IRAN RAISES THE STAKES: THE ISTANBUL TALKS & IRAN’S POLITICAL PSYCHOLOGY

As Iranian diplomats prepared to meet their American, British, French, Russian, Chinese and German counterparts for the latest round of talks, expectations were low. Yet there was cautious optimism that a new venue in Istanbul – outside of the West, in Iran’s backyard – could produce tangible first steps.

Instead, the talks took an unexpected turn for the worse as the Iranian delegation introduced two preconditions – suspension of sanctions and acceptance of Iran’s right to enrichment – that proved to be non-starters for the P5+1 (five permanent members of the Security Council plus Germany).

Most analysts were puzzled by the hardening of Iran’s stance, yet few have dissected the political psychology behind the move. Contrary to the expectation the Iranian government would be in a position of weakness heading into talks in Istanbul, its conduct seemed to reveal that it perceived itself to be in a position of strength. Two key factors stand out:

The political psychology of talks with the P5+1 hardened Iran’s stance

Over the weeks preceding the talks in Istanbul, American and European officials made a concerted effort to shape both the narrative and terms of debate. Information divulged by diplomats to analysts and journalists sought to intimidate decision-makers in Tehran by serving as the basis for numerous press stories and analyses that painted a picture of an Islamic Republic besieged by subversion, sanctions and isolation.

Government officials across the Atlantic maintained that expectations for talks were low, but they also did not expect anything irregular from their Iranian interlocutors.

Iran responded in-kind by issuing two preconditions that served as a de-facto ultimatum. Tehran is well aware that, in the current environment, the likelihood of suspending sanctions and acknowledging Iran’s right to enrichment is low.

But the strategic (and high-risk) move of laying down these pre-requisites has sent a clear message to the P5+1: Iran will not yield to pressure or make tactical compromises, but it will enter strategic negotiations that address the concerns of both sides and define in advance the desired result. By effectively declaring that it will no longer negotiate solely over its nuclear program, the Islamic Republic has raised the stakes in a delicate and dangerous game of brinksmanship.
that has embroiled U.S.-Iran relations since 2002. After two years of President Obama’s dual-track strategy reaching a virtual deadlock, the Iranian government has calculated that it stands a better chance of getting what it needs by escalating the situation.

Decision-makers in Tehran have concluded that reaching a viable, strategic long-term solution may require an interim worsening of the problem, so that policymakers in Washington cannot ignore it or gloss over it with short-term tactics. The Islamic Republic is playing a risky game, but not one without strategy and logic. Iran is betting on a U.S. national security establishment that will not allow another war, possesses a lack of viable options for a U.S. “regime change” policy, and will therefore eventually change its policy towards Iran as regional instability reaches higher levels.

**Fluid facts on the ground throughout the region hardened Iran’s stance**

Paradoxically, as the U.S. leads efforts to isolate the Islamic Republic internationally through sanctions, increased instability in Iraq, Afghanistan, Lebanon, Tunisia, Egypt, Bahrain, Algeria and Libya has increased Tehran’s confidence in its regional strength.

Sanctions – both UN Security Council measures and American-led “coordinated national measures” – hurt Iran’s economic health writ large, yet decision-makers in Tehran maintain their refusal to yield through pressure. After both sets of sanctions fell short in changing Iran’s strategic calculus, the Islamic Republic viewed its position vis-à-vis the P5+1 as strengthened. Iran’s hardened stance has put the ball back in the court of the P5+1, effectively asking them, “Now what are you going to do?”

Iran correctly calculated that Russia (and by extension, China) will not support additional UN Security Council sanctions in the short-term – as recent statements by Russian officials indicate. Consequently, the U.S. and EU strategy will focus on expanding “coordinated national measures – or “coalition of the willing” sanctions – in an effort to sharpen Iran’s choices.

Convincing an already hesitant set of allies with long-standing economic ties to Iran – including Japan, South Korea, India, South Africa, et al. – to sign onto another round of unilateral sanctions will inevitably require the Obama administration to strike diplomatic quid pro quos and reinvigorate direct diplomacy with Iran.

This is no small task, given the domestic political constraints that a hostile Congress presents.

Against this backdrop, decision-makers in Tehran are pushing a public narrative that frames recent popular protests in the Middle East as Islam/Iran-inspired. Privately, they acknowledge a regional dynamic that is far more fluid than their public narrative suggests, but also works against a status-quo that has long favored U.S. interests. The Iranian government sees increased instability throughout the region as a way to deflect international pressure and exploit fissures within the international community.

Combined with more cash on hand from rising oil prices and a measured degree of success on subsidy reforms (the true barometer will be next month when Iranians receive their utility bills), Iran’s hardened stance in Istanbul demonstrates a set of decision-makers in Tehran who feel cautiously stronger on the international scene than the U.S.-led narrative of sanctions, stuxnet, and secret assassinations suggests.

Reza Marashi is Director of Research at NIAC and a former Iran Desk Officer at the US State Department