

INSS Insight No. 1404, November 18, 2020

Iran Prepares for the Biden Administration

Sima Shine and Raz Zimmt

Iran appears satisfied with the results of the United States presidential elections, although more so by the defeat of Donald Trump than by the victory of Joe Biden. However, Tehran is aware that the tensions between the United States and its European partners, inter alia over the issue of the nuclear agreement – tensions that played in Iran’s favor – may dissipate. Against this background, with the heated debate within the Iranian political system regarding a return to negotiations with the US on the JCPOA, a number of key messages have been underscored: a demand for a complete lifting of sanctions as a condition for a return to the agreement, compensation to Iran for the damages caused by the sanctions, and total opposition to renegotiation of the 2015 deal, which Iran sees as a *fait accompli*. In the meantime, Iran’s nuclear program is progressing, although not at great speed, and in view of the limited period between Biden’s entering the White House (January 2021) and the Iranian presidential elections (June 2021) it is doubtful whether it will be possible to move forward with any agreement that will change the current trend. Israel would do well to try and influence future political moves vis-à-vis Iran on the basis of its vital interests, but without negating in principle a dialogue with Iran and attempts to reach an agreement with it.

The sigh of relief heard in Tehran when Joe Biden won the US elections came as no surprise, even though Iran is well aware of the many difficulties that stand in the way of reversing the policy against it adopted by the Trump administration. Despite repeated statements from senior Iranian officials, including Supreme Leader Ali Khamenei, that Iran does not attach importance to the identity of the president of the United States, and that there is no difference between Republicans and Democrats in their hostility toward Iran, reactions in the country clearly reflect satisfaction with the results of the elections.

Against this backdrop, there is a heated debate underway within the Iranian political system about returning to negotiations with the United States. The pragmatists, led by President Hassan Rouhani, support in principle a renewed dialogue with Washington. Following Biden’s victory, Rouhani declared that he would do everything required to have the sanctions on Iran lifted and improve the situation of the Iranian people. On the other hand, Iranian hardliners are against a return to negotiations, claiming that the US cannot be relied

on and that Iran's economic problems should be solved through a "resistance economy," as advocated by the Supreme Leader. The debate also reflects political considerations: while the pragmatic-reformist camp hopes that resumption of dialogue will lead to a lifting – even if only partial – of sanctions and a possible return to the nuclear agreement that will assist it in advance of the elections for the Iranian presidency, expected to take place in June 2021, Rouhani's rivals do not wish to reward him with a political achievement prior to the elections. Furthermore, comments by Biden and his advisors have led to increased concerns in Iran that the new administration does not intend to fully lift economic sanctions in return for a return to negotiations, and therefore resumption will be seen as willingness in principle on the part of Iran to make concessions. Supreme Leader Khamenei has yet to comment in detail on the possibility of renewed political process with the Biden administration, but has repeated his familiar positions, namely, that resumption of negotiations is conditional on the removal of all sanctions, and that talks are held only within the framework of the P5+1, and not in the framework of a bilateral Iranian-American dialogue.

Various statements by senior Iranian leaders following the US elections have conveyed a number of clear messages. These messages reflect Iranian conditions ahead of a possible resumption of negotiations, with the main point being that the US will have to provide a quid pro quo for Iran's agreement to resume negotiations.

- A demand for a complete lifting of the sanctions imposed by the Trump administration as a precondition for a return to the nuclear agreement.
- A demand for compensation for damages caused to Iran in recent years by the reimposition of sanctions.
- An emphasis that the 2015 nuclear agreement is a *fait accompli* and not up for negotiation.

The Iranian assessment takes into account what will likely be the priorities of the new administration. Iran will have to deal with a geo-strategic environment that is different in a number of aspects from what it has experienced in recent years, first and foremost, an improved trans-Atlantic relationship. Indeed, President-elect Joe Biden has underscored the importance of renewing the alliance between the United States and Europe and NATO, following years in which Iran benefited from the split between the Trump administration and America's European allies, and even adopted a policy aimed at keeping Europe on its side as part of its effort to isolate the United States. This Iranian policy bore significant fruit, both in the form of the European vote against extending the arms embargo on Iran at the United Nations Security Council, and in European opposition to an American attempt to restore Security Council sanctions by operating the snapback mechanism.

In addition, Iran has watched with concern the Trump administration's moves to authorize arms deals for advanced American weapons with the Gulf states, beginning with the United Arab Emirates, and the normalization moves between Israel and a number of Arab states. Tehran understands that notwithstanding the Democratic Party's criticism of the Gulf states, and primarily Saudi Arabia, in the wake of the coronavirus crisis and in view of the difficult financial situation in the US, the Biden administration is unlikely to undermine these deals and will encourage further normalization between Israel and Arab countries.

Meanwhile, progress on the Iranian nuclear program continues following Iran's decision in the summer of 2019 to withdraw from its commitments to the agreement. This progress includes the accumulation of fissile material (low level), acceleration of Iran's schedule for development of advanced centrifuges, including the transfer of advanced centrifuges to a new site deep underground following the attack on the Natanz facility several months ago, and the operation of two enrichment sites at Natanz and Fordow. Even if this progress hopes to yield bargaining chips for future negotiations, it is doubtful whether Iran will agree to reverse its capabilities and return to the original nuclear deal, without a complete lifting of sanctions. Clearly, it will not be possible to roll back Iran's research and development achievements, including the development of advanced centrifuges.

Furthermore, Tehran is aware of the ongoing debate in Washington concerning its advanced missile program – which it recently showcased to the world in a footage aired by Iran's state television of its ballistic missiles that can be operated from underground tunnels – and with regard to Iran's policy throughout the Middle East, in particular Iran's subversive activity and widespread regional entrenchment since 2015. On both these issues, it appears that the gaps between the United States and Europe are not wide; this in itself presents a significant difficulty to Tehran, which may find itself facing a united front in these fields.

Following President Trump's withdrawal from the nuclear agreement, Iran tried to deepen its relations with Russia and China as a counterweight to the US, while exploiting the crisis in relations between them and the United States. In the event of an easing of tensions between the United States and Russia and China under the Biden administration, Iran may encounter difficulties in advancing its relations with these two powers, a move aimed at compensating it for the damages caused by the reimposition of sanctions.

Against this background the dilemma faced by the Iranian regime regarding its willingness to enter initial negotiations is intensified. A decision by the Supreme Leader to authorize a resumption of negotiations is expected to be based on a number of key considerations:

- A sense of urgency in view of the acute economic crisis and a desire to lead to an immediate improvement in the economic situation, all the more so due to the coronavirus crisis.
- The contents of a potential American proposal to Iran and the willingness of the Biden administration to allow a certain economic relief (e.g., within the framework of confidence building measures, such as authorization of loans to Iran from the International Monetary Fund, or allowance of European credit lines to Iran) in return for resumption of negotiations and return to the original nuclear agreement.
- Short-term political considerations: whether to allow President Rouhani to advance negotiations now on the basis of an assessment that his chances of success will be higher than those of a new president, or to respond negatively to Rouhani's desire to resume negotiations so as not to strengthen the pragmatic camp's supporters.

Against the background of these considerations is the fundamental crisis of confidence between the Iranian leadership and the United States, which worsened with the withdrawal of President Trump from the JCPOA. In any event, in view of the short window of opportunity between the entrance of a new president to the White House (January 2021) until the elections for the Iranian presidency (June 2021), it is doubtful whether Iran and the United States would be able to reach significant understandings. In these circumstances, the Iranian regime may postpone a decision, while retaining its maximalist demands until after the elections. Postponement may also increase pressure on the administration to allow a resumption of negotiations after the elections in Iran, under more convenient conditions for Tehran.

Israel, now and over the coming months, must consider the desire in principle of President-elect Biden and his advisors to resume dialogue with Iran as the preferred means of halting its progress in the nuclear field, as well as their strategic desire to put trans-Atlantic ties back on track. The European drive to roll back the clock and return to the nuclear agreement, which in their perspective remains relevant, could also increase pressure on the new administration to resume negotiations with Iran. At the same time, it is clear that today there is more understanding of Israel's interests and concerns about Iran's nuclear ambitions, its regional policy, and the danger that Iran and its proxies in the region will arm themselves with advanced weapon systems.

Given this state of affairs, Israel would do well to try to influence future political moves vis-à-vis Iran, on the basis of a clear policy that reflects its vital interests without negating in principle dialogue with Iran and attempts to reach agreement with it. First and foremost, Israel should seek to persuade the Biden administration not to concede the sanctions leverage at the initial stage in exchange for Iranian willingness to resume negotiations, or even to return to the original nuclear agreement, but to use it toward an extension and

improvement of the deal. At the same time, in the interim period until the President-elect enters the White House, it is important to avoid provocative measures (“stealing horses” with the Trump administration) in order not to undermine the trust of the incoming administration and Israel’s ability to influence future moves vis-à-vis Iran.