



National Iranian American Council

PROMOTING IRANIAN-AMERICAN PARTICIPATION IN AMERICAN CIVIC LIFE

NIAC US-IRAN POLICY MEMO

2801 M Street NW Washington, DC 20007

202-719-8071

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web: www.niacouncil.org | e-mail: info@niacouncil.org

WILL SURGE HURT US MORE THAN SANCTIONS HURT IRAN?

The winds of fortune in the Iranian nuclear stand-off seem to have shifted, judging by the U.S.'s new confidence. But in Washington's apparent quest to get an upper hand, misreading the causes of the backlash against President Mahmoud Ahmadinejad in Iran may cause the U.S. to lose rather than gain leverage.

Over the past few months, Iran's hard-line president has suffered several political defeats at home. The most important of these were the Dec. 15 municipal elections last year where candidates allied with the president fared miserably, while centrist conservatives close to former President Hashemi Rafsanjani -- a key rival of Ahmadinejad -- made significant gains.

Ahmadinejad's defeat, coupled with increased criticism against him at home over his economic policies and his failure to evade U.N. Security Council Sanctions, have left Washington with the impression that its efforts to squeeze Iran's access to international finance has born fruit at a surprising rate.

Washington's euphoria over this perceived success has been used as an argument with its European allies that the pressure is working and that if only Europe joins the U.S.,

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Iran will eventually be brought down to its knees.

This argument is likely to be repeated today when the U.S., Britain, France, Russia, China and Germany meet to discuss how to respond to Iran's refusal to suspend its uranium enrichment activities, as requested by U.N. Security Council Resolution 1737.

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Most importantly, there is likely no significant causality between the U.S.'s recently imposed unilateral financial sanctions and Ahmadinejad's dwindling popularity.

The George W. Bush administration seems to be confusing its sanctions policies with Ahmadinejad's incompetent economic policies. The push-back against Ahmadinejad has, according to observers of Iran's domestic political scene, far more to do with his failed economic policies and his populist promises, which have created exaggerated expectations among the Iranian populace, than with Tehran's nuclear posturing or Washington's financial sanctions.

A key trigger of the anti-Ahmadinejad sentiments has been rising inflation, which has been caused by an influx of liquidity into the Iranian economy rather than a shortage of it.

Still, Washington is right in pointing out that Tehran has been thrown off course and that divisions within the Iranian government regarding the nuclear file are growing. But the impetus for this rift is likely the psychological shock Tehran suffered when the U.N. Security Council passed Resolution 1737 in December of last year →

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rather than any economic pain resulting from Washington's pressure.

Tehran seemed to have thought that it could evade sanctions throughout 2006, and then face a potentially more lenient Council in 2007 with the entrance of states such as South Africa into the U.N.'s highest body.

The problem for the West, though, is that Tehran will recuperate from a psychological shock much faster than it would had the shock been economic in nature. As a result, the West's perceived advantage over Iran may prove transitory and short-lived.

If the Bush administration is really seeking negotiations, that is, if its policy of seizing and releasing Iranian diplomats in Iraq and its military build-up in the Persian Gulf are geared towards gaining leverage over Iran to be used in a future negotiation rather than to produce a pretext to start a war with Tehran, then Washington would be wise to start those negotiations sooner rather than later.

Furthermore, whatever difficulties Iran may find itself in currently, and whatever pain additional economic and financial sanctions may incur on Tehran, these costs must be measured against Washington's intensifying predicament in Iraq once the Bush administration's surge strategy has run its course.

The White House is virtually alone in believing that the surge will change Iraq for the better. Tehran is in agreement with the U.S. Congress and Washington's European allies in predicting that the Bush administration cannot reverse the negative trends in Iraq through a moderate increase in U.S. troop levels, while refusing to engage Iran diplomatically or pressure the Saudi government to clamp down

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on elements within its territory who are supporting the Iraqi insurgency with funds and arms.

Still, the State Department is pressing on with its twin policy of surging troop levels in Iraq and reducing diplomatic activity with Iran. The idea of punishing Iran by imposing new and stricter sanctions is also attractive to hawkish Democratic members of Congress who feel a political need to differentiate themselves from the Bush administration and its perceived war plans, while at the same time remaining tough and hostile towards Iran.

By late summer 2007, however, the U.S. public's patience with the surge policy will likely dry up. Public and Congressional opposition to the Bush administration's Iraq policy will cross a new threshold and the White House will be pressed to either show positive results or accept a significant shift in its Middle East policy.

This is where the underlying flaws with Washington's faulty reading of internal developments in Iran in which causalities are seen where none exist may become devastating to the U.S.

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As a result, in a bid to find leverage against Iran by increasing pressure but without boosting diplomacy, Washington -- and its European fellow-travelers -- may end up squandering the little leverage they have left. (IPS)

*Dr. Trita Parsi is the author of "Traacherous Alliances -- The Secret Dealings of Israel, Iran and the United States" (Yale University Press, 2007). He is also president of the National Iranian American Council.)