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# Biden, Iran: Do Democrats mean Detente with Iran?

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The triumph of Trump in 2016 heralded a departure in US policy towards Iran through relying more on pressure rather than diplomacy. Trump fulfilled his electoral-campaign promise of withdrawing from the Joint Comprehensive Plan of Action (JCPOA) and called for negotiations with Iran that would take into consideration Tehran's foreign policy in the Middle East. His administration also applied 'maximum pressure' by implementing more sanctions on Iran, and assassinated General Qassem Soleimani, the head of the Quds Force. Moreover, there is speculation that both Israel and the United States were responsible for the attacks against the Natanz nuclear site in 2020. The Trump Administration's policies have increased tension between the US and Iran without a tangible change in Iran's behavior. As the US presidential elections come closer, there are hopes that a change in presidency will lead to the US recommitting to the JCPOA and decreasing tension with Tehran. Joe Biden, the Democratic Party nominee, has stated that as president he will re-enter the nuclear deal and try to defuse tension with Iran. However, there are signs that not only will differences between US and Iran resurface but change in US policy will be limited. The economic benefits for Iran, a central premise in the nuclear deal, were limited in the two years after the implementation of the JCPOA, drawing many complaints from Iranian officials. In addition, the US is under tremendous pressure from its allies in the region, not only to limit Iran's nuclear ambitions, but curb its regional influence—a proposition that Tehran has refused to even consider. As such, US-Iranian relations will continue to be tense regardless of the outcome but with varying degrees of intensity.

Despite the reconciliatory tone by the Democratic Party, there are many statements by the Biden campaign as well as Iranian officials expressing pessimism and indicative of possible irreconcilable differences. The 2020 Democratic Party Platform states that the JCPOA is the best method to stop Iran's pursuit of a nuclear bomb and that a return to this agreement is a matter of urgency. Moreover, the Platform considers the nuclear deal as a beginning, not the end, of diplomacy with Iran. But statements by Biden's aid indicate a slightly different approach. Antony Blinken, a foreign policy advisor to Joe Biden, stressed that the Democratic nominee will re-enter the 2015 nuclear deal. However, he also stressed that the US will negotiate a longer and stronger deal in coordination with partners and allies. Other advisors have stated plainly that a Biden administration will not rejoin the JCPOA without major modifications.<sup>(1)</sup> Any amendment of the deal, however, will be rejected by the Iranian side. For instance, Ali Akbar Velayati, a senior adviser to Iran's Supreme Leader Ayatollah Ali Khamenei, has stated clearly that any changes to the deal will not be accepted.<sup>(2)</sup> Similarly, the Iranian Foreign Minister, Javad Zarif, said that Iran will not move beyond its commitments to the nuclear deal. Finally, the ultra-conservative *Kayhan* newspaper, which is affiliated with the supreme leader, asserted that Biden's conditions are not different from the demands set by the Trump administration. But this is only one thorny issue that awaits Biden in the Iranian sphere.

1 Nader Entessar & Kaveh Afrasiabi, "US Election: Would Biden as President Change Course on Iran?," *Middle East Eye*, 12/8/2020, accessed on 28/9/2020, at: <https://bit.ly/2FWzbpP>

2 Pariza Hafezi, "Iran Won't Accept any Amendment to Nuclear Deal: Senior Official," *Reuters*, 26/6/2018, accessed on 28/9/2020, at: <https://reut.rs/3mYdrAo>



While the JCPOA curbed Iran's nuclear ambition, it did not address Iran's missile program and regional activities. Security Council Resolution 2231, which approved the nuclear deal, used accommodating language to talk about Iran's missile program, calling on Iran not to develop ballistic missiles capable of carrying nuclear weapons. This loophole allowed Iran to focus on testing and developing medium and long-range missiles. Within a year the IRGC conducted eight missile tests, some with a range of 2,000 kilometers.<sup>(3)</sup> The Iranian missile stockpile was also involved with destabilizing activities on a regional level. For instance, Iran is accused of conducting a UAV attack on Saudi oil facilities in Abqaiq. While Iran denied any involvement, France, Britain, the US, and Saudi Arabia stated that Tehran was behind the attack that forced Saudi Arabia to shutdown half of its oil production. As such, Iran's missile program, along with its regional activities will be a challenge for de-escalation between the US and Iran even if Biden wins the presidency. The Biden administration will also have to contend with unresolved economic issues.

The formula of the nuclear deal was simple: the lifting of economic sanctions in exchange for less Iranian nuclear activity. However, the economic benefits did not materialize for Iran and this could affect the deal's prospects even if the new US president is willing to become a signatory again. Iran's isolation from the international market was a tremendous burden on the economy, with high inflation and high prices for basic goods. With each different round of sanctions, unemployment rose and GDP decreased. The growth of Iran's economy in 2014 was only 3% and in 2015 contracted by 1.3%,<sup>(4)</sup> meaning Iran was already in a recession before the nuclear deal. Despite the overall optimism that prevailed in Iran after signing the deal, the economic benefits were very slow to arrive and were hampered by various factors.

While Iran benefitted slightly from economic activity after the nuclear deal, the anticipated growth was much higher leading to disagreements with the US even before the ascendance of Trump. While there was indeed an increase in growth during the first year, Iran's economy grew less than 4% in 2017 and the growth was largely because of a hike in oil exports. The oil revenue went directly to the government coffers and did not trickle down to the population. The budget of Iranian households fell in real terms from \$14,800 in 2007 - 2008 to \$12,515 in 2016 - 2017.<sup>(5)</sup> The Iranian government had already complained that the US was not living up to the obligations stipulated in the JCPOA, a contentious issue that was not solved before Trump pulled out of the deal.

There are many reasons for the failure to attract foreign investment, in particular corruption and the role of the Islamic Revolutionary Guards Corps (IRGC) in the economy. These factors are very difficult to deal with by reform, which means that Iran is likely to eventually blame the US for the hindering the economic benefits even in the future. Iran ranked 124 out of 190 countries in 2018 in a World

3 Behnam Ben Taleblu, "Iranian Ballistic Missile Tests Since the Nuclear Deal," *Foundation for Defense of Democracies*, 9/2/2017, accessed on 28/9/2020, at: <https://bit.ly/336z71S>

4 Emily Salwen, "Business Boom or Bust? Two Years After Nuclear Deal," *United State Institute for Peace*, 21/12/2017, accessed on 28/9/2020, at: <https://bit.ly/36golvc>

5 Amir Paivar, "Nuclear deal: Is Iran's economy better off now?," *BBC News*, 3/5/2018, accessed on 28/9/2020, at: <https://bbc.in/30ej6sc>



Bank Report that measures the ease of doing business, register property and trade across borders. Instead of attracting \$50 billion in foreign investment, as the Five-Year Development Plan set by the Iranian government, the country attracted only \$3.37 billion in foreign direct investment in 2016. But another reason why Iran's market was unattractive is the US and European sanctions against Iran for the role of the IRGC not only in Iran's economy but in supporting terrorist groups. Companies need to apply robust practices in order to avoid violating these sanctions or else pay billions of dollars in fines. While Iran has taken steps to clean its financial sector, the Financial Action Task Force (FATF) continued to be concerned about the terrorist financial risk. Part of the problem is that the IRGC is a very powerful component in the Iranian economy it is very hard to avoid dealing with it directly or indirectly because it is involved in many sectors.

There are several divergent factors in US-Iran relations which will have strategic ramifications, at least during the possible Biden presidency. Beside the points mentioned above – Iran's role in the Middle East, and the lack of economic benefits from the nuclear deal – domestic developments in both countries will also affect relations. Iran will have its own presidential elections in the Spring of 2021, with a resurgent conservative camp that sees the JCPOA as a big mistake. The US Congress will simultaneously continue to push for more pressure on Iran. This could mean the following: first, tension will continue between the US and Iran well into the Biden presidency and so will US presence in the Middle East. While the US continues its pivot to Asia, it will continue to keep an eye on the simmering Middle East. Second, Iran will be more assertive during a Biden presidency. The Trump administration, while it conducted reckless foreign policies, have been unpredictable and a risk-prone especially when it killed Qassem Soleimani. The conciliatory tone we hear from the Biden camp will give a signal to the IRGC to further its influence and belligerence. Finally, the strained economic situation in Iran will put tremendous pressure on the government as the inflation and unemployment increase, and the value of the currency decrease. As the Iranian economic situation continue to deteriorate so will the legitimacy of the Iranian government.