of June 2018. It then continued to rise to 20,000 Tomans per dollar in August. Then it slightly declined to 13-15,000 Tomans per dollar. In December 2018, it hit 10,500 Tomans per dollar. Meanwhile, the Iranian budget deficit in the third quarter of the current year increased significantly, compared to the past few months. In some official statements, inflation rates were around 35%, and some consumer goods were doubled to 400%.

As a result of these realities, popular dissatisfaction increased towards the Iranian political system and its failure to provide real solutions to quell growing socio-economic problems. These problems mainly include soaring prices, unemployment, failure to pay wages to employees, the plummeting of the national currency, and the continuous spending on militias and financially supporting the Syrian government at the expense of Iran's interior.⁽¹⁴⁾

6- The ability to impact the legitimacy of the Iranian system

With growing economic hardships' coinciding with the American withdrawal from the nuclear agreement, social protests in Iran broke out, with the bazaar traders joining. The strikes increased. They raised slogans condemning the political system, its figures, and its policies at home and abroad. The protests sparked a crisis within the wings of the system. Several officials were sacked including the governor of the central bank as well as some ministers.⁽¹⁵⁾ The finger of blame was pointed at President Hassan Rouhani. He faced the most political and economic failure.⁽¹⁶⁾

These internal developments are consistent with the American plan to pressure the Iranian political system and to force it to sit at the negotiating table. In light of the increasing pressures and economic challenges, Iran's internal situation makes it an appropriate environment to test the effectiveness of the US strategy. It focuses on the internal situation by depriving the political system of the resources necessary to fulfill its economic program and to address its internal problems. Tehran will face serious difficulties in generating oil and non-oil export revenues.

The chances of the US strategy's success are improved by the Iranian system's inability to provide solutions to its internal crises, that are expanding geographically and socially. It is also improved in light of the collapse of Iran's medium and small commercial sectors and their complete withdrawal from the market due to a plummet in the national currency raised taxes and increasing red tape. This is in addition to the exemptions and facilitations granted to the Revolutionary Guards that own government firms. The Revolutionary Guards also depends on smuggling, as well as, offering direct and indirect facilitations through other affiliated firms under civilian names, let alone corruption and the gap between the elite and the people.⁽¹⁷⁾

7- Compromise and gradualism

Although some see US pressure and its gradual nature as a weakness within its strategy, it is, in fact, an alternative to a policy of tough pressure whose repercussions are not known. Also, it is in line with the aim of changing the behavior of the Iranian system. This gradual approach guarantees tightening the noose around Iran through phases aimed to contain the Iranian reactions through a long-term policy, that aims to push the political system to the negotiating table while exhausted and lacking the ability to maneuver or compromise. At the same time, this approach gives the US administration an opportunity to review and assess its policy, providing more time for creating a global consensus against Iran, given a number of international actors are dissatisfied with the US policy on Iran, and others are keen to continue relations with Iran and help it circumvent sanctions, defying the US policy. This is in addition to the parties that have a desire to defy the US policy and soften its administration's positions towards Iran as time passes. Finally, the US aims to avoid any unexpected reactions from Iran that could cause harm to its interests and its allies in the region, given Iranian threats to block oil exports in the region if it is denied exporting its own.⁽¹⁸⁾

The US does not want sanctions to lose its effectiveness. In a speech in 2016, former US Treasury Secretary Jack Lew warned of, "the risk that excessive use of sanctions would ultimately reduce the ability of the United States to use them effectively and push global financial transactions and business away from the United States."⁽¹⁹⁾

8- Undermining the JCPOA and scaling up the level of negotiations to include the Iranian behavior in the region

There is no doubt that Trump's strategy brought Iran back to focus. His strategy focused on the dangerous aspects of Iran's behavior and set a ceiling that will be hard for any new administration to dismiss in light of the revelations that Iran benefited from the nuclear deal by making it a conduit for boosting its policies, its clout, and orientations, contrary to what was expected after cutting the deal.

In the light of this, it seems difficult to return to talks concerning re-activating the agreement again, but the goal of any administration or official is to reach a new agreement with Iran.⁽²⁰⁾ This will not be confined to the nuclear deal. But it will no doubt include negotiations on Iran's overall aggressive and expansionist behavior that threatens the interests of the United States and the interests of its strategic allies in the region, as well as, ensuring Iran will not develop nuclear weapons in the future. This would happen through changing the so-called sunset clause of the nuclear agreement. This provision is related to relaxing restrictions imposed on accessing nuclear technology as of 2025, that could allow Iran to resume its nuclear program.⁽²¹⁾

The Iranian system is waiting for the results of the upcoming US elections and whether the current administration will be re-elected or will the new adminis-

tration pursue the same policy as the previous administration. But this is considered as a high-stakes Iranian gamble as Trump has classified Iran as a rogue state that threatens US interests and European countries agree with this classification to a large extent.

9- The political system's modest options in the face of US pressures

The modest results of Iranian policies in the face of US sanctions help in strengthening the pressure strategy adopted by the Trump administration. For example, the inability of European countries to meet the Iranian requirement to open an alternative financial channel and to find banking solutions to induce it to remain in the nuclear agreement could lead to the deal falling apart. Relying on the resistance strategy failed, because the Iranian economy is a rental economy that relies heavily on oil revenues, and the use of austerity and fiscal policies to solve the crisis will not stop the deterioration of the Iranian economy.

However, Iranian tactics to circumvent sanctions have proved somewhat successful. But in the end, it will only be able to reduce the losses, not to avoid them. The negative impact of the sanctions will inevitably occur. When Iran offered part of its oil production at an internal exchange at a discount price, it found no buyers, and it was obliged to offer more price deductions to sell some of it. Iran has initiated a barter system with Turkey, India, China, and Japan and they have agreed to pay the value of Iranian oil imports by using old and traditional means. This technique will be useful for importing countries in the first place since they will be able to guarantee that their products will be sold and that Iranian oil will be a pawn for them. This will perpetuate the Iranian struggle to get hard currency, leading to the continuation of economic pressure, giving more leverage to the US and strengthening its strategy.

Second: Weaknesses of the US strategy towards Iran

Despite the US maximum pressure strategy has factors of strength to curb the Iranian behavior in the region, it has a number of challenges and shortcomings:

1- The gap between the US and world powers

With the continuation of the nuclear agreement in accordance with the formula of 4 + 1 after the withdrawal of the United States, a large gap emerged between Trump's position towards the agreement and the other signatories. The latter attempted to draw a separation between the agreement as a framework depriving Iran of moving ahead with developing nuclear weapons after Iran reached the nuclear threshold just ahead of penning the deal and Iran's behavior that Trump considers to have violated the spirit of the agreement.⁽²²⁾ This gap between the parties to the nuclear agreement is a loophole in the pressure strategy and international consensus represents an important pillar for the US strategy to reach the ultimate stage of effectiveness. This divergence in viewpoints never existed before signing the nuclear agreement. The international

consensus and European commitment, together with the Russian and Chinese commitment to the US secondary sanctions, played an important role in signing the joint action plan.⁽²³⁾

In light of the bellicose atmosphere that Trump brought to the international arena, disagreements among the global powers on the Iranian nuclear deal are no longer confined to the opportunity of cooperation with Iran or the post-nuclear deal challenge. However, some considered Trump's withdrawal from the agreement as undermining multilateral international diplomacy.⁽²⁴⁾

There is no doubt that the legitimacy of the international nuclear agreement strengthened the positions of the international powers opposed to the United States. They, in turn, confirmed the continuation of the agreement as long as Iran is observing its provisions, especially as the IAEA confirmed in thirteen reports until November 2018 of Iran's commitment to the nuclear agreement.⁽²⁵⁾ Rather, they sought to ease the sanctions and to discuss alternative mechanisms for financial transactions with Iran away from SWIFT, such as the European Clearing House or the Chinese or Russian exchange mechanisms.

2- The challenge of bringing down Iranian exports to impactful levels

US sanctions on Iran's energy sector are of paramount importance in the US strategy because oil and petroleum products account for 70 percent of Iran's total exports.⁽²⁶⁾

However, the strategy of bringing down Iranian oil exports to zero or reducing their efficiency faces major challenges. Preventing any fluctuations in the oil market as a result of the sanctions is the main challenge. The United States has already faced accusations of raising oil prices because of its sanctions on Iran before prices fell again.

Russian President Vladimir Putin openly accused the United States, saying that, "American sanctions on the oil sector in Iran are one of the reasons for raising oil prices globally", as he commented on Trump's complaint concerning hiked oil prices and his demand for OPEC to increase oil supplies.⁽²⁷⁾

The second challenge is to convince oil importers to stop their oil imports from Iran.⁽²⁸⁾ Despite the strict US position on using oil sanctions as a pressure tool, it is clear that the United States is aware that the sanctions will not pay off immediately. For this reason, the US Treasury Secretary announced that bringing Iranian oil exports to zero will be difficult to achieve and that the United States can only reduce Iranian oil exports during this stage by 20%. This is in light of the positions of the countries importing oil from Iran, as well as, the impact on global oil prices, that would affect the United States itself. Given the foregoing, we can understand the reasons for the United States granting eight countries (China, Japan, India, South Korea, Taiwan, Turkey, Italy, and Greece) exemptions on their oil imports from Iran for six months until alternatives are found to Iranian oil.⁽²⁹⁾

The third challenge facing the strategy to lower Iranian oil exports to zero is Iranian tricks used for smuggling oil via neighboring countries, as well as, other means and tactics. Between 2011 and 2015, Iran adopted a number of tactics to evade sanctions and create illicit markets for its crude oil. Hence, we can understand why the US pressured Iran's neighbors to further tighten the economic blockade on it especially when it comes to its oil and gas sectors. Bolton, came to the South Caucasus countries,⁽³⁰⁾ and pressured Iraq and Turkey to help in enforcing sanctions on Iran., The biggest challenge to the US plan to bring down Iranian oil exports to zero is the position of the exempted countries after the end of the six-month grace period. The extent of the challenge will be determined by the standing of some of these countries on the global stage and whether they are in a dispute with the US, especially Russia and China, that have proven precedents in continuing dealings with Iran under US sanctions. This is in addition to whether there are economic or financial relationships linking entities from these countries with the US market, as depending on the extent of their relationships they could be hesitant to do business with Iran due to the fear of US sanctions. It also depends on the actual need of these countries for Iranian oil, let alone the availability of alternatives.

3- The ambiguity shrouding the strategy related to changing Iran's regional behavior

The US strategy lacks sufficient tactics to counter Iran's regional behavior, although it is one of the most important American goals. On the contrary, Iran is bolstering its influence, which may thwart the US strategy itself and limit US ability to confront it in the future.

On the Syrian scene, the US strategy is ambiguous and inconsistent with what is required for its strategy of maximum pressure on Iran to be successful. Iran is moving comfortably in Syria and its military and even civilian presence is embedded by wide demographic changes.

The United States relies on Russia to limit Iran's role. Russia and Iran share common interests that actually contradict the interests of the United States. Trump's decision to withdraw US troops from southern Syria and then to retract under pressure from the Pentagon reflects the fact that the US strategy to deal with Iran lacks coordination and the non-integration of key institutions in the decision making process. In Yemen, despite the deployment of its forces and bases in the Red Sea, the Bab al-Mandab and the Arabian Sea to the Arabian Gulf, the United States did not provide enough support to the Arab Coalition partners to restore legitimacy by imposing a naval blockade to prevent the flow of arms to the Houthis. This could have led to halting rocket attacks by the Houthis on the Gulf states, securing navigation in the Red Sea and across the Strait of Bab Mandab.

4- The weak methods of confrontation compared to the enormity of Iran's threats in the region

According to President Trump's foreign policy, he "does not want a long-term US military engagement in the Middle East," although security threats and the influence of some regional and international powers have increased at the expense of US interests. This is a weakness in the US strategy to change Iran's behavior because the vacuum created by its withdrawal provided space for global powers such as Russia and regional powers such as Iran to move in the region.⁽³¹⁾ After the United States and its regional allies, including Turkey, have been lining up to face the Iranian threat, and Washington-backed regional powers seemed to be succeeded in reducing this threat, specifically in Syria, things turned upside down. Moreover, the lack of a clear strategy to achieve this goal, as well as important regional and international transformations and changes, the most important of which is the Russian role in the region, has changed the regional equation and Iran has played a prominent regional role. The broad coalition has been fractured and Turkey has been forced to cooperate with Russia and Iran to safeguard its interests for fear of US policy.⁽³²⁾ The developments in regional conflicts have led to a Turkish-Iranian "coalition of interests", that may be joined by other countries such as Qatar and Syria in the future, in addition to militias and proxies from some countries. This coalition enjoys Russia's support and perhaps China's as well. This alliance opens up avenues for Iran by which it can overcome US pressure and sanctions. In addition, the US strategy does not have effective deterrent mechanisms to counter Iran's development of its defense capabilities. Iran is developing ballistic missiles, transferring arms, and equipment to its militias in the region, and even transferring manufacturing technology to some areas in southern Lebanon, and Syria.

5- Adopting the sole alternative approach (negotiations) with Iran

The repeated assertion of negotiations is a weakness in the American strategy towards Iran because this assertion makes the Iranian system feel that other options are excluded, such as direct or indirect military confrontation.

The Iranian system is also certain of the scope of American movements. It is now dealing with the economic siege imposed on its oil exports and financial dealings with the outside world. It is aware that this siege could be resisted in the absence of a global consensus on the issue of the US withdrawing from the nuclear agreement and besieging Iran.

With a number of international networks and countries willing to provide support to Iran for it to evade the US sanctions, the Iranian political system may be able to gain time until a new US administration comes to power, especially as the Iranian public is aware that the goal of replacing the political system is no longer embodied in US strategy and that any foreign policy manoeuvring may put an end to pressures and give the political system a new round of legitimacy.

Iranians believe that the economic pressure is part of a psychological war waged by the United States and that it lacks other mechanisms.⁽³³⁾ In this respect, Mohammad Reza Bur Ibrahim, head of the Iranian parliament's economic committee, said that the US's tools against Iran have run out, the last among them is the economic sanctions.⁽³⁴⁾

6- The nature of Iran's relations with its neighbors

Iran is seeking to face pressure and sanctions by moving closer to a number of neighboring countries, such as Iraq and Turkey, where the political leadership have announced their rejection of US sanctions on Tehran, in addition to using its strategic depth in Syria, Lebanon, and Yemen, that provides Iran with pressure tools to defy the pressures it is facing from the US.⁽³⁵⁾

Rouhani has declared, that it is Iran's strategy to confront American pressure, especially with regard to its oil sanctions, by using several regional axes. He pointed, in addition to Turkey and Iraq, to Afghanistan, the Caspian Sea countries and some Gulf states to help Iran to counter US sanctions and pressures on its energy sector.⁽³⁶⁾

For example, banks and exchange offices in a number of regional countries have offered channels to Iran to face the financial sanctions imposed by the US. Iran has used Afghan banks to pay for Iranian imports and convert currencies to US dollars. A commission of between 5 percent and 7 percent is paid to middlemen, in addition, traders in the Afghan border provinces make payments in the US dollar to their Iranian counterparts. This has led to between \$ 2 million to \$ 3 million shortages in Afghanistan per day.⁽³⁷⁾

A number of networks in these countries provide important services related to measures and means to circumvent US sanctions. These networks involve national and private companies, intermediaries, Iranian and non-Iranian shipping companies as well as local banks in Iran. These banks include the central bank and banks overseas in more than one country. These networks help Iran to achieve three main objectives:

- Circumvent sanctions related to its oil exports.
- Circumvent sanctions related to its trade dealings with the outside world.
- Offer help to militias and resistance movements in the region.⁽³⁸⁾

7- Iran's expertise in circumventing sanctions

The impact of US sanctions is mitigated by the fact that the Iranian government has nearly forty years of experience in dealing with US financial pressures. A huge set of tools have been tested by the Iranians, and Iran has been adept at using tactics to circumvent sanctions, evade and continue business.

Tanker Trackers group reported that Iran attempted to smuggle oil away from international control mechanisms by using a variety of methods, such as stopping tanker tracking signals, replacing shipments halfway, and hiding the iden-

tivity of Iranian oil tankers by changing the names of ships and raising flags of other countries, as well as, jamming the tracking systems to avoid being spotted by satellites.⁽³⁹⁾ Also, Iran is storing oil in other countries, in addition to offshore storage.⁽⁴⁰⁾

The First Vice President of the Republic said, “We have solutions to export our oil, while the minister of oil said,” “The Iranian government is trying to face the unjust US sanctions imposed on Iran in various ways.” He pointed out that it is not possible to reveal the methods of dealing with these sanctions.⁽⁴¹⁾

To circumvent oil sanctions, Tehran has offered incentives to importers. This includes a discount on crude oil prices, free shipping in some cases and special protection for oil shipments, as major international insurance companies are banned from dealing with Iran and using its own tankers in place of those owned by multinational shipping firms.⁽⁴²⁾

Conclusion

There is no doubt that the US pressures have strongly affected the Iranian economy. Macroeconomic indicators are on the decline, and the Iranian government has pursued a series of economic measures to ease the crisis. The government has prepared the next Iranian budget depending on only 25% of oil revenues.⁽⁴³⁾

However, the Iranian political system did not meet Trump’s call for direct negotiations, which means that the pressure is still insufficient. In fact, as long as the strategy suffers from weaknesses, and as long as the loopholes give Iran an opportunity to maneuver and circumvent and overcome the sanctions, it will not come to the table voluntarily.

But the key question remains: What can the United States do to avoid any dysfunction of sanctions-based strategy, as well as avoid letting Iran circumvent pressure or resorting to other escalatory measures?

To answer this question, we shall consider the following points:

1- Finding alternatives to negotiations

The success of the strategy requires multiple options if one of the others fails. What if the sanctions did not affect the Iranian system, and therefore did not push it to sit at the negotiating table? The strategy seems to need support, so that starting the negotiating stage does not become the ultimate goal; rather, the aim is to change Iranian behavior, that may come through negotiations, or through other alternatives, including resorting to force or hinting at its use.

2- Diversifying tools and mechanisms to befit the nature and the enormity of the objectives

The US strategy focuses on sanctions and economic pressures to achieve a vari-

ety of objectives that can be grouped under three main headings: changing the terms of the nuclear agreement, changing Iran's regional behavior, and stopping missile threats. Therefore, the strategy seems to need other tools of pressure besides sanctions to achieve the various objectives.

The United States needs diplomatic, military and intelligence measures in a coordinated campaign aimed at changing Iran's overall behavior. It also needs to target all Iranian militias in Iraq, Syria and other countries in the same way as Hezbollah in Lebanon by classifying them as cross-border dangerous entities. The lists of sanctions extend to include influential figures within the political system and the Revolutionary Guards.

Without confronting Iran and its proxies on the ground in the region, in parallel with limiting the material and financial capabilities through which Iran supports these militias, the US strategy will become handicapped and may fail to achieve the goal of changing Iran's regional behavior. Iran's presence in Lebanon, Iraq, and Syria provides leverage through which it can engage in a head-to-head compromise with the US. Furthermore, the areas infiltrated by Iran enable it to circumvent sanctions. It also sets up networks that help it evade sanctions, abort the US strategy and continue its usual behavior.⁽⁴⁴⁾

3- The element of time

The strategy needs a specific timeframe to achieve the objectives required so that the elements of the strategy do not lose their relevance and effectiveness, especially since Iran is betting on the time factor until the US presidential elections in 2020. Until this time Iran's behavior will continue because there are no deterrent mechanisms that could be used against the political system at home or in the region. Tehran may usher in escalatory measures and resume uranium enrichment if it has not already started doing this secretly.

4- Coordination of efforts

The US strategy needs greater coordination among the various parties and institutions to implement and coordinate its elements. This requires coordinating the economic efforts of the Treasury and the State Department with regard to the strict implementation of sanctions along with the efforts of US intelligence and national security agencies to track the illegal activities, networks, and militias collaborating with Iran's political system. This is in addition to involving the Pentagon in the development of specific deterrent mechanisms to push Iran to change its regional behavior as part of the objectives of the US strategy and within the twelve demands of the United States. The United States needs to close the gap between it and its allies on the issue of Iran, especially with its European allies, as well as, with its regional allies.

Finally, the strategy needs effective mechanisms to prevent neighboring countries from reaching out to the Iranian system and helping it evade US sanctions.

In the end, Trump's sanctions strategy is already in place. The US administration is in the process of reviewing and following up on the Iranian issue at the Department of State headed by Brian Hook.

Iran is likely to be hit with further escalatory measures. On the other side, the United States is not the only player in this case. It faces real challenges at various domestic, international and regional levels.

In addition, it is difficult to imagine Iran accepting to lose all its gains and comply with all the American conditions, which in effect means undermining the legitimacy of its political system to a large extent. Therefore, leaving room for negotiations through direct or indirect channels is the solution that will prevent the two sides from playing a zero-sum game.

Endnotes

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