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Pompeo's Dangerous Delusions

What the Trump Administration's Iran Policy Gets Wrong

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In the November/December issue of *Foreign Affairs*, [U.S. Secretary of State Mike Pompeo outlines](#) ^[1] President Donald Trump's strategy for "confronting Iran." Pompeo describes an Iranian regime hell-bent on dominating the Middle East, and he argues that Trump is determined to overturn the supposed inclination of past U.S. administrations—especially the Obama administration—to accommodate the mullahs in Tehran.

In particular, Pompeo reiterates the Trump administration's critique that the 2015 Iran nuclear deal negotiated between the Obama administration, other members of the so-called P5+1 (China, France, Germany, Russia, and the United Kingdom), and Iran failed to permanently prevent the Islamic Republic from pursuing nuclear weapons. Pompeo also asserts that the loosening of U.S. sanctions under the deal enriched and enabled the Iranian regime—and the Islamic Revolutionary Guard Corps (IRGC) in particular—to more aggressively pursue its destabilizing agenda in Afghanistan, Gaza, Iraq, Lebanon, Syria, Yemen, and elsewhere. In contrast, Pompeo contends that Trump's policy of "maximum pressure"—including the U.S. withdrawal from the nuclear agreement in May, the re-imposition of economic sanctions, credible military threats, and efforts to expose the regime's corruption and human rights abuses—will reverse all this, producing a better nuclear deal, isolating Iran, and rolling back Iran's nefarious activities across the Middle East.

This is a dangerous delusion.

HURTING AMERICA

By abandoning the Iran deal (formally known as the Joint Comprehensive Plan of Action, or JCPOA), Trump has recklessly tossed aside an accord that [places](#) ^[2] [significant](#) ^[3], [long-term, and verifiable constraints](#) ^[2] on Iran's ability to produce nuclear weapons. Prior to the deal, Iran was in a position to produce the fissile material for nuclear weapons in as little as two to three months. The JCPOA reduced the number of Iran's operational centrifuges by two-thirds and dramatically shrank the country's stockpile of low-enriched uranium, extending that timeline to at least a year. The deal also dismantled the core of Iran's plutonium reactor, closing off another potential pathway to a nuclear bomb, and imposed the most stringent inspections and verification regime ever negotiated, making it exceedingly difficult for Iran to develop nuclear weapons in secret.

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Confronting Iran

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It is true, as Trump administration officials note, that under the JCPOA, certain constraints on Iran's uranium enrichment capacity loosen in 2025 and 2030 (at the 10- and 15-year marks). But other key elements, such as the monitoring of Iran's uranium mines and mills and centrifuge production facilities, last 20–25 years. And Iran's obligations to allow intrusive inspections of its declared and suspected nuclear facilities, as well as its commitment under the JCPOA not to build nuclear weapons, never end.

The “sunset” provisions in the JCPOA were always intended to provide a test of Iranian intentions. Since the Obama administration and its P5+1 partners concluded that permanently scrapping Iran's uranium enrichment program was not achievable, the goal was to provide a lengthy period of time to verifiably establish the exclusively peaceful purposes of that program. If Iran failed that test, the United States would be well positioned to mobilize the international community to pressure Tehran to extend JCPOA constraints. But the Trump administration has taken a nuclear crisis that it anticipated would occur in 2030 and artificially brought it forward to 2018—and done so in a manner that ensures little international support for Trump's Iran policy.

Pompeo insists that Trump's maximum pressure policy will force Iran to accept a better deal—one that eliminates the JCPOA's sunset clauses, dismantles a significant portion of Iran's ballistic missile arsenal, ends Iranian support for terrorism and regional militancy, and addresses the regime's systematic violation of human rights at home. It won't. Trump may hope to isolate Tehran, but it is Washington that finds itself largely alone. Widespread international opposition to Trump's Iran policy—buttressed by the fact that Iran [5] continues [6] to meet its nuclear obligations under the JCPOA [5]—makes the prospect of unilaterally imposing better terms slight.

SANCTIONS WON'T WORK

At the core of Trump's pressure campaign is the re-imposition of powerful secondary economic sanctions—suspended under the JCPOA—that force foreign companies and banks to cease doing business with Iran or risk being locked out of the U.S. financial system. The first wave of U.S. sanctions was re-imposed in August; the second and potentially much more devastating wave targeting Iran's banking and energy sectors will kick in November 5.

The efficacy of sanctions will ultimately hinge on the impact they have on Iranian oil exports, the lifeblood of the country's economy. Already, in anticipation of the November sanctions, Iran's oil exports have begun to fall from about around 2.7 million barrels per day earlier in the year to around 1.9 million in September (although the real numbers are fuzzy due to Iranian attempts to obscure some sales). And as sanctions actually come online, Iranian exports seem destined to decline further.

Yet the Trump administration is unlikely to achieve its objective, repeated in the Pompeo article, of driving Iran's exports close to zero. China, the largest importer of Iranian oil, may reduce [7] its oil purchases [8] somewhat. But Beijing is in no mood [9] to fully comply with U.S. policy, especially given Trump's escalating trade war with China, and many small Chinese refineries and domestic banks have little or no exposure to the U.S. financial system. India, Iran's second-largest oil customer, also seems poised to continue [10] significant purchases even as sanctions loom. And because the price of oil has increased from \$50–\$60 a barrel in 2017 to around \$80 today, Iran's revenue will not suffer as much as the Trump administration hopes even as the country's oil exports decline.

The significant rift that Trump created in the transatlantic relationship by exiting the JCPOA has further weakened efforts to effectively pressure Iran. Pompeo correctly notes that America's European allies "share a common understanding of the threat Iran poses beyond its nuclear aspirations." For that reason, this past spring, France, Germany, and the United Kingdom were prepared ^[11] to cooperate with the administration in pushing back against Tehran, including by imposing fresh sanctions on Iran's ballistic missile program, the IRGC, and Lebanese Hezbollah. But Trump's decision to ditch the nuclear deal was an own goal: it shifted Europe's focus from supporting to circumventing the administration's policy.

Consequently, even as most European multinational companies—including firms like Maersk, Peugeot, Total, Siemens, and Volvo—have suspended activities in Iran, the European Union is establishing a Special Purpose Vehicle ^[12] (SPV) to facilitate continued international trade with Iran in an effort to keep the JCPOA alive. The details have not yet been announced, but reports suggest ^[13] that the SPV will involve a complicated credit and barter system that would allow companies from Europe and other participating countries such as China, India, and Russia to continue doing business with Iran (including purchasing oil) through a dedicated channel that is disconnected from the U.S. banking system. It remains unclear whether companies, especially large firms with significant exposure to the American market, would risk transacting with Iran through such a mechanism. But small and medium-sized companies without such exposure might ^[14].

The upshot is that Trump's sanctions will likely be punishing, but that international compliance will be patchier and leakier than was the case during the pre-JCPOA period—and that Iran's opportunities to play world powers off one another will be considerably higher. That translates to less pressure—and it is difficult to envision getting 200 percent of the current nuclear accord with less than 100 percent of the leverage.

Even under pressure, Iran has many reasons not to agree to Trump's maximalist demands. The Iranian regime has invested enormous resources and domestic legitimacy in defending its nuclear rights. And given the fact that Trump's long list of nonnuclear requirements for a better deal cut to the very core of the Islamic Republic's revolutionary identity, Supreme Leader Ayatollah Ali Khamenei and other Iranian hard-liners are likely to view complete capitulation as a bigger risk to their regime than attempting to weather the storm. Therefore, it should surprise no one that Iranian leaders have said they will not ^[15] negotiate with the Trump administration unless ^[16] the United States returns to the JCPOA, preferring instead to muddle through and wait Trump out.

Pompeo is right to emphasize the destabilizing role Iran and its Revolutionary Guard play across the broader Middle East. But the notion that U.S. sanctions will starve the regime of the cash required for Iranian adventurism is fanciful.

In 2017, Iran's total defense and security budget ^[17] was around \$16 billion. About \$7 billion to \$8 billion of that money goes to the IRGC, which also takes in additional revenue from sectors of the Iranian economy it controls, and a subset of this cash finances the Quds Force, the IRGC's external covert action wing. As these numbers suggest, Iran does not require enormous resources to underwrite its destabilizing activities. That is why Iran was able to provide ample support to Hezbollah, Bashar al-Assad's regime in Syria, Shiite militias in Iraq, Hamas in Gaza, and Houthi rebels in Yemen even at the height of prior U.S. sanctions. And it is also the reason why, to date, Trump's re-imposition of sanctions has done nothing to curtail Iranian aggression.

In fact, Trump's sanctions may actually enhance the IRGC budget. Iranian moves to evade sanctions are likely to increase ^[18] the scale and value of smuggling, expanding the country's black market, which the IRGC dominates. And, politically, the IRGC is already using increased threats from the United States, Israel, and Saudi Arabia to push for additional resources. Supreme Leader Khamenei, who recently ^[19] called on Iran's armed forces to boost their military capacity, is clearly receptive to such arguments.

More broadly, Trump's strategy completely ignores the fact that Iran's success across the Middle East stems less from the resources at its disposal than from the opportunities that regional chaos, poor governance, and instability create for Tehran and its proxies. By farming out Syria diplomacy to Russia, and giving Saudi Arabia and the United Arab Emirates a blank check to escalate their war in Yemen and implode the Gulf Cooperation Council by blockading Qatar, Trump's approach has actually provided Iran with more, rather than fewer, opportunities to expand its influence.

MOVING FAST AND BREAKING THINGS

Given the exceedingly low probability that the administration's Iran strategy will achieve its stated goals, one suspects that its real aim is something else: regime change. Indeed, Pompeo repeatedly invokes Ronald Reagan's success in pushing the Soviet regime into oblivion as the blueprint for confronting Iran. Despite protestations that Trump is only seeking behavior change, the administration clearly hopes that public criticism of regime corruption and human rights abuses will combine with economic grievances intensified by sanctions to produce another Iranian revolution. Whether this scheme will work—or work out for the better—is an open question.

The Iranian economy is clearly worsening: the value of Iran's currency is plummeting, inflation is increasing, and unemployment is high. U.S. sanctions will accelerate all of these problems. Popular displeasure with current economic and environmental conditions, and anger over rampant government corruption and mismanagement, has produced a series of protests and strikes across the country over the past year. Nevertheless, the Islamic Republic has survived crippling sanctions before, and there is no evidence [20] that either the economy or the regime is on the brink of collapse. Protests remain diffuse, popular opposition to the regime is disorganized and leaderless, and the theocracy retains potent instruments of co-optation and repression. While it is conceivable that dissatisfaction with the regime's incompetence will rise as Iran's economic troubles deepen, Trump has given Iranian hard-liners fresh opportunities to shift [21] blame for those problems onto the United States.

The Trump administration should also be careful what it wishes for. While the current regime is odious, there is no guarantee that its implosion would be a net positive for U.S. or global security. We are still living with the consequences of the last attempt by Washington to engineer regime change in Iran (the CIA-backed 1953 coup against Mohammad Mosaddegh), which fuels anti-Americanism in Iran to this day. The administration should heed the lessons of the Arab Spring. In the event of an uprising in Iran, the current theocracy could easily be replaced [22] by a hard-line military dictatorship dominated by the IRGC. Or a revolution could produce violent anarchy in a country of 80 million people, with hundreds of thousands of military-trained men and the most capable paramilitary forces in the world, at the crossroads of Europe and Asia.

For all these reasons, the strategy Pompeo outlines is not likely to resolve any of the challenges Iran poses—and it may create new ones, including the prospect of another major war. Pompeo is clearly sensitive to this possibility, so he goes to great lengths to insist that Trump is not seeking a military confrontation with Iran, even as the president issues military threats to deter Iran from restarting its nuclear program or attacking U.S. forces in the region. Even if we take such assurances seriously—and Pompeo [23] and National Security Adviser John Bolton's [24] long track record of advocating bombing Iran suggests we should not—history is littered with leaders who claimed not to seek war but stumbled into it anyway. That is easy to imagine happening here.

Paradoxically, the more the administration's policy “works” to cripple Iran's economy, the more likely Tehran is to take actions that produce a military confrontation. During previous rounds of sanctions, Iran rapidly expanded its nuclear infrastructure to generate counter leverage. So far, Iran has been relatively constrained in its response to Trump's re-imposition of sanctions. But if the costs get too high, this restraint could eventually erode [25]. Iran may start creeping out of its nuclear obligations under the JCPOA by installing and operating more centrifuges or increasing its stockpile of low-

enriched uranium, all the while seeking to maintain as much international sympathy—especially from China and Russia—as possible. And this, in turn, would lead to renewed prospects of an Israeli or American military strike.

War could also result from inadvertent escalation. Pompeo admits that the administration's deterrent threats failed to prevent Iranian-backed groups in Iraq from carrying out rocket attacks against the American embassy in Baghdad and the U.S. consulate in Basra in September. As U.S.-Iran tensions worsen, similar incidents in Iraq, Syria, Yemen, or the crowded waters of the Persian Gulf could easily spiral out of control.

Pompeo concludes his article by celebrating the “disruptive boldness” of Trump's Iran policy. It is indeed disruptive and bold—but not in a good way. The administration's Iran strategy has put the United States in a worse position to check Tehran's nuclear program and has done nothing to curtail Iranian adventurism in the Middle East. Meanwhile, the geopolitical collateral damage from Trump's withdrawal from the JCPOA has been considerable. Leaving the deal has undermined U.S. diplomatic credibility, put enormous strains on the transatlantic alliance, encouraged other world powers to collude to design mechanisms to circumvent ^[26] the U.S. financial system, and pushed China and Russia closer to Iran (while also filling Moscow's coffers by increasing oil prices). Meanwhile, Trump's reliance ^[27] on Saudi Arabia to help contain Iran and keep oil prices in check as sanctions kick in has emboldened Riyadh to pursue a broader regional agenda (not to mention atrocities against dissidents like Jamal Khashoggi) at odds with U.S. interests and values. It all adds up to foreign policy malpractice of the first order.

A better strategy exists, although there is little hope that Trump will pursue it. The United States should return to the JCPOA—not because the deal is perfect or Iran is a good actor in the Middle East. Rather, it should do so because the deal remains the only viable foundation upon which to build an effective, truly international response to the Iranian challenge.

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