

## Digging out from under “Maximum Pressure”: Tehran in 2021

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In 2021, Tehran will stand at a fork in the road and will be forced to choose between continued resistance or reorientation. The election to the presidency of Joe Biden in the US presents Iran with a unique chance to revisit its domestic, economic, regional, and international policies. After a grueling four years of sanctions and unrelenting pressure imposed by the Trump administration, Tehran has an opportunity to manage three interconnected crises that impact stability in the Islamic Republic – mounting international tensions, economic pain, and internal factional competition. Reducing pressure in these arenas is also necessary to also address the larger ever-critical issue of the supreme leader’s succession process.

One available route would be for Tehran to continue its current pathway of resistance seeking a limited offramp to shore up the domestic landscape. This track, accessible through nuclear talks with the Biden administration, offers Tehran a first opportunity to dial down friction and relieve sanctions needed to bring to life Iran’s languishing economy. Elections in June could see the return of a conservative to the post of president, after an eight-year hiatus, bringing greater factional unity and alignment to the competitive political system. This approach would provide a temporary reprieve but would leave the contentious issues of Iran’s regional role unaddressed, inviting further rounds of conflict, patterns of pressure, and domestic uncertainty on the horizon.

To dig out from the larger morass of crisis-driven politics, an alternate route is available for Iran. It would require the political establishment to engage in broader negotiations beyond the prism of the nuclear file.

Effectively, dialogue and conflict resolution could help the Islamic Republic rehabilitate itself internationally and enable meaningful sanctions relief that would allow for open economic engagement and the rebuilding of fragile political legitimacy. This path, however, would require Tehran to come to pragmatic terms with the US and its regional neighbors in wider negotiations, ultimately reorienting its international posture. How and to what extent Tehran succeeds in relieving itself from international pressure and managing these domestic processes will determine its future trajectory.

Throughout 2020, Tehran has found itself in unrelenting crisis mode. The country has been beset with crippling economic sanctions stemming from President Donald Trump's "maximum pressure" campaign. The result has limited Iran's trade, estimated to reach some \$100 billion in losses in reduced oil exports and suspension of the country's banking links, for example, and seen an unprecedented currency devaluation and ongoing recession. COVID-19 has ravaged the country, leaving over 53,000 deaths so far and in the wake of sanctions exposed the government's limited ability to respond effectively. Public sentiment captured in recent polling by the University of Maryland and IranPoll blames domestic mismanagement and corruption more than sanctions for Iran's current economic predicament. Environmental degradation remains unaddressed. Human rights violations, repression, and the detention of activists and dual nationals have also continued unabated.

In an unexpected American drone strike, Iran's celebrated IRGC commander Qassem Soleimani was killed on January 3, 2020. The grief and outpouring of public sympathy from this incident was destroyed when days later, during these heightened tensions, a Ukrainian airliner was mistakenly shot down killing 176 passengers on board. After an initial denial and attempted cover up, the government belatedly accepted responsibility unleashing public anger at its gross negligence and incompetence. Parliamentary elections held in February resulted in record-low voter turnout of 42 percent, revealing new levels of public apathy and bringing a new conservative cohort to power. President Hassan Rouhani has since been the target of significant criticism for his failed economic and international policies, leaving him with little room to maneuver.

Throughout this period, Iran used incremental breaches to the Iran nuclear agreement, or Joint Comprehensive Plan of Action (JCPOA), to increase its negotiating leverage while awaiting the outcome of the November US

presidential election. Its Natanz enrichment facility was sabotaged in July and its preeminent nuclear scientist, Mohsen Fakhrizadeh, was assassinated on Iranian soil in December. Recognizing the unpredictability of the Trump administration, Tehran has exercised greater regional restraint with Iraqi-backed militias, declaring a conditional ceasefire in October.

Nevertheless, it is important to note that despite these challenges, Tehran did not buckle or give way to the Trump administration’s demands to alter its regional behavior or return to the negotiating table. True to its form and reflective of its situational and strategic awareness, Iran continues to play the long game, appropriately recognizing that Biden’s election affords Tehran an opportunity to level the playing field with a new leader in the White House.

Biden has declared his intention of returning to the JCPOA on a “compliance for compliance” basis. In a process that would take a number of months to achieve, Tehran would be required to reverse its nuclear breaches, and in exchange the US would remove the myriad nuclear-related sanctions. This course would address the immediate nuclear crisis and see a limited rebound in the Iranian economy. Without further deliberations and a follow-on agreement though this route would not tackle the JCPOA’s deficiencies nor deal with the contentious issues of Iran’s ballistic missile program and regional activities. More importantly, in this scenario, international companies remain reluctant to return to the Iranian market without guarantees.

To accomplish these broader objectives and to insulate the JCPOA from future swings in partisan politics and regional pressure, a subsequent agreement would be urgently needed. Biden has already announced his intention to push for wider discussions, stating that “in consultation with our allies and partners, we’re going to engage in negotiations and follow-on agreements to tighten and lengthen Iran’s nuclear constraints, as well as address the missile program.”

For the time being, Tehran has committed solely to a JCPOA reentry. Returning to the status quo ante agreement is seen to be the most expedient pathway to obtain quick sanctions relief. Moreover, protracted negotiations would no doubt delay the reprieve process placing ordinary Iranians under further economic duress. Supreme Leader Ali Khamenei has greenlighted this course stating, “If the sanctions can be lifted, we should not delay even one hour... If the sanctions can be lifted in the right, wise... and dignified way, this must be done.”

Divergent voices within the system have sent mixed signals about the prospect of future negotiations though. The Rouhani team has hinted that wider issues can be discussed after trust and confidence are incrementally rebuilt through the JCPOA process. For them, the JCPOA reentry is a first step to broader discussions. At the same time though, conservative politicians, such as Speaker of the Parliament Mohammad Bagher Ghalibaf, have categorically rebuffed those plans for wider talks on Iran's defense posture. Conservatives see Rouhani's international negotiation efforts as a failure and are eager to take the helm and demonstrate their tougher negotiation skills. To see this through though and ultimately unlock the wider blocks on Iran's economy, conservatives will have to build factional consensus on the scope of future regional discussions. Arrangements on Tehran's support for militias groups around the Middle East and proliferation of lethal aid to these groups would be required alongside compromises from other regional actors. The parameters of these issues and Tehran's regional investments have not yet been opened to public debate.

Factional tensions and political competition in advance of the presidential elections can explain the contending views and uncertain direction here. Conservatives remain wary of the Western dual approach of outreach and pressure and see such efforts as part of a campaign of wider destabilization. Compared to the experience of the JCPOA strategy that yielded no economic support despite Iranian compliance, they see Tehran's asymmetrical regional posture as having shielded Iran from maximum pressure. Ultimately, they view regional compromises as existential ones that would in turn compromise Iran's security.

Conservative politicians, while not a monolithic bloc, in general, see the forthcoming elections as an opportunity to reclaim control of the executive where they can redirect policy towards their strategy of national resistance. They have been bolstered by a victory in parliament and in the country's ability to withstand Trump's sanctions. Supreme Leader Khamenei has hinted that the ideal candidate should be "young" and able to consolidate "a pious government." It is too early to predict which candidates will present themselves for Guardian Council vetting, but in a sign of concern regarding public participation, conservatives have been fielding names, many with ties to the military establishment, to test who might garner more public interest.

Going forward, an important signpost of their strength will be evidence of conservative unity and support for one strong candidate over a tradition of competitive infighting. Moreover, as the president and cabinet will inevitably be involved in future negotiations, the background and experience of potential candidates will be seen as critical. Reformist posture in this climate will be equally important and predicated on the success of the JCPOA process. If that compliance process is swift and smooth, then their value could rise, boosting electoral participation and the emergence of a surprise candidate.

Over these choices looms the issue of the supreme leader’s succession and Khamenei’s legacy. The election of a conservative president is seen as an important stepping stone to securing the institutional unity needed to shepherd a smooth transition of power. At the same time though, Khamenei must weigh the impact of these crises and conflicts against the challenge of weakening internal legitimacy. How he maps and manages Iran’s concentric crises and charts a pathway forward will define the selection of a successor and thereby his leadership.