



[Middle East Directions Roundtable](#)

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From Political Engagement to Political Demonisation: US-Iran Policy 2013-2019

Tensions between the US and Iran reached an unprecedented level between May and June. This roundtable sought to understand the current crisis between the two countries by providing an analysis of the radical shift in US-Iran policy from the Obama administration's political engagement between 2013 and 2016 to the Trump administration's demonisation of Iran since he came to power in 2017. It also addressed Iranian measures to counter Trump's maximum pressure policy. The roundtable addressed how this shift has influenced the internal dynamics between the hardliners and moderates within the Iranian regime, and the role played by Gulf countries in the crisis. The following is a brief summary of the main points and insights from the panel.

Contextualising the Status Quo

Dr. Hooglund argues that historicising the tensions between the US and Iran, and US foreign policy towards Iran, can shed more light on the status quo. It is important to look back as far as 1942, to when the US occupied the railroad between the Persian gulf and the Soviet border. The UK had invited the US to jointly occupy Iran on the grounds that Iran was hosting German spies. In reality, Hooglund stresses, Iran was hosting German Jews who had fled Germany.

Hooglund claims that it is difficult to fully grasp the tensions within the US over its approach to Iran without understanding the discourses employed by different actors. The debate on where Iran figures in US foreign policy bifurcates into two intellectual camps. On the hand, the "progressives" believe that if US officials engineer *coup d'états*— which are inherently anti-democratic – in other countries, then the US is in principle a danger to democracy itself. The other camp, which Hooglund calls the "counter-intellectual camp", argues that it can be in the interests of US national security to manipulate "what goes on" in other countries. This debate goes to the heart of what democracy is in American thinking

According to Hooglund, Iran's role in this debate started with the 1953 *coup d'état*, which overthrew the democratic government and strengthened monarchical rule. This led Iran to ally with Iraq through the

Baghdad pact. US support of the monarchy fed into the debate outlined above. The regime demonstrated a strong affinity for western popular culture and was a regionally strategic ally of the US.

The 1979 Islamic Revolution further fueled the debate in the US understanding of Iran. While the progressive camp advocated support for the Islamic regime, as demonstrated by articles in progressive media publications advocating continuing diplomatic relations, the US hostage crisis, and then the Iran-Iraq war, increased support for the counter-intellectual camp. Many progressives were, and remain, unsatisfied with US policy towards Iran.

Finally, Hooglund outlined how today, some media outlets, such as Democracy Now, are encouraging Americans to protest against the Trump administration's policy towards Iran. This discourse is gaining traction in the US, as there is not much domestic support for the US to attack Iran. There are many in the Democratic Party, especially on the progressive wing, who are pushing back against current policies. Lastly, the US Military wishes to avoid escalation as it hopes to continue its minimal troop presence in the Middle East. Current US maximum pressure policies, and their likely future evolution, must be understood in light of this more nuanced picture.

Change in Distribution of Power: the Military as Agenda Setters

According to Dr. Divsallar, changes in Iran's domestic balance of power have enabled it to remain stable in the face of Trump's maximum pressure policy. These changes are driven by a militarization and radicalization of Iranian foreign policy.

Divsallar argues that one of the most important causes of this change is the Iranian population's (non) reaction to Trump's maximum pressure policy. Previous economic shocks sparked mass demonstrations. According to the logic of the Trump administration, the economic shock that accompanies harsh sanctions leads to domestic violence; however, in the case of Iran, its history of being sanctioned, and thus the financial machinery developed to counter such measures, helped to reduce the impact. The absence of such a reaction this time, despite the economic stagnation that US sanctions have brought, has resulted in a relatively stagnant political scene.

Divsallar claims that two domestic elements have helped mitigate the effects of sanctions: a) economic policies developed by Iranian President Rouhani in anticipation of such a shock, and b) the absence of a culture of violence. On the one hand, in the expectation of harsh sanctions the Iranian government developed a contingency plan whereby it would use cash reserves to counter any initial shock to its financial markets from sanctions. On the other hand, the Iranian middle class has, moreover, very few economic incentives to protest and to instigate violence against the regime and the political establishment.

Secondly, the failure of the Joint Comprehensive Plan of Action (JCPOA) - commonly known as the Iran Nuclear Deal - left the Iranian population with little incentive to blame their government for current sanctions. The JCPOA had two functions: one economic and one military. The latter entailed the desecuritization of Iran and the resumption of normal relations with Iran and external powers, while the former entailed the lifting of sanctions. According to Divsallar, the fact that Iran complied with the JCPOA accords means that the Iranian government could do little to avoid the situation it finds itself in, alleviating the likelihood of social discontent towards the government. Within this atmosphere of political stagnation the economy continues to function – albeit with some difficulties – and as the general population has few incentives for political engagement, few actors are taking the initiative with Iranian foreign policy.

This has created an agenda setting vacuum which has been infiltrated by military hardliners. This new structure of power, one dominated by military hardliners, has enabled the rise of Iranian populist discourse. This, coupled with the historical existential fear of Arabs in Iran has helped precipitate the rise of the military within Iranian foreign policy agenda setting. It has become increasingly evident that the close relationship between Trump and several Arab Gulf states has contributed to this.

Moving forward, Divsallar expects the military to play an increasingly influential role in Iranian foreign policy. There are few institutional limits on the military in Iran. Overtime, the combination of the stagnation of the populace, the economic strategy of the Rouhani administration, and the threat from Arab neighbours has placed the military front and centre in dictating Iranian foreign policy. This, combined with the commercialization of military technology and its use of Iranian oil funds, is also placing the military as a key actor in influencing Iranian economic policy.

The Current Gulf Order

In 2011, the Arab Spring led to power vacuums in states across the region. According to Dr. Bianco, this challenged the regional order, which had remained uncontested for decades. At the time, the relatively progressive US government under Barack Obama was hesitant to intervene in these crises, but said it would do so if certain red-lines were crossed, particularly the use of chemical weapons. When the Syrian regime did use chemical weapons, US regional allies were therefore expecting US intervention. The lack of response crystallized a perception across the region that the US was retrenching from its historical role as an external security balancer in the region. The shift towards a new order dominated by Gulf states derives from both the retrenchment of the US as a security balancer and the infiltration of the subsequent power vacuum by new regional players.

Bianco furthers this by suggesting that conservative Gulf regimes felt that the absence of the US increased the risk of volatility and instability across the region. At the same time, revolts in Egypt and in Bahrain led then Secretary of State Hilary Clinton to tentatively call for dialogue between protestors and governments. This cemented the concerns of GCC regimes. Bianco argues that Gulf states felt betrayed by the Obama

administration, and, despite the initial hesitation towards Trump, were willing to have faith in him supporting a regional order dominated by the UAE and Saudi Arabia.

At that time, the traditional power establishment in Saudi Arabia was still in place. In light of Trump's impending arrival, several Gulf states used their connections in Washington in an attempt to influence US policy in the region in their favour, hoping the US would outsource its regional leverage to them. Qatar was very well placed to take advantage of the demonstrations, given the prominence of local players with whom it had close relations, mostly those affiliated with political Islam and, broadly speaking, the Muslim Brotherhood. She claims that although Qatar was never thought of as a threat and was only viewed as an economic partner to other GCC states, Qatar's desire to forge partnerships with various political Islamist groups across the region would prove to be detrimental to their position in the new regional order.

Since Trump's inauguration, Abu Dhabi has led the development of certain networks against political Islam in the region, creating a new triangle of power. Nevertheless, Dr. Bianco stresses that the US role in this new make-up should not be underestimated. For instance, the change from Muhammad bin Nayef, the initial crown prince, to Muhammad Bin Salman was greenlighted by Washington. Within this new order, the US is encouraged to be aggressive towards Iran as a result of their Gulf allies. They are convinced that the current escalation will benefit the US as Iran will eventually back down. In Saudi Arabia, Bianco argues that there are various competing internal perspectives, ranging from more hawkish approaches to more conciliatory ones. None of the Gulf states are engaging with Iran through formal diplomatic channels, but some are attempting to stall escalation. Qatar, caught in the middle of this, is trying to re-define their position within the Gulf, with the US, and with Iran.

Iraq as a Mediator?

Tamer Badawi avers that the Iraqi government is trying to turn Iraq from a battlefield of proxy conflicts into a country that can facilitate talks between Iran, the US and the Gulf countries. These efforts are increasing. For instance, at the end of May 2019, the Iraqi ambassador to Iran informed an Iranian news agency that Iraq will offer a non-interference pact to Manama, Abu Dhabi and Riyadh on behalf of Iran. This illustrates Iraq's increasing diplomatic role in the region, in the absence of other mediators.

According to Badawi, Iraq's potential to play this role is shaped by three factors. The first one is energy, as Iraq imports Iranian gas and is reliant on Iran for a third of its electricity needs. Badawi meticulously outlined that under the Obama administration, while investment in Iranian gas development was sanctioned, importing Iranian gas was not. In 2011, Iraq and Iran signed a lease to import natural gas, and under the Trump administration, Iraq has been issued sanctions waivers by the US to import Iranian natural gas. At the same time, as part of this waiver, Iraq needs to constantly demonstrate its desire to look towards alternative sources of natural gas.

Iraq has tried to illustrate that it can use energy to leverage its position between both sides while trying to extract benefits as a reward for what it is doing in the form of sanctions waivers. In the long term, if Iraq is able to diffuse the current tension then it anticipates that it will be able to dodge American unilateral sanctions on Iran. Even if Iraq is able to find other gas sources, it would still need to guarantee Iran's natural gas imports as an insurance policy.

Moving forward, Badawi claims that the second point relates to Saudi Arabian engagement in Iraq since 2015. Since the 2003 US-led invasion of Iraq, Saudi Arabia had been engaging solely with Iraqi Sunni actors. In 2015, however, Saudi Arabia began to engage with local Shia actors. In light of this engagement, the Iraqi government saw this as an opportunity to become mediators between Saudi Arabia and Shia parties, providing them with some leverage over Saudi Arabia. Iraq also expected this to provide momentum towards it becoming a mediator between Iran and Saudi Arabia. This is strengthened by the Trump administration's desire for Saudi Arabia to engage with Iraq.

The third point relates to factional politics within Iraq itself. Prime Minister Adil Abdul-Mahdi, supported by the Kurdish Democratic Party (KDP) and Iran, is the glue for the alliance between the elites in the Kurdistan Region and in mainland Iraq. Should the KDP retract support, Adil's domestic position would weaken, in a system governed by patrimonial politics. The export of Kurdish oil to the rest of Iraq has become a contentious issue due to the lack of revenues directed to Baghdad. Across the Kurdish nation, there remain tensions between the KDP and Kurdistan Workers' Party (PKK), which has historic relations with Iran. Lastly, Badawi stresses that tensions have been increasing between the KDP and the Patriotic Union of Kurdistan (PUK).