

COMMENTARY

Six years later, the need for the Iran nuclear deal is as strong as ever



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Reviving the 2015 Iran nuclear deal is the quickest way to address the Middle Eastern nation's deep economic woes. Yet broader cooperation and engagement with the West on other issues seems unlikely under President-elect Raisi. The EU must facilitate the parties' return to the deal or risks finding a nuclear Iran on its doorstep.

In an election marred by the mass disqualification of moderate candidates and widespread apathy, hard-liner cleric Ebrahim Raisi won Iran's presidential ballot on 18 June. While the country faces many challenges, Raisi's priority is to improve Iran's dire economic situation. He can only achieve this through sanctions relief.

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Restoring the 2015 nuclear deal, the Joint Comprehensive Plan of Action (JCPOA), is crucial. But beyond this, Raisi has no interest in pursuing broader cooperation with the West. Instead, he aims to firm up regional security and economic ties and strengthen Iran's pivot to the East, particularly China.

A one-horse race

The election was engineered to favour Raisi. Only 7 of the 592 candidates were approved. All notable moderate and reformist runners were rejected by the Guardian Council, a 12-member body of clerics and jurists close to Supreme Leader Ali Khamenei. This rejection can be explained by the paramount change on the horizon: Ayatollah Khamenei's succession. He wants firm, conservative control of all of Iran's branches of power for when that moment comes. Raisi's election achieves that.

Yet, for many people both inside and outside of Iran, Raisi is a tainted individual due to his appalling human rights record. He is notorious for his involvement (<https://www.bbc.com/news/world-middle-east-57421235>) in the execution of thousands of political prisoners in the late 1980s. He is also under US sanctions for human rights abuses since 2019 because of his role in a brutal government crackdown following the November 2019 protests.

What next?

Raisi will replace the outgoing, moderate Hassan Rouhani in August while Iran faces enormous socio-economic challenges, including high inflation and spiralling unemployment. Getting the economy back on track is critical to relieve the citizens' widespread grievances.

Former US President Donald Trump's maximum pressure campaign of sanctions had a devastating economic impact on Iran, seriously impeding its trade, financial access and oil exports. Internally, government mismanagement and corruption has also been a heavy burden on the economy, which COVID-19 only exacerbated (<https://www.epc.eu/en/publications/How-Iran-was-hit-by-and-could-overcome-the-COVID-19-crisis~330a68>). As a result, many middle-class Iranians now live in poverty (<https://www.ft.com/content/520b54e4-c793-4e7d-84f5-03f71587532d>).

But unlike Rouhani, Raisi is sceptical that economic integration with the West would strengthen the economy. He fears that this path would weaken the foundational pillars of the Iranian Revolution.



Raisi will likely follow a two-pronged approach to back Khamenei's vision of self-sufficiency by establishing a 'resistance economy' (<https://www.foreignaffairs.com/articles/middle-east/2021-03-17/dilemma-irans-resistance-economy>) that maximises Iran's internal

capabilities; and build on Rouhani's policy of expanding trade relations with neighbouring states (i.e. Russia, Turkey, Iraq) and the East.

More specifically, deeper economic cooperation with China, as laid out in the recent [Iran-China 25-year cooperation agreement](https://www.reuters.com/article/us-iran-china-idUSKBN2BJ0AD) (https://www.reuters.com/article/us-iran-china-idUSKBN2BJ0AD), will be a priority, along with strengthening ties with India.

Same old foreign policy

Foreign policy is not an area where the president has significant influence in Iran. Instead, power lies with Khamenei and the security establishment. Continuity in Iran's foreign policy is most likely. For example, its regional activity via its allies and proxies is unlikely to change. Raisi stresses the importance of regional ties and is expected to continue bilateral discussions to lower tensions in the neighbourhood, particularly with Saudi Arabia.

Iran's long border with Afghanistan places it on the frontline of warfare spillover and a refugee crisis triggered by the US pull-out. Therefore, Iran is taking a pivotal role in the process of dialogue between different factions in Afghanistan.

Now that Iran's political, security and religious leadership are united in conservatism, even Tehran's regional influence could be strengthened. Raisi carries more weight in the Supreme National Security Council and the powerful Islamic Revolutionary Guards Corps than his predecessor and therefore has more capacity to make concessions to Iran's regional opponents, for example.

Resuscitating the nuclear deal

Raisi is deeply suspicious of the West, particularly the US. However, as Iran needs sanctions relief urgently, the president-elect favours a revival of the JCPOA. It is also in the US' national security interests to put the nuclear issue back in the box. Otherwise, a nuclear-armed Iran would create greater instability in the Middle East, including with Israel.

Since Trump pulled the plug in 2018, a resumption of the deal has been underway following Joe Biden's election in January 2021. A seventh round of talks is supposed to kick off shortly in Vienna. If successful, the US sanctions will be lifted and Iran's nuclear programme scaled down. Tehran is now [enriching uranium up to 63% purity](https://www.reuters.com/world/middle-east/iran-has-enriched-uranium-up-63-purity-iaea-report-says-2021-05-11/) (https://www.reuters.com/world/middle-east/iran-has-enriched-uranium-up-63-purity-iaea-report-says-2021-05-11/) – its highest ever rate – and [producing enriched uranium metal](https://www.reuters.com/world/middle-east/iran-giving-former-iaea-claims-produced-enriched-uranium-2021-07-06/) (https://www.reuters.com/world/middle-east/iran-giving-former-iaea-claims-produced-enriched-uranium-2021-07-06/). This is likely part of Iran's negotiating strategy.

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Progress has been made to return to the nuclear deal, but the process is long. Despite the Supreme Leader supporting the revival of the JCPOA, the hard-line Iranian Parliament (<https://www.al-monitor.com/originals/2021/06/irans-rouhani-blames-hard-liners-deadlock-us>), full of Rouhani critics, has been obstructive. The US is also yet to meet Iran's demand for guarantees that it will not upend the deal once again.

Finalising negotiations before Raisi's 24 August inauguration is still feasible. Rouhani wants to sign the deal to cement his legacy. The hard-liners may forbid a moderate president from signing a deal but would play ball if it is one of their own. For Raisi, signing a last-minute Rouhani-led deal may be the best option. He could reap the benefits while blaming any faults on his predecessor. He would also not be seen as having compromised with the West.

If a deal cannot be finalised by August, Raisi will assemble a new negotiating team. While who would make the cut is still unclear, they could be individuals with little to no international experience in management or negotiations. In fact, Raisi himself has no such experience. This would impact the dynamics of the process and the future implementation of a deal.

Europe must choose its battles

The E3 (France, Germany, the UK) and the EU – particularly the European External Action Service (EEAS) – have played a critical role in keeping the JCPOA alive. European shuttle diplomacy between Washington and Tehran has been crucial, particularly given Washington's reluctance to engage in direct talks. Rouhani and his foreign minister, Mohammad Javad Zarif, engage with their European counterparts frequently. Creating the same dynamic with a new team in Tehran will be challenging.

Even though Iran perceives Europe as the lesser of two transatlantic evils, establishing trust and similar channels for talks to the same extent will take time and require engagement from EU High Representative Josep Borrell and the EEAS. Raisi's human rights record may repulse European leaders, but they must keep their eyes on the prize of securing the deal.

The EU should also be realistic about the future level of EU-Iran economic cooperation. European companies are not as prepared to re-enter Iran as they were in 2015. The Trump experience made EU investors feel that the nuclear deal and sanctions relief are fragile and that they could get burned again if the deal falls apart once more.



The EU should continue to flag the importance of multilateral dialogue in deescalating tensions and resolving disputes in this region. This can enhance the EU's role within a framework of cooperation that addresses Iran's regional behaviour, especially if the latter's talks with other Gulf countries advance. The Iranian leadership might not dismiss

such a framework, which could help all parties in the region reach a collective security agreement in the Persian Gulf.

There is an opportunity for the EU to grasp [an important role](https://www.epc.eu/en/Publications/Stepping-into-the-drivers-seat-The-EU-should-double-down-on-USIran~3c16d0) (https://www.epc.eu/en/Publications/Stepping-into-the-drivers-seat-The-EU-should-double-down-on-USIran~3c16d0) in this troubled regional security and political environment. Brokering the nuclear deal and fostering regional multilateral cooperation is where the EU can add value. But, as the new leadership changes in Iran show, time is running out. The longer the EU takes to reinforce its position, the more difficult it will be to influence and shape.

JCPOA+?

Both Washington and Brussels hoped to strike “[a longer and stronger](https://www.bloomberg.com/news/articles/2021-01-19/blinken-promises-diplomacy-with-humility-in-rebuke-of-trump)” follow-on accord (https://www.bloomberg.com/news/articles/2021-01-19/blinken-promises-diplomacy-with-humility-in-rebuke-of-trump) than the original deal would allow. This would include extending the enrichment caps and verification system in Iran’s nuclear programme and addressing Tehran’s ballistic missile programme and support for proxies in the Middle East. However, in his [first post-election press conference](https://www.washingtonpost.com/gdpr-consent/?next_url=https%3a%2f%2fwww.washingtonpost.com%2fworld%2f2021%2f06%2f21%2firan-nuclear-power-plant-bushehr%2f) (https://www.washingtonpost.com/gdpr-consent/?next_url=https%3a%2f%2fwww.washingtonpost.com%2fworld%2f2021%2f06%2f21%2firan-nuclear-power-plant-bushehr%2f), Raisi ruled out any possibility of concessions on Iran’s ballistic missiles and its support for regional proxies and allies. Tehran views them as crucial deterrents against its neighbourhood foes.

Furthermore, there is little hope for progress in areas like human rights, people-to-people contacts, and cultural and academic exchanges between Iran and the West. Conservatives like Raisi view such engagement as [an invitation to hostile cultural infiltration](https://responsiblestatecraft.org/2021/06/24/how-europe-will-deal-with-irans-new-president/) (https://responsiblestatecraft.org/2021/06/24/how-europe-will-deal-with-irans-new-president/) that would erode the values of the Islamic Republic.

Nevertheless, it is important to bank the JCPOA, even without additional agreements, since it provides important safeguards on Iran’s nuclear programme. The strategic logic behind signing a nuclear deal is as valid today as it was in 2015. Without it, Iran will push on with its uranium enrichment programme. Tensions in the region will only grow, destabilising its political and security environment further. Not having a nuclear deal in hand is in no one’s interest. The EU should concentrate its efforts to facilitate the return of parties to the nuclear deal, enhance regional dialogue further, and help build a stable regional security architecture.



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