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The Iran Deal's 'You First' dilemma

Both Washington and Tehran are caught up in mutually exclusive demands — namely that the other should move first

In November 2020, when it became clear that Joe Biden would win the US presidential election, there were high hopes that the Iran deal could be revived. A few months later, however, around the new US President's inauguration in January, these hopes had turned into fairly low expectations. It's true that Biden – the former vice-president at the time when the Iran nuclear deal was signed – holds the key to resuscitating international diplomacy on this issue. However, much has changed since 2015.

Between the two countries most concerned, Iran and the United States, mistrust runs deep after Washington's unilateral withdrawal from the deal in 2018. The diplomatic constellation among major powers is different, with Europeans recognising how limited their options are and both China and Russia unwilling to further pressure Iran. Lastly, significant power shifts have taken place in the Middle East that make a broader deal necessary, but even harder to achieve.

The 'You first' dilemma

Both the United States and Iran are caught up in mutually exclusive demands, namely that the other should move first. While a dispassionate outsider may be tempted to think that Washington would have to make the first step, as it withdrew from the deal, things are not that simple. That's also because in both countries, domestic politics stand in the way of sensible foreign policy. Rescuing the deal, formally known as *Joint Comprehensive Plan of Action*, or JCPOA, is in fact a major operation with a yet unclear chance of succeeding.

Already during the election campaign, then-candidate Biden had declared his intention to reactivate the nuclear agreement, provided that Iran also abides by it again. This position has been confirmed since the beginning of the year, from interview remarks by National Security

Advisor Jake Sullivan to the recent Senate hearings of Secretary of State Tony Blinken and Director of National Intelligence Avril Haines. In the incoming administration's view, *first* Iran has to get back into compliance, *then* Washington will consider reciprocating.

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Tehran, for one, sees things the other way around, with foreign minister Javad Zarif offering via Twitter a 'reality check for Blinken' as to whose turn it is to act. Fundamentally, the Iranian government is unlikely to make concessions after years of 'maximum pressure' from America and could instead demand compensation for those sanctions, if only to make a point. And despite the rhetoric, Tehran is afraid of a full return to the JCPOA, which would re-equip Washington with the power to 'snap-back' all international sanctions in the future – to be used, possibly, by a different president come 2024.

How domestic politics limits foreign policy

Talk of an upcoming election – and thus domestic politics interfering in foreign policy – is not just reserved to America, however. Iran will hold its presidential ballot in less than six months, on 18 June 2021. And while the incumbent, Hassan Rouhani, cannot run again after two consecutive terms, his camp of moderate technocrats and the once-allied reformers are fighting for survival. Indeed, a speedy return to the JCPOA with visible US concessions – the lifting of all sanctions, no less – would be a boost for the moderates, whichever candidate they would field. For precisely that reason, the conservatives and clerics around Supreme Leader Ali Khamenei will try to prevent such an agreement.

Hardliners in the Iranian Parliament, the Majles, have in fact already managed to pass a law requiring increased enrichment and a suspension of international inspection if sanctions relief will not have happened by mid-February. Even if this deadline could be fudged with initial declarations and the beginning of talks, the Iranian New Year celebrations in the second half of March are likely to interrupt any negotiations – with the electoral campaign beginning soon after.

This means the Biden administration has weeks rather than months to come up with a concrete proposal, even as it is facing calls from hardliners

both in America and in the Middle East not to give up the perceived leverage created by the current sanctions regime. At the same time, Iran's nuclear advances keep the clock ticking, with 'breakout time' – the period for a country to amass enough fissile material for one atomic bomb – seriously reduced: It was calculated to be one year when the JCPOA entered into force in early 2016; five years and one president later, it is estimated to be down to three months or even less.

America's partners and rivals in a changing region

The Europeans should welcome Washington's return to the deal. They managed, contrary to all expectations, to keep the nuclear agreement alive over the past years, even fending off an attempt by the previous US administration to reinstate all United Nations sanctions against Iran. However, not only are they concerned about whether reviving the JCPOA will suffice to calm regional tensions, an unease they share with Washington. They are also worried by Europe's abundantly clear dependence on the United States on economic issues: It is one thing to argue that Washington was wrong to leave the JCPOA and re-impose sanctions on Iran; it is quite another to realise that these sanctions were aimed at European companies and there was nothing the EU or its member states could do to mitigate that.

In addition, both Russia and China, each entertaining their own disputes with the United States, appear unwilling to make meaningful concessions now. Like Iran, they argue that it is up to Washington to make the first move. Furthermore, both countries have forged ties with the Islamic Republic: Russia mainly on the Syrian battlefield and China more strategically by signing a 25-year partnership with Iran which – next to billions in investments in the Iranian oil and gas industry – provides for close military cooperation.

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This leads to the last point on major realignments in the Middle East itself over the past years. Iran has been able to expand its position around the Persian Gulf, as demonstrated in various proxy wars and with attacks on its neighbours' oil facilities. At the same time, Israel has become Tehran's main regional adversary, not shying away from bilateral confrontations either in Syria or in cyberspace. Through the Abraham Accords of August 2020, Israel has gained new allies in the

United Arab Emirates (UAE) and Bahrain, and its fresh collaboration with countries of the South Caucasus and Central Asia lets Iran feel increasingly encircled.

Again, however, an election is looming: Israel's fourth parliamentary vote in less than two years will take place on 23 March. Fresh threats of military action against Iran may thus be attributed to campaign rhetoric but could just as well be serious, given the prevailing fear there that a return to the JCPOA will only embolden Iran. Similarly, the US administration's pausing of arms sales to both Saudi Arabia and the UAE that the previous president had approved in an effort to bolster the anti-Iran axis, may further complicate regional buy-in into any negotiated regional settlement.

Biden and Europe need to act fast

All told, the success of 'compartmentalisation' – that is, the separate treatment of areas of conflict – guiding the nuclear talks at the beginning of the last decade cannot be easily repeated. Instead, President Biden has only very limited time at hand to cut through a complex set of issues for an initial, fairly circumscribed agreement.

Against this backdrop of both increased stakes and heightened difficulties, the Europeans need to outline a common course with the Biden administration – and do so fast. A first would be to effectively mediate the choreography needed to overcome the 'you first' stalemate, a role for which the EU overseer of the JCPOA is uniquely equipped. Achieving a limited compliance-for-compliance deal soon would at least defuse the rising tensions.

After the election of a new – presumably very conservative – Iranian President, the more difficult part will follow, addressing the regional dimension of proxy wars and mutual threat perceptions through negotiations and confidence-building measures. On the way there, Europe should propose first cooperative steps in fighting the ongoing pandemic and tackling environmental issues to establish reliable channels between the warring states. There's little time to lose.



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