Iran Is Ready to Talk

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Speculation about an Israeli strike against Iranian nuclear facilities is rife, but there is little discussion about whether diplomacy can still succeed, precluding the need for military action.

Many experts doubt that Tehran would ever accept a deal that uses intrusive inspections and denies or limits uranium enrichment to halt any advances toward a nuclear weapons capability, while still permitting the development of civilian nuclear power. But before we assume that diplomacy can't work, it is worth considering that Iranians are now facing crippling pressure and that their leaders have in the past altered their behavior in response to such pressure. Notwithstanding all their bluster, there are signs that Tehran is now looking for a way out.

Much has changed in the last three years. In January 2009, Iran was spreading its influence throughout the Middle East, and Arab leaders were reluctant to criticize Iran in public lest they trigger a coercive Iranian reaction. Similarly, Iran's government wasn't facing significant economic pressures; Iranians had simply adjusted to the incremental sanctions they were then facing.

Today, Iran is more isolated than ever. The regional balance of power is shifting against Tehran, in no small part because of its ongoing support for the beleaguered government of Bashar al-Assad in Syria. The Assad regime is failing, and in time, Iran will lose its only state ally in the Arab world and its conduit for arming the militant group Hezbollah in Lebanon.

Iran's Arab neighbors in the Persian Gulf, and even the United Nations General Assembly, no longer hesitate to criticize Tehran. Gone is the fear of Iranian intimidation, as the Saudis demonstrated by immediately promising to fill the gap and meet Europe's needs when the European Union announced its decision to boycott the purchase of Iran's oil. Even after Iran denounced the Saudi move as a hostile act, the Saudis did not back off.

Iran cannot do business with or obtain credit from any reputable international bank, nor can it easily insure its ships or find energy investors. According to Iran's oil ministry, the energy sector needs more than $100 billion in investments to revitalize its aging infrastructure; it now faces a severe shortfall.

New American penalties on Iran's central bank and those doing business with it have helped trigger an enormous currency devaluation. In the last six weeks, the Iranian rial has declined dramatically against the dollar, adding to the economic woes Iran is now confronting.

Grain is sitting on ships that won't unload their cargoes in Iranian ports because suppliers haven't been paid; Iranian oil is being stored on tankers as Iran's buyers demand discounts to purchase it; and even those countries that continue to do business with Iran are not paying in dollars. India plans to buy 45 percent of its oil from Iran using rupees, meaning that Iran will be forced to buy Indian goods that it may not want or need.

The Obama administration initially sought genuine engagement with Iran, but it understood that if Iran's leaders rebuffed such efforts, America would have to apply unprecedented pressure to halt Tehran's nuclear ambitions.

Beginning in 2010, Washington worked methodically to impose political, diplomatic, economic and security pressure, making clear that the cost of noncompliance would continue to rise while still leaving the Iranians a way out. This strategy took into account how Iranian leaders had adjusted their behavior in the past to escape major pressure -- from ending the war with Iraq in 1988 to stopping the assassinations of Iranian dissidents in Europe in the 1990s to suspending uranium enrichment in 2003.

The Obama administration has now created a situation in which diplomacy has a chance to succeed. It remains an open question whether it will.

Israel worries that it could lose its military option, and it may be reluctant to wait for diplomacy to bear fruit. That said, Israeli leaders, including Prime Minister Benjamin Netanyahu, have consistently called for "crippling sanctions," reflecting a belief that Iran's behavior could be changed with sufficient pressure. The fact that crippling sanctions have finally been applied means that Israel is more likely to give these sanctions and the related
diplomatic offensive a chance to work. And it should.

Still, it is unclear whether Iran's supreme leader, Ayatollah Ali Khamenei, whose regime depends so heavily on hostility to America, is willing to make a deal on the nuclear issue. Nonetheless, Iran is now signaling that it is interested in diplomacy. Its foreign minister, Ali Akbar Salehi, has declared that Iran will resume talks with the five permanent members of the Security Council and the Germans. He recently said that Iran would discuss Russia's step-by-step proposal to defuse the nuclear standoff, which Iran refused to entertain when a variation of it was first broached last year.

Now, with Iran feeling the pressure, its leaders suddenly seem prepared to talk. Of course, Iran's government might try to draw out talks while pursuing their nuclear program. But if that is their strategy, they will face even more onerous pressures, when a planned European boycott of their oil begins on July 1.

Moreover, given Mr. Obama's stated determination to prevent Iran from acquiring nuclear weapons, Iran's leaders may actually be making the use of force against their nuclear facilities more likely by playing for time.

Iran can have civilian nuclear power, but it must not have nuclear weapons. Ultimately, Ayatollah Khamenei will have to decide what poses a greater threat to his rule: ending his quest for nuclear weapons or stubbornly pursuing them as crippling economic pressures mount.

With Iran reeling from sanctions, the proper environment now exists for diplomacy to work. The next few months will determine whether it succeeds.

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