

Can Negotiations and Diplomacy Break the US–Iran Impasse?

by Anahita Motazed Rad

As the Biden and Rouhani administrations' position to renew diplomatic efforts on the Iranian nuclear file with European support, they face more challenges than their predecessors did in 2015, when the Iranian nuclear deal, formally known as the Joint Comprehensive Plan of Action (JCPOA), was originally signed.

Today, domestic, regional and international confrontations have increased; hardliners and conservatives in Tehran and Washington, on the one hand, and in Israel, Saudi Arabia and the United Arab Emirates (UAE) on the other, are now more aligned and coordinated against a diplomatic success than they were in 2015.

Tehran's response to the Trump administration's "maximum pressure" campaign was resilience and "strategic patience", followed by "strategic resistance" vis-à-vis the US and its regional designs one year after the US's unilateral withdrawal from the JCPOA in May 2018. Meanwhile, the Rouhani

administration has also had to contend with domestic political pressure coming from the more conservative political faction in Iran which has gradually increased its standing and influence.

During the past two decades, and independently from the Rouhani administration, this faction has made irreversible progress on four critical issues. It has strengthened the development of Iran's conventional deterrence, expanded missile, drone and cyber capabilities and moved ahead with Tehran's efforts to develop nuclear technology. Iranian conservative factions have also overseen the development of Iran's regional influence and proxy networks, while emerging as key supporters of a closer Iranian alignment with Russia and China.¹

¹ Bahauddin Bazargani Gilani, "What Should We Do with the End of Trump's Dark Era and Entering a Vague Era?" (in Farsi), in *Iranian Diplomacy*, 7 December 2020, <http://www.irdiplomacy.ir/fa/news/1997867>.

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The Supreme Leader Ayatollah Ali Khamenei's current opposition to any direct negotiations with the US before the latter lifts all sanctions re-imposed since the Trump withdrawal from the JCPOA,² along with the increasing power of the conservative faction within Iran, have complicated the situation for the Rouhani administration. Currently the prospects for a quick breakthrough over the nuclear file appear rather dim.³

In December 2020, the Iranian parliament (the Islamic Consultative Assembly), led by the conservative principalists who achieved a landslide victory in Iran's parliamentary election last February, adjusted a new law which conditions Iran's commitments to the JCPOA and approves the development of nuclear programme in response to the failure of lifting sanctions.⁴

Meanwhile, as anticipation of a possible resumption of talks increased in early 2021, Iran threatened to halt the provisional application of the Additional Protocol as well as additional transparency provisions under the JCPOA, while restricting access by International Atomic Energy Agency (IAEA) inspectors in Iran by 23 February should sanctions remain in place.⁵

² "Ayatollah Khamenei Crafts Iran's JCPOA Strategy", in *Tehran Times*, 7 February 2021, <https://www.tehrantimes.com/news/457904>.

³ Stephanie Liechtenstein, "US, Iran Move Closer but Stay Apart in Nuclear Talks", in *Politico*, 7 April 2021, <https://www.politico.eu/article/us-iran-nuclear-talks-eu-jcpoa>.

⁴ "Outline of Strategic Plan Action to Lift Sanctions Approved by MPs", in *Iran Press*, 1 December 2020, <https://iranpress.com/content/30512>.

⁵ "Iran Halted Implementation of IAEA's Additional Protocol: FM", in *Xinhua*, 23

Ultimately, a last minute deal with IAEA managed to avoid this scenario, allowing for less access but continued monitoring of Iranian nuclear sites for three months, thus providing some breathing room for diplomacy.⁶

This brinkmanship in the run-up to renewed talks carries its own set of risks, as do the provocative actions of a number of regional states which have been intent on heightening tensions in the region to further complicate the diplomatic track. The sabotage attack on Iran's nuclear facility in Natanz on 11 April 2021, for which Iran's Foreign Minister Javad Zarif blamed Israel,⁷ is only the most recent example of these tensions. Subsequently, Abbas Araghchi, Deputy Foreign Minister, announced and informed Rafael Grossi, director General of the IAEA of Iran's decision to escalate uranium enrichment to 60 per cent from 13 April.⁸

February 2021, http://www.xinhuanet.com/english/2021-02/23/c_139761953.htm; "Zarif: The Implementation of the Additional Protocol Has Been Suspended since this Morning" (in Farsi), in *Euronews*, 23 February 2021, <https://per.euronews.com/2021/02/23/iran-suspends-implementation-of-additional-protocol>; "Reflection of the Leadership's Ultimatum about JCPOA in the Arab Media" (in Farsi), in *ISNA*, <https://www.isna.ir/news/99111914440>.

⁶ "Iran, IAEA Agree to Nuclear Inspection Deal with Less Access", in *Al Jazeera*, 21 February 2021, <https://www.aljazeera.com/news/2021/2/21/iaea-iran-agree-temporary-deal-inspections-access>.

⁷ Parisa Hafezi, "Iran Says Natanz Nuclear Site Hit by Terrorism - TV", in *Reuters*, 12 April 2021, <https://www.reuters.com/world/middle-east/iran-reports-incident-natanz-nuclear-site-no-casualties-press-tv-2021-04-11>; Maziar Motamedi, "Iran's Zarif Blames Israel for Natanz Incident, Vows Revenge", in *Al Jazeera*, 12 April 2021, <https://aje.io/hftww>.

⁸ Maziar Motamedi, "Iran to Enrich Uranium to 60 Percent, Highest Level Yet", in *Al Jazeera*, 13

Just one day after the attack, a commercial vessel owned by an Israeli firm was attacked off the coast of the United Arab Emirates (UAE) in the Persian Gulf. According to Israel, which blamed Iran, this has been the third attack on Israeli cargo ships over a span of a month and half.⁹ Similarly, many Iranian vessels have also been targeted over the past months, with Iranian authorities blaming Israel for these events.

Despite Javad Zarif's statements on not stopping high level talks on the nuclear deal with world powers, and Washington's silence on the recent attacks, this continued escalation in tensions – which has been dubbed a "shadow war" – may lead to hasty decisions, miscalculations and reckless brinkmanship. It could also be interpreted as a message by regional actors opposed to the JCPOA to embarrass the Biden administration for its efforts to revive the tattered nuclear deal.

Yet another viewpoint is that Israeli sabotage efforts have damaged Iran's nuclear capabilities so seriously that they no longer constitute an immediate threat, thus making negotiations oblivious. Such a rationale might be naive at best, however, because with decreasing room for talks, Iran would likely escalate pressure on regional neighbours through its proxies.

Iran's strategy is also risky. If Tehran pushes too far or refuses to compromise

April 2021, <https://aje.io/pgsfn>.

⁹ "Vessel Owned by Israeli Company Attacked off UAE Coast: Reports", in *Al Jazeera*, 14 April 2021, <https://aje.io/5mcn5>.

this could further undermine trust and weaken European mediation capabilities. Indeed, while Iran's deviation from JCPOA commitments is a conscious and rational strategy, which aims to increase Iran's bargaining power; it could also lead to more pressure and even military action.¹⁰

Turning to the US Biden administration, it is obvious that Tehran and its nuclear programme presently top the agenda of US foreign policy in the region. While Biden is likely to pursue a less antagonistic strategy, Trump has created new facts on the ground, including the normalisation agreements between Israel, the UAE and other Arab States (Morocco, Sudan and Bahrain) and a burgeoning partnership between Tel Aviv and Riyadh. This will further complicate efforts to revive diplomacy, not least given the important influence these states have over US domestic politics.

Moreover, a broad bipartisan consensus in the US still exists regarding Iran's role in the region. The political, congressional and military-security components of the US foreign policy establishment all regard Iran as a hostile country, threatening US interests and those of its regional partners. Trump's "maximum pressure" policy, which has led to draconian primary and secondary sanctions on Iran and a 100 per cent inflation in the country, is now regarded

¹⁰ Hassan Fahs, "Tehran Welcomes Biden with 20% Enrichment" (in Farsi), in *Iranian Diplomacy*, 12 January 2021, <http://www.irdiplomacy.ir/fa/news/1998932>; Hassan Fahs, "Iran Receives Biden with Enriched Uranium" (in Arabic), in *Independent Arabia*, 8 January 2021, <https://www.independentarabia.com/node/183141>.

as significant leverage that the Biden administration will not easily renounce as it seeks to re-enter negotiations.

Despite Biden's rhetoric and desire to re-join the JCPOA, there are other issues of concern about Iran, including its support for regional proxies and its ballistic missile programme, perceived as a major threat to US interests and those of its main regional allies as well. Considering the above points, lifting sanctions and normalising relations with Tehran will be difficult, even should Biden and his team be wholeheartedly in favour of such a policy.¹¹

Considering the domestic and foreign policy priorities of the Biden administration, it is expected that Washington's approach towards Iran will be slow and incremental. Diplomacy is no doubt preferred, as the US would like to focus on other important international challenges, notably the rise of China. However, the Biden administration faces fierce opposition in congress, particularly when it comes to lifting sanctions.

The logic of US politicians and congressmen opposed to diplomacy towards Iran is that a lifting of sanctions could strengthen the regime's domestic control and free up funds to continue supporting Iran's regional proxies in Iraq, Syria, Lebanon and Yemen. According to this reading, negotiation and diplomacy will do little to modify Iranian designs, and instead might even lead into a "crisis spiral" which raises the

¹¹ Mahmoud Sari al-Qalam, "A Different Look at Biden's Policy toward Iran" (in Farsi), in *Iranian Diplomacy*, 14 January 2021, <http://www.iridiplomacy.ir/fa/news/1999022>.

possibility of another war in the Middle East.

Few doubt the EU's positive inclination towards supporting diplomacy in the context of US–Iran tensions.¹² Yet, Europe's non-innovative policies towards Iran over the past years have not only eroded trust between Brussels and Teheran but have also contributed to further strengthen the hardliner conservative factions, while pushing Iran to look East. The recent signing of a China–Iran "Comprehensive Strategic Partnership" agreement on 27 March 2021, which is supported by the Supreme Leader and hardliners, indicates Iran's turn towards the East.¹³

Considering the mentioned points, two rather immediate scenarios are imaginable, one which would build on the new US presidency and go through the Europeans leading eventually to a successful revival of the JCPOA; and a second which would build on Iran's increasing turn towards the East, likely implying more tensions and animosities with the West and its regional partners, as well as a more pronounced Iranian dependence on China.

¹² US Department of State, *Secretary Antony J. Blinken and High Representative for Foreign Affairs Josep Borrell After Their Meeting*, Brussels, 24 March 2021, <https://www.state.gov/secretary-antony-j-blinken-and-high-representative-for-foreign-affairs-josep-borrell-after-their-meeting>; and *Secretary Antony J. Blinken at a Press Availability*, Brussels, 24 March 2021, <https://www.state.gov/secretary-antony-j-blinken-at-a-press-availability-3>.

¹³ Amin Saikal, "Iran–China Strategic Agreement Could Be a Game-Changer", in *The Strategist*, 29 March 2021, <http://www.aspistrategist.org.au/iran-china-strategic-agreement-could-be-a-game-changer>.

This will be a determining year for Iran, with presidential elections fast approaching in June 2021. The country faces a difficult choice between continuing its strategic resistance policy or embracing a reorientation, betting that the Biden administration presents Iran with a unique chance to improve its domestic, economic, region and international policies.

After a gruelling four years of sanctions and unrelenting pressure imposed by the Trump administration and its allies, Tehran now has an opportunity to manage three interconnected crises that have impacted the internal stability of the Islamic Republic: mounting international tensions, economic pain and internal factional competition. Yet, given the general lack of trust and harsh domestic opposition both in the US and Iran to a revival of the JCPOA, pursuing this path will be fraught with challenges and risks.

If present circumstances do not change, then it is likely that Iran will have little other choice to continue its turn towards the East, backed by the hardliner factions in Iran who have long supported such a policy. Some believe this strategy could provide Iran with relief from US primary and secondary sanctions, thus diminishing Tehran's need for negotiations with Europe and the US.

According to this reading, the recent China–Iran deal is only the first of more lucrative trade and economic relations with Beijing, thus weakening US leverage over Iran in the economic domain and allowing Iran to continue pursuing nuclear research rather than

risk losing out on this capability by betting on the Biden administration. As recently stated by Ali Shamkhani, Secretary of Iran's Supreme National Security Council, the recent Iran–China partnership agreement will allow Iran to shift from "strategic resistance" to "active resistance".¹⁴

In this regard, to avoid this second scenario from materialising the EU should take the initiative and redouble its efforts to promote negotiations and bridging solutions between the US and Iran, with the ultimate objective of returning both Washington and Tehran to full JCPOA compliance. Ultimately, greater Iranian alignment with China is not only detrimental to EU and US interests, but also carries risks for Teheran. This would gradually imply increased Iranian dependence on China, a development that runs counter to Iran's long-held emphasis on independence as well as its pennant for playing the "long game" in foreign affairs, independently from periods of harsh isolation or pressure from regional and international actors.

It therefore falls to the EU to try to mend fences and develop creative mechanisms to allow for a de-escalation of tensions and the resumption of talks. Yet, the recent decision by the EU to put several Iranian security officials on a sanctions blacklist for human rights violations has added new tensions to the EU–Iran relationship. Iranian officials have responded by threatening to suspend cooperation with the EU in

¹⁴ "Shamkhani: Iran-China Deal Part of Active Resistance Policy", in *Tasnim News*, 29 March 2021, <https://tn.ai/2476160>.

the fields of counter-terrorism, drugs and refugees.¹⁵ This development demonstrates the gradual erosion of trust between Brussels and Tehran and is likely to further complicate the diplomatic track.

That said, it is clear that elements in both Iran and Europe retain a strong commitment to the JCPOA and a policy of tacit engagement with Tehran and the broader region. It is on the basis of this medium-to-long term objective, and an understanding of the JCPOA as a necessary step towards broader forms of engagement and confidence building across the region, that Europe, the US and Iran would be best served by a successful diplomatic breakthrough on the nuclear file and US–Iran relations.

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¹⁵ "EU Blacklist of Iran Commanders Strikes a Nerve in Tehran", in *Al-Monitor*, 13 April 2021, <http://www.al-monitor.com/node/42122>.

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