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U.S.-Iran Relations

Is a military conflict inevitable?

By Jonathan Broder

IRANIAN SUPREME LEADER, PRESS OFFICE/
HANDOUT/Anadolu Agency via Getty Images



Iranian Supreme Leader Ali Khamenei and Islamic Revolutionary Guard Corps members participate in a graduation ceremony at the Khatam al-Anbia Air Defense University in Tehran on Oct. 30, 2019. Khamenei has urged a “resistance economy” in the face of U.S. sanctions.

THE ISSUES

On the moonlit night of June 20, 2019, U.S. fighter jets, laden with precision-guided bombs and rockets, were in the air over the Arabian Sea while U.S. Navy warships below prepared missiles for an attack. Their targets: a trio of radar and missile installations in Iran.

Earlier that day, President Trump had ordered the attack in retaliation for Tehran’s downing of an unmanned U.S. spy plane flying in what the Trump administration said was international airspace over the Persian Gulf—an assertion strongly denied by Iranian officials, who said the drone was in Iranian airspace and ignored several orders to leave.¹

But 10 minutes before the strike was to commence, Trump abruptly called it off, explaining later he deemed the likely deaths of some 150 Iranians during the attack a disproportionate punishment. “We were cocked and loaded to retaliate last night on three different sites,” Trump tweeted the next day.²

Trump’s last-minute decision to abort the attack underscores just how close the United States and Iran came to a military clash after more than a year of escalating tensions. Yet, despite what now appears to be Trump’s reluctance to use force against Iran, the two nations remain on a dangerous course toward armed confrontation unless they step back from their respective approaches, say independent analysts and former officials of both countries.

For Trump, who prides himself on being the first U.S. president to seriously confront Iran, a step-back would mean relaxing

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Iran Arms Militants Across Middle East

In the struggle between Sunni and Shiite Muslims in the Middle East, Iran—a Shiite theocracy—has armed and trained Shiite militants in Lebanon, Yemen and Iraq and also backed Sunni armed groups opposing Israel in the Gaza Strip. Saudi Arabia—a Sunni theocracy—supports groups fighting Iran’s proxies. Although all Middle Eastern countries have mixed Sunni and Shiite populations, only Iran, Iraq and Bahrain are predominantly Shiite, but Bahrain is ruled by a Sunni monarch. About 90 percent of the world’s Muslims are Sunnis. Oman’s population is predominantly of the Ibadi sect of Islam but also has some Sunnis and Shiites.

Iran supports the following proxies in:

Lebanon — Shiite **Hezbollah** (Party of God) possesses more than 100,000 missiles, threatening Israel, and has a powerful political party in parliament.

Yemen — Shiite Houthi militants toppled the Sunni-led government in 2014. (The Saudis lead a Sunni Arab coalition trying to restore the government.)



Syria — Hezbollah and Iran’s Al Quds special forces trained, armed and funded more than 100,000 Shiite fighters who helped Shiite President Bashar Assad fend off a Sunni rebellion. Some anti-Assad rebels have been supported by Saudi Arabia, the United States, Qatar and Turkey.

Iraq — Shiite militias killed hundreds of American troops during an eight-year U.S. occupation, but later helped expel the Islamic State, an extremist Sunni group that had seized much of northwestern Iraq.

Gaza Strip — Hamas, an Islamist Palestinian organization that rules the area, and Islamic Jihad, a militant Palestinian group, both are predominantly Sunni.

Sources: Seth G. Jones, “War by Proxy: Iran’s Growing Footprint in the Middle East,” Center for Strategic and International Studies, March 11, 2019, <https://tinyurl.com/y2j5xn3y>; “Mapping the Global Muslim Population,” Pew Research Center, Oct. 7, 2009, <https://tinyurl.com/y49kadm7>

his so-called “maximum pressure” strategy of harsh economic sanctions aimed at forcing Tehran to permanently end its nuclear program and scrap long-standing regional security policies. For Iran’s clerical leaders, whose long historical memory stretches back to the 1953 CIA-organized coup that toppled their country’s democratically elected prime minister, a change would mean tempering their own escalating campaign of “maximum resistance” to the sanctions, which Tehran regards as yet another U.S. effort at regime change.

Both sides insist they do not want a war. Yet domestic political pressures, regional allies’ security concerns and Trump’s unpredictability continue to hinder diplomatic efforts to broker talks between the two countries. If the U.S.-Iran standoff persists, some analysts fear a military confrontation is inevitable, potentially sparking a wider regional war that would send world oil prices soaring and usher in a global recession.

The latest round of U.S.-Iran tensions began building in May 2018. That’s when Trump pulled the United States out of a landmark 2015 agreement between Iran and six world powers, under which Tehran had curtailed its nuclear program in return for relief from international sanctions imposed between 2010 and 2015. The sanctions sought to pressure Iran to curb its nuclear ambitions. Calling the accord “the worst deal ever negotiated,” Trump imposed much harsher restrictions, flexing America’s economic and financial muscle in an effort to make Tehran choose between economic collapse or new talks toward a more stringent accord.³

But Iran rejected any new negotiations unless Trump first returned to the 2015 agreement and lifted his sanctions. And Tehran fought back by harassing and seizing foreign oil tankers in and near the Persian Gulf, downing the U.S. drone and deliberately breaching some provisions of the 2015 accord.

Iran has been plagued by sanctions since 1979, when the United States first imposed them after Islamic militants seized the U.S. embassy in Tehran, the country’s sprawling capital, and held 52 American diplomats hostage for nearly 15 months. After the hostages were released in 1981, the United States lifted those sanctions, but reimposed unilateral trade restrictions and embargoed U.S. military sales to Iran in the 1980s

and ’90s in an effort to force Tehran to stop building ballistic missiles and supporting regional militant groups Washington regarded as terrorist organizations. Since the mid-2000s, U.S. and international trade sanctions have aimed to convince Iran to limit its nuclear program.

Trump’s latest sanctions tightened restrictions on Iran’s oil sales and targeted Iranian Supreme Leader Ali Khamenei, other top political figures and Iran’s Islamic Revolutionary Guard Corps, triggering a major escalation in the standoff that jolted world oil markets. A Sept. 14 drone-and-cruise-missile attack devastated two major Saudi Arabian oil facilities, instantly cutting global oil supplies by 5 percent. Iran-aligned Houthi rebels in Yemen claimed credit for the attack as part of their ongoing war with the Saudis, but the Trump administration blamed Iran, which denied responsibility. After weeks of deliberation, Trump imposed sanctions on Iran’s Central Bank and a development fund. In addition, the president ordered a secret cyberattack on Iran’s communications system, U.S. officials say. But Trump kept a U.S. military response off the table.⁴

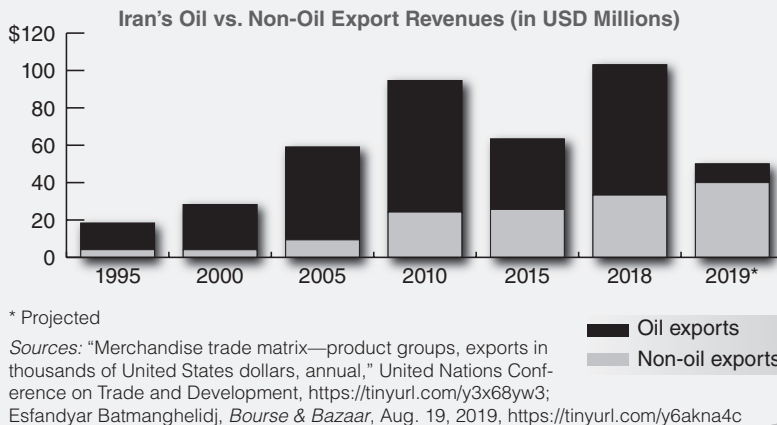
The attack on the oil infrastructure of Saudi Arabia, the world’s largest oil exporter, appeared to be primarily in response to a Trump administration vow to halt Iran’s oil exports, say Iran analysts. “If one day they want to prevent the export of Iran’s oil, then no oil will be exported from the Persian Gulf,” Iranian President Hassan Rouhani warned last in December 2018.⁵

Iran is being driven to take such risks by the impact of Trump’s sanctions on the country’s oil exports, a major source of Iran’s hard currency earnings, analysts say. In April of last year, just before Trump withdrew from the nuclear deal, Iran exported 2.5 million barrels a day, earning about \$60 billion annually, according to Adnan Mazarei, an expert on Iran’s economy at the Peterson Institute for International Economics, an independent Washington think tank. Today, he estimates, the sanctions have reduced Iran’s oil exports to around 300,000 barrels per day, dropping its earnings to around \$12 billion this year.

Correspondingly, Mazarei says, since the sanctions kicked in, Iran’s rial currency has lost about 70 percent of its value against the dollar. Inflation runs about 42 percent annually, he says, and the average unemployment rate stands at nearly 12 percent, with youth unem-

Iran's Dependence on Oil Exports Declines

In an effort to make the economy less reliant on oil exports, which are targeted by U.S. sanctions, Iran gets a growing share of its export revenue from non-oil exports.



four decades. The sanctions have not sparked mass demonstrations against the regime. Though polls show a majority of Iranians blame the Rouhani government's economic mismanagement and corruption for the country's fiscal woes, a growing percentage blame the United States and have rallied around their clerical leaders.⁷

"The regime's narrative about why Iran faces difficulties has shifted from the things that [Iranians are] doing wrong to the difficulties outsiders have created for us," Mazarei says. "So U.S. responsibility for the sanctions and current conditions has become far more prominent in the minds of ordinary Iranians. And that has created social solidarity."

Driving the administration's sanctions policy are a dozen demands that would dismantle Iran's strong military position in the region, which the United States, its Persian Gulf allies and Israel view as a threat. Formulated last year by Trump's hawkish then-national security adviser John Bolton and Secretary of State Mike Pompeo, the key requirements include a permanent end to Tehran's nuclear program, as well as termination of both its ballistic missile development and its support for Shiite proxy militias in Lebanon, Syria, Iraq and Yemen. Analysts agree that those proxies have helped shift the regional balance of power in Iran's favor by extending its influence far beyond its borders. (*See Graphic.*)⁸

Trump fired Bolton in September after sharp disagreements over signs the president was straying from Bolton's hard line and softening his position on Iran, among other issues. But even with Bolton no longer in the White House, Trump's demands and the sanctions remain.

"If we want to get to a point where Iran's proxies are weaker and the regime doesn't have the resources that it needs to destabilize the Middle East, it will require economic pressure," says U.S. Special Representative for Iran Brian Hook, the administration's top official dealing with Tehran. "There is no other way to accomplish that goal."

Among the Democratic candidates vying for their party's presidential nomination, Sens. Elizabeth Warren



Tasos Katopodis/Getty Images

U.S. State Department Special Representative Brian Hook is the Trump administration's top official handling affairs with Iran.

ployment at 27 percent. The International Monetary Fund (IMF) forecasts that Iran's economy will contract by 9.5 percent in 2019.⁶

Trump's sanctions also have blocked international banks from conducting transactions in dollars with Iran, significantly curtailing imports of medicine and food. Although those items were exempted from the sanctions, foreign suppliers and banks have backed away from exporting them to Iran. (*See Short Feature.*)

Yet experts say the Iranian economy, for now, is not about to collapse, because it has diversified over the past

and Amy Klobuchar and South Bend, Ind., Mayor Pete Buttigieg have said they would unilaterally return to the 2015 nuclear deal if elected. Former Vice President Joe Biden has made his return conditional on Iran's full compliance with the agreement, while Sen. Cory Booker has said he will seek "a better deal."⁹

Analysts say the administration's policy of relying on economic sanctions, combined with Trump's reluctance to use military force, has only encouraged greater Iranian defiance and heightened the chances of an eventual military confrontation.

"Iran is incentivized to make riskier decisions, such as conducting additional significant attacks on Saudi oil infrastructure," according to an October analysis by the Eurasia Group, a Washington-based political risk consultancy. "Tehran could also cross, either intentionally or accidentally, Trump's main red line: the death of U.S. service members."¹⁰

Ryan Crocker, who served as U.S. ambassador to five Arab and Muslim countries over a 40-year State Department career, says the intractability of current tensions between the United States and Iran can be traced to Trump's failure to observe one of the most basic equations in international security affairs: matching means with ends.

"President Trump has shown himself to be a national security minimalist who is not likely to rush to war," says Crocker. However, he adds, "He and his team are pursuing maximalist ends by demanding the Iranians give up their nuclear ambitions, their missile program and their support for regional proxy forces. Those things are absolutely integral to the Islamic Republic's basic essence."

Crocker continues: "When we put things like that out there as demands, what the Iranians hear is that this isn't about de-escalating tensions and finding common ground; it's about removing the Islamic Republic. So they're going to deliver a maximalist response that our minimalist president isn't prepared to deal with."

Amid these challenges, here are some key questions being asked about the increasingly fraught U.S.-Iran relationship:

Can Iran's economy survive under Trump's sanctions?

Ali Safavi, an exiled Iranian opposition figure living in Washington, D.C., insists the clerical regime in Tehran is close to collapse.

"Today, the Iranian regime is at its weakest point," says Safavi, a member of the Mujaheddin e-Khalq, the oldest and best organized Iranian opposition group. "It is extremely vulnerable."

He attributes the regime's fragility largely to Trump's economic sanctions, which ban any individual, company or country from doing business with Iran from the United States. Trump has said his goal is to block Iran's oil exports, viewed by Washington as the lifeblood of the Iranian economy. And over the past year, Trump has steadily intensified those sanctions, targeting Iran's Central Bank, the country's leaders and its elite Islamic Revolutionary Guard Corps, the regime's most powerful military organization but branded by the U.S. government as a foreign terrorist organization. Iran's long-standing problems of corruption and malfeasance compound the impact of the sanctions, experts say.

The resulting inflation and weakening of the rial sparked widespread anti-government protests and strikes in 2017 and 2018, Safavi says, eroding the Iranian leadership's grip on power. Videos from last year's street demonstrations captured angry mobs hurling insults at police and chanting "Death to inflation! Death to unemployment!"¹¹

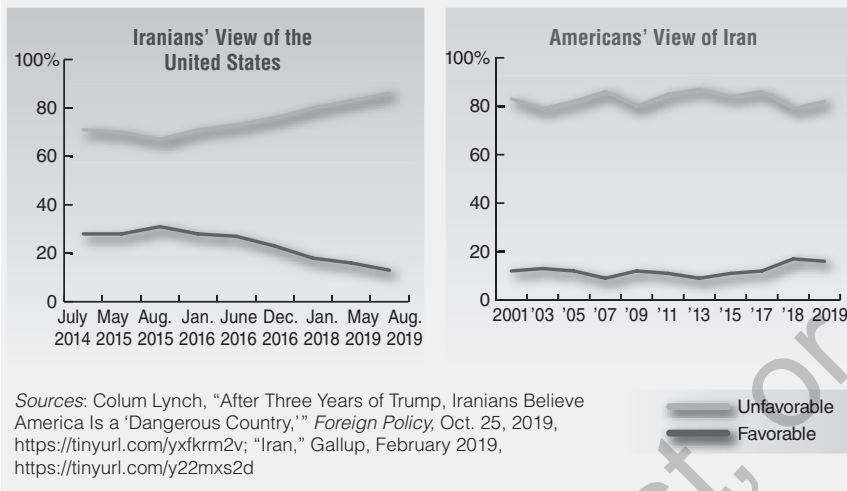
But an *NPR* report from Tehran last August told a different story. "Morning Edition" program host Steve Inskeep said: "Stores are well-stocked, though prices have soared through inflation. New stores and restaurants have opened to serve the elite, even if they're not always full of customers. New buildings are under construction, even if the progress on some has been slow." The government appears firmly in charge, Inskeep said, and he saw no anti-government protests while he was there.¹²

Iran experts say the country's economy is a mixed picture. Trump's sanctions have hit hard, they say, denying the government billions of dollars in oil export revenues and drastically limiting Tehran's ability to pay subsidies and fund public projects. Major foreign companies operating in Iran, such as German automaker Mercedes Benz and France's Total gasoline company, have fled the country. The sanctions also have denied Iran access to the global financial markets, where the U.S. dollar is the premier trading currency.

Spikes in inflation and unemployment have hit ordinary Iranian households the hardest, economists add. The Peterson Institute's Mazarei says food inflation is running at about 60 percent, significantly weakening

Iranians' View of U.S. Worsens

The share of Iranians who view the United States unfavorably rose from 71 percent in July 2014 to 86 percent in August 2019, a year after President Trump imposed new sanctions on Iran. The share of Americans who view Iran unfavorably has generally remained above 80 percent since 2001.



Iranians' ability to purchase chicken, meat and other basic food items. He says rents have risen sharply. And while salaries have gone up around 20 percent over the past year, Marzareei says, the raises offset only half of the overall inflation rate of 42 percent, resulting in a significant loss in real income.

"The issue now is going to be how the government finances itself and its deficit from domestic sources," Mazareei says. "They've had to borrow considerably from the commercial banks and from the Central Bank. But eventually, the sustainability of this operation will require the printing of money in significant amounts, and therefore higher inflation. And that means further reduction in real income."

Some independent analysts believe Iran's economy risks collapsing into Venezuela-style hyperinflation and serious social unrest if sanctions continue into a second Trump term.

"If Iran has to deal with the current economic situation for another year or so, that's one thing," says Ariane Tabatabai, an Iran analyst at the RAND Corp., an independent think tank that works closely with U.S. policymakers. "But if Trump is re-elected and Iran has to deal with the

sanctions for another five years, that's going to be a big problem. The current economic situation is not sustainable for another five years. Eventually, the Iranians will have to strike a deal with the United States if [Iran is] going to get its economy back on track again."

Other analysts agree the sanctions have hurt Iran badly, but question predictions that it is headed for economic collapse. Barbara Slavin, director of the Future of Iran project at the Atlantic Council, a Washington think tank, notes Tehran has roughly \$100 billion in foreign currency reserves and negligible foreign debt.

More importantly, she says, the regime reduced its heavy dependence on oil exports in the 1980s—from 90 percent to 30 percent today—by increasing exports of petrochemicals, manufactured goods and agricultural products. Those exports are expected to bring in an estimated \$40 billion this year, Mazareei says, thanks largely to Iranian expertise at smuggling, honed during 40 years of various international sanctions regimes.

Iran also continues to export oil to China, which is defying Trump's sanctions by using its renminbi currency as payment. Analysts tracking the movements of Iranian tankers say Tehran also is believed to be selling its oil to Turkey and Syria, illustrating the challenge Trump faces in zeroing out Iranian oil exports.¹³

"Iran is the most experienced country in the world in resisting sanctions," says Sayed Hossein Mousavian, an Iranian policymaker and nuclear negotiator and now a visiting research scholar at Princeton University.

Iranian manufacturers and merchants have eased the impact of the sanctions somewhat by finding other suppliers willing to risk doing business with them, says Esfandiyar Batmanghelidj, an economist and publisher of *Bourse & Bazaar*, a London-based Iranian business journal.

The government also has been able to stabilize the currency and slow inflation, he adds, by creating financial mechanisms that encourage Iranian exporters to repatriate their dollar earnings from abroad.

“The economy is much more resilient than Washington would have us believe,” says Batmanghelidj. “The question is not whether there’s an economic crisis today; it’s whether that crisis remains in place a year from now. Only then will we know whether the sanctions are going to have a full impact on Iran’s decision-making.”

Has the expansion of Iranian influence shifted the balance of power in the Middle East?

Since its 1979 revolution, Iran has sought to fill the various power vacuums that emerged from the Palestinian-Israeli conflict, the U.S. invasions of Afghanistan and Iraq and ongoing upheavals in the region.

Iran’s moves into these troubled areas reflect not only a drive for greater regional influence but also the latest chapter in a centuries-old struggle for supremacy within Islam between the Shiite sect, centered in Iran, and the Sunnis, led by Saudi Arabia. And layered on top of their religious rivalry are the long-standing ethnic tensions between the region’s Arab populations and the predominantly Persian Iranians.

Analysts say Iran has expanded its influence relatively cheaply by cultivating mostly Shiite militias across the region to resist the Sunni-led Arab monarchies in the Persian Gulf, which have been aided by the United States and Israel. In Syria, Saudi Arabia tried unsuccessfully to blunt Shiite proxies by backing a hard-line coalition of Sunni extremist groups that included Jabhat al Nusra, the Syrian affiliate of al Qaeda.¹⁴ Iranian-supported militants now form a network of formidable proxy forces, extending from Lebanon on the Mediterranean Sea, across the vast Levantine steppe of Syria and Iraq and down to Yemen on the southern tip of the Arabian Peninsula.

“They’re building these militias, training them, arming them, making sure there’s a certain degree of loyalty to Iran,” says Trita Parsi, author of several books on post-revolutionary Iran. “These alliances have a common religious bond and a strong ideological bedrock. They’re more than just temporary political marriages based on money.”

Saudi Arabia’s efforts to counter Iran by financing its own proxy forces have largely failed because many of those groups, such as al Qaeda, also want to overthrow the Saudi monarchy, Parsi adds. “Within six months, those forces are using those funds to attack Saudi Arabia,” he says.

But Iran and its proxies have yet to prevail over Israel. “The Iranians have a healthy respect for Israel’s ability and willingness to respond militarily to Iran’s provocations,” says Jarrett Blanc, a former senior State Department official who oversaw implementation of the 2015 nuclear accord. “So they often pull back their proxies in Syria and Lebanon” when they come under Israeli attack. Such redeployments appear to be tactical retreats, aimed at preserving resources to fight another day, he says.

Michael Connell, director of the Iran studies program at the U.S. government’s Center for Naval Analyses in Washington, said Tehran’s support of proxies stemmed from its recognition after the 1980-88 Iraq-Iran war that its regular army, hobbled by international sanctions imposed after the 1979 Iranian revolution that prevented military modernization, was no match for technologically superior enemies. So Iran cultivated Shiite proxies to confront common enemies, teaching them what Connell called a “deterrence based model of attrition-based warfare,” characterized by suicide bombings and small attacks to raise opponents’ risks and costs.

“The goal is to inflict a psychological defeat that inhibits an enemy’s willingness to fight,” Connell said.¹⁵

Iran has armed and trained these proxies in:

- **Lebanon**—Hezbollah (Party of God), a Shiite group founded after Israel invaded that country in 1982. The group has launched guerrilla attacks and suicide car bombings against Israeli and U.S. facilities in Lebanon, eventually driving the United States and Israel out. The group today has more than 100,000 missiles that pose a serious threat to Israel, experts say, and has formed a powerful political party in Lebanon’s parliament.

- **Gaza Strip**— Hamas, an Islamist Palestinian organization that rules the area, and Islamic Jihad, another militant Palestinian group, even though both are Sunni.

- **Yemen**—The Houthis, members of the Zaydi Shiite sect, who toppled the government in 2014 and



HUSSEIN FALER/AFP via Getty Images

An Iraqi woman protests corruption in the Iran-supported government in Baghdad in November 2019. Militias backed by Iran have joined Iraqi government forces in attempting to suppress such demonstrations.

seized its weapons and medium-range missiles. Accusing Iran of engineering the overthrow, the Saudis have led an Arab military coalition with U.S.-supplied weapons and intelligence support in a deadly campaign to restore the ousted government to power. Some experts say the Houthis initially had no military relationship with Iran but later turned to Tehran and Hezbollah for help after the Saudi-led offensive triggered a dire humanitarian crisis. Houthi missiles repeatedly have struck inside Saudi Arabia, even reaching the capital Riyadh. The Houthis claim they launched the September attack on Saudi oil facilities.

- **Syria**—Hezbollah fighters, often called “Iran’s Foreign Legion,” who poured across the border into Syria in 2012 at Tehran’s request to help embattled President Bashar Assad, a member of the Shiite Alawite sect. Since then, Hezbollah has helped train, arm and fund more than 100,000 Shia fighters, who have fought alongside Syrian government troops and with Russian air support against Sunni rebels, some of which are backed by the United States and Saudi Arabia.¹⁶

- **Iraq**—Shiite militias that killed hundreds of American troops during the eight-year U.S. occupation of that predominantly Shiite country. Later, fighting as government forces—ironically with U.S. air support—these groups helped expel the Islamic State, an extremist Sunni group that had overtaken huge swathes of

northwestern Iraq in an effort to establish a religious state known as a caliphate.

Analysts say that after U.S. forces toppled Iraqi leader Saddam Hussein—a Sunni and Iran’s arch enemy—in 2003, the election of a pro-Iranian, Shiite-led Iraqi government ended Baghdad’s role as a regional check on Iran and swung the region’s balance of power toward Iran.

The Trump administration says U.S. sanctions have constrained Tehran’s ability to fund its proxies in the region. “We can’t overstate the significance of this development,” says the State Department’s Hook, citing a Hezbollah appeal for donations in March and reports of financial shortages affecting pro-Iranian groups in Syria, Iraq and the Gaza Strip. “We’re making a lot of progress in that direction.”

But Middle East experts say Hezbollah routinely seeks donations and was doing so before Trump imposed his sanctions. And Tehran’s support for its proxies remains a top strategic priority, they say. “We haven’t seen any evidence that Iran has stopped supporting these groups,” so Trump’s sanctions are not achieving one of his key strategic goals, says the RAND Corp.’s Tabatabai.

Moreover, these experts say, such support is relatively cheap compared to the hundreds of billions of dollars Saudi Arabia has spent on weapons and the estimated \$200 million a day it is spending to pursue its war in Yemen.¹⁷ A 2018 U.S. State Department report estimated that since 2012 Iran spent some \$16 billion supporting its proxies in Iraq, Syria and Yemen and provides \$800 million a year to Hezbollah and Palestinian groups.¹⁸

Meanwhile, recent anti-government protests in Lebanon and Iraq against government corruption and the lack of economic reforms are challenging Iran’s standing among the Shiite communities in those countries. In Iraq, Iran-supported militias and predominantly Shiite government forces have fired on the protesters in recent weeks, killing at least 319, according to an Iraqi parliamentary committee.¹⁹ And in Lebanon, Iran-aligned Hezbollah has sided with the government against the demonstrators, even though many of the protesters are Shiites.

The result, analysts say, is an unprecedented confrontation with the same Shiite communities that had looked to Iran for arms and training but are now rising up against

their pro-Iran leaders, who did not translate Tehran's military and political successes into economic gains.

"Simply put, Iran's resistance narrative did not put food on the table," said Hanin Ghaddar, an expert on the Shiites at the Washington Institute for Near East Policy, a think tank.²⁰ Ghaddar and other Middle East analysts say it is unclear whether Iran's proxies can restore order and Tehran's standing in Lebanon and Iraq.

Israel poses the biggest challenge to Iran's regional dominance, regularly bombing proxy-controlled Iranian missile stores in Syria and Iraq. And Israeli military intelligence closely tracks Iranian convoys moving arms overland to Iraq, Syria and Lebanon and pre-emptively strikes any looming threat.

"If someone rises up to kill you, rise earlier and kill him first," said Israeli Prime Minister Benjamin Netanyahu, quoting an ancient dictum from the Talmud.²¹

Is war inevitable between the United States and Iran?

It is impossible to predict whether war will break out between the United States and Iran. But growing fears on the part of world leaders, regional experts and oil industry analysts demonstrate that they see such a conflict as likely unless something dramatic changes the course of events.

As tensions mount over Trump's crippling sanctions and Iran's escalating belligerency, desperate diplomatic efforts have been initiated to halt an apparently inexorable march toward a major conflict in the Persian Gulf, where nearly a quarter of global oil supplies originate.

First, European leaders last year created a barter mechanism to allow businesses to sell Iran food, medicine and other humanitarian supplies without going through the dollar-dominated global financial system. But companies, fearing U.S. sanctions nonetheless, have backed away. Then French President Emmanuel Macron tried unsuccessfully to arrange a meeting between Trump and Iranian President Rouhani on the sidelines of the recent United Nations General Assembly in New York.

Experienced former diplomats and Iran experts say a dangerous escalatory spiral is now in motion. Trump insists he wants to avoid a military clash, fearful that it would sink his 2020 re-election chances. So he has

responded to Iran's provocations with more sanctions and nonlethal cyberattacks.

But the sanctions pose what former IMF senior executive and diplomatic troubleshooter Hossein Askari calls an "existential threat" to thousands of impoverished Iranians. Among the Iranian leadership and ordinary citizens, experts say, that threat has stirred the country's centuries-old Shiite code of resistance and martyrdom, all but guaranteeing more provocative Iranian behavior and growing chances of a war.

"The idea that you can conduct economic warfare against Iran without that leading to military confrontation and costs to the United States is unrealistic," says Iran expert Parsi, noting that Secretary of State Pompeo last year advised Tehran to bow to U.S. demands "if your people want to eat."²²

"You can't conduct that degree of economic warfare and expect nothing will happen," Parsi says.

Many Iran experts regard Iran's harassment and seizure of several foreign tankers this past spring as warning shots. And the highly destructive attack on Saudi oil facilities, they say, was meant to provide Washington and its Arab allies a taste of what Iran is willing to do if war breaks out. To make sure the Trump administration got the message, Iranian Foreign Minister Javad Zarif pledged "all-out war" if Iran is attacked, putting at risk the rest of Saudi Arabia's oil infrastructure and the roughly 70,000 U.S. troops in Iraq and the Arab sheikdoms in the Persian Gulf.²³

Patrick Theros, a former U.S. ambassador to Qatar, said the attack on the Saudi oil facilities was consistent with Iran's asymmetrical warfare doctrine. Unable to defeat U.S. forces using conventional means, Iran aims to hurt the United States indirectly by targeting the world economy's dependence on Persian Gulf oil and gas.

As the standoff with Iran intensifies, some military analysts say the Trump administration still has several options short of war to pressure Iran into compliance. Sabahat Khan, a senior analyst at Dubai's Institute for Near East and Gulf Military Analysis, said these include Trump's standing offer for negotiations, a proposal Iran adamantly refuses to accept unless sanctions are lifted first. Another is more sanctions, Khan said, and a third is cyberattacks targeting Iran's oil production and critical economic infrastructure.²⁴

But Chas Freeman, a former U.S. ambassador to Saudi Arabia, says without a diplomatic breakthrough, punitive measures will only draw increasingly belligerent responses from Iran, especially now that they believe Trump will not respond militarily. At some point, Freeman worries, Iran's actions will cross a line that will leave Trump no option but a military response.

Freeman compares Trump's maximum pressure strategy against Iran to President Franklin D. Roosevelt's embargo on oil and rubber sales to Japan in the 1930s, aimed at halting Tokyo's military expansionism in East Asia. As with Iran, Freeman points out, the sanctions hardened Japan's resolve to resist U.S. intervention in regional affairs. Eventually, in a desperate bid to remain a major Asian power, Japan attacked the U.S. Navy in Hawaii, drawing the United States into World War II.

Freeman calls Iran's escalating provocations against Trump's sanctions "a very clear warning of what we know from past history—namely that if you corner a country, even if it's not your military equal, at some point you pay a price for that." At some point, he adds, "You get attacked."

BACKGROUND

Repeated Invasions

The United States has never fully understood modern Iran, neither as a monarchy nor as the Islamic Republic. The most glaring example is the unquestioning faith that successive U.S. administrations placed in the durability of the Iranian monarchy and its role as America's policeman in the Middle East.

In December 1977, President Jimmy Carter memorably praised Iran as "an island of stability" in the turbulent region. Within days the first demonstrations erupted in what became a revolution that eventually would end the monarchy, send Shah Mohammad Reza Pahlavi into exile and transform Iran into the virulently anti-American Islamic Republic.

Iran scholars rank the Iranian revolution as one of the three most consequential events in the Middle East during the 20th century, the other two being the collapse of the 500-year-old Ottoman Empire after World War I and the creation of Israel in 1948. And like those events, the shock waves from Iran's revolution continue to reverberate across the globe.

"Virtually no part of the world has been untouched by the revolution's repercussions because of its effect on oil prices, on the patterns of terrorism and modern warfare, on Third World politics and on the emergence of religious fundamentalism, not only within Islam," wrote Robin Wright in her 1989 book on post-revolutionary Iran, *In The Name of God: The Khomeini Decade*.²⁵

Today, 40 years after the revolution, the crisis over the Islamic Republic's nuclear program, its ballistic missile development and its push for Middle East dominance underscore the revolution's enduring impact and Iran's geostrategic importance.

For Iranians, however, that is nothing new. Since ancient times, Iran—a geographic and cultural bridge between the Middle East and India—has been central to the military, religious and cultural history of the region. Many scholars say modern Iran's deep suspicion of outsiders is the legacy of centuries of repeated foreign invasions and meddling in its internal affairs.

That history began in the fourth century B.C. when the Persian Empire, Iran's predecessor, stretched from modern day Bulgaria in the west to northern India in the east and Egypt in the south. Alexander the Great conquered Persia as he drove his armies east to India. In the seventh century A.D., the Arab conquest of Persia opened the way for the spread of Islam to Central and East Asia.²⁶ The Turks overran Persia in the 11th century, followed by Genghis Khan's Mongol army in the 13th century and Tamerlane in the 14th century.

In the 16th century, Persia's Safavid monarch, Ismail, claimed to be a direct descendent of the Prophet Muhammad's cousin, Ali, and declared Shiism the country's official religion. It was a transformative move that gave Persians a separate religious identity from their mostly Sunni Arab neighbors.²⁷

Since then, Persians established close clerical bonds with Shiite communities in Lebanon, Syria and Iraq—a relationship that has helped the modern Islamic Republic enlist them as proxies in its struggle against rival powers.

Modern Meddling

In the early 20th century, the British and Russian empires targeted Persia in their "Great Game" competition for dominance over Central Asia, forcing the Persians in 1905 to cede a sphere of influence in northern Iran to Russian control and the oil-rich south

to the British. But by the end of World War I, Britain emerged as the sole colonial power in Persia.²⁸

To secure its control over the oil fields, London offered to make Persia a British protectorate, but the Persian parliament rejected the plan. Britain withdrew its personnel from the country in 1921, after supporting a coup by Col. Reza Khan, commander of the Persian Cossack Brigade and an ardent nationalist.²⁹

In 1925, Reza Khan became shah, or monarch, and his eldest son, Mohammad Reza, heir to the throne. Shah Reza took the surname Pahlavi, establishing his new dynasty. In 1935, at the shah's behest, the parliament changed the country's name from Persia to Iran.³⁰

Shah Reza pursued a vigorous modernization campaign and sought closer relations with Nazi Germany, which, unlike Britain and Russia, had not meddled in Iranian affairs or occupied its territory. When World War II began, Reza declared neutrality.³¹ But British and Soviet forces occupied Iran in 1941 to secure the Trans-Iranian Railroad for carrying critical British and U.S. military aid from India to the Soviet Union. The British remained suspicious of Shah Reza's pro-German sympathies and forced him to abdicate, putting his pro-British son on the throne.

Middle East scholars say the young shah's willingness to assist the Allied war effort laid the foundation for Iran's close ties with the West, particularly the United States.

Roots of Revolution

The first major crisis in Iran's relations with the West began in 1951, when the lawyer Mohammad Mosaddegh was elected prime minister. Soon after taking office, he introduced a wide array of political and economic reforms and nationalized Iran's British-controlled oil industry. After diplomacy failed to obtain a compromise, the CIA, convinced by the British that Mosaddegh was a communist sympathizer, helped to overthrow him in a coup that became a turning point in Iran's modern history.³²

Although the shah introduced many reforms, some of which lifted restrictions on women, he also created the notorious SAVAK secret police force, trained by the CIA and Israel's Mossad intelligence agency, to quash challenges to his rule. It soon became Iran's most hated and

feared institution, responsible for the torture and murder of thousands of the dissidents.³³ (*See Short Feature.*)

During the administration of Republican President Richard M. Nixon, the shah bought huge quantities of sophisticated U.S.-made weapons, establishing Iran as Washington's Persian Gulf policeman.³⁴ The administration of Democratic President Jimmy Carter discouraged any questioning of the arrangement, and U.S. officials overlooked the anti-shah anger and resentment that was building in the country's mosques.³⁵

Leading the opposition was Ayatollah Ruhollah Khomeini, an outspoken senior Shiite cleric whose arrest in 1963 for an anti-shah speech sparked riots in which government troops killed up to 400 of his followers.³⁶ Exiled the following year, Khomeini eventually moved to Paris. As protests in Tehran intensified, the shah declared martial law and banned all demonstrations.

On Sept. 8, 1978, government troops opened fire on a large crowd of protesters in Tehran, killing nearly 100 people. The deaths stunned the nation, destroying any possibility of reconciliation. Strikes and massive anti-shah protests spread. "That's the point when it turned into a revolution," said Gary Sick, an Iran expert who served on the White House's National Security Council during the administrations of Gerald Ford and Carter and is now a professor at Columbia University in New York.³⁷

Carter's advisers were split over the worsening situation in Iran, Sick recalled. One camp favored the shah's abdication and formation of a new pro-Western government of senior military officers and moderate clerics, with Khomeini as its figurehead. The other side advocated a military crackdown by the shah's forces.

While Washington debated its options, the shah convinced opposition politician Shapour Bakhtiar to serve as prime minister while the shah went abroad "on vacation." On Jan. 16, 1979, Bakhtiar assumed leadership, and the shah and his family flew to exile in Egypt, ending 2,500 years of monarchist rule in Iran.³⁸

On Feb. 1, 1979, Khomeini flew to Tehran, where he was met by up to 3 million Iranians celebrating in the streets. He denounced the Bakhtiar government as illegitimate. "I shall kick their teeth in," the cleric proclaimed. "I appoint the government."³⁹

A few days later, Khomeini named a provisional revolutionary government. His supporters took control of government buildings, TV and radio, and Bakhtiar fled

C H R O N O L O G Y

530 B.C.-A.D. 1501 *Persian Empire falls to a succession of foreign invaders; Iran adopts Shiite Islam.*

332 B.C. Alexander the Great conquers the Persian Empire, which stretched from modern-day Bulgaria in the west to northern India in the east and Egypt in the south. A succession of rulers will try to restore the Persian Empire to its original boundaries, but it never regains its immense size.

636 Islamic rule begins after Arabs conquer Persia, which stretches from modern Georgia in the west to western Afghanistan in the east.

1501 Persia's Safavid dynasty declares Shiism the state religion.

1900s-1948 *Persia becomes constitutional monarchy; after discovery of oil, Britain and Russia occupy the country during world wars.*

1907 Democratic reforms establish a constitutional monarchy, under which the shah, or king, shares power with an elected government headed by a prime minister.

1908 British discover oil in southern Persia and form the Anglo-Persian Oil Co.

1914-18 Persia declares neutrality in World War I, but is occupied by Russian and British troops to prevent Germany from capturing its oil fields.

1921 Military commander Reza Khan seizes power in British-backed coup.

1925 Khan is crowned Shah Reza Pahlavi, and his oldest son, Mohammad Reza, is proclaimed crown prince.

1935 Persia is renamed Iran.

1941-45 British and Russians again occupy Iran during World War II because of Shah Reza's pro-German sympathies; Reza abdicates; his pro-British son is crowned shah.

1950s-1960s *The Iranian government nationalizes the oil industry, provoking a CIA coup.*

1951 Lawyer Mohammed Mosaddegh is elected Iran's 35th prime minister by parliament and nationalizes Iran's

oil industry. . . . Power struggle erupts between Mosaddegh and Shah Mohammad Reza.

1953 Shah dismisses Mosaddegh, sparking riots that force the shah to flee the country. . . . Mosaddegh, accused by Britain of having communist leanings, is overthrown in a coup orchestrated by the CIA and British intelligence; the shah returns.

1957 The shah creates the SAVAK secret police, which becomes notorious for torturing and killing dissenters.

1963-77 Shah undertakes modernization campaign and loosens restrictions on women; Iran becomes Cold War ally of the United States.

1978-1995 *Islamic revolution transforms Iran into bitter U.S. foe.*

1978-79 Iranian revolution, directed by ultraconservative cleric Ayatollah Ruhollah Khomeini from exile in Paris, begins. Shah and family go into exile. . . . Khomeini returns, declares Islamic Republic. . . . Militants take 52 Americans hostage in U.S. Embassy; Washington severs diplomatic ties with Tehran.

1980-81 Iraq-Iran war begins. . . . Iran releases U.S. hostages after 444 days in captivity.

1982 After Israel invades Lebanon, Iran creates Shiite Hezbollah militia to resist Israeli occupation.

1983 Iran-backed Hezbollah militants launch truck-bomb attacks on U.S. Embassy and U.S. Marine barracks in Lebanon, killing more than 300 people. The group also takes 25 American civilians in Lebanon hostage.

1985 To win the hostages' release, Reagan administration secretly and illegally sells arms to Tehran, using payments to fund anti-communist guerrillas in Nicaragua.

1988-89 Iraq-Iran war ends in stalemate. . . . Khomeini dies; Ayatollah Ali Khamenei becomes Iran's supreme leader.

1990-95 United States imposes sanctions on Iran over its alleged support for terrorism.

2000-2010 *U.S. invasions of Afghanistan and Iraq enable Iran to extend its regional influence.*

2001 After Sept. 11 terrorist attacks in the United States, a U.S.-led coalition invades Afghanistan to stamp out al Qaeda terrorist group, the perpetrators of the 9/11 attacks; with Iranian help, Sunni extremist Taliban government is toppled in Kabul. . . . President George W. Bush ignores Iranian outreach for better relations.

2002 Bush brands Iran, Iraq and North Korea as an “axis of evil,” sparking outrage in Iran. . . . Tehran begins construction of its first nuclear reactor.

2003 U.S. invades Iraq, ousting Saddam Hussein, Iran’s Sunni archenemy. . . . Elections in Iraq bring Iranian-backed Shiite government to power, expanding Tehran’s influence there.

2007-10 After the International Atomic Energy Agency predicts Iran can develop a nuclear weapon within eight years, the United States imposes additional sanctions on Iran; the following year, the United Nations Security Council adds international sanctions.

2011-Present *Iran accepts an international deal that lifts nuclear-related sanctions, but President Trump withdraws and reimposes sanctions.*

2013 Iran and six world powers begin negotiations toward a nuclear accord.

2014 Shiite Houthi tribesmen in Yemen overthrow the government, prompting a Saudi-led military campaign to oust the rebels, who later align with Iran.

2015 Iran, the United States and five other nations sign the landmark Joint Comprehensive Plan of Action curtailing Iran’s nuclear program in return for sanctions relief.

2018 Trump withdraws the United States from the nuclear deal and reimposes tough sanctions on Iran, demanding Iran accept a far more stringent accord; Iran refuses.

2019 U.S.-Iran tensions spike after attacks on foreign tankers in the Persian Gulf, Iran’s downing of a U.S. drone and drone-and-missile strikes on Saudi oil facilities.

to Paris. Iranians overwhelmingly voted for the establishment of an Islamic theocracy.⁴⁰

Hostage Crisis

The first phase of the Iranian revolution, which lasted until Khomeini’s death in 1989, was marked by a violent purge of the shah’s associates and by the November 1979 takeover of the U.S. embassy in Tehran by militant students. Enraged that the U.S. government had allowed the shah to come to the United States for cancer treatment, the students captured 52 American diplomats and held them hostage for 444 days, despite an aborted rescue attempt by the U.S. military in 1980. The U.S. Treasury froze \$12 billion in Iranian assets here and abroad.⁴¹

After lengthy negotiations brokered by Algeria, the hostages were released on Jan. 20, 1981, the day Republican Ronald Reagan was inaugurated as president. Since then, the two countries have had no official diplomatic relations, and the hostage affair

cemented the Islamic Republic as an implacable foe in the minds of most Americans.



Blindfolded American diplomats are paraded outside the U.S. Embassy in Tehran on Nov. 4, 1979. Militant students held 52 Americans hostage for 444 days before releasing them on the day Ronald Reagan became president.

Bethmann/Contributor/Getty Images

Iranian Women Defy Mandatory Hijab Laws

Government imposes 10-year sentence for removing a headscarf in public.

In late September, Iranian intelligence agents arrested three relatives of Masih Alinejad, a U.S.-based Iranian dissident in what human rights groups called a bid to intimidate the U.S.-based activist. Alinejad, 43, leads a popular campaign against the Islamic Republic's laws requiring women and girls to wear a hijab, or headscarf.

Those arrested include the brother of Alinejad, whose women's rights campaign has alarmed the conservative clerics who run Iran's courts, as well as the brother and sister of Alinejad's former husband. After the three were interrogated about Alinejad's activities, the brother-in-law was released with a warning: Any contact with the feminist activist will be considered a crime. The status of the other two detainees is unclear.

"These arrests are a blatant attempt by the Iranian authorities to punish Masih Alinejad for her peaceful work defending women's rights," Philip Luther, Amnesty International's Middle East research and advocacy director, said in a statement.¹

In 2014 Alinejad denounced Iran's compulsory hijab law on Facebook, calling it discriminatory, and encouraged Iranian women to post photographs and videos of themselves removing their headscarves. The campaign caught on, and Iranian women began removing their headscarves in public and demanding the law be repealed.²

Alinejad later created a website, My Stealthy Freedoms, from which she launched a second campaign—"White Wednesdays"—which asked Iranian women to gather weekly in public wearing white hijabs and then remove them.

Both campaigns have gone viral on social media, gaining a widespread following among Iranian women and girls, and unnerving Iran's conservative courts. The regime's religious police routinely break up the protests and arrest the

demonstrators. According to Iran's Tasnim news agency, police last year described those arrested as "people who have been deceived by the 'My Stealthy Freedoms' movement." An Iranian judge said anti-hijab protesters had been influenced by foreign groups and "industrial recreational drugs."³

Until recently, the anti-hijab protesters received two-month jail sentences and the equivalent of a \$100 fine for violating the Islamic dress code. But in July, the courts increased the sentence to 10 years for removing a hijab in public or sending photos or videos to Alinejad's website. Bails have been set as high as \$110,000.⁴

"If the authorities thought this would scare off Iranian women, they were wrong," said Alinejad, who left Iran in 2009 and now lives in Brooklyn, N.Y. She said she gets 2,000 messages a day from Iranian women showing themselves removing their headscarves.⁵

Iran's conservative religious leaders who came to power after the 1979 Islamic revolution imposed compulsory hijab laws. That did not sit well with many Iranian women, who had enjoyed new rights under the rule of Shah Mohammad Reza Pahlavi. On March 8, 1979—the day after Iran's new clerical rulers imposed the new law—some 100,000 women, many accompanied by their husbands, brothers and fathers, marched through the streets of Tehran to protest the rule.⁶

Although the shah had also imposed authoritarian policies and brutal police methods, women were allowed to leave their heads uncovered. The shah also:

- Provided free education to girls as well as boys, and allowed women to attend Tehran University.
- Granted women the right to vote and run for public office.

During the next decade, Iran exported anti-American Islamic extremism across the Muslim world. In 1983, Iranian-backed Hezbollah militants bombed the U.S. embassy and Marine barracks in Lebanon. They later murdered the CIA's Beirut station chief and held hostage 25 U.S. civilians working in Lebanon. U.S. efforts to

gain their release would spawn the Iran-Contra scandal, in which the Reagan administration secretly sold weapons to Iran—in violation of U.S. law—in exchange for the hostages' freedom. Proceeds from the sale were used to fund anti-communist Contra guerrillas in Nicaragua, violating a congressional ban on such payments.⁴²

- Allowed women to petition for a divorce and gain child custody, eliminating antiquated statutes that permitted men to unilaterally divorce their spouses with a simple verbal declaration and automatically gain child custody.

- Required men to go to court to take a second wife.
- Raised the legal age when girls could marry from 13 to 18.⁷

After the revolution, the new, ultraconservative religious government kicked women out of government and judicial positions and required them to cover their heads in public. Family laws again made wives the property of their husbands, removed restrictions on polygamy, allowed girls to be married at nine years of age and reimposed the death-by-stoning penalty for women convicted of adultery.⁸

Since then, Iranian women have clawed back some of their rights, according to Haleh Esfandiari, former director of the Middle East program at the Wilson Center, a Washington think tank. Iran's women's movement, she said, is one of the most dynamic in the Muslim world.⁹

That movement scored its most recent victories in October, when the regime allowed women to pass their Iranian citizenship on to children with non-Iranian fathers and lifted a ban on women attending soccer games. The soccer ban sparked international outrage in September after Sahar Khodayari, a 29-year-old sports fan, set herself on fire to protest her prosecution for appearing in public without a hijab after being caught sneaking into a soccer match dressed as a man. She died from her burns.¹⁰

"To say that these concessions were granted reluctantly by Iran's misogynistic rulers would be an extreme understatement," wrote Jason Rezaian, a *Washington Post* columnist and former Tehran bureau chief who was imprisoned with his Iranian wife in 2014 for 18 months on charges of espionage. "But a prolonged and principled commitment by activists inside Iran and their supporters in the international community of human rights advocacy to extend women's liberties is paying off."¹¹

In February, Alinejad met with Secretary of State Mike Pompeo in Washington and urged him to speak out more forcefully against Iran's discrimination against women.¹²

"I fear the Trump administration will cut a deal with Tehran that ignores human rights, emboldening the clerical regime to crack down on domestic opposition without concern for international pressure," she later said.¹³

—Jonathan Broder

¹ "Iran: Family of women's rights activist arrested in despicable attempt to intimidate her into silence," Amnesty International, Sept. 25, 2019, <https://tinyurl.com/y5tctqs4>.

² "Masih Alinejad," Human Rights Foundation, 2019, <https://tinyurl.com/yht2lopv>.

³ "Iranian women defiant against compulsory hijab," *Deutsche Welle*, June 2, 2018, <https://tinyurl.com/y49om7pq>.

⁴ *Ibid.*

⁵ Masih Alinejad, "My Brother Ali Is Iran's Latest Hostage," *The Wall Street Journal*, Oct. 6, 2019, <https://tinyurl.com/y2pe38po>.

⁶ Pip Cummings, "The day 100,000 Iranian women protested the head scarf," *womenintheworld.com*, Sept. 15, 2015, <https://tinyurl.com/y34owvj2>.

⁷ Haleh Esfandiari, "The Women's Movement," *The Iran Primer: Power, Politics and U.S. Policy* (2010), p. 45.

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ Farnaz Fassih, "Iran's 'Blue Girl' Wanted to Watch a Soccer Match. She Died Pursuing Her Dream," *The New York Times*, Sept. 10, 2019, <https://tinyurl.com/yyubwg6l>; "Iran Adopts Amendment Allowing Women To Pass Citizenship To Children," *Radio Farda*, Oct. 2, 2019, <https://tinyurl.com/y2qw92ux>.

¹¹ Jason Rezaian, "Women in Iran need America's help. Why won't we give it to them?" *The Washington Post*, Oct. 8, 2019, <https://tinyurl.com/y5a5roka>.

¹² "Pompeo Tells Iranian Rights Activist of U.S. Support" *Radio Farda*, Feb. 5, 2019, <https://tinyurl.com/yez9ktvs>.

¹³ Alinejad, *op. cit.*

Also during the decade, the United States was drawn into conflict with Iran during the 1980-88 Iraq-Iran war, the Middle East's longest and bloodiest armed struggle. Iraq initiated the war by invading Iran to prevent Tehran from inciting Iraq's predominantly Shiite population to revolt. The United States provided Iraq

with intelligence and chemicals to produce poison gas, which the Iraqis used against the Iranians. In addition, after a Kuwaiti oil tanker struck Iranian mines in the Persian Gulf, the Reagan administration placed Kuwait's entire tanker fleet under the U.S. flag and sent Navy warships to escort them in and out of the gulf. In 1987,

Iranians Say Sanctions Block Critical Medicines

“People are losing their lives.”

Dr. Ghader Daemi Aghdam, the director of a Tehran pharmacy, has the difficult job of informing many customers that he cannot fill their prescriptions. The reason: U.S. sanctions on Iran.

“Out of every 20 people, we have to tell at least 10 that we have run out of medications they need,” Aghdam said.¹

Although the Trump administration asserts that medicine, food and other humanitarian goods are exempt from the U.S. sanctions on Iran, economists and Iran experts say international banks and foreign suppliers have stopped selling Tehran any items—even humanitarian goods—in order to avoid any risk of violating American sanctions.

“Even if an item is not under U.S. sanctions, banks and foreign vendors shy away from doing business with Iran because they’re afraid they could still fall afoul of the U.S. and lose access to the U.S. market,” says Adnan Mazarei, an Iran expert at the Peterson Institute for International Economics, a Washington think tank.

President Trump reimposed economic sanctions on Iran after he pulled the United States out of a 2015 international agreement limiting Iran’s nuclear activities. Trump said he did so in hopes that it would force Tehran to return to the negotiating table for a more stringent agreement halting Iran’s ballistic missile programs and support for violent proxy groups in the region, as well as its nuclear activities.

Although humanitarian items are supposed to be exempt from the sanctions, pharmacies, clinics, hospitals and their patients across Iran face growing shortages. Most imports of medicines or ingredients needed to manufacture local versions of drugs have halted. Meanwhile, imports of lifesaving medical equipment, such as lasers, X-ray machines and blood centrifuges remain under sanction because the United States considers them dual-use items that can be used for civilian and military purposes.

Iran experts say the sanctions have hit the economy hard overall but have been particularly devastating for those struggling to secure medicines. Even if people can find medicines, the country’s soaring inflation rate, last gauged at more than 40 percent, puts them beyond the reach of most Iranians, whose median monthly salary is around \$1,200.² Economists say many have taken second and third jobs to afford their prescriptions—if they can be found. Others have been forced to forgo treatments to avoid financial ruin.

A woman named Sarah, who declined to give her last name, told *The Washington Post* she must buy imported nutritional supplements for her elderly father, who suffers from macular degeneration, an age-related deterioration of the retina. Before the sanctions, she said, the supplements cost around \$7. Once the sanctions kicked in last November, however, the supplements disappeared from many pharmacies and cost \$70 where they could be found. “All the prices have gone up,” she said, “and we can’t find many products anymore.”³

Muhammad Sahimi, an Iranian-born chemical engineering professor at University of Southern California, said a relative in Iran cannot find medicine for her multiple sclerosis at any price. Sahimi and his wife, an Iranian-educated medical doctor, are still in touch with medical colleagues in Iran.⁴

“Every single member of this network has been telling us the same thing: that the shortage of critical medicine is so severe that people are losing their lives,” he said.⁵

Without official statistics on how many Iranians have died from sanctions-related shortages of medicine, data on the number of people suffering from various diseases help define the scope of the shortage. According to Iranian health officials, 5.2 million Iranians have diabetes, more than 248,000 have cancer, and some 70,000 have Alzheimer’s disease. Another 23,000 suffer from

U.S. warships destroyed two Iranian oil rigs in the Persian Gulf after Iranian missile attacks on several reflagged tankers. And after an Iranian mine badly damaged a U.S. Navy destroyer in 1988, U.S. air and naval forces sank or crippled half of Iran’s naval ships.⁴³

The war ended in 1988 after a U.S. warship shot down an Iranian civilian airliner over the gulf, killing all 290 people aboard.⁴⁴ Exhausted after eight years of fighting and convinced the airliner downing signaled the U.S.’ entry into the conflict, Khomeini accepted a U.N-

thalassemia, a genetic blood disorder; 7,000 suffer from multiple sclerosis; and some 6,000 are registered AIDS patients, although experts believe that number is low.⁶

To help alleviate the medicinal shortages, the Trump administration could issue clearer guidelines to banks and vendors for handling humanitarian exports to the Islamic Republic, says Ariane Tabatabai, an Iran analyst at the RAND Corp., a Washington think tank. But the administration says that is Tehran's problem, not Washington's.

"The burden is not on the United States to identify the safe channels" for humanitarian exports to Iran, Brian Hook, the administration's point man on Iran, told reporters at a briefing last November. "The burden is on the Iranian regime to create a financial system that complies with international banking standards to facilitate the provision of humanitarian goods and assistance."⁷

But Tabatabai and others point out that the administration used the threat of sanctions to quash a European plan to activate just such a channel—a so-called special purpose vehicle—that the Europeans created to use barter rather than dollar transfers to facilitate humanitarian trade with Iran. The Trump administration said the vehicle could undercut the effectiveness of sanctions, not only on Iran, but on other countries in the future. Facing U.S. sanctions on them, the Europeans backed away from their plan.

In a later briefing, Hook lashed out at Iranian officials for portraying the administration's exemptions for medicines as disingenuous. "The regime's attempts to mischaracterize these humanitarian exemptions are a pathetic effort to distract from its own corruption and mismanagement," he said. "The regime has enough money to invest in its own people."⁸

Nevertheless, the sanctions have fostered deep resentment toward Washington among ordinary Iranians, many of whom had expressed admiration for the United States after the U.S.-brokered 2015 nuclear accord lifted nuclear-related sanctions and allowed foreign goods to flow into Iran. Now, polls show, a majority blame the United States for seeking to prevent humanitarian products from reaching Iran.⁹

"It's remarkable how poisoned public opinion has become in Iran toward the United States," says Efsandiyar Batmanghelidj, an economist and publisher of *Bourse & Bazaar*, a London-based Iranian business magazine. "My big concern is that the United States may not be able to repair its image in Iran at the end of this episode. I don't think there's an awareness in Washington of how detrimental it is to take a population that admired the U.S. and then tarnish America's image to no obvious end. That's the political impact that Washington needs to worry about."

—Jonathan Broder

¹ Somayeh Malekian, "As US sanctions hit Iran, residents complain of medicine shortages," *ABC News*, June 25, 2019, <https://tinyurl.com/yxwke2lx>.

² "Average salary in Iran 2019," *Salaryexplorer.com*, undated, <https://tinyurl.com/y59s47q6>.

³ Erin Cunningham, "Fresh sanctions on Iran are already choking off medicine imports, economists say," *The Washington Post*, Nov. 17, 2018, <https://tinyurl.com/y7b4ejx4>.

⁴ Muhammad Sahimi, "Economic Sanctions will Kill Tens of Thousands of Innocent Iranians," *Loblog.com*, July 30, 2019, <https://tinyurl.com/y3aqtoc>.

⁵ *Ibid.*

⁶ "Concerning statistics of diabetics in Iran," *Khabaronline.ir*, Jan. 1, 2019, <https://tinyurl.com/y5cglst6>; "Iran, Islamic Republic of," International Agency for Research on Cancer, World Health Organization, 2018, <https://tinyurl.com/y5h5gsvf>; "70,000 people in Iran have Alzheimer's," *BBC Persian Service*, May 6, 2018, <https://tinyurl.com/yydqjomc>; "Thalassemia Patients at Passage of Suffering and Hope," *Islamic Republic News Agency*, May 1, 2019, <https://tinyurl.com/yysmp7bn>; "MS Statistics in Iran," *alef.ir*, June 1, 2019, <https://tinyurl.com/yxd4kcaq>; and "The latest AIDS statistics in Iran and the world," *Shahid Beheshti Medical Sciences Agency*, Nov. 5, 2018, <https://tinyurl.com/y4xtyko7>.

⁷ Cunningham, *op. cit.*

⁸ *Ibid.*

⁹ "Iranian Public Opinion under 'Maximum Pressure,'" Question No. 8, Center for International and Security Studies at Maryland, Oct. 1-8, 2019, <https://tinyurl.com/y3n48t8a>.

brokered ceasefire, ending the war he had pledged to wage until Iran's total victory.

After Khomeini's death in 1989, hard-liner Ayatollah Ali Khamenei ascended to the supreme leader's post, and moderates Akbar Hashemi Rafsanjani and Mohammad

Khatami served as president from 1989 to 2005. The two presidents allowed Iranians more freedoms and improved relations with other countries, including the United States.

In 1995, Democratic President Bill Clinton tightened sanctions, banning all U.S. trade with Iran, in

response to what the United States called Tehran's "malign" activities in the region. The embargo undermined Iran's moderates, whose reforms were already under attack from Khamenei and his supporters in parliament. By the end of Khatami's second term, a deep political rift had opened between Iran's moderates and conservatives.⁴⁵

In 2001, the Sept. 11 terrorist attacks led to a short period of cooperation between Iran and the United States. Iran had long opposed Afghanistan's Taliban regime and the al Qaeda terrorists it harbored, both strict Sunni fundamentalist groups who regarded all Shiites as heretics. Tehran condemned the 9/11 attacks and quietly provided special forces to help the U.S. military topple the Taliban.⁴⁶ Iran also helped the United States form a new pro-Western Afghan government.⁴⁷

But Republican President George W. Bush ignored Tehran's assistance and in his first State of the Union speech in 2002 lumped Iran with Iraq and North Korea as part of an "axis of evil." He threatened U.S. military action to block their nuclear programs. But Iran persisted, volunteering to arm, train and support 20,000 Afghan troops under a U.S.-led program. American officials never responded to Iran's offer.⁴⁸

After the U.S. invasion of Iraq in 2003, Iran—fearing it was next—made a sweeping offer to address the issues dividing Washington and Tehran. But the Bush administration did not respond to that offer, either.⁴⁹ Instead, the United States and Israel launched a cyberattack on Iran's nuclear program, using the Stuxnet virus to destroy scores of centrifuges used to enrich uranium.⁵⁰

Shifting Policy

In 2005, Mahmoud Ahmadinejad, the hard-line mayor of Tehran, was elected president of Iran. As U.S. troops became bogged down by insurgencies in Iraq, Iran shifted policy and threw its support behind Iraqi Shiite militias fighting the Americans. Over the next four years, the militias killed hundreds of U.S. troops.

When Democratic President Barack Obama took office in 2009, he reached out to Iran in a broadcast. "My administration is now committed to diplomacy that addresses the full range of issues before us," Obama said.⁵¹ The top issue was Iran's nuclear program, which U.S. and Israeli officials suspected was aimed at developing a nuclear weapon.

But Israel threatened Obama's diplomatic effort, letting the administration know it planned to bomb Iran's nuclear infrastructure before it became too advanced. Obama repeatedly dispatched senior U.S. officials to Jerusalem to argue that an attack would spark another Mideast war that inevitably would involve the United States. But Israeli Prime Minister Netanyahu argued that Iran's response would be limited. Besides, he added, an Israeli strike would not only derail Iran's nuclear program but also spark the overthrow of the Tehran regime.⁵²

The administration did not know whether Netanyahu was bluffing. So as U.S. spy satellites watched Israel openly prepare for an attack, Obama chose another strategy: secret negotiations with Iran. In late 2010, two top White House aides flew to Oman, where they quietly hammered out a framework for negotiations with Iranian officials representing Khamenei.⁵³

In 2013, prospects for better relations with Iran brightened after moderate Rouhani was elected president and indicated during a trip to the U.N. General Assembly that his government was ready to engage with the United States.⁵⁴ A few days later, Secretary of State John Kerry and Iranian Foreign Minister Zarif met to discuss how to follow up on the framework agreement reached in Oman.⁵⁵

Their meeting launched intense negotiations for a nuclear accord between Zarif and Kerry and the foreign ministers of Russia, China, Britain, France, Germany and the European Union. On July 14, 2015, after two years of talks, they signed the Joint Comprehensive Plan of Action (JCPOA), under which Iran agreed to curtail its nuclear program in return for relief from international sanctions. The U.N. Security Council endorsed the deal, giving it the imprimatur of international law.⁵⁶ The United States, however, kept its non-nuclear sanctions in place.

Israel and Saudi Arabia castigated the accord, noting that it failed to address non-nuclear threats, such as Iran's ballistic missile program and its support for proxy forces across the region. Trump adopted that view as he campaigned for the 2016 Republican presidential nomination and pledged to withdraw the United States from the agreement if elected.

Trump made good on that promise in May 2018, despite repeated U.N. certifications that Iran was in

full compliance with the agreement's provisions. Six months later, Trump reimposed crippling economic sanctions on Iran, reigniting the hostility and distrust that had poisoned U.S.-Iran relations for nearly 40 years.

CURRENT SITUATION

Escalating Standoff

Washington and Tehran are now locked in an escalating standoff that could explode into a major Middle East war unless the two sides can reach a diplomatic solution, warn many former officials and regional experts. But the chances of negotiations taking place anytime soon seem remote.

For now, both countries, as well as Iran's rival Saudi Arabia, have stepped back from the brink, sobered by September's suspected Iranian attack against Saudi oil facilities. But Trump's overall strategy of strangling Iran's economy remains in place, as has Tehran's unyielding resistance. If those policies persist, a military confrontation is more likely than not, observers say.

"That's why we've got to be very, very careful," says former Ambassador Crocker. "The law of unintended consequences is always in force in the Middle East."

In early 2019, Iran hoped the Europeans would maintain the economic investments and other benefits promised by the nuclear deal and also sought to gain leverage by gradually reviving its nuclear program, in deliberate violation of the 2015 accord. The breaches could be reversed if the Europeans came through, Tehran said. But the U.S. sanctions proved too intimidating for the Europeans to move ahead with the plan for a special trade-financing mechanism using barter instead of U.S. dollars.

U.S.-Iran tensions have intensified significantly since April, when the Trump administration refused to renew waivers that allowed eight countries to continue buying Iranian oil.⁵⁷ The waivers had gone to Tehran's biggest customers—including China, India and Japan—whose oil purchases had helped insulate Iran's economy from the sanctions. With the cancellation of those waivers, the administration signaled its intention to shut down Iran's oil sector and maximize Iran's pain.

"We're going to zero across the board," said Pompeo as he announced the end of the waivers. "How long we remain there . . . depends solely on the Islamic Republic of Iran's senior leaders."⁵⁸

Despite a subsequent plunge in Iran's oil sales and severe economic hardship for ordinary Iranians, the sanctions have had no apparent effect on Tehran's national security policies, according to Iran experts. "On the contrary, instead of Iranians backing down, coming to the negotiating table and begging on their knees for mercy, they have counter-escalated in almost every area of contention with the United States," says Iran expert Parsi.

Following Trump's withdrawal from the JCPOA last year, Tehran has gradually breached restrictions on Iran's nuclear program in an effort to pressure the accord's European signatories to come up with the JCPOA's promised economic benefits. In the most recent breach, President Hassan Rouhani said in November that Iran would accelerate its nuclear enrichment activities by injecting uranium gas into centrifuges at its underground Fordow facility. Under the JCPOA, Iran agreed to halt nuclear enrichment at that facility and use it for research. Meanwhile, Iran said it added dozens of advanced centrifuges to its uranium enrichment efforts, shortening the time needed to produce enough highly-enriched nuclear fuel for a bomb.⁵⁹

Iran experts say Tehran also continues to support its Middle East proxies, as evidenced by the Sept. 14 drone-and-cruise-missile attack on Saudi oil facilities and Iran's recent moves to enhance the range and accuracy of missiles it has given Hezbollah, the Houthis and the Iraqi Shiite militias. "Even in the worst of times economically, those efforts are not underfunded," says Crocker. With an unpredictable Trump at the helm of U.S. forces, he adds, "national security remains Iran's paramount priority."

Trump's October announcement that he was implementing his decision last year to withdraw U.S. troops from Syria has created yet another political vacuum for Iran's Shiite proxies to fill, say Arab affairs analysts. Obama had deployed around 2,000 U.S. special operations forces to northeast Syria in 2014 to help Kurdish forces fight the Islamic State. The U.S. pullback will give the Iranians "the operational space to expand their

A T I S S U E

Will U.S. sanctions force Iran to the negotiating table?

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Since May 2018, Iran's economy has taken a serious beating due to U.S. sanctions. After contracting by 4.9 percent in 2018, Iran's economy will contract by 9.5 percent this year, according to the International Monetary Fund. Since 2012, sanctions have cost a total of about half a trillion U.S. dollars, nearly the same as Iran's GDP.

Iranian leaders are under increasing pressure to restore economic growth. But they believe the Trump administration's primary objective is Iran's capitulation or regime change, and the leadership is divided on the benefits from dialogue with the United States and on how badly Iran needs to end the sanctions.

Iran's Supreme Leader, Ayatollah Ali Khamenei, who has been advocating a "resistance economy" for 10 years, sees proximity to the West as undermining Islamic values. He is optimistic that the economy can function with—and even benefit from—very low oil exports. Employment data for the first half of the Iranian year (March 21 to Sept. 20) support his optimism: About 800,000 more people are working in Iran now than when sanctions began in 2018, and the unemployment rate has dropped by 2 percentage points.

The jump in jobs and output is not surprising, because the economy has unused capacity that is being used to replace imports. Devaluation in 2018 also raised average prices of imported goods by 2 to 3 times, making local production more profitable. But such recovery has its limits.

Pressure from U.S. sanctions is unlikely to abate, at least not until 2021 and then only if Trump loses the 2020 election. Serious obstacles to long-term recovery remain. Investment as a share of GDP has declined, from about 20 percent in 2011 to about 14 percent in 2018. This level of investment is barely enough to keep up with depreciation of existing capital. Having lost its major source of revenue from oil, the government is unlikely to take the lead in an investment-fueled recovery. The equally cash-strapped private sector cannot count on much help from the banking system, which is still recovering from a decade-long crisis of insolvency.

Unless the government can overcome these challenges and the economy begins to bear fruit soon, pressures from the decade-long stagnation will strengthen those who argue for re-engaging with the West. But this may not be enough to bring Iran to renegotiate the nuclear deal anytime soon.

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The Trump administration has been adamant that its "maximum pressure" sanctions are bringing the Iranian economy to the brink of collapse. But even as the country grapples with the harsh realities of a 9.5 percent contraction in GDP in 2019, the pending recovery of the Iranian economy is easy to demonstrate across four basic datasets.

First, Iran's foreign exchange market has stabilized. Since early May, the Iranian rial has regained around 30 percent of its value against the dollar. The value of the rial has remained stable after the Central Bank of Iran implemented new oversight systems, even as geopolitical tensions reached new highs this past summer.

Second, while inflation remains high and continues to erode the purchasing power of Iranian households, the recent recovery of the rial has seen inflation grow at the slowest pace since the reimposition of sanctions 18 months ago. The consumer price index rose at an annual rate of only 6.1 percent in September. As economist Djavad Salehi-Isfahani recently observed: "Price stability is necessary for economic recovery, and the trend in inflation is in the right direction for Iran."

Third, Iran's purchasing manager's index, which measures whether the manufacturing sector is expanding or contracting, has exceeded 50 in five of the last seven months. An index greater than 50 reflects an expansion in manufacturing activity compared to the previous month. Iran's assembly lines keep whirring, and Iran continues to produce goods for export.

Finally, Iran's non-oil exports are projected to reach a record level this year—more than \$40 billion—exceeding oil exports for the first time. Oil exports will be limited to around \$10 billion in 2019 after the Trump administration revoked key sanctions waivers. The recourse to non-oil trade means Iran will continue to earn vital foreign currency, further reducing dependence on an oil industry that rarely accounted for more than 20 percent of Iran's GDP.

In short, the harm the Trump administration has inflicted on so many Iranian households does not, in fact, equate to fundamental vulnerability in the Iranian economy.

growing network of Shiite foreign fighters, who can be mobilized and moved throughout the Middle East,” the RAND Corp.’s Tabatabai and her colleague Colin P. Clarke said after Trump first announced the Syria withdrawal last year.⁶⁰

Other analysts say Trump’s recent statement that the situation in Syria has “nothing to do with us” also sends the message to Saudi Arabia, Israel and other U.S. allies in the Middle East that Washington will no longer block Iran’s designs on the region.⁶¹

De-Escalating Tension

Meanwhile, Iran’s preference to avoid a military confrontation has been evident in the care it has taken not to kill or wound any Americans in the region and by denying responsibility for the most aggressive incidents. The Trump administration also has kept its responses to those incidents below the threshold of war.

In June 2019, when Tehran acknowledged downing the unmanned U.S. surveillance drone, Iranian officials pointed out that they had refrained from shooting down an accompanying U.S. Navy P-8 maritime patrol aircraft carrying 35 crew members.⁶² After Trump cancelled retaliatory airstrikes on Iran, he launched a nonlethal cyberattack that wiped out Iran’s database for tracking ship traffic in the Persian Gulf. It was Trump’s answer to suspected Iranian attacks in May, which Iran denied, that damaged several foreign tankers in and around the Persian Gulf.

After the attack on Saudi oil facilities, Trump resisted hawkish lawmakers’ calls to retaliate militarily against Iran, mounting instead another cyberattack on Iran’s “propaganda” infrastructure, U.S. officials said. “You can do damage without killing people or blowing things up; it adds an option to the toolkit that we didn’t have before, and our willingness to use it is important,” said James Lewis, a cyber expert with the Center for Strategic and International Studies, a centrist Washington think tank.⁶³

Iran also appears to be exhibiting similar caution with Saudi Arabia. When two explosions ripped gaping holes in an Iranian oil tanker sailing off the kingdom’s Red Sea coast on Oct. 11, 2019, the state-run National Iranian Oil Co. that owns the ship initially claimed the Saudis had fired two missiles at the tanker, raising fears of



Saudi Arabian Defense Ministry spokesman Turki bin Saleh al-Malki displays pieces of what he said were Iranian cruise missiles and drones recovered from a September 2019 attack that targeted the Saudi oil infrastructure. Iran has denied involvement.

Iranian retaliation. But later, the company said the origin of the explosions was unclear.⁶⁴

Rouhani and Zarif now say a foreign government carried out the tanker attack, but they have stopped short of naming the government. “All this shows that Iran wants to de-escalate the tension,” said Imad K. Harb, the head of research at the Arab Center, an independent Washington think tank that focuses on Middle East issues.⁶⁵

Apparently, Saudi Arabia—which has been sobered by Trump’s lack of military response to the attack on its oil facilities—also wants to reduce tensions. Crown Prince Mohammed bin Salman, the kingdom’s de facto ruler, reportedly asked Iraq’s prime minister to see if Iran’s leaders would be willing to de-escalate tensions.⁶⁶ “The political and peaceful solution is much better than the military one,” Prince Mohammed told *CBS* “60 Minutes” in September 2019.⁶⁷

Some Arab affairs analysts say the best way to reduce regional tensions is for Iran and Saudi Arabia to negotiate maritime security in the Persian Gulf and an end to the war in Yemen. One aspect of that conflict appeared to be resolved in November, when separatists in Southern Yemen, backed by the United Arab Emirates, signed a peace agreement with the ousted Saudi-backed Yemeni government, which had made the southern port city of Aden its interim seat. In August, the separatists seized Aden in a move that

split the Saudi-led Arab coalition fighting the Houthis and opened a fresh front in Yemen's civil war. Prince Mohammed said the peace agreement, which gives the separatists and other southern groups half the seats in any new Yemeni cabinet, opens the way for a broader peace accord between the Saudi-backed government and the Houthis.⁶⁸

But in the wake of the September attack on the kingdom's oil facilities, distrust remains a major hurdle to any Saudi-Iranian reconciliation. "Efforts at de-escalation must emanate from the party that began the escalation and launched attacks, not the kingdom," an official Saudi statement said.

OUTLOOK

Continued Standoff?

Middle East analysts agree negotiations are unlikely between the Trump administration and Iran before the 2020 U.S. elections. As long as the administration maintains its sanctions and Tehran continues to regard them as unacceptable, Iran probably will not come to the table.

Another obstacle to negotiations: President Rouhani's reform movement is expected to lose seats in Iran's parliamentary elections in February to hard-liners who reject any engagement with the United States, according to Iranian journalist and political analyst Saeid Jafari. And if Trump wins re-election, U.S. and Iranian experts agree, the administration's standoff with Iran will probably continue, with neither side in any hurry to enter into talks.⁶⁹

The Peterson Institute's Mazarei says the sanctions eventually will force the Rouhani government to print more money, boosting inflation. But Tehran appears confident that the public, already accustomed to hardship, will weather the additional loss in real income, he says. "So we're talking about survival with considerable amounts of pain," he says.

Former ambassador Crocker agrees. "If President Trump's gamble is that the unhappiness of the Iranian population will lead to regime-destroying unrest, he's deluded," Crocker says. "The more damage our pressure does to the economy, the tighter the solidarity around the leadership becomes."

Public opinion polls in Iran support Crocker's analysis. A survey in May 2015—a few months before the JCPOA

was signed—by the University of Maryland's Center for International & Security Studies showed that 26.3 percent of Iranians cited foreign sanctions and pressures as the major cause of Iran's economic woes. By October 2019, that number had grown to 37.5 percent.⁷⁰

Even if a Democratic president returns the United States to the Iran nuclear deal and lifts the sanctions, Tehran anticipates that any new round of negotiations would include pressure for tighter restrictions on its nuclear program, missile development and support for regional proxies, says the RAND Corp.'s Tabatabai. Thus, she expects Iran to continue breaching the nuclear deal in order to accumulate leverage in future talks.

No matter who wins the U.S. election, analysts agree Iran likely will continue swaying elections in Lebanon and Iraq and providing military muscle for its proxies where Shiites are fighting for power or confronting Israel. At the same time, Israeli military strikes against those proxies in Lebanon, Syria and Iraq will continue, the analysts say. Likewise, military experts expect Iran to continue developing its missile capabilities, a far cheaper and more realistic national security option than trying to build up a modern air force while under sanctions.

Finally, veteran diplomats say, unless U.S. policy changes dramatically, the coming years likely will be marked by a deep distrust among America's allies of U.S. trustworthiness. Trump's abandonment of Kurdish allies in Syria has forced allies such as Israel and the Gulf Arab states to question, for the first time, long-standing U.S. security commitments. Others, like Turkey and Egypt, have turned to Russia for weapons.

It will take years to rebuild U.S. credibility, these diplomats say. "We've lost our political leverage in the region," says former ambassador Freeman. "We're in a world now where no one wants to put all their eggs in our basket."

Former IMF senior executive Askari predicts that tensions between the United States and Iran will continue to build, pushing both countries closer to a military confrontation they say they want to avoid.

"Time is not on the side of better Iran-U.S. relations," he said. "Distrust of the U.S. has ballooned among leaders in Tehran after the U.S. tore up the nuclear deal and exited the agreement. War, or an accidental war, is much more likely today than reconciliation and fruitful relations."⁷¹

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Rising Tensions

Lawson, Sean, “Why Did the U.S. Cyberattack Iran’s Propaganda Network?” *Forbes*, Nov. 1, 2019, <https://tinyurl.com/yyhrk884>.

The United States responded to an alleged Iranian strike on Saudi oil facilities by launching a cyberattack on Iran’s online propaganda network, which utilizes both humans and bots to spread pro-Iranian views on Twitter, Facebook and Instagram.

Schmitt, Eric, and David E. Sanger, “Trump Orders Troops and Weapons to Saudi Arabia in Message of Deterrence to Iran,” *The New York Times*, Oct. 11, 2019, <https://tinyurl.com/y64pfz4t>.

The United States announced a further deployment of 3,000 troops to Saudi Arabia in response to increased Iranian attacks in the Gulf region.

South, Todd, et al., “What war with Iran could look like,” *Military Times*, June 4, 2019, <https://tinyurl.com/yxbym9hd>.

Military experts speculate that a U.S. war with Iran would differ from the 2003 invasion of Iraq, lead to thousands of deaths and play out on multiple fronts, including through proxies and cyberwarfare.

Sanctions

“Iran: Sanctions Threatening Health,” *Human Rights Watch*, Oct. 29, 2019, <https://tinyurl.com/y2zjczt>.

According to a report by Human Rights Watch, U.S. sanctions have hindered Iran’s ability to import medicine and medical equipment, even though the sanctions specifically exempt such humanitarian imports.

Chiacu, Doina, and Daphne Psaledakis, “U.S., Gulf countries impose joint Iran-related sanctions on 25 targets,” *Reuters*, Oct. 30, 2019, <https://tinyurl.com/y6exz726>.

The United States and several Middle Eastern countries issued new sanctions on businesses, banks and people linked to Iran’s support for militant networks.

Mortazavi, Negar, “Trump renews sanction waivers to allow Russia, China and Europe to continue nuclear work in Iran,” *The Independent*, Oct. 31, 2019, <https://tinyurl.com/yxsvw9vz>.

The Trump administration will continue to issue sanction waivers that allow companies from Russia, China and Europe to collaborate on Iran’s civilian nuclear program, even as foreign policy hawks in the United States call for ending these exemptions.

Women’s Rights

Alijani, Ershad, “Iranian police arrest more women for the ‘crime’ of dancing,” *France 24*, Oct. 31, 2019, <https://tinyurl.com/y2z5ce2x>.

Iranian officials detained several female dancers who had tens of thousands of followers on Instagram for “obscene content creation.”

Cranley, Ellen, “Fans are calling out an Iranian music streaming site for erasing women from their own album covers,” *Insider*, Sept. 30, 2019, <https://tinyurl.com/yxd6qdqy>.

A music streaming site in Iran is removing images of female artists from album covers in order to comply with the country’s strict censorship policy, which forbids women to appear with their heads uncovered.

Panja, Tariq, “Iranian Women Allowed to Attend Soccer Game for First Time Since 1981,” *The New York Times*, Oct. 10, 2019, <https://tinyurl.com/y5b54vmn>.

Following weeks of outcry after a female soccer fan self-immolated to protest exclusionary policies, Iran allowed women to attend an international soccer match, but required them to sit in a separate section from the men.

For More Information

Arab Center Washington, 800 10th St., N.W., Suite 650, Washington, DC 20001; 202-750-4000; arabcenterdc.org. Independent think tank that produces academic research, policy papers and events focused on U.S.-Arab relations.

Atlantic Council, 1030 15th St., N.W., 12th Floor, Washington, DC 20005; 202-778-4952; atlanticcouncil.org. Independent think tank with several Iran-related programs; produces policy studies and hosts symposia and conferences.

Carnegie Endowment for International Peace, 1779 Massachusetts Ave., N.W., Washington, DC 20036-2103; 202-483-7600; carnegieendowment.org. Nonpartisan think tank whose Middle East program offers analysis and symposia focusing on political, economic and strategic developments in Iran and the Arab world.

Center for Strategic and International Studies, 1616 Rhode Island Ave., N.W., Washington, DC 20036; 202-887-0200; csis.org. Centrist think tank with a comprehensive Middle East program that holds conferences and generates Iran policy papers and country studies.

Center for Strategic Studies, 52 E. Pasteur St., Tehran, Iran; +9821-6445-3046; css.ir/fa. Official research arm of the Iranian president's office; produces policy papers.

Institute for Near East and Gulf Military Analysis, Dome Tower, Cluster N, Office 1306, Jumeirah Lake Towers, Dubai, United Arab Emirates; +971-4-399-8355; inegma.com. Arab think tank and consultancy that provides clients with expertise in political risk, energy security and defense trade.

Institute for Political and International Studies, Corner Shaheed Aghaei Street and Shaheed Bahonar Avenue, Niavaran, Tehran, Iran; +9821-2280-2656; ipis.ir. Official think tank of the Iranian Foreign Ministry; produces policy studies and hosts lectures, conferences and roundtable discussions.

RAND Corp., 1200 S. Hayes St., Arlington, VA 22202; 703-413-1100; rand.org. Branch of California-based think tank that provides policymakers with objective analysis of political, economic and military events in Iran and the Arab world.

United States Institute of Peace, 2301 Constitution Ave., N.W., Washington, DC 20037; 202-457-1700; usip.org. Congressionally funded think tank that conducts research and policy analysis on Iran and Arab countries and briefs congressional staff and U.S. officials.