

The Obama Administration

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- During his campaign and after taking office, President Obama repeatedly declared his determination to break the 30-year downward spiral in U.S.-Iranian relations.
- During his first two years in office, Obama twice wrote Iranian Supreme Leader Ali Khamenei, but did not receive a response to his second letter. Iranian President Mahmoud Ahmadinejad twice wrote Obama, but did not receive a reply.
- Iran's nuclear program became the centerpiece of relations. From 2009 on, the U.S. insisted that discussion of all issues depended on resolving the nuclear question. The Islamic Republic took a similar position in 2013 after the election of Hassan Rouhani as president.
- After Iran backed out of a fuel-swap deal reached in Geneva in October 2009, negotiations bogged down in haggling over scheduling and in sterile recitations of maximalist positions in prepared statements. In the Iranian case, these statements were mostly lists of grievances against the United States and other world powers involved in the talks. The Iranian side, beset by internal political battles, had trouble changing the patterns of the past. Its lead negotiator, Saeed Jalili, refused to meet with his American counterpart. At the same time, the Obama administration faced congressional pressure to take tougher action against Tehran.
- Events moved rapidly after Iranians elected Hassan Rouhani president in June 2013. The following two years featured professional exchanges between foreign ministers, a telephone call between presidents, and an agreement – finalized on July 14, 2015 – between Iran and the world's major powers to limit Tehran's nuclear program in return for relief from international sanctions.

Overview

In 2009, President Obama inherited 30 years of hostility in U.S.-Iran relations. During the previous decade, the two longstanding rivals had engaged in unofficial outreach. Track II diplomacy had included exchanges of scholars, athletes, filmmakers, scientists and artists. These unofficial meetings, however, could not diminish the underlying tensions, and, in some cases, even increased suspicion.

One of Obama's first foreign policy initiatives was outreach to the Islamic world, including Iran. But reconnecting with Tehran proved difficult and frustrating. Diplomacy was complicated by political turmoil in Iran and by contradictory and provocative statements from Iran's president, Mahmoud Ahmadinejad (2005-2013). As in the past, new diplomatic efforts between Washington and Tehran foundered on mutual suspicion, political ineptitude, misread signals, bad timing and the power of inertia. For more than four years, officials on both sides were unable to get beyond their classic responses, including:

- Never say yes to anything. You will look weak. Insist the other side must change first.
- Anything the other side proposes must contain some subtle trick. Its only goal is to cheat us.
- The other side is infinitely hostile, devious, and irrational. Its actions prove its implacable hostility.
- Whenever the smallest progress is made, someone or some diabolical coincidence will derail it.

The ice began to thaw in March 2013, when, following Omani mediation efforts, Iranian and American negotiators met secretly in Muscat led by respective deputy foreign ministers. Although these meetings produced few results, the Iranians were willing to break their taboo against bilateral discussions. After June 2013, with the election of President Hassan Rouhani on promises of improving life for Iranians, the relationship changed in ways that had been unimaginable since 1979.

Some 19 months of talks between the world's six major powers and Iranian delegations led first to a "Joint Plan of Action" (JPOA) signed in Geneva in November 2013, then to a "Framework Agreement" signed in Lausanne in April 2015, and finally to a detailed "Joint Comprehensive Plan of Action" signed in Vienna on July 14, 2015. Beyond the substance of these agreements, the symbolism of the relationship changed radically. Meetings were professional and free of the maximalist rhetoric that had marred earlier rounds. U.S. Secretary of State John Kerry and Iranian Foreign Minister Mohammad Javad Zarif described their encounters as "positive" and "productive," adjectives not heard in this setting for more than 35 years.

A new message

Six days after his inauguration in January 2009, Obama said in an interview with Al-Arabiyya TV that "negative preconceptions" lay at the heart of Middle East disputes. He did not mention Iran specifically, but his meaning was clear: As long as Americans and Iranians assumed the worst of each other, there would be little chance of ending their 30-year estrangement. He made that point explicitly to Iran in his March 2009 message marking the Iranian New Year (Nowruz). For the first time, an American

president spoke directly to the government of “the Islamic Republic of Iran” as well as to its people. He called for “engagement that is honest and grounded in mutual respect” and quoted from 13th century Persian poet Sa’adi,

“The children of Adam are limbs of one body,
Which God created from one essence.”

In his June 4, 2009 Cairo speech to the broader Muslim world, Obama spoke of a “new beginning” between the United States and Muslims, “based upon mutual interest and mutual respect.” Referring to Iran, he acknowledged the difficulties in overcoming “decades of mistrust,” but he pledged to proceed with “courage, rectitude and resolve.” He said Washington was willing to move forward “without preconditions on the basis of mutual respect.”

Iran’s disputed presidential election took place just one week later, followed by six months of sporadic protests and a brutal crackdown. The turmoil complicated diplomacy. Iranian opposition voices that had advocated engagement were now changing their position and urging Obama to take a tougher line. The administration was judicious in its public statements, balancing outreach to the Islamic Republic with defense of human rights. The statements emphasized universal rights, insisting that the Iranian people have the right to choose their leadership freely and the right to express themselves without fear of intimidation.

Obama persevered, despite Iran’s unfolding political drama. He referred to Iran in his Oslo speech accepting the Nobel Peace Prize in December 2009. He said relations with repressive regimes were important even when engagement “lacks the satisfying purity of indignation.” In other words, the United States was giving priority to the larger interest of changing an unproductive relationship.

The White House sent another Nowruz message to Iran in March 2010. Obama’s tone was positive, although not as warm as the previous year. He again called for better relations, but he also issued a challenge to evoke something more positive or concrete from Tehran. “We know what you’re against,” he said. “Now tell us what you’re for.”

A nuclear proposal

Obama backed his words with action designed to jumpstart diplomacy on the most serious issue dividing the two countries – Iran’s controversial nuclear program. In mid-2009, Iran contacted the International Atomic Energy Agency to ask for help finding fuel for the small U.S.-built Tehran Research Reactor. The facility produces radioisotopes for medical procedures that treat about 10,000 patients a week. Supplies of the medical isotopes were scheduled to run out by the end of 2010. In a deal brokered largely by the United States, the International Atomic Energy Agency proposed a

formula to provide fuel to Tehran while offering safeguards. Iran would ship 1,200 kg of low-enriched uranium to Russia, where it would be enriched, then sent on to France for conversion into fuel rods for Tehran's reactor.

The proposal was appealing to Washington because it would have transferred about 80 percent of Iran's known stock of low-enriched uranium outside the country. At the time, it would have taken about a year for Iran to replace that amount in its own enrichment facilities. The proposal initially appealed to Tehran because it would also provide at least tacit acknowledgment of its right to enrich uranium – a long disputed issue.

But more importantly, the deal was also designed to build confidence among all parties and pave the way for comprehensive talks on all aspects of Iran's nuclear program during that intervening year. Talks also carried the prospect of a broader dialogue on a wide range of issues of mutual concern. To prove good intentions, Obama allowed a senior State Department official to hold a rare meeting with Iran's chief nuclear negotiator on the sidelines of talks about the deal in Geneva in October 2009. Tehran initially accepted the deal, but within weeks it collapsed.

The deal appears to have fallen through for a variety of reasons, both domestic and foreign. The biggest problem may have been Iran's internal political fighting. President Ahmadinejad initially embraced the deal. "We welcome fuel exchange, nuclear co-operation, building of power plants and reactors and we are ready to co-operate," he said live on state television. But the reactor deal was soon criticized by Iran's new Green Movement opposition as well as conservatives in the regime, both largely for political reasons. Ahmadinejad's opponents did not want the president to get credit for any agreement favorable to Iran. Some leaders also may have feared that any change in the Islamic Republic's underlying anti-Americanism would threaten the existence of their system.

Turkey-Brazil diplomacy

After Iran reneged on the Tehran Research Reactor deal, the Obama administration began what it called a dual-track policy: Keeping engagement as a possibility, while pushing for new sanctions. Turkey and Brazil, two rising middle powers with seats on the U.N. Security Council, made one last attempt to revive the diplomatic initiative. As the United Nations moved toward a vote on sanctions, the prime minister of Turkey and the president of Brazil negotiated with Ahmadinejad in Tehran. The three signed a tripartite deal on May 17, 2010. The package included many features from the original Geneva deal. But Tehran found it more attractive because its low-enriched uranium would go to Turkey, a Muslim country with which it had better relations, instead of Russia. Iran also felt it could enlist Turkey and Brazil's support in opposing the new sanction resolution at the Security Council.

But the last-ditch diplomacy ended up a classic case of bad timing. Terms acceptable in October 2009 were not acceptable in May 2010. In the intervening seven months, Iran had enriched more uranium. The original deal called for Iran to transfer 1,200 kilograms, which then represented an estimated 80 percent of its stock. By May, the same amount was only about one-half of its stock. Nor did the new agreement deal with the 20 percent enriched uranium Iran had produced in the interim. The Obama administration – along with Russia and France, the original parties to the Geneva deal – viewed the revised package primarily as an Iranian attempt to avoid U.N. sanctions. By then the sanctions process had acquired too much momentum for the Turkey-Brazil deal to reverse.

New U.N. sanctions

The administration continued to work with Britain, France and Germany – the three countries that had led international diplomatic efforts with Iran – on measures in a new sanctions package. Unlike previous resolutions, however, the Obama administration wanted the resolution to include the long-promised incentives that Iran would receive if it cooperated with the international community and suspended its uranium enrichment altogether. After six months of complex negotiations, the Security Council passed Resolution 1929 on June 9, 2010. The final vote was 12 in favor, two opposed (Turkey and Brazil), and one abstention (Lebanon).

Resolution 1929 requires U.N. members to block the transfer of technology related to either missiles or nuclear weapons and to cut off commercial access to uranium mining or nuclear materials production in their territories. It also imposes new restrictions on travel by Iranian officials associated with proliferation. It targets Iranian shipping lines affiliated with Iran's Revolutionary Guards, and calls on member states to refuse them financial and insurance services. Resolution 1929 also calls on member states to block new branches of certain Iranian banks in their territories.

Stalemate

Between 2010 and 2013 relations remained stalemated. The Iranian side had no ideas, and on the American side discussion of sanctions overshadowed everything else. In addition to the sanctions under U.N. Security Council Resolution 1929, the United States imposed new sanctions monthly on institutions and individuals linked to terrorism, the nuclear program, and human rights abuses. Meetings between the world's six major powers – Britain, China, France, Germany, Russia and the United States – and the Islamic Republic made no progress on the nuclear issue. The meetings, in places such as Almaty and Istanbul, featured presentations of prepared statements of inflexible positions and arguments about the place and time of the next meeting.

The American side insisted that resolution of the nuclear issue must precede any discussion of other issues, such as Afghanistan, narcotics control, etc., where common interests might have made some agreement possible. Thanks to his provocative rhetoric, Iranian President Ahmadinejad had also become part of the problem. His statements about the Holocaust, for example, had made him radioactive in Washington, and any proposal – sensible or nonsensical – that carried his fingerprints, would have no audience. Washington had stopped listening.

The thaw

By the time of Iran’s presidential elections in June 2013, it seemed that, despite the promising statements of Obama’s first term, U.S.-Iranian relations remained where they had been for over three decades. The two sides were unable to talk directly, even about issues where common interests existed. The multi-lateral talks on the nuclear program were going nowhere. And the combination of international sanctions and mismanagement had crippled the Iranian economy.

The election became a referendum for Iranian citizens, who could have chosen someone like Jalili or Mohammad-Baqer Qalibaf and receive more of the same policies, packaged as a “resistance economy.” Or they could have chosen a clergyman (Rouhani) who is part of the system, is trusted by the supreme leader and his court, and who promised to improve the lives of ordinary Iranians and relieve social pressure on women and intellectuals. In the end, it was no contest, and in a crowded field Rouhani rode to a first-round victory far ahead of his rivals.

The Rouhani administration, with the experienced and sophisticated Zarif as Foreign Minister, was finally able to respond to the offers that President Obama had made four years earlier. The new administration understood not only what it needed to do in foreign policy– end Ahmadinejad’s provocative rhetoric, deal professionally and cordially with U.S. counterparts, and deal skillfully with Western media – it also protected itself at home. Rouhani’s government enlisted the support of the supreme leader and insisted on all occasions that it was protecting Iran’s dignity and sovereignty from those foreign powers who had humiliated Iran for centuries.

The symbolism of Iran’s foreign policy changed quickly. Kerry and Zarif held friendly meetings; Obama and Rouhani spoke by phone; Rouhani included the lawmaker representing Iran’s Jewish community in his 2013 delegation to New York. At the nuclear negotiations, gone was the wrangling over the time and place of the next meeting. The Iranian delegation suggested conducting all sessions in English in order to encourage direct interactions and to save time. That small change reportedly made an enormous difference.

This new diplomacy, seemingly free of the complexes of the past, bore fruit in under two years from the first meetings at the United Nations in 2013. The Vienna agreement (the JCPOA), brokered in July 2015, says nothing about the many points of dispute between Iran and the United States. In Tehran, Iran's supreme leader insists that the two countries remain enemies. In Washington, officials still criticize Iran's support for Syrian President Bashar al Assad, its connections with terrorist groups, and its anti-Israeli rhetoric. Despite all the disputes that remain, it is undeniable that since 2013 the underlying dynamic between the two countries has changed radically. The two sides remain suspicious, but are finally able to talk.

Trend lines: what next?

U.S.-Iranian relations will remain difficult. The Islamic Republic will still have a dubious human rights record featuring heavy-handed treatment of women, journalists, intellectuals, and anyone who asks inconvenient questions.

Grievances will continue to fester. Issues like alleged Iranian support for terrorist groups, Iran's vocal hostility to Israel, and America's perceived support for Iranian dissidents will complicate the relationship. Even while realities change, the Islamic Republic will continue to "whistle past the graveyard" and insist that nothing has changed.

Assuming that the Vienna nuclear agreement holds, the United States and Iran will discreetly explore areas of cooperation in Afghanistan, Iraq, Syria, the Persian Gulf and elsewhere. The two sides may begin efforts to ease travel and visa restrictions and complete the work of the Hague Tribunal, established in 1981 to resolve financial disputes.

Most Iranians will not see better living conditions immediately from sanctions relief. Although sanctions provided Iranian governments with a convenient scapegoat for their economic failures, corruption, mismanagement, unemployment, inflation, pollution, and drought will continue to take a heavy toll.

Both the United States and Iran will have to move carefully to convince domestic hard-liners in both countries that the nuclear agreement and the new diplomacy does not represent a sell-out or an updated version of Munich or Turkmanchai.

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