Interviews

Sanctions, Accommodation, and Defiance. A Long Track of US Sanctions Targeted at Iran. Radosław Fiedler’s Interview with Richard Nephe

Richard Nephew is a Senior Research Scholar at the Center on Global Energy Policy. He is the author of The Art of Sanctions, a book from CGEP’s Columbia University Press book series. Richard joined the Center on February 1, 2015, directly from his role as Principal Deputy Coordinator for Sanctions Policy at the Department of State, a position he held since February 2013. R. Nephew also served as the lead sanctions expert for the U.S. team negotiating with Iran. From May 2011 to January 2013 Nephew served as the Director for Iran on the National Security Staff where he was responsible for managing a period of intense expansion of U.S. sanctions on Iran. Earlier in his career, he served in the Bureau of International Security and Nonproliferation at the State Department and in the Office of Nonproliferation and International Security at the Department of Energy. Nephew holds a Masters in Security Policy Studies and a Bachelors in International Affairs, both from The George Washington University.

Radoslaw Fiedler: There is a long record of sanctions enacted against Iran in the 80s–90s. The sanction path was initiated by Carter’s administration and that policy was continued in the following decade. Why all those instruments of economic and financial pressures did not change Iranian demeanour and its “malign” policy?

Richard Nephew: In some cases, sanctions did change Iranian policy. One notable example, President Carter’s sanctions achieved their goal-Iran accepted the Algiers Accords and released the hostages. The agreement was done within the scheme to relieve the assets for the exchange of people.

Most of the sanctions have been enacted unilaterally since 1981. Most of the sanctions were not harmful to Iran for the mere reason that there are almost no business ties between both countries. The situation changed a decade later when the United States began to use secondary sanctions, which had an impact on European business in particular and Europeans got nervous. To reduce transatlantic tensions between the European Union and the United States, European partners and Clinton’s administration initiated negotiations which resulted in an agreement that some European business would continue in exchange for European cooperation on other Iran issues.

Until the UNSC resolutions in 2006, the United States was unable to get Europe and other partners to join a multilateral sanctions effort voluntarily; after 2006, the United States used its own economy to create leverage with those partners to cooperate on sanctions.

Why did Iran make concessions in its nuclear program and finally accepted provisions of the nuclear deal called the Joint Comprehensive Plan of Action (JCPOA)? Why did in that case sanctions work?

The period before the JCPOA I categorize as coercive multilateralism in sanctions policy toward Iran. It is a fact that EU sanctions pressure but also Japanese, Canadian, Russian,
or Chinese pressure mattered and it became truly a global effort. But, a lot of this came from the threat of U.S. pressure.

Despite some misunderstandings, a common ground for cooperation was founded which brought the nuclear deal (JCPOA). Before and after negotiations, JCPOA critics raised concerns about excluding from the deal issues related to Islamic Revolutionary Guard Corps (IRGC) and its regional activity. Some of the ardent critics claimed that negotiations should lead to the release of foreigners from Iranian prisons. It was a high-risk formula “centrifuges for the people.” It was not a good idea to trade nuclear issues in exchange for ceasing terrorism or releasing imprisoned people. It only encouraged Iran for continuing its malign activity as a trading instrument for nuclear negotiations. The JCPOA was the first step, tensions needed time and other issues might be discussed in the following steps. Unfortunately, we did only one step and the other options were never tested.

*Considering the JCPOA formal status – would it be better protection for the deal if it received a status of a treaty instead of an intergovernmental agreement? As we know President Donald Trump easily withdrew from the JCPOA in 2018.*

Ratification was beyond the question because the bipartisan approval was not possible at that time. Three major issues were holding back the treaty solution: firstly, political divisions and opposition to President Obama – GOP had a 2/3 majority over Democrats in the Senate and they were vehement JCOPA critics and Obama personally. Secondly, Congress had difficulties to approve treaties. A striking example – it did not approve even protections for the disabled guaranteed in the UN conventions. New Start was a rare exception. Thirdly, treaties can also be easily withdrawn – as, George W. Bush did with the ABM.

US withdrew from the JCPOA and reimposed sanctions and conditioned lifting them on Iran’s acceptance of Pompeo’s 12-steps plan. *Is that policy realistic? Would Iran bow to the demands under the US pressure and would its results be achieved better than within the JCPOA deal?*

Trump and Pompeo say that they are simply trying to reach a better deal after enacting more sanctions and making unprecedented pressure. Many experts are sceptical that Iran would surrender, which would be the equivalent of what the U.S. has demanded.

For this reason, many believe the current US administration desires to bring to the collapse of the Iranian regime – it is a rather unrealistic scenario. More probable is a direct military clash between the US and Iran. The concept of maximum pressure provoked maximum resistance in Iran. Imposing sanctions after sanctions which in many aspects are abusive is delinked from the political realistic goals. One of the effects of the maximum pressure by now has been strengthening of hardliners in Iranian internal politics and much more Iranian defiance for future JCPOA renegotiations with the new US administration. Iran under pressure is trying to adapt but with the COVID-19 pandemic, it is pretty hard. Formally, due to the COVID-19 pandemic, the humanitarian corridor to Iran might be opened regardless of sanctions. In reality, due to sanctions costs of a business are rising and Iran is almost excluded from international business and trade. For Iranians with almost non-existent commercial and financial ties with the outside world, it is difficult to import spare parts for medical equipment, ventilators, and protective gear.
Why has the European Union done too little in building a protective mechanism from the maximum pressure sanctions devastating effects on the Iranian economy and seemed unable to protect trade and financial relations between Iran and the EU?

In 2016 the EU needed to do more to sustain the JCPOA – it kind of ignored Trump’s hostile declarations against the deal. The EU wanted to let nature take its course with respect to business with Iran, but this became impossible after Trump was elected. The EU started planning the Instex financial mechanism six months after the US withdrew in May 2018 and so what was done eventually was much too late.

Now all sides, including Iran are waiting for a result of US presidential elections in November. With new Democratic administration – probably it would be an opportunity for renewing JCPOA, although it would be a very hard task, also due to expiring deadlines and Iran’s more troublesome cooperation with the IAEA. In the case of the second Trump’s term, a few options are possible: negotiations and de-escalation but also rising tensions and risks of conflicts.

Radosław FIEDLER
New York