INTRODUCTION

The United States and Iran are currently locked into an increasingly dangerous conflict in the search for regional and global leverage. While both nations are incentivized to avoid war, there is still a significant risk of violent escalation, especially given the unpredictability of President Donald Trump’s foreign policy.

Tensions between Washington and Tehran are nothing new. Since the 1979 Revolution overthrew U.S.-backed Iranian Shah Mohammad Reza Pahlavi, the Republic of Iran and its Islamic Revolutionary Guard Corps (IRGC) have waged a campaign to shift the balance of power in the Middle East. After the exposure of Iranian nuclear facilities in 2002 and the election of hardline Iranian President Mahmoud Ahmadinejad in 2005, the Bush administration, in coordination with the UN and EU, levied sanctions on Iran.

Following the 2013 election of a seemingly more moderate Iranian President Hassan Rouhani, the Obama administration completed an interim framework agreement with Iran in 2013. In 2015, the Joint Comprehensive Plan of Action (JCPOA)—commonly known as the Iran nuclear deal—was officially agreed upon by Iran, China, France, Russia, the United Kingdom, the U.S., and Germany. Under the JCPOA, Iran agreed to reduce its nuclear program in exchange for the reduction of nuclear-related economic sanctions.

In recent years, Trump and others have criticized the terms of the JCPOA for offering the Iranians too much sanction relief without strong enough restrictions. The strongest criticisms have focused primarily on (1) the “sunset provisions” determining when Iranian restrictions expire—the deal’s prohibition on centrifuges is set to end in 2025, while the restriction on uranium enrichment in excess of 3.67% expires in 2030; and (2) the exclusion of stipulations regarding Iran’s conventional armaments and warfare as well as its global perpetration of terror.

After unilaterally withdrawing from the JCPOA in May 2018, Trump began levying intensifying sanctions on Iran. The conflict has further escalated since May 2019, as Trump has waged a “maximum pressure” campaign on Iran. On May 13, 2019, Saudi and United Arab Emirate oil tankers were attacked in the Strait of Hormuz. A week later, Trump announced he was sending additional troops to the Middle East. In June 2019, two more oil tankers were attacked, Iran announced that it would soon surpass JCPOA limits on enriched uranium, and Iranian forces shot down a U.S. military drone.1 Given the unpredictable and volatile nature of the ongoing U.S.–Iran stalemate, these provocations have set U.S allies on edge and increased international concerns about a regional conflagration.

In addition, there have been numerous attacks allegedly conducted by the Israeli military in Syria, Lebanon, and Iraq against Iran’s establishment of a precision-guided
As both sides attempt to exert leverage for a better bargaining position, a shifting regional landscape affects Trump’s attempts to curtail Iranian influence.

CHARACTERIZING THE NEGOTIATING PARTIES

An Unpredictable United States
Soon after Trump’s withdrawal from the JCPOA in 2018, Secretary of State Michael Pompeo issued 12 demands that would be required for a deal with Iran, in exchange for full diplomatic and commercial ties. The list of demands included abandoning its nuclear program, ceasing proliferation of ballistic missiles, and ending support for Middle East proxies such as Hezbollah, Hamas, and the Houthi rebels in Yemen. To many Americans (and Israelis), that list remains valid. However, after months of pressure failed to inch Iran toward a more favorable deal, Pompeo softened his stance, conceding that the sanctions could be lifted without full compliance to the list of demands.

Despite U.S. sanctions and secondary sanctions targeting Iranian oil exports and access to international finances, Trump’s bid to use economic pressure against Iran and build a strong anti-Iran coalition in the region is hindered by the president’s often unpredictable negotiating tactics. Trump favors a top-down approach to negotiations emphasizing his personal involvement as a ‘master of the deal,’ rather than a bottom-up approach that allows for lower-level officials to negotiate in the initial stages and ongoing work to sustain negotiations.

For example, Trump displayed a personal style lacking in substance during his nuclear negotiations with North Korea. His 2018 meeting with North Korean leader Kim Jong-un in Singapore—the first meeting of a sitting U.S. president and a North Korean leader—led to a widely publicized photo op, but little else. Afterwards, Trump flew to Vietnam to meet with Kim to initiate negotiations, rather than waiting until a framework for a deal was in place. The negotiations collapsed after disagreements over the extent of North Korean denuclearization and U.S. sanction relief. Disregarding diplomacy norms, the U.S. president seemed to appeal more to his electoral base than to broader international and domestic interests in crafting the administration’s policy decisions.

Trump has crafted a similarly piecemeal foreign policy without a coherent long-term strategy in his dealings with Iran. After Iran shot down a U.S. surveillance drone in June 2019, Washington reportedly decided to retaliate with a military operation against Iran, only for Trump to call off the airstrike just 10 minutes prior to the start. There is speculation that the operation was intended to be a bluff, especially in light of later reports that Trump warned Tehran about the attack. Regardless, this approach severely diminished the already contested credibility of U.S. threats, and it emboldened Tehran,
perhaps leading to the September 14, 2019, attack against oil facilities in Saudi Arabia. After the Iranian strike on Saudi oil infrastructure, Trump once again decided against a retaliatory airstrike and instead sent a troop detachment to Saudi Arabia along with missile defense systems for protection. The White House has continually struggled to devise effective responses to Iranian aggression that suitably caution Tehran and reassure American allies without sparking a violent escalation. Moreover, Trump expressed a willingness in September 2019 to meet with Rouhani without any preconditions, an offer that seemingly undermined Trump’s negotiating position. Rouhani’s refusal to meet with Trump without sanction relief further underscores Iran’s unwillingness to negotiate from a position of desperation.

Furthermore, Trump has often tacked sharply in negotiations with allies and enemies alike throughout his presidency. In particular, Trump has discarded conventional U.S. foreign policy in the Middle East. His staunch pro-Israel stance has alienated Palestinians’ trust in the U.S. and further inflamed Israeli–Palestinian tensions to the detriment of his own foreign policy goals. The deterioration in Israeli–Palestinian relations renders it more difficult for Israel to formalize strong strategic ties with anti–Iranian Sunni Arab states. Additionally, Trump’s withdrawal from northern Syria in October 2019 has harmed U.S.–allied Kurdish forces and granted a strategic boon to Iranian soft power in Syria.

The U.S. has failed to counter Iranian actions in a measured, systemic, and methodical manner that calms, rather than inflames, Middle East tensions. Trump’s inconsistent approach to regional conflicts has diminished trust in the eyes of many, thereby decreasing U.S. political influence in the region.

**A Unified and Intentional Iran**

Despite Trump’s unpredictable foreign policy, his massive economic sanctions have successfully placed Iran under immense financial strain and threatened the stability of Iranians’ daily lives. Moreover, Trump has increasingly cornered a worried Tehran with additional U.S. forces stationed in the Gulf, which makes Trump’s decision to withdraw from northern Syria all the more confusing. The severity of U.S. pressure on Iran, however, has created unintended consequences. Rather than exploit political fault lines in Iran between conservatives and moderates in the government or increase tensions between the Iranian populace and Islamic leadership, the landscape in Iran has fundamentally changed, as Trump’s actions have created a more unified Iran than before.

With the ostensible success of the JCPOA in 2016, much of the Iranian public and moderate government factions became increasingly supportive of expanding relations with the U.S., in direct contradiction to the conservative leadership in Tehran. Many Iranians criticized the government for using proxies for political purposes rather than prioritizing the good of the citizenry. Now, however, more Iranian citizens and political moderates feel that Iranian proxies in the region have become not only the extended arm of Iranian interests, but also the protectors of Iranian security. There is a growing sense that if Iran does not fight the U.S. in Iraq and Syria, then the fight may move to Tehran. Thus, Iran’s regional expansionism and military strength are directly and indirectly felt far beyond its borders.

Given Trump’s withdrawal from the JCPOA, Rouhani and other moderates like Foreign Minister Javad Zarif, who pushed for greater diplomatic involvement with the U.S., have lost influence in Tehran. With mounting financial pressures on Iran, opinions regarding the U.S. threat have consolidated, as even Rouhani and Zarif have lashed out at Trump. Without a new U.S. administration to quickly right the ship, this opinion of the U.S. may take hold among Iranian moderates as well as conservatives.

This feeling of U.S. unreliability is also one that Iran will exploit for its own political gain. To many Middle East actors, Iran has branded itself as the only reliable ally in the region. In October 2019, Saudi Arabia reached out to Iran following the September
14 oil field attack and Trump’s failure to respond in a manner that demonstrates U.S. support for Saudi Arabia. Instead, the Saudis may believe an independent détente with Iran will ensure their security, a potentially serious blow to any U.S.–Israel–Saudi coalition against Iran. In yet another case of unreliable partnerships, Trump announced his endorsement for a Turkish military operation in northern Syria and the withdrawal of U.S. military personnel from the area on October 7, 2019, an abdication of responsibility that left American-allied Kurdish forces vulnerable to a Turkish military campaign.

In contrast to the lack of a long-term U.S. strategy, Tehran has adhered to a strict negotiation structure designed to exert pressure on U.S. soft power. It has demonstrated the ability to utilize Trump’s character as leverage, building internal cohesion among the government factions and the Iranian people, and strengthening regional ties with enemies of the U.S. and even concerned U.S. allies like Saudi Arabia. Nevertheless, Tehran remains cautious in responding to U.S. pressures without being overly provocative for fear of initiating a war.

**NEGOITIATING LEVERAGE AND ALTERNATIVES**

**U.S. Leverage in Negotiations**

Trump has successfully demonstrated an ability to apply economic leverage through a crippling sanctions regime and command some level of international cooperation. However, this success has not brought Tehran to the negotiating table as of yet, and there is a concern that the current U.S.–Iran stalemate may diminish Trump’s leverage.

European (and other) signatories of the JCPOA remain invested in maintaining its terms. At the G7 conference in August 2019, France’s President Emmanuel Macron offered Iran a bailout package worth $15 billion to keep Iran in the 2015 nuclear deal. Germany, Britain, and France have all attempted to save the JCPOA and de-escalate U.S.–Iran tensions. Unfortunately for Trump’s hardball approach with Iran, European intervention is threatening to diminish the impact of his sanctions regime. Iranian announcements in July 2019 regarding a new uranium enrichment program were an attempt to pressure European countries to save the JCPOA—or else.

Additionally, most U.S. Democratic presidential candidates have stated that they would return to the Iran deal if elected in 2020, if that is at all possible. Democrats are clearly signaling that they will be a more favorable negotiating partner for Iran, which may incentivize Tehran to simply wait to engage with Trump until after the 2020 election. Given that the rest of the JCPOA signatories remain supportive of the deal, and Trump must win re-election in 2020, there is diminishing leverage for the Trump administration to negotiate with Iran. Meanwhile, Trump’s mercurial nature has set potential allies like Saudi Arabia on edge and reduced any remaining faith in the U.S. to curb Iranian ambitions.

Trump may hope to resume negotiations with Iran in the coming election year, but it does not seem likely. Despite the crippling sanctions on Iran’s economy, Tehran may find it more advantageous to continue applying pressure on Washington and the international community before agreeing to negotiate. Iran may also believe a new U.S. administration will prove easier to deal with, unless Trump is compelled to soften his stance and de-escalate tensions.

**Iranian Strategy and Negotiating Leverage**

Despite Iran’s much smaller GDP and military, Tehran can apply pressure to Washington’s strategic interests through its vast network of proxy forces in the Middle East, terror and conventional armaments, and ability to affect global oil transportation. Since revolutionary forces took over Iran in 1979, the Islamic regime has made outsized efforts to establish relations throughout the Middle East. In Lebanon, Hassan Nasrallah’s Hezbollah has gained power and political clout, and it serves as an Iranian proxy on Israel’s northern border. Hezbollah has also assisted Shiite groups in Syria, while
to separate the issues, thereby appeasing Europe and much of the international community without conceding too much regional influence.

**Negotiation Options and Alternatives**

At present, Trump has a few options for his dealings with Iran. One option would be to return to the JCPOA and improve the deal from within the agreement. Having ditched the deal, it seems unlikely that Trump would re-enter the JCPOA without concessions, especially given the public relations nightmare of backtracking. Rather, Trump withdrew from the JCPOA with the aim of negotiating a new deal that incorporates stronger restrictions on the Iranian nuclear program and a reduction of Iranian support for Middle East proxies such as Hezbollah, Hamas, and the Houthi rebels in Yemen. If the current stalemate continues, however, Trump will be forced to explore his options outside of a negotiated agreement and continue to isolate Iran, perhaps even with the aim of forcing a regime change in Iran—an unlikely objective for the foreseeable future.

When Obama negotiated the 2015 JCPOA, he decided that the terms of the deal were better than the alternative option of continued sanctions on Iran, which were not productive. He also decided that the costs of a military strike were too great and instead opted for negotiations. Trump has returned to the position that an extensive sanctions regime and international isolation of Iran is more damaging to Iran than to the U.S. Given Trump’s actions so far, though, he has seemed to mirror Obama regarding any sort of direct military action against Iran.

Another critical part of Iranian strategy vis-à-vis the international community is a remarkable success at differentiating the nuclear issue from other conventional military issues (e.g., cruise missiles, precision long-range weaponry, terror, oil warfare) and dealing with them separately. This is one of the biggest issues that has pushed Trump and Israeli Prime Minister Benjamin Netanyahu to reject the JCPOA and push for harsher isolation. The Iranian short-term policy is strategic defiance, while its long-term strategy will continue to separate the issues, thereby appeasing Europe and much of the international community without conceding too much regional influence.

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upcoming U.S. elections, but there are flaws with this too. It is unclear how far Europe will go in opposition to American sanctions, and Trump might very well be re-elected in 2020.

While the United States and Iran struggle for leverage, the ongoing stalemate bears significant risk for regional conflagration and global instability. If Iran follows through with its threats of uranium enrichment, will the U.S. or Israel seriously consider a military strike? And if Iranian proxies begin a sustained campaign of violence at the Israel-Lebanon border, it could spark another Israeli offensive against Hezbollah like the summer 2006 campaign, in which Israel attacked Hezbollah targets and infrastructure after Hezbollah killed and abducted Israeli soldiers.26

While it is difficult to predict what Trump will do in the coming months, observers believe that he will likely be motivated to seek areas of superficial progress for domestic political benefit. With regard to Iran, Trump may be enticed to make a new deal with minor changes but major rebranding. There is little evidence that Trump’s overhauled Grand Bargain has a chance of succeeding, at least during the coming year. While Trump will continue to navigate the alternatives to negotiations, it is unlikely he will be able to force a regime change in Iran, especially given the increased unity in Iran created by his foreign policy decisions.

HOW THE ISRAELI–PALESTINIAN CONFLICT RELATES TO U.S.–IRAN NEGOTIATIONS

The Conflict Hinders U.S. Negotiating Leverage

Trump’s outgoing special envoy to the Middle East, Jason Greenblatt, has called a resolution to the Israeli–Palestinian conflict “Iran’s worst nightmare.”27 Greenblatt’s point does highlight an important approach to any American negotiations with Iran. In the interest of creating U.S. leverage, progress toward a negotiated two-state solution of the Israeli–Palestinian conflict would further isolate Iran’s influence in the region and offer Trump much greater freedom to operate in the region, with fewer obstacles from the EU, UN, and many Arab states.

Traction in the Israeli–Palestinian arena would offer a strategic advantage and unlock avenues for U.S. influence with Arab allies. This is why Trump’s long-awaited “Deal of the Century”28 might be counterproductive once laid out, as it would follow a series of pro–Israel and anti–Palestinian steps taken since 2017 by the Trump administration. By expressly supporting Israeli settlement in the West Bank—and eventually partial, gradual, or full annexation—Trump is diminishing the prospects for positive developments. Moreover, his economic approach to the conflict will not achieve any meaningful success, as it cannot replace political engagement.

As Trump has been working to build a strong anti–Iran coalition in the Middle East—comprised of Saudi Arabia, the UAE, and Israel as the principal participants—he has remained stifled in some regards. While Saudi Arabia’s interests in containing Iran often align with Israel and the U.S., many Sunni U.S. allies continue to formally distance themselves from Israel. Among their public constituencies, it is simply too unpopular to ally with Israel. Progress in resolving the Israeli–Palestinian conflict might enable a greater Sunni Arab–Israeli alliance, which has been much discussed in Israel and international circles but has a long way to become a firm strategic partnership. A stronger coalition between Israel, Sunni Arab states, and the United States would be an essential step toward combatting regional Iranian hegemony.

Movement toward establishing a two-state—for–two–people reality might also create a positive strategic cycle for Israel. Good–faith actions with the Palestinian Authority and steps toward active negotiations would support U.S.–Israel–Saudi aims of reducing Iranian influence. In addition, increasing international isolation
of Iran might disrupt Hamas’ partnership with Iran and increase the possibility of an eventual Hamas–Fatah reconciliation and further traction in Israeli–Palestinian and regional negotiations; such progress could yield substantive negotiations that would further enable tougher U.S.–Iran negotiations in line with Israeli security concerns.

**Tehran’s Relationship with Palestine**

In Iran, conservative government factions have long supported Palestinian resistance and violence as one more avenue for disrupting Western influence in the region. Conservatives in Iran hope to reap the regional benefits of the Israeli–Palestinian conflict—such as a reduced Israeli relationship with Sunni Arabs—and Tehran has funded Hamas and Palestinian Islamic Jihad for this very reason. Nevertheless, Iranian–Palestinian connections are not set in stone. Some moderates in Iran have historically questioned the value of meddling in Palestinian affairs, though today there is consensus in Tehran over the use of proxies.

On the other hand, while Hamas certainly welcomes Iran’s financial backing, their relationship is not unassailable, particularly when other supporting actors like Qatar and Turkey are involved. In the early months of the Arab Spring, Hamas found itself in the middle of sectarian conflict between Shiite Iran and the Sunni Muslim Brotherhood, and its relations with Iran loosened.29 Today, however, the relationship between Hamas and Iran is as strong as ever. Tehran has continually emphasized to the Palestinians that resistance is more valuable than appeasement, and Hamas has recognized Iran as a valuable and steady partner for resistance30—especially as Washington has abandoned the status of ‘honest broker.’31

Perhaps, though, a shuffling of regional fault lines could once again distance Hamas from Iran, especially if the environment for resuming negotiations changes and movement toward Fatah–Hamas reconciliation gets traction. A new approach is needed to bridge the growing distance between the Palestinians and the U.S., which would eventually subside and perhaps slow Tehran’s regional expansion.

**CONCLUSION**

As the United States and Iran vie over nuclear weapons, oil, and regional influence, Trump seeks to harness economic pressure and international isolation, while Iran is relying on the European signatories of the JCPOA and the upcoming 2020 U.S. presidential elections to simply wait Trump out. Moreover, Iran is threatening to disrupt global oil shipments while simultaneously combining terror and conventional armed warfare through its use of proxy forces in Gaza, Lebanon, Syria, Iraq, and Yemen to retaliate. As Trump seeks to negotiate his Grand Bargain with Iran, he does not seem to have a clear plan for engaging Tehran or obtaining leverage over it, nor is his international track record compelling.
ENDNOTES


28. Trump has long spoken of an ultimate deal for Israeli–Palestinian peace. The economic portion of the deal, titled “Peace to Prosperity,” was released in June 2019 with a proposal for a $50 billion investment package, primarily for the West Bank and Gaza. The political portion of the deal is yet to be released, but there is strong opposition to the coming political proposals due to Trump’s past boons to Netanyahu, including Pompeo’s November 2019 announcement that the U.S. does not see Jewish settlements in the West Bank as “inconsistent with international law.”


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