

# Iran Is Throwing a Tantrum but Wants a Deal

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## Defiant warnings aside, Tehran will eventually negotiate with President Trump —as long as Vladimir Putin mediates.

**E**ven in its afterlife, the Iran nuclear deal continues to polarize. Those who supported the agreement proclaim loudly that Iran will never negotiate any adjustment to it, while its opponents argue U.S. President Donald Trump’s decision to pull out of it will produce a better deal.

Trump himself seems to believe a better deal is possible, having recently offered to talk to the Iranians without preconditions. On Monday, Iran’s supreme leader Ali Khamenei indicated he disagrees, [declaring \(https://www.reuters.com/article/us-iran-khamenei-economy/irans-khamenei-rejects-trump-offer-of-talks-chides-government-over-economy-idUSKBN1KY0U1\)](https://www.reuters.com/article/us-iran-khamenei-economy/irans-khamenei-rejects-trump-offer-of-talks-chides-government-over-economy-idUSKBN1KY0U1): “I ban holding any talks with America... America never remains loyal to its promises.” Khamenei’s ban came after Mohammad Ali Jafari, the commander of the Islamic Revolutionary Guard Corps, had already [insisted \(https://www.thetimes.co.uk/article/we-won-t-talk-to-us-after-trump-broke-nuclear-deal-says-iran-rwdk8l8q9\)](https://www.thetimes.co.uk/article/we-won-t-talk-to-us-after-trump-broke-nuclear-deal-says-iran-rwdk8l8q9): “The Iranian people will never allow their officials to meet and negotiate with the Great Satan, we are not North Korea.”

That sounds strong, but I suspect Trump’s backers have the better case. History and basic political dynamics suggest Iran’s defiant attitude about negotiations will soften before long, and it’s entirely possible to imagine the two sides reaching an agreement. The next round of U.S.-Iranian negotiations, however, won’t look anything like the first—and Russian President Vladimir Putin will likely play a starring role as peacemaker.

Let’s first dispense with some mistaken assumptions on the U.S. side. Jafari’s reference to North Korea is telling, both because Iran is not a one-man show and because Trump seems to believe that his “maximum pressure” approach worked on North Korea and can work on Iran. Leaving aside whether it has worked, the two cases are quite different. On North Korea, a strong international consensus existed on stopping the regime’s nuclear program—and

the Trump administration mobilized support for new, tougher sanctions. On Iran, by contrast, the president broke the international consensus by walking away from the nuclear deal. It is hard to apply maximum pressure when other governments, especially our European allies, oppose our efforts and are adopting regulations to protect their companies from U.S. sanctions for doing business with Iran. At a minimum, our allies and others are not going to be vigilant in plugging loopholes in the sanctions regime and preventing the Iranians from evading the sanctions—a practice that they have honed over time.

So much for maximum pressure. In fact, with oil prices rising, Iran is likely to be able to cover revenue losses that may occur when the Trump administration applies the second round of sanctions on Nov. 4—sanctions that require countries to reduce their oil purchases from Iran or risk not being able to do business with the United States.

But before simply accepting that Iran need not, and will not, negotiate changes to the nuclear agreement, consider the following. First, notwithstanding the new blocking regulations the European Union has adopted, European banks and companies are pulling out of Iran. When faced with the choice of doing business with the United States or with Iran, there is no choice. Already, big energy, automobile, and shipping corporations such as Total, Peugeot, and Maersk, as well as banks such as Germany's Deutsche Bank, have pulled out. Banks and multinational corporations will do what their bottom lines, not governments, tell them to do.

Second, even before the first round of sanctions were reimposed on Aug. 6, the Iranian economy was reeling. Since April, Iran's currency has lost 50 percent of its value, meaning Iranian bank accounts are worth half of what they were then, and the Iranian public is clearly unhappy. They have been expressing their unhappiness in widespread demonstrations since last December—well before Trump pulled out of the Iran deal—over the regime's foreign adventures, mismanagement, and pervasive corruption. Strikes are increasing, with vendors in the Tehran Bazaar holding a work stoppage on June 25. Truckers held a strike throughout the country in July; more recently, riot police were called out in response to strikes in the cities of Mashhad, Isfahan, Rasht, Ahvaz, and Karaj. Other than Ahvaz, these are conservative cities typically supportive of the regime. Not anymore, with angry demonstrators carrying placards that say, "Death to Palestine" and "No to Gaza, no to Lebanon" as well as "Death to the dictator." They want money spent on their needs, not billions on saving Syrian leader Bashar al-Assad or supporting Hezbollah or Hamas. For a regime that depends for its stability on fear and some semblance of popular legitimacy, this must be unnerving.

Third, when the regime feels truly squeezed, its historic pattern is to adjust its behavior. Ayatollah Ruhollah Khomeini, the Islamic Republic's first supreme leader, proclaimed Iran would fight Iraq for as long as it took to defeat it. Yet he ended the war in August 1988 when U.S. forces in the Gulf destroyed Iranian naval vessels and oil platforms and accidentally downed an Iranian civilian airliner—seemingly in support of Saddam Hussein. In the 1990s, Iran stopped killing dissidents in Europe when Germany threatened sanctions. Following the U.S. defeat of Saddam's army in 2003, and fearing Iran might be next, the regime made far-reaching offers to limit its nuclear program and support for Hezbollah and Hamas. And, after declaring that they would never negotiate on their nuclear program so long as they were under sanctions—and the Obama administration doubled down on the sanctions—the Iranians negotiated.

All this suggests that as the economy falters and pressure rises in Iran, the regime will, in time, look for a way out and be willing to talk. Oil at over \$70 a barrel will give the Iranians some cushion, especially because their budget was based on \$55 a barrel. In addition, Iran's leaders will wait to see how much European buyers of Iranian oil cut back and whether anyone fills in.

Still, Iran is likely to seek a way to talk—not directly, because that would look like a surrender. Instead, early next year Iran's leaders will likely approach the Russians. They see how Trump relates to Putin, and with Putin's interest in demonstrating Russian clout on the world stage, he will gladly be the arbiter between the United States and Iran.

(Not least because Putin would likely be eager for the talks to include discussions about Syria’s future.)

One can envision Putin, perhaps in his upcoming summit meeting with Trump in early 2019, bringing a proposal to extend the nuclear deal’s limits on Iranian centrifuges and enriched material for 10 to 15 years in return for the United States dropping all its sanctions. In other words, in return for the restrictions on Iranian enrichment being extended from 2030 until 2045, the United States would drop all its existing sanctions—nuclear and nonnuclear—so there would be no remaining ambiguity about Iran’s ability to do business with U.S. banks.

In theory, such an offer falls well short of the Trump administration’s posture embodied in Secretary of State Mike Pompeo’s 12 demands of the Iranians—demands that require an end not only to nuclear enrichment but also to Iran’s destabilizing threats and actions in the region. But if Putin comes with such a proposal, and presents it privately to Trump, it is hard to believe that the president would simply turn it down. More likely, he will see it as an opening—even “an incredible offer,” or some other such superlative.

Anyone certain that the Iranians won’t negotiate any modifications on the nuclear deal shouldn’t be so sure. Domestic pressures and the readiness of the Russians to play the arbiter role can provide the Iranians an out. Their history suggests they will go for it.

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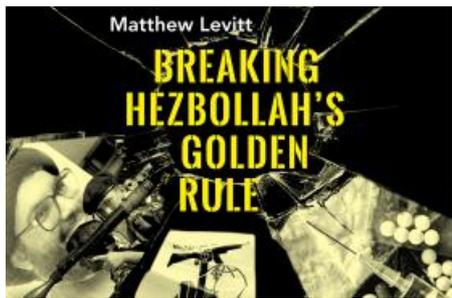
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