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Iran's Response: Pressure for Pressure

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There is no doubt that for two reasons Iran has been under mounting pressure in recent months. One, Western governments, led by the European threat to stop importing Iranian oil, have begun a move designed to impose more severe sanctions on Iran in the coming months, targeting especially oil and finance. Moreover, even before these sanctions take effect, it is already clear that previous sanctions and other factors have hurt the Iranian economy. Two, there are more and more signs that Israel is considering an attack on Iran's nuclear installations in the foreseeable future. In early 2012 it appeared that the American administration also put the military option back on the table, should the sanctions prove ineffective. However, in February senior administration officials went back to saying that present circumstances are still not ripe for a military move, it would not achieve its desired results, and there are disagreements on the issue between the governments of Israel and the United States. Despite these reservations the American administration is not ruling out the military option, it is safe to assume that it will from time to time be placed back on the table. In any case, the counter-measures and threats coming from Iran indicate that the Iranian regime is taking the economic and military pressures seriously and is worried about them.

Iran is gearing up to respond to the pressure in several ways. First, it is working to minimize the expected economic damage. It is looking for new markets for its oil to replace the European and other markets that will in all probability close or shrink in the new future. At the same time it is trying to persuade various nations, especially the Gulf states, not to increase their oil output – as they have been asked to do by the West – to make up for the expected shortfall of Iranian oil exports. Iran's success here is still equivocal: there are indications in both directions. On the one hand, Saudi Arabia announced it would increase its oil output to make up for the loss of Iranian oil, and there are reports that in recent months China has been importing less oil from Iran than before. On the other hand, China and India announced that they would continue to import oil from Iran, though to what extent is unknown.

Second, Iran is exerting various types of counter-pressure of its own, most prominently its announcement that it would immediately stop oil exports to Great Britain and France and would consider extending this stoppage to other European nations, such as Spain, the Netherlands, Greece, Germany, Italy, and Portugal, should these continue taking hostile steps against Iran. One may assume that this measure, if implemented, would be spurred by three factors: (a) a desire to demonstrate determination and lack of deterrence in the face of Western pressure and convince the European governments that their pressure will not be effective, so it had better not be exerted; (b) Great Britain, France, and Germany are not the main consumers of Iranian oil, and therefore stoppage of exports there will not cause significant losses to Iran. In this sense the Iranian threat is an attempt to drive a wedge between those European nations whose oil imports rely heavily on Iran – e.g., Italy, Greece, and Spain – and those whose imports do not; (c) an attempt to preempt the governments of the West, before they have a chance to complete their arrangements to stop their imports of Iranian oil in July, thereby impeding the process.

Third, Iran's threats are designed to deter Israel and/or the US from attacking its nuclear installations. These threats are backed by prominent public displays of military exercises. There are two primary threats in this context: one, to close the Strait of Hormuz should oil sanctions be imposed against Iran, and two, to launch a preemptive strike against anyone considering an attack, should Iran feel that its enemies are endangering its national interests. Both threats have little credibility and Iran likely has no intention of realizing them, unless extreme circumstances present themselves. The probability that Iran would close the Strait of Hormuz in response to oil sanctions seems low: Iran would be hurting itself more than anyone else because closing the Strait would make it impossible for Iran to export oil to those nations still willing to import it, and the US and Great Britain have already made it clear that they will open the Strait by force should it be closed. The threat of a preemptive strike against nations (the targets have not been specified) is likewise not credible, because an attack, especially a missile attack, against Israeli or American targets would grant the US and Israel full legitimacy to attack Iranian nuclear installations with broad-based international support.

Finally, Iran is again proposing a return to the negotiating table to discuss the nuclear question. In the past, negotiations on the issue were a way for Iran to buy time to advance its nuclear program. This time the situation is different because the West has a new form of pressure: the expected oil sanctions with a set timetable of July 2012. Foot dragging for Iran now has a downside. Without concrete steps on its part that would allow discussions to start, in a few months Iran will find itself subject to a wave of sanctions more painful than prior measures. Moreover, in the background there is the threat of an Israeli attack on Iran, and the signals coming from Israel suggest that time is running out.

While the governments of the West have reservations about such a move, they are using the Israeli threat to ramp up the pressure on Iran. The West is thus prepared for a resumption of the negotiations, but only on condition that Iran presents a serious attitude and does not revert to its old patterns.

At this point Iran is not showing any willingness to change its stance on the nuclear issue. Its position is that under no circumstances will it give up advancing its nuclear program and that sanctions will not cause it to budge. However, the more that the date of the new sanctions approaches, and should it become clear to Iran that its maneuvers and counter-pressures are not succeeding in canceling or postponing these sanctions, one cannot rule out the possibility that it will be forced to show flexibility and make a proposal that will allow the resumption of negotiations on the nuclear issue.

