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Points of Coincidence between Iran
and Europe: A perspective for 2020

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Points of Coincidence between Iran and Europe: A perspective for 2020

Abstract:

This paper offers a perspective on Iranian foreign policy and the possible policies that the European Union (EU) and the actors involved in the nuclear issue with Iran (E3, or France, Germany and the United Kingdom) might adopt. The most critical variables that can take place for discussion or cooperation during 2020 are the nuclear agreement and the UN resolution of 2231, security issues in the Middle East and economic ties. To pursue the points of a coincidence that still exist, the strategic autonomy of the EU and pragmatism on the part of Iran are assumed. The limitations that may hinder obtaining favourable results are also addressed.

Keywords:

Iran, Europe, European Union, United States, Middle East, Nuclear Deal, 2020

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Puntos de coincidencia entre Irán y Europa. Una perspectiva para 2020

Resumen:

Este documento ofrece una perspectiva sobre la política exterior iraní y las posibles políticas que la Unión Europea y los actores involucrados en el tema nuclear con Irán (E3 o Francia, Alemania y Reino Unido) pueden llegar a adoptar en 2020. Las variables más importantes que podrían tener lugar para la discusión o la cooperación durante 2020 son el pacto nuclear y la Resolución del 2231 de la ONU, asuntos de la seguridad del Oriente Próximo y hallar soluciones para las transacciones económicas. Para materializar los puntos de coincidencia que todavía existen, junto con muchos puntos de discordia, están asumidos la autonomía estratégica de la UE y el pragmatismo por parte de Irán.

Palabras clave:

Irán, Europa, Unión Europea, Estados Unidos, Oriente Medio, Estrategias Acuerdo Nuclear, 2020.

Introduction

2020 started turbulent for Iran. Qasem Soleimani's assassination in Iraqi territory conveyed the message of the escalation of tensions between Tehran and Washington. The outbreak of coronavirus does not seem to stop tensions in 2020; The administration of President Donald Trump has announced that it will continue with "maximum pressure" campaign and has chosen not to lift economic sanctions against Iran in times of the pandemic.

Under pressure, Iran's internal policy seems more coherent than in pre-sanction era; This also means that, despite the lack of total unanimity between the factions of the state, there is greater consistency to resist the political and economic fracture. Despite this, it is evident that, with respect to the European Union, although far from being political allies, it is pursuing a strategy for 2020. On the other hand, in several strategic in Europe, debates have recently arisen about the need to adopt a defined strategy on Iran. Despite many differences and obstacles that are not classified as hostility, Iran and the European Powers may share some visions during the remaining months in 2020.

This opinion examines the factors that make points of agreement between Iran and the European countries - formed by E3 and the European Union (EU) - on various fields such as the Joint Comprehensive Action Plan (from now on JCPOA). As we will see on this paper, some circumstances from 2018 to the present have implied that European countries can implement a cohesive strategy on Iran to achieve their interest. Maintaining dialogues will not be without challenges, and the UK's exit from the EU, internal fragmentation and crisis caused by the pandemic can hinder them. Although it is imprecise to forecast the future, in this research paper, we focus on possible actions throughout 2020 based on past and current evidence.

Interactions between Europe, the United States and Iran: a brief background

The controversial death of Qassem Soleimani, the commander of the Qods forces, and Abumehdi al-Muhandis, commander of the Iraqi People's Forces (also known as Hashd-al-Shaabi)¹ brought Iran and the United States to the brink of direct conflict. The IRGC's

¹ INGBER, Rebecca. "If there was no 'imminent' attack from Iran, killing Soleimani was illegal", available at: <https://www.washingtonpost.com/outlook/2020/01/15/if-there-was-no-imminent-attack-iran-killing->

response to the firing of ballistic missiles to the Ain-al-Asad military base left more than 100 wounded².

This limited conflict illustrated the complexity of relations between Tehran and Washington; also brought to light the fact that "Macron's plan" and diplomatic attempt during 2019 to promote direct dialogue between Iran and the United States ended up in failure. "Very difficult to make concessions after the assassination of Soleimani, legislative changes in February in Iran and the US presidential elections in November, which limit the manoeuvring power by both Tehran and Washington", says Felipe Sahagún, a Spanish analyst³. Instead, the escalation had reopened a "pandora's box"⁴ and evidenced that the situation in the coming months will continue to be fragile. However, the fragility does not rule out the need for a series of efforts throughout this year to avoid a new escalation of tensions or worsening of the situation. Though ever Iran, Europe and the United States are "reportedly" reluctant to trigger a conflict in the Middle East in the upcoming months, the constant military movements of the Iranian and the US armed forces are not always predictable, which means it cannot ignore the risk of a collision with irreversible consequences.

The escalation of tensions began when President Donald Trump re-imposed sanctions in 2018 to destroy the Iranian economy or persuade that country to sit at another negotiating table. On the other hand, the European Union (EU), Germany and France and the United Kingdom (E3), China and Russia, like other JCPOA members, decided to keep the pact for security and economic interests and to continue to rely on reports from the International Atomic Energy Agency (IAEA) on Iran's compliance with its nuclear obligations.

[soleimani-was-illegal](#), 15/01/2020

² IDREES, Ali; STEWART, Phil, "More than 100 U.S. troops diagnosed with brain injuries from Iran attack", available at: <https://www.reuters.com/article/us-usa-pentagon-tbi-exclusive/exclusive-more-than-100-u-s-troops-diagnosed-with-brain-injuries-from-iran-attack-officials-idUSKBN2041ZK>, 10/02/2020

³ SAHAGÚN, Felipe, et al., *Panorama Estratégica 2020*, Instituto Español de Estudios Estratégicos (IEEE), p.55.

⁴ CASTRO TORRES, José Ignacio, "Qassem Soleimani: una muerte que abre la caja de Pandora", available at http://www.ieeee.es/Galerias/fichero/docs_informativos/2020/DIEEEEI01_2020CASTRO_SoleimaniMuerte.pdf, 09/01/2020

The Trump administration is waiting for a new negotiation or the fall of the regime due to the economic collapse⁵; a strategy that it has been pursuing since 2018, but none of them has occurred so far. Therefore, military pressure was considered by Washington as an additional tool. To achieve this, the Trump government took advantage of the appointment of the IRGC as a "terrorist organisation" to justify any military confrontations. The interactions reached their maximum level in January 2020. As has been evident in recent decades, the clash between Iran and Israel, the US rivalry with Russia and China and fighting with the armed groups (many nominated as terrorists by both sides) have been some determinants of the intervention of the United States in the region. Although the hostility between Israel and Iran has had much influence on the generation of the current Middle East order, some analysts argue that the "plan of the century" co-presented by Trump and Netanyahu has ruled out the equitable coexistence of the two states of Israel and Palestine, and will imply the persistence of instability in this area in the future⁶.

The expansion of the COVID-19 in 2020 is another factor that influent significantly on the new scenarios both globally and in regional geostrategies. Nevertheless, in this specific case, while it may slow down movements in the United States and Iran, it is not expected to decrease the risk of a crash significantly. The United States has announced that it will not lift sanctions or allow financial aid by third parties, nor will discard the military presence to maintain pressure on that country^{7 8}. Washington has chosen not to withdraw its troops from Iraq as the Islamic Republic of Iran maintains its political and military influence in that country. Both Iran and the United States allege that they maintain their presences in Iraq at the request of the Iraqi government, whose new prime minister (Mustafa Al-Kadhemi) seeks to transform Iraq into a country free of

⁵ SINAIEE. Maryam, "Brian Hook To Iran: Negotiate Or Manage Economic Collapse", <https://en.radiofarda.com/a/brian-hook-to-iran-negotiate-or-manage-economic-collapse-/30639161.html>, 28/05/2020.

⁶ KAHLIDI, Rashid, "No deal: why Trump's plan for Palestine will only create more conflict", available at: <https://www.theguardian.com/world/2020/jan/30/no-deal-why-trumps-plan-for-palestine-will-only-create-more-conflict>, 30/01/2020.

⁷ ADEBAHR, Cornelius, "Europe Needs a Regional Strategy on Iran", <https://carnegieeurope.eu/2020/05/13/europe-needs-regional-strategy-on-iran-pub-81769>, 13/05/2020.

⁸ BOGGS, Squire Patton, "Sanctions Considerations for Companies and NGOs Exporting Supplies to Iran", available at: <https://www.lexology.com/library/detail.aspx?q=3d71750b-9f78-4a75-8717-94ceaeb819fe>, 21/05/2020.

conflict. Maritime spaces can be other places of tension between both countries. Given these circumstances, it is assumed that the tensions between Iran and the United States have not ended.

Based on recent trends, Iran has continued to develop its missile programme, supported Bashar al-Assad of Syria, continued aversion with Israel with a more rational vision than the previous decades, enriching uranium in the context of the Nuclear Non-Proliferation Treaty (NPT) and has not been negotiated under conditions that turned out to lose its regional "achievements". Interactions between Iran and the United States may remain very fragile, but what role will Europe have as another actor also involved in regional affairs, and what is Iran's vision in this regard? The following chapters attempt to answer this question.

Iran's foreign policy in 2020

As we will see, it is expected that relations between Iran and Europe in 2020 are going to contain the following three topics: the nuclear pact or JCPOA signed in 2015, the security problems of the Middle East (due to geographical proximity) and in search of a solution for economic ties.

After the withdrawal of the Trump administration from the JCPOA and the re-imposition of economic sanctions in November 2018, Iran decided to maintain its cooperation in the framework of multilateralism. This approach is something that all factions within the Iranian political system agree. As Jalil Bayat describes, "Iran is not a unitary state, factionalism has an impact on Iran's foreign policy approaches"⁹.

In previous years, the transformist sector of the regime tried to return Iran to the globalised economy, reorient the policy of "looking towards the east" and stimulate economic transactions with European countries to establish a balance in their foreign relations. Furthermore, Hasan Ruhani, unlike Mahmud Ahmadinejad, tried to prioritise relations with neighbouring countries in the Middle East over finding strategic allies in Africa and Latin America. This twist made a difference because the conservative sector

⁹ BAYAT. Jalil, "Iran Isn't A 'Unitary State,' Domestic Politics Play A Role in Its Foreign Policy", available at: <https://lobelog.com/iran-isnt-a-unitary-state-domestic-politics-play-a-role-in-its-foreign-policy>, 26/11/2019.

of the system is inclined to prioritise relations with countries that are in a condition of rivalry with "imperialist hegemony"^{10 11}.

Nevertheless, in 2020 and under pressure due to sanctions and the challenges that strangle the Iranian economy, the entire political system in Iran is expected to reach its maximum possible coordination, in such a way that the internal discord goes to be secondary. We can notice the reduction in optimism about Europe's role in performing a "miracle" to invest in the Iranian economy or in the effectiveness of its mediation to return President Trump to the 2015 deal. All of this has resulted in the Iranian side to focus at least on avoiding worsening relationships with Europe and simultaneously, to reinforce relations with countries that are still willing to maintain or boost a high-level economic partnership.

To better understand the dichotomy of visions inside the Islamic Republic, it is worth quoting a 2018 report on Iran's policies. This discussion is based on a debate titled "Reviews of the European Union's Relations with Iran in the Trump Era"¹² at the Presidential Strategic Center at which the two different views of the Islamic Republic participated. The first scenario expresses the thinking of the reformist sector, addresses the latest circumstances for which Europe has been pursuing a coherent foreign policy towards Iran. Subsequently, despite "aggression by the American neo-conservatives" and "Russian ambitions", the EU has been seeking for the first time to create its strategy on Iran, and this allows Iran to "seize" this opportunity¹³.

On the other hand, the second group predicts a "blurred future" for the European Union in its relations with Iran, since the "dependence" of the United States will do so, along with the continuous tensions between Iran and the United States, in the end, act to the

¹⁰ DEHGHANI, Jalal; RADFAR, Firuzeh, [revolution pattern of the Ahmadinejad government's foreign policy], Available at: http://pkn.journals.isu.ac.ir/article_18_263ff76d83eb732b20fbd07954d5377b.pdf, 21/10/2009.

¹¹ [Ziabakalam: "We must not summarize the essence of the Islamic Revolution in Anti-Americanism / show only one case where the fight against the United States has been in favor of our interests"], available at: <https://snn.ir/fa/news/724671/>-مبارز هیا-آمریکا به نفع-ما چو ده-باشد, 20/11/2018.

¹² Centre for Strategic Studies, [reviews of the European Union's relations with Iran in the Trump era], available at:

<http://www.css.ir/fa/content/113282/>

بازبینی روابط اتحادیه اروپا با جمهوری اسلامی ایران و آمریکا در دوران ریاست جمهوری ترامپ, 21/10/2019.

¹³ Ibidem.

detriment of the interests of the Islamic Republic. This latter proposes to strengthen alliances with the "axis of resistance" and self-sufficiency in political and economic affairs. Ali Khamenei, the leader who mainly represents the ideals of this current, confessed in a weekly speech his disappointment at the ineffectiveness of President Ruhani's relations with his European counterparts, although in the end, it allowed him to carry out any action that the government considers suitable¹⁴.

As Adnan Tabatabai explains, Hasan Ruhani's policy urges "to normalise relations with Europe, promote relations with the Gulf states and minimise tensions with the United States." This does not mean that it enjoys complete autonomy to make decisions in international relations; State policies in Iran are established for the long-term collective interest; Furthermore, regional policies and the clash with the United States have occurred due to military factors, especially the role of the IRGC. "The macro policies of the Islamic Republic are driven by proportionally larger main foundations, particularly by Shiite and anti-imperialist dimensions"¹⁵. However, a flexible window allows the pragmatic sector to facilitate negotiations and resolve disagreements with Western powers¹⁶.

The tension last January brought about greater unity between the different factions of the Islamic Republic and left aside points of disagreement. The economic crisis due to the simultaneity of the sanctions and the coronavirus reinforces this coordination. In such a case, it is understood that the executive branch and, on the other hand, the Armed Forces (which also includes the IRGC) closely coordinate their regional policies throughout 2020. Even before these developments, lossing hope in investments by multinational companies, caused government and parastatal institutions within the Iranian state to return to the "policy of resistance" to deal with impacts¹⁷.

¹⁴ [Khamenei: I have no confidence in Europeans], available at:

<https://farsi.euronews.com/2020/01/17/khamenei-address-nation-on-gasem-soleimani-missile-attck-to-us-iraq-ukraine-plane>, 17/01/2020

¹⁵ TABATABAI. Adnan. Et al. "Europe and Iran in a Fast-Changing Middle East", *Instituto Affari Internazionali (IAI) y Fundación Europeo de Estudios Progresistas (FEPS)*, 2019, p.17.

¹⁶ Elections in Iran are restricted by the Council of Guardians of the Constitution, which is accused of being undemocratic. In any case, the result of the elections to Parliament called in February 2020 does not affect foreign policy this year.

¹⁷ [President in his visit with the minister, vice ministers and senior officials of the foreign ministry: foreign policy has a close relationship with national integrity], available at: <http://www.president.ir/fa/110708>, 26/08/2019 (converted date)

Despite the absence of an official or explicit statement, implicit evidence shows that Ruhani's Iran is likely to favour dialogue and cooperation with a cohesive Europe, as a dispersed Europe slides more easily towards its traditional ally's policies, Washington. Instead, the autonomy of the European Union in its decisions would allow it to perform a better balance in relations with other global powers. This means that in recent years Iran has focused on promoting dialogue with European governments, mainly in the framework of relations with the European Union (EU) and take less account of the internal policies of each European government. We can also contrast the example of the United Kingdom that after it resigned from the EU, despite being still a member of the nuclear agreement, at some point it could end up following different policies to the EU bloc.

Aside from practising diplomacy, Iran employs "hard power" through its proxies and its missile program. The uranium enrichment caused concern about becoming the third component of this "hard power". Although Iran is a member of the NPT and has dismissed its interest in having atomic bombs, the 2015 nuclear deal gave it an additional legal dimension. The escalation of tensions with the United States since 2019 is referred, among other reasons, to the two "hard powers" that Iran still possesses. In recent years, Quds forces have pursued the goal of increasing influence in Iraq, Syria, and Yemen. As Iranian strategists allege, this justifies its "strategic depth" for maintaining border security against terrorist groups such as ISIS¹⁸. It is no secret that IRGC propagates Shiite sentiments as a catalyst for the formation of "anti-imperialist" and anti-ISIS alliances, such as the Popular Mobilization Forces (Hashd al Shaabi), Hezbollah, Hamas, for which they are accused of "sectarianism" by United States, Israel and Saudi Arabia. Paradoxically, Iran has tried at the same time to maintain moderately good political and trade ties with some countries with a majority Sunni population, such as Turkey, Qatar and Oman, and occasionally with the United Arab Emirates (through Dubai), this implies that discard the theory of the "Shiite-Sunni war" that prevails in many geopolitical analyses. In this context, the most controversial case is its relationship with Saudi Arabia; Being a rival to this oil power has not been Iran's primary

¹⁸ ROUHI. Mahsa, AJILI. Hadi, "Iran's Military Strategy", *Survival: Global Politics and Strategy*, Volumen 61, Edición 6, pp. 139-152. available at: <https://www.iiss.org/publications/survival/2019/survival-global-politics-and-strategy-december-2019january-2020/616-11-ajili-and-rouhi>, 11/2019

objective, and Riyadh has not been a threat to Tehran's security either¹⁹. The "rivalry" has been mainly marked by uranium enrichment during the last two decades and the Proxy training to deal with the American and Israeli presence. Support for the houthi insurgents began as Tehran alleges to defend "a population under tyrannical oppression", a term highly inspired by Shiite literature, although later the Islamic Republic became to equip them with missiles and drones to contain "threats" that jeopardise Iran's security. Tehran's policy in Damascus is to continue its support to Al-Asad while on the Turkish movement and the tension between Russia-Syria and Turkey (as a member of NATO) it has preferred to adopt a mediation policy²⁰. Despite the disagreements with Ankara in the Syrian war, maintaining relations with Turkey is essential for Iran since, apart from remaining a trading partner, share a similar vision regarding the Kurds and the reality of coexistence in Syria²¹. It should not be confused with an alliance; the vision of Turkey and other NATO members concerning Syria is different from that of Iran; "It is clear that Iran wants to guarantee the survival of the Assad regime and avoid any threat to the Syrian regime...", says a Turkish analyst²².

Not only with Turkey but also with other NATO members (excluding the United States), Iran has tried to avoid confrontation. Given the developments, the fear of conflict in the border area was the reason to support the decree of the Iraqi parliament to end the presence of foreign troops. Hasan Ruhani said at a press conference in January that he would even like European troops to leave Iraq, although would also be willing to cooperate if there was anything of mutual interest²³. As Tehran aspires to demonstrate its maritime strength, it stated in September 2019 an effort plan for maritime peace at the United Nations General Assembly (UNGA) to push a dialogue between the Gulf

¹⁹ GERANMAYEH, Ellie, et al. "Europe and Iran in a Fast-Changing Middle East", *Instituto Affari Internazionali (IAI) y Fundación Europeo de Estudios Progresistas (FEPS)*, 2019, p.43.

²⁰ "Iran says it is ready to mediate between Turkey and Syria", available at: <https://www.reuters.com/article/us-syria-security-iran-turkey/iran-says-it-is-ready-to-mediate-between-turkey-and-syria-idUSKBN2020HO>, 08/02/2020

²¹ SÖKMEN, Melike Janine; MARTÍNEZ, Irene; DE PEDRO, Nicolas, "Russia, Iran and Turkey, a common strategy in Syria?", https://www.cidob.org/en/publications/publication_series/notes_internacionals/n1_196/russia_iran_and_turkey_a_common_strategy_in_syria, 01/05/2018.

²² HADI, Khodabandeh Loui. "Would Iran confront Turkey in the Idlib frontier?", available at: <https://www.aa.com.tr/en/analysis/would-iran-confront-turkey-in-the-idlib-frontier/1755905>, 05/03/2020

²³ [EU in response to Iran: we will not leave Iraq], <https://farsi.euronews.com/2020/01/15/the-eu-in-response-to-iran-s-warning-we-will-not-leave-iraq>, 15/01/2020.

countries. Although the risk of a confrontation mainly depends on the movements of the United States and Iran, all the countries involved in the region may suffer the risk of an unwanted shock during 2020.

Hostility between Iran and Israel remains one of the most controversial points between Iran and the West. This position does not seem likely to appease since Ali Khamenei recently called the state of Israel a "cancerous tumour" and insisted on "a referendum as a final solution" for the future of Palestine²⁴. It is known that in Iran there are political sections that appeal for the issue of coexistence between two states^{25,26,27}, while in practice, the policy towards Israel is mostly determined by the IRGC which has insisted during all these years to maintain existential threat to Tel Aviv. However, Iran's inability to harm an atomic Israel has led some analysts to interpret this hostility as an attempt for "eternal balanced deterrence"²⁸. The rapprochement between Abu Dhabi and Tel Aviv is not expected to be a determining factor in motivating Iran to march down the path of reconciliation with Israel. Because of the ambitious strategies by both Iran and Israel and the disregard for international law, this problem has remained a Gordian knot.

As essential and unreachable as the reconciliation between Iran and Israel may seem, in 2020, Iran continues to keep open the windows of dialogue with JCPOA members on regional and bilateral issues. While the pandemic issue is spreading, Iran seeks to strengthen diplomacy²⁹ and has shown signs of closeness to China, as the current largest trading partner. The departure of European companies since 2018 and the

²⁴ «Jamenei afirma que "el virus del sionismo no durará mucho" y describe a Israel como "un tumor canceroso"», available at: <https://www.europapress.es/internacional/noticia-jamenei-afirma-virus-sionismo-no-durara-mucho-describe-israel-tumor-canceroso-20200522151955.html>, 22/05/2020.

²⁵ [Sadeq Zibakalam: I still recognise Israel as a country], available at: <https://www.eghtesadnews.com/بخش-سایر-رسانه-ها-243093/61-صادق-زيباکلام-خطاب-به-رئيس-دانشگاه-آزاد-همچنان-اسرائيل-را-به-رسميت-می-شناسم/>, 08/10/2018.

²⁶ [Reform activist: we must recognise Israel to remove the risk of conflict], available at: <https://www.alef.ir/news/3980319057.html> 28/05/2019.

²⁷ [Mohammad Khatami says Iran is interested in creating an independent Palestinian government alongside Israel, on the condition that the Palestinian people so wishes], available at: <https://da.azadiradio.com/a/1693668.html>, 22/07/2005.

²⁸ MAHER. Nora, "Balancing deterrence: Iran-Israel relations in a turbulent Middle East", available at: <https://www.emerald.com/insight/content/doi/10.1108/REPS-06-2019-0085/full/pdf?title=balancing-deterrence-iran-israel-relations-in-a-turbulent-middle-east>, 17/01/2020.

²⁹ FATHOLLAH-NEJAD. Ali, "Iran's corona-diplomacy", available at: <https://www.brookings.edu/blog/order-from-chaos/2020/04/29/irans-corona-diplomacy>, 29/04/2020.

current challenges made China's presence appear more prominent³⁰. As Mehran Haghiriyan highlights Iran's new policies towards East; "Although one foreign policy camp in Iran seeks to expand relations with the EU, as well as China and Russia, Iran's decision-makers seem more inclined towards the other, more powerful camp, which is wary of the EU and calls for focusing on relations with countries in the east of Eurasia, specifically Russia, China and India"³¹.

Simultaneously, Tehran has sought to diversify ties to offset pressures and to possess alternatives in its foreign relations. In this sense, Tehran seeks to interact with Europe to achieve a better balance and save a weakened nuclear agreement, although still in force. To evade sanctions and a better balance, it is convenient for the Islamic Republic that "Europe works with China and Russia to put economic mechanisms into action in trade with Iran"³². The outbreak of coronavirus is already one more reason to employ diplomacy tools such as the INSTEX financial channel which finally presented by the European Union and E3 in March 2020³³.

Regarding forecasts for the coming months, maybe we will see a series of efforts by Tehran to dialogue on developments in the Middle East, issues related to the nuclear deal and meetings at the UN Security Council on the expiration of the arms embargo. The latter will be especially controversial as Washington tries to pressure Europe to follow it in its strategies on Iran; instead, Iran will try to convince Europe that this may ultimately harm the JCPOA. According to Hossein Musavian, a former Iranian diplomat and researcher at a university in the United States, if Washington finally manages to extend the embargo in the context of the Security Council, it will be very likely that Iran will exit the NPT and the JCPOA which will make taking new steps to enrich uranium out of the reach of the IAEA. In this case, we can expect that Iran would start new

³⁰ DADPAY. Ali, "How the coronavirus is cementing Iran's tilt towards China", available at: <https://www.atlanticcouncil.org/blogs/iransource/how-the-coronavirus-is-cementing-irans-tilt-towards-china>, 07/05/2020.

³¹ HAGHIRIAN. Mehran, Et. Al. "Insights; Iran's Bilateral Relations in the New Eurasian Context", National University of Singapore and Bourse and Bazaar, July 2020, p.7. Available at: <https://www.bourseandbazaar.com/research-1/2020/6/4/iran-in-the-new-eurasian-context>, 29/07/2020

³² THOMSON. Adam, SHAH. Sahil. "Europe, Iran and the United States: A Roadmap for 2020", European Leadership Network (ELN), 2020, p.8.

³³ Las potencias europeas suministran productos médicos a Irán por primera vez gracias al INSTEX, available at: <https://www.europapress.es/internacional/noticia-potencias-europeas-suministran-productos-medicos-iran-primera-vez-gracias-instex-20200331111045.html>, 31/03/2020.

rounds of negotiations with the new US government in the next year³⁴. It could be only one scenario, and so far no Iranian authority has positioned on it. Undoubtedly, reaching this stage would not be a favourable option for Iran and to avoid this, it preferred to continue testing the talks with the members of the nuclear agreements.

Economic factor, is Iran collapsing due to pressure?

The economy is said to be a factor in shaping the foreign policy and international security, however, also supposed to be the country's Achilles heel.

The United States government attempted to remove Iran from the world oil market entirely and cut its financial veins from the 21st-century economy. Another challenge that Iran faced was the lack of full compliance with all the requirements established by the International Financial Action Task Force (FATF). All of these hurdles have had a severe impact on trade between Iran and Europe³⁵ in such a way that according to Eurostat database, the trade volume in last two years was even lower than the trade during the sanctions between 2012 and 2015,

Needless to say that the sanctions have hit hard Iran's economy. Some economists argue that the Iranian economy has managed to withstand many years of difficulties, but it is the first time in the past 70 years that the Iranian government has practically been unable to rely on oil revenues in its annual budget. Iran is experiencing two consecutive years of negative growth³⁶ and the coronavirus crisis created a dual shock for this country. Planning for the budget during the new Iranian year (March 21, 2020, to March 20, 2021), oil revenues occupy 16% of gross domestic product (GDP) by assuming that Iran exports 1 million barrels of daily crude to 50 euros each³⁷, something that seems almost impossible to happen. Although the Islamic Republic's leader has nominated the

³⁴ [a four-phase plan to confront the measures of the United States: in the case of the renewal of the arms embargo, Iran must suspend the non-proliferation treaty],

<http://newspaper.hamshahrionline.ir/id/99748/طرح-4مادهای-برای-مقابله-اقدامات-آمریکا/>, 05/05/2020).

³⁵ GERANMAYE. Ellie, Lafont Rapnouil. Manuel. "Strategic Sovereignty: How Europe Can Regain the Capacity to Act", *European Council on Foreign Relations (ECFR)*, 2019, p.61.

³⁶ IMF estimates in April 2020, available at:

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020#Statistical%20Appendix>, access 26/05/2020.

³⁷ [Concentration of oil in the budget of 1399], available at: <https://donya-e-egtesad.com/بخش-بانک-بیمه-ایخس-بانک-بیمه-3602537/16>, 20/20/2019 (converted date)

Iranian New Year as "a year of boosting domestic production", the statistics indicate the significant fall of purchase power and the mismatch of inflation with the minimum wage. The 200% increase in the price of gasoline last December, which prompted nationwide unrest and the murder of protesters³⁸, was associated with the budget deficit caused mainly by sanctions. The Iranian government has had to cut some of the subsidies for public services and privatise some organisations and enterprises such as the Social Security Organisation to countervail the deficit.

As it was previously mentioned, the fall in trade with the European Union is shifting Iran economically toward the "East", especially towards China. If the Iranian economy manages to overcome the coronavirus, perhaps there will be no risk of collapse. However, the impact of the coronavirus will have a more significant impact than the sanctions³⁹ and may incite insurrections. While the Iranian market, like all countries affected by the coronavirus, needs increased access to medicines, medical devices, and a loan from international organisations, the Trump government has denied lifting the sanctions to punish Iran for not sitting on a new negotiating table. As Richard Nephew -an expert in economic sanctions in the administration of Barack Obama- points out, "even though President Trump argues that medicine and medical devices are not sanctioned items, a blockade obstructs the transactions of basic and humanitarian goods with Iran"⁴⁰. "The President Trump administration sees the coronavirus as another factor that may collapse Iran's economic system"⁴¹, says Ali Vaez, an analyst at the Washington-based International Crisis Group. As President Trump continues his policy of maximum pressure, the Iranian population will be the victim of sanctions without affecting the Islamic Republic's regional strategies.

³⁸ In November 2019 massive protests occurred in Iran that left hundreds of deaths according to unofficial sources. According to the state report, 230 persons were murdered, however, Amnesty International recently released the identities of 304 of the citizens killed in the protest.

³⁹ ENGLAND. Andrew, BOZORGMEHR. Najmeh, "Why coronavirus could hit Iran harder than US sanctions", <https://www.ft.com/content/ba417ace-6474-11ea-b3f3-fe4680ea68b5>, 22/03/2020.

⁴⁰ [Does coronavirus help reduce sanctions on Iran?], *BBC Persian*, program presented on 04/2020, available at: <https://www.youtube.com/watch?v=Btfl-0wuQDo>, min 12.

⁴¹ [What will be the economic consequences of Covid-19 for the world and Iran?], *BBC Persian*, talk show presented on 04/2020, available at: <https://www.youtube.com/watch?v=9MFnoCkhPkg>, min 21.

The economic dimension of the JCPOA has been the most vulnerable and economic sanctions were the first to show symptoms; The repercussions were the reduction in oil exports and the massive disinvestment caused by the withdrawal of many foreign companies, the fall in per capita income, popular discontent and greater securitisation by the state⁴². The Iranian government imports around 4% of the units of medicines consumed internally from European countries⁴³, a small amount but with high importance, and hopes to use INSTEX to carry out the import for humanitarian purposes.

In short, economic conditions, apart from being a determining factor in developments within the country, can also shape Iran's policy with other international actors.

Europe in the Transatlantic Alliance: saving the nuclear deal with Iran

Until January 2020, the European authorities on several occasions attempted to persuade the Trump administration to return to the JCPOA, not only as an agreement for the prevention of the proliferation of nuclear weapons but also as a symbol of the transatlantic alliance and coordination politics between Europe and the United States. Since January 2020 and due to the escalation of tensions, it was evident that these attempts ceased to be successful without bearing the expected results.

In addition to this situation, the US withdrawal from various international agreements had cast a shadow on the US role in the multilateralism. Unilaterally breaking the agreement with Iran and reactivating secondary (or extraterritorial) sanctions against any country or company that negotiates with Iran, conveyed the message that President Trump had placed less value on transatlantic relations. Another consequence has been to reveal that the EU is vulnerable to external shocks. These circumstances caused Europe to face this fundamental question: "What would happen if the United States employed its pressure in the future to harm Europe's interests with other partners such as China and Russia?"⁴⁴.

⁴² BEHRAVESH, Maysam. "Escalating External Pressure and Intensifying Internal Repression in Iran", available at: <https://insidearabia.com/escalating-external-pressure-and-intensifying-internal-repression-in-iran>, 26/08/2019.

⁴³ Datos del comercio de las Naciones Unidas (UNCTAD).

⁴⁴ LEONARD. Mark, SHAPIRO. Jeremy. "Strategic Sovereignty: How Europe Can Regain the Capacity to

It is considered an axiom that the alliance with the United States will continue to have an important place in EU policies and the United States will play a decisive role in European security for the next decade, but with more considerable scepticism and less optimism than in the past. According to a report on Europe's security perspective, until 2030 the EU will face solitary challenges on various issues such as migration, the reality on new technologies, security and defence issues in the Middle East, before which it will seek to satisfy its needs through strengthening their capacities and emancipating themselves from "the umbrellas of Washington"⁴⁵. To materialise this requires a new orientation; it is proposed that in the face of a new wave of protectionism in the world, Europe would have to rethink and recreate European liberalism based on pragmatism, so that, for example, it can strengthen relations with emerging powers such as China to maximise its interests⁴⁶. The year 2020 may be the beginning of the debate on these possible paradigmatic changes for the current decade. Some analysts emphasise "strategic sovereignty and autonomy" for making collective decisions autonomously from other world powers, which is a slow process and takes part in long-run strategies. Fragmentation in Europe, lack of full coordination at the Community level and economic vulnerabilities are some of the most prominent obstacles.

Focusing on policies towards Iran, Europe (EU plus UK) so far have demonstrated common interests to conserve the JCPOA. Despite many circumstances, there is still "no other alternative to the JCPOA to protect the interests of Europe"⁴⁷. Shielding the pact requires action, pragmatism and "reviving vigorous diplomacy on the part of the EU and E3 to continue the interest of Europe and avoid the dominance of coercive foreign policy by the North American neocons"⁴⁸.

Act", European Council on Foreign Relations (ECFR), 2019, p.5.

⁴⁵ PONTIJAS. CALDERÓN, José Luis. *El ejército europeo y la autonomía estratégica de la Unión Europea*, IEEEE. Available at: http://www.ieeee.es/Galerias/fichero/docs_analisis/2019/DIEEEA08_2019JOSPON-EjercitoEuropeo.pdf, 6 de marzo de 2019.

⁴⁶ SUS. Monika, HADEED. Marcel, et. al. "European Security 2030", *Hertie School & London School of Economics (LSE) & Dahrendorf Forum*, 09/2019, p.16.

⁴⁷ THOMSON. Adam, SHAH. Sahil, "Europe, Iran and the United States: A Roadmap for 2020", European Leadership Network (ELN), 2020, p.8.

⁴⁸ Ibid, p.9.

The authors of an analysis on the future of Europe's policies on Iran insist that "the EU and E3 are convinced that dialogue is the best way to alleviate concerns about the future of the JCPOA and beyond"⁴⁹. The dialogue may encompass nuclear, regional and economic issues, and contains these characteristics: "broad in scope, cooperative in fields of mutual interest, critical in areas of disagreement, and constructive in tone and practice"⁵⁰.

Beginning with the nuclear pact issue, we can argue that complying with the JCPOA will allow Europe to eliminate the nuclear dimension amid geopolitical weaknesses in the Middle East and help reduce the likelihood of triggering a broader conflict. Although the collision of January 2020 revealed that this hypothesis is insufficient but still better than any other alternatives. Sustaining the JCPOA not only has a legal and security justification but - as we see in the following map - it has also been significant for public opinion throughout Europe. In a poll conducted by PEW in 2019, many European citizens (and especially Western Europe) voted in favour of the nuclear pact with Iran, marked on the map in blue representing 50% or higher. However, some countries of Central-Eastern Europe have shown in favour of the Trump strategy for unknown reasons, which is marked in green that represents below 50%. Undoubtedly, the decisions of the member countries are asymmetric, and the results require a strategy that guarantees the benefit of the majority of the citizens of the member states. Once the results of 2020 are published, we could have an updated argument.

⁴⁹ TABRIZI. Ansieh Bassiri, THIERRY. Coville, JALILVAND. David Ramin, "Better Together: Brexit, The E3 and the Future of Europe's Approach Towards Iran". 04/2018, Friedrich Eberto Stiftung (FES), p.5.

⁵⁰ ALAADIN, Ranj, et al. "Europe and Iran in a Fast-Changing Middle East", *Instituto Affari Internazionali (IAI) y Fundación Europeo de Estudios Progresistas (FEPS)*, 2019, p.96.

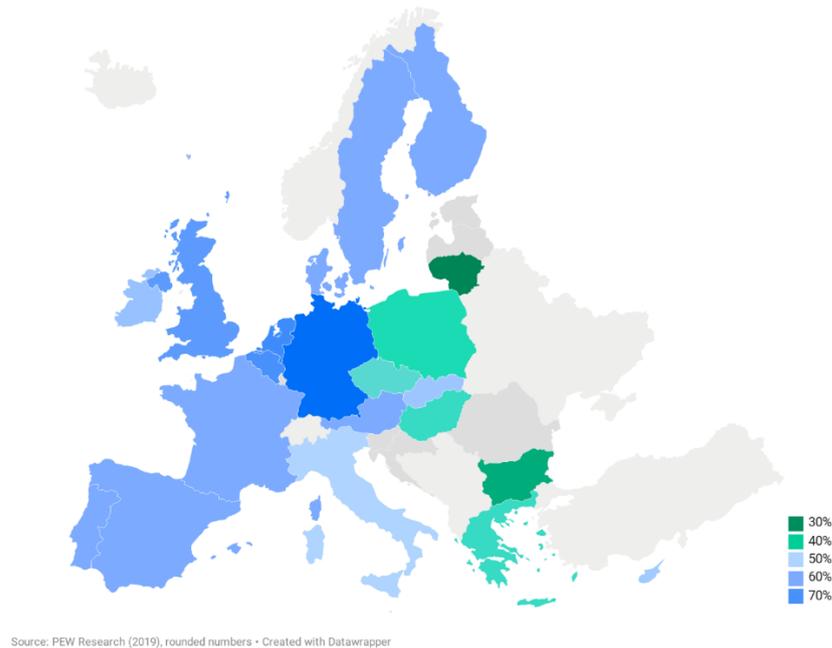
Public opinion in Europe: opposition to the withdrawal from the nuclear pact with Iran (2019)

Figure 1. Public opinion of European citizens on the withdrawal of Trump from the JCPOA.
Source. Own elaboration based on the PEW centre (2019).

Strategic autonomy in defence and its shortcomings is another topic that is the subject of debate. Some researchers give the example of the idea of self-sufficiency in defence and "creating a European army" within the framework of the Common Foreign and Security Policy (CFSP). Due to the constraints of this idea, it seems that it will not be a short-term strategy, and for the moment it seems that Europe is in its best interest to strengthen the "European pillar of NATO and carry out joint operations autonomously". In other words, Europe at the moment sees the idea of the European army as "an efficient complement to NATO", and strategic autonomy serves "to promote peace and security within and outside its borders, and to promote the common interests of European citizens"⁵¹. "The two elements mentioned (that is, the pact with Iran and autonomy in security and defence) are complementary. Elieh Geranmayeh, an analyst at the European Council on Foreign Relations (ECFR), proposes that European policies could focus on preventing new instabilities in the region since it has a more significant consequence on the security of Europe than on any other power present in the area⁵².

⁵¹ LEONARD. Mark, SHAPIRO. Jeremy. "Strategic Sovereignty: How Europe Can Regain the Capacity to Act", European Council on Foreign Relations (ECFR), 2019, pp. 5-11.

⁵² GERANMAYE. Ellie, et al. "Europe and Iran in a Fast-Changing Middle East", *Instituto Affari*

Although the United States and Europe share points of view in establish relations with the Arab Gulf states and with Israel, the question is the best way to apply these policies. Unlike the United States, which considers itself an unquestionable supporter of Israeli movements, Europe has chosen to reject Tel Aviv's annexation of the West Bank. Asseburg and Lintl propose that EU actors, in coordination with the United Kingdom, can use their influence and the principles of public international law to prevent the expansions that are being carried out after the green light that was granted the "deal of the century"⁵³. If there were a firm and practical attempt to solve the Israel-Palestine dilemma, it would not be unthinkable negotiations with Iran to turn its policy.

Mediation between Iran and Saudi Arabia may seem less complicated. The International Crisis Group proposes that by 2020 "mediation will be necessary to keep open a window of regional dialogue with the idea of prolonging compliance with the JCPOA and avoiding the escalation of tensions with Saudi Arabia." Although Iran will typically tend to use regional mediators such as Oman or Pakistan to dialogue with the Gulf states, European states could also help boost dialogue and trust between them and put an end to regional conflicts such as the case of Yemen⁵⁴.

EU and E3 decisions can be very influential in later scenarios. A thorny issue —as mentioned in the previous section— is the future of the UN arms embargo on the Islamic Republic. Geranmaye argues that "France, Germany and the United Kingdom will have to decide whether to support the cause of the United States or to oppose it. Neither option is ideal; Either one could have disastrous consequences for the 2015 nuclear deal. The best option may be to let the embargo expire, but simultaneously force new stringent conditions on conventional arms transfers"⁵⁵.

Internazionali (IAI) y Fundación Europeo de Estudios Progresistas (FEPS), 2019, p.52.

⁵³ LINTL. Peter; ASSEBURG, Muriel, "Annexations in the West Bank: Europeans need to punch their weight", available at: <https://www.swp-berlin.org/en/publication/annexations-in-the-west-bank-europeans-need-to-punch-their-weight>, German Institute for International and Security Affairs, 20/05/2020.

⁵⁴ "The Iran Nuclear Deal at Four: A Requiem?", *International Crisis Group*, 16/01/2020, report on the Middle East, num 210, Brussels.

⁵⁵ GERANMAYE. Elie, "How Europe can avert a clash over the Iran arms embargo", available at: https://www.ecfr.eu/article/commentary_how_europe_can_avert_a_clash_over_the_iran_arms_embargo, 29/04/2020.

Finally, the third pillar is the economy that distinguishes the European Union as a bloc. The Union attempts to pursue economic ties in ways that satisfy its geostrategic objectives.

Elements to promote dialogue

Based on the circumstances from 2019 to half of 2020 analysed in the previous chapter, there is some evidence of the materialisation of the three elements: compliance with the JCPOA, regional strategies and economic tools. At the same time, various obstacles dilute expectations.

In April 2020, the Council of the European Union joined the invitation of the United Nations (UN) in the immediate ceasefire in light of the global coronavirus pandemic^{56,57}. Simultaneously, France announced to temporarily withdraw its troops from Iraq as a possible tactical move. Besides, the Iranian authorities announced that they are negotiating with Russia to a ceasefire in Yemen and Syria. Saudi Arabia, for its part, has announced to stop striking Yemen. These appear to be steps that can approximate the position of the actors present in the region to calm the situation.

Several former American and European diplomats have asked Trump to establish a ceasefire with Iran, which has not happened so far⁵⁸. The United States government in the coming months will go one step further and try to reactivate the sanctions of the UN security council (Resolution 2231) to prevent Tehran from accessing or exporting conventional weapons. According to a report by The New York Times, the Trump administration seems firm in its "maximum pressure" policy, and it is in its interest to

⁵⁶ "COVID-19: UN chief calls for global ceasefire to focus on 'the true fight of our lives'", available at: <https://news.un.org/en/story/2020/03/1059972>, 23/03/2020.

⁵⁷ "Declaration by the High Representative Josep Borrell on behalf of the EU on the UN Secretary General's appeal for an immediate global ceasefire", available at: <https://www.consilium.europa.eu/en/press/press-releases/2020/04/03/declaration-by-the-high-representative-josep-borrell-on-behalf-of-the-eu-on-the-un-secretary-general-s-appeal-for-an-immediate-global-ceasefire>, 03/04/2020.

⁵⁸ MORELLO. Carol, "Former U.S. diplomats and European leaders call for easing sanctions against Iran", available at: https://www.washingtonpost.com/national-security/former-us-diplomats-and-european-leaders-call-for-easing-sanctions-against-iran/2020/04/06/50444b3a-77a5-11ea-8cec-530b4044a458_story.html, 06/04/2020.

return UN sanctions with or even without consulting the other permanent members⁵⁹. In the following months, it will be seen if the parties—in this case, France and the United Kingdom among other European non-permanent members— want to prevent or delay another escalation of tensions in the Middle East or instead generate new scenarios for the following year. In any case, the vote on the United States resolution to extend the arms embargo on Iran will be one of the controversial foreign policy topics for the involved powers in the Security Council.

To aid Iran to mitigate the effect of the pandemic, the EU and E3 announced that they had launched in March the Instrument to Support Trade Exchanges (INSTEX), which serves to export necessary materials to Iran through Special Purpose Vehicles (SPV). Financial loans are also highly effective in times of the pandemic. Josep Borrell, High Representative of the EU for Foreign Affairs and Security Policy, announced the formal support of the EU to lift sanctions against Iran and to grant 5 billion euros through emergency mechanisms of the International Monetary Fund (IMF)⁶⁰. Iran's loan request has been rejected by the United States, which within the IMF has a large share of exclusive drawing rights (SDRs)⁶¹ and a veto power that counts as an absolute majority⁶². Meanwhile, Iran and Europe have been trying to materialise this issue through INSTEX. In this regard, the INSTEX mechanism attempts to materialise part of Tehran's economic expectations to safeguard the deal⁶³.

The Israel-Iran issue and the missile program would be two other issues to discuss. The first has been the primary origin of provoking the current situation. The EU has openly opposed Tel Aviv's expansionist plans and Tehran's new positions on Israel, but its solution could depend on how to implement the idea of two states constructively so that

⁵⁹ SANGER. David, "To Pressure Iran, Pompeo Turns to the Deal Trump Renounced", available at: <https://www.nytimes.com/2020/04/26/world/middleeast/us-iran-nuclear-deal-pompeo.html>, 26/04/2020

⁶⁰ Borrell lamenta el veto de EEUU en el FMI a la petición de ayuda de Irán por el coronavirus, available at: <https://www.europapress.es/internacional/noticia-borrell-lamenta-veto-eeuu-fmi-peticion-ayuda-iran-coronavirus-20200422203859.html>, 22/04/2020.

⁶¹ "IMF Members' Quotas and Voting Power, and IMF Board of Governors", available at: <https://www.imf.org/external/np/sec/memdir/members.aspx>, 26/05/2020.

⁶² HOUTVEN. Leo Van, "Governance of the IMF: Decision Making, Institutional Oversight, Transparency, and Accountability", *Fondo Monetario Internacional*, Washington, 2002, p.12, available at: <https://www.imf.org/external/pubs/ft/pam/pam53/pam53.pdf>

⁶³ "INSTEX Operation Positive but Unsatisfactory", available at: <https://financialtribune.com/articles/national/102711/instex-operation-positive-but-unsatisfactory>, 06/04/2020.

all regional actors come to recognise it, which it seems unlikely to happen in 2020. The second issue also related to the above is the Islamic Republic's missile program. It is almost unlikely that Iran will undo ballistic missiles, but as the International Crisis Group argues, "the topic of discussion could focus on not increasing missile range and changing Iran's regional policies in exchange for economic mechanisms". The report adds: "In this way, even in the absence of cooperation with the United States, Europe can save the deal... otherwise, this can accelerate the death of the JCPOA and marginalise European efforts"⁶⁴.

Dialogue also serves to review disagreements. Tehran has claimed that the EU praises the JCPOA without doing enough to save it. Regional issues, pressure from the United States, and the imprisonment of dual nationalities in Iran on the espionage charge can create difficulties. However, Iran's nuclear cooperation with the International Atomic Energy Agency (IAEA) is described in a good condition following the visit of IAEA Director General Rafael Grossi to Iran. Despite the obstacles, the evidence shows that the doors of diplomacy will remain open in the months ahead.

Conclusions

In this opinion paper, we briefly analysed the questions that in 2020 may be the subject of dialogue between Iran and Europe (mainly the EU, but also E3 formed by Germany, France and the United Kingdom). The Joint Comprehensive Action Plan (JCPOA), issues in the Middle East and finding a solution for the economic links are the points with which the European Union can exhibit its leadership. These points may have more specific elements with which Iran and Europe can agree or dispute, but due to prevailing circumstances and mutual interests, it paves the way for dialogue and pragmatism throughout 2020.

In tackling Europe's actions as a global actor, we cannot underestimate transatlantic ties in financial, military, and technological terms. The significant influence of the United States on Europe's decisions cannot be ruled out, nor should forget the internal limitations in Europe, such as the current crisis and the lack of a complete consensus in

⁶⁴ "The Iran Nuclear Deal at Four: A Requiem?", *International Crisis Group*, 16/01/2020, report on the Middle East, num 210, Brussels.

Europe countries regarding Iran. The latter occurs due to the different degree of knowledge or power that exists in each European country to implement a cohesive strategy, which implies that the plan on Iran is a burden for a few European governments.

On the other hand, in the Islamic Republic of Iran as a regional power, the pragmatic sector tries to carry out an extraordinary reinforcement to carry out a dialogue plan with either the EU and E3. Although there exist divergences and paradoxes in Iran's policies, and despite their political-cultural character that seem to be different from European values, there are no elements that are considered a threat to the interest or security of each one. Even though points of coincidence are not highly diversified, it could be objects of a review during the next months.

The vision of "autonomous strategy" alludes that the postponement of waiting for the United States to determine the future scenarios can be interpreted as an undermining of the European leadership in matters related to its political, geostrategic and economic interest. Achieving this is also important if the players in Tehran decide to adopt some easing in their policies in the Middle East and speed up future talks. Detailing the scenarios until the end of 2020 is variable, challenging to forecast and does not fit in this opinion. Perhaps Europe finally decides to accompany the United States reactivating the dispute mechanism at the UN, for which the movements of China and Russia would also matter. Another scenario is to keep the pact in cooperation with China and Russia for 2020, and then start another series of multilateral negotiations with Tehran. In this scenario, the results of the elections in the United States can also influence.

Meanwhile, we can argue with all certainty that we will continue to see challenges in the coming months. Although the future is not entirely predictable, another military confrontation between Iran and the United States is still possible. Communication, dialogue and cooperation may not solve all points of disagreements, but it can better diagnose the challenges and prepare us to enter 2021 at least no worse than 2020 in multilateralism.

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