

Talk Is Cheap

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Articles & Testimony

Sanctions might have brought Rouhani to the table, but they won't keep him there.

In [2012, I argued \(/policy-analysis/view/sanctions-are-only-a-stop-gap\)](/policy-analysis/view/sanctions-are-only-a-stop-gap) that sanctions against Iran could succeed at bringing Tehran back to the negotiating table but that they were not a strategy in and of themselves. [See "[Sanctions Are Only a Stop-Gap \(/policy-analysis/view/sanctions-are-only-a-stop-gap\)](/policy-analysis/view/sanctions-are-only-a-stop-gap)"] Occasional (and usually fruitless) talks, after all, would be no substitute for overall stability and political normalization. A more successful long-term U.S. policy, I wrote, should be geared toward building a more democratic Iran. That remains true today. As Iranian President Hassan Rouhani mounts his charm offensive at the UN General Assembly, it is worth remembering that sanctions alone did not bring about the new Iranian attitude. Nor will they be enough to guarantee Iran's cooperation in the future.

Over the last two years, the U.S. and EU sanctions regimes have scored impressive results, mostly thanks to broad international support for, and compliance with, them. Some countries, such as Canada, signed on to tight trade restrictions. Others, such as India, significantly curtailed their purchases of Iranian oil and restricted what Iran could do with the payments for that oil. All told, Iran's useable oil export revenue was around two-thirds less than it would otherwise have been this year. At about \$30-\$35 billion a year, Iran's useable oil revenue now stands at a level last seen a decade ago. That has compelled the government to dip into reserves and scale back populist initiatives, such as the payments Iranians get each month to compensate for some phased-out subsidies for energy and other goods. That the country now appears ready to bargain reinforces the old Iranian adage that the Islamic Republic never gives in to pressure -- it only gives in to great pressure.

The sanctions, however, are not solely responsible for Iran's change in attitude. Just as important has been the increasing anger of the Iranian people at the deteriorating economic situation there, caused at least as much by the incoherent populist policies of the Ahmadinejad government as by the sanctions. A cleverer regime could have avoided the brunt of Iranian anger, turning it against the United States. But Tehran has not been able to convince the

population that it should be enraged at anyone other than Iran's own hard-liners, with their unhelpful economic policies and nuclear stance. These days, Iranians' first priority is fixing the economy. And in that regard, Iranians have shown that they are not willing to continue paying the heavy price -- the foregone oil revenue, the inflation, the unemployment -- for the once vaunted nuclear program. In second place is restoring relations with the outside world, which means reversing isolationist policies such as restrictions on the Internet and satellite television. Even Supreme Leader Ali Khamenei, a longtime proponent of resistance rather than compromise, recently spoke about the need for "heroic flexibility."

Last, but an even more important cause of Iran's new approach, has been the strengthening of democracy in Iran. June's presidential election was by no means totally fair. But, unlike in 2009, the votes were actually counted. Results were announced many hours, not one hour, after polls closed. And rather than anointing a winner, as he did in 2009, Khamenei did nothing to stop fratricidal competition among the three main conservative candidates. When he appealed to even those Iranians opposed to the Islamic Republic to come out to vote (instead of his usual trumpeting of voting being a show of support for the regime), people got the message: This time, Khamenei would live with the people's choice from among his vetted candidates. A freer election allowed for more serious debate about the country's foreign and security policies, which had previously been taboo. The Iranian people got to hear for themselves how inflexible and unreasonable Iran's previous nuclear negotiator, Saeed Jalili, had been. All the other candidates roundly attacked his positions on nuclear negotiations.

The West had long wanted to see a serious debate inside Iran about the country's nuclear program. That debate finally happened. To be sure, sanctions raised discontent about the impact of the nuclear program, but that did not translate into Iranian policy reforms until the people were given a chance to voice their views. And that would not have happened if Khamenei had not decided to let this election play out as he did. The end result was that the people gave a strong endorsement to Rouhani, the most moderate voice. The lesson for the West is that the more democratic and free Iran gets, the better the prospects for resolving the nuclear impasse. In other words, supporting freedom in Iran is not only the morally correct thing to do, it is also the best way to get Iran to abandon its nuclear ambitions.

Rouhani is no reformer. He is a man of the system, which is why he was allowed to run in the first place. He surely wants a deal, but there has been no clear public indication of the terms to which Iran might agree. Presumably, though, Iran and the West already have a pretty good idea of what an agreement would entail on the Iranian side: accepting restrictions on enrichment, shipping most if not all enriched uranium out of the country, greater transparency, and responding to International Atomic Energy Agency queries about past activities.

However, that is only one half of the deal. The other half is what the West gives in return -- specifically, in the form of sanctions relief. So far, the West, the United States in particular, has been less than forthcoming on that. Iranians should be wary: In general, the United States has been slow to ease sanctions. Whether in Libya, Myanmar (also called Burma), or Vietnam, the lifting of sanctions once they were in place took many more years than those governments might have expected. It is sobering that the Jackson-Vanik restrictions that were placed on the Soviet Union in 1974 because of Moscow's limits on Jewish emigration were not lifted until 2012, more than 20 years after those emigration limits -- and the Soviet government -- ceased to exist.

Before ending sanctions, the United States usually wants more than just a reassurance that a deal will be implemented. It wants clear evidence that any deal will be sustained, and it wants progress on other bilateral discussions, too. In Iran's case, this means that Washington would want Tehran to end its support for terrorism and its egregious human rights violations. All that is to say that whatever sanctions relief the United States might offer after nuclear discussions begin will be quite limited. Nor is it clear that the European Union will come to the rescue: its sanctions can only be revoked by a unanimous decision of 28 governments.

The United States might get around the problem by offering relief to the Iranian people even while maintaining tight

restrictions on the Iranian government. Already, Washington has been simultaneously tightening sanctions on government-linked institutions while easing rules on citizens, for instance, when it comes to athletic competitions, donations for charity work in Iran, and sales to Iranians of mobile phones and related software. Following a deal, Washington could do even more to end the restrictions that pinch Iranian citizens and private businesses, perhaps by easing visa processing and permitting trade in consumer goods with genuinely private firms. The United States' best hope for better relations with Iran is better relations with the Iranian people, and the United States should focus on what they need and want. Providing modest sanctions relief for the people is only a small step toward supporting democracy, but half a loaf is better than none.

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