The Iran Deal Pullout: How Will Tehran Respond?

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Nov 1, 2018

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Articles & Testimony

What can the Trump administration do to shape Iran's choices?

Iranian leaders have doubtless been assessing their options in the wake of President Trump's May 8 announcement that the United States would withdraw from the 2015 Joint Comprehensive Plan of Action (JCPOA) and pursue a policy of maximum pressure designed to force them back to the negotiating table. We may soon learn how their assessment concluded, since far-reaching sanctions are about to be reimposed on Iran's oil sector (its main source of government revenue and foreign exchange) and foreign companies that do business with it—on November 4. Many foreign customers have already cut or halted purchases of Iranian oil in anticipation of this deadline. The challenge for Washington is to apply sufficient pressure to induce Tehran to renegotiate, while deterring it from using force to enhance its diplomatic leverage or impose costs on the United States.

In the past, Tehran has generally responded to pressure on its nuclear program by accelerating its nuclear activities in order to show that the greater the pressure, the greater Iran's progress. Thus, despite the escalation of pressure from 2006 to 2015, Iran increased the number of operating centrifuges from zero to nearly 20,000. And as pressure on it broadened and intensified, Tehran responded more or less in kind—while eschewing escalatory steps that could have sparked a broader conflict with the United States. Thus, it countered joint U.S.-Israeli cyberattacks on its nuclear program with cyberattacks on U.S. banks and financial institutions (2012); it answered the assassination of its nuclear scientists with attacks on Israeli diplomats in several Asian countries (2012); and it responded to intensified U.S. drone overflights with attacks on U.S. drones in the Persian Gulf (2012-13).

Iran, however, now faces a more complex dilemma: It is suffering under U.S. sanctions that may cut deeply into its oil income but that Europe and many other countries oppose; yet the European powers have told the Iranian leadership that if it violates or withdraws from the JCPOA, they will vote to snap-back UN sanctions on Iran, ensuring that the U.S. policy of maximum pressure will be even more effective.

Thus, as long as Tehran stays in the JCPOA, it is constrained in what it can do in the nuclear domain to push back against U.S. pressure. It could approach but not cross JCPOA limits by, for example, ramping up production of enrichment feedstock and centrifuge components, pushing up against caps on enrichment levels and stockpiles, and conducting research on nuclear power plants for naval vessels. Or it could engage in low-level nuclear brinkmanship by crossing various JCPOA thresholds to see if there is any wiggle room with the Europeans.

If U.S. sanctions truly hurt, Iran could try to gain leverage over the United States by going far beyond JCPOA enrichment and stockpile caps, interfering with International Atomic Energy Agency monitoring or, in extremis, reviving its nuclear weapons program. Or it could push back in areas that have not generally been linked to its nuclear program. It could: accelerate the detention and imprisonment of U.S. dual-nationals (resumed earlier this year following a 2016 hiatus); ramp up medium-range missile tests (halted in 2017) or the harassment of U.S. naval vessels in the Persian Gulf (likewise halted in 2017, after U.S. vessels fired warning shots across the bow of Iranian patrol boats); try to disrupt maritime traffic in the Strait of Hormuz (which it has threatened to do if it can no longer export oil); and resume offensive cyber operations against the United States (halted when nuclear negotiations gained traction in 2013). Iran could also use its militant proxies in Iraq to renew attacks on U.S. personnel there (which ceased following the withdrawal of U.S. forces in 2011). The U.S. government has warned of severe consequences should it do so, though this has not deterred recent proxy rocket attacks on U.S. diplomatic facilities in Baghdad and Basra.

Tehran faces several difficulties, however. Kidnappings, missile tests, and the harassment of naval vessels would probably not provide leverage over Washington and could easily backfire. Attempts to close the Strait of Hormuz would gravely harm Iran's own interests, as nearly all of its oil exports and imports pass through this chokepoint. It would make sense to do this only if all Iranian oil and gas exports were halted. While the United States may be vulnerable to Iranian cyberattacks, it can inflict much greater harm on Iran in this area. And the killing of U.S. personnel in Iraq or elsewhere could prompt the U.S. government to unleash its own lethal campaign against the IRGC's Qods Force, employing techniques perfected in its war against al-Qaeda and the Islamic State (ISIS).

Such actions would carry many dangers for Iran. Although Iranian leaders have learned since the 1980s that they can wage proxy warfare against the United States without incurring the risk of military retaliation, they nonetheless view the United States as an unpredictable and potentially dangerous adversary. After informing Baghdad that it had no position on the crisis leading up to Iraq's invasion of Kuwait in 1990, the George H.W. Bush Administration mobilized a global coalition to counter Iraqi aggression. George W. Bush, having rejected "nation-building" during the 2000 presidential campaign, ordered the invasion of Afghanistan and Iraq after the 9/11 attacks, as well as costly nation-building efforts in both countries. And after pledging to avoid yet another Middle Eastern war, President Barack Obama launched a campaign against ISIS following its conquest of Mosul and northern Iraq in June 2014.

President Trump's volatile personality and erratic policies have reinforced Iranian concerns about U.S. unpredictability. After declaring his intention to withdraw U.S. forces from Syria, the latter dug in and pushed back against probes and attacks by pro-Iran militias near Tanf and pro-regime forces near Deir al-Zour. U.S. forces also conducted two strikes in response to the use of chemical weapons by regime forces. Military officials have threatened to respond even more forcefully to future chemical attacks.

Tehran has taken a more cautious approach toward the United States since then, and for good reason. American officials have indicated that U.S. forces will remain in Syria as long as necessary to ensure the "enduring defeat" of ISIS and the departure of Iranian forces and their proxies. Tehran will likely continue its highly successful proxy activities, though at a level that it believes will not prompt the United States to use military force against it. And there will be an ever-present temptation to strike a painful blow against U.S. interests, entailing a risk of escalation.

In the face of firm U.S. ripostes in Syria and the Gulf, Tehran has ratcheted up pressure on America's foremost regional allies, Saudi Arabia and Israel. It provided the Houthis in Yemen with missiles capable of reaching Riyadh (which has been targeted repeatedly since late 2017). It has likewise accelerated efforts to build up missile production facilities and other military infrastructure in Syria and Lebanon. And in February of this year, it sent a drone packed with explosives into Israeli airspace (it was shot down by Israel), prompting a series of clashes that led to a major Israeli strike against Iran's military infrastructure in Syria in May. Iran has also intensified activities against opposition groups that it fears may be used by the U.S. government against it, plotting an attack against a Mujahedin-e-Khalq (MEK) rally in Paris in June, conducting a missile strike against the Kurdistan Democratic Party of Iran (KDP-I) headquarters in northern Iraq in September, and launching another missile strike against ISIS facilities in Syria in October, in response to a terrorist attack on a military parade in Khuzestan.

Iran's response to the U.S. withdrawal from the JCPOA will largely depend, then, on how deeply renewed U.S. sanctions bite. If Iran is able to muddle through—because it sells enough oil, repatriates sufficient funds from foreign customers, benefits from higher oil prices, or some combination of these—it may continue to observe JCPOA limits and try to wait President Trump out, hoping for a different U.S. President in January 2021. Meanwhile, it may push back against U.S. efforts by largely symbolic means—in order to avoid a military confrontation with the United States, while lashing out however it can against U.S. allies, partners, and perceived proxies.

This is not necessarily a bad place for the U.S. government to be, with the Iranian leadership contained by the JCPOA and rigorous sanctions. It is not, however, what the Trump Administration had in mind when launching its policy of maximum pressure. As with so much else about the Administration's policies, it's not clear whether real but unanticipated benefits will share the same thought-space as likely unattainable maximal goals.

Should sanctions cut deeply and exacerbate ongoing domestic unrest, Iran will face a choice: agree to a new round of negotiations with the United States in which it offers concessions in return for sanctions relief, or undertake various destabilizing activities—violating JCPOA limits, intensifying proxy attacks on U.S. allies, or even conducting proxy operations against U.S. interests and personnel—so that it can re-engage Washington from a position of strength. If hardliners in Tehran win the day, destabilization efforts could even include waging a low-level, open-ended struggle to oust the United States from the region. This being the case, what considerations should guide U.S. policy toward Iran, and what can the Trump Administration do to shape Iranian choices?

First, U.S. officials should strive to keep tensions with Tehran below the threshold of armed conflict. Domestic opinion won't support another Middle Eastern war, with heightened tensions with North Korea, Russia, and China now making competing claims on U.S. military resources. Nor, by all appearances, would President Trump. Moreover, long-term strategic competitions of the sort that characterize U.S.-Iranian relations aren't decided by a single knockout blow. U.S. policy must be tempered by and reflect that reality.

Second, hardliners in Iran may push for a military riposte in response to real and imagined U.S. actions, especially if the pressure campaign destabilizes Iran internally. And they might get their way if the influence of the IRGC grows, or the Supreme Leader becomes incapacitated or dies. Preserving the credibility of the U.S. deterrent will therefore be key to avoiding escalation.

Third, at least for the time being, Washington needs to avoid crossing red lines that might prompt Tehran to respond to U.S. pressure with proxy attacks or military action. In practical terms, this means permitting Iran to sell just enough oil and repatriate just enough income to keep its economy on life support, while eschewing efforts to actively foment regime change in Tehran. It is not a bad thing for Iranian leaders to know that the U.S. quiver still contains many arrows.

Thus, Washington should apply sufficient pressure to incentivize Tehran to re-engage in order to salvage its economy but avoid cornering Iran so that it feels it has no other choice than to fight back. Washington should also avoid sanctions so crushing that they could, in tandem with Iran's ongoing water crisis, eventually transform it into another failed Middle Eastern state. With Iran, acting prudently will be the key to managing escalation, avoiding further instability and conflict, and achieving an acceptable policy outcome.

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