

MONTHLY REPORT



IRAN CASE FILE

Your window on Iran from inside and abroad

October 2020



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CONTENTS

The Executive Summary	3
Internal Affairs	7
The Ideological File	8
I. Marja al-Haydari and the Attempts at Reform.....	8
II. The Position of the Iranian Government:	
Excluding and Defaming Haydari.....	9
III. Iraq Gets Embroiled in the Crisis.....	10
The Political File	12
I. The Protests	12
II. The Iranian Government's Reaction Towards the Azeri Protests	13
III. Iranian National Security in Light of	
the Northwestern Borders Turning Into a Threatening Hotspot	14
The Economic File.....	18
I. Iran's Public Debt and Causes	18
II. Reading the Debt to GDP Ratio	19
III. The Future Trends of Iranian Government Debt.....	21
The Military File.....	24
I. Defenders of Velayat Skies-99 Joint Drills	24
II. Azerbaijan's Border Conquest Antagonizes Iran	25
III. The Interactions Following the Lifting of the Arms Embargo on Iran ..	26
Arab Affairs	33
Iran and Iraq.....	34
I. The Implications of the Sinjar Agreement for Iranian Influence.....	34
II. The Implications of Akram al-Kaabi's Visit to Iran	36
Yemen and Iran	40
I. The Iranian Position on the Yemen Peace Process	40
II. Houthi Escalations and Iranian Violations of International Law.....	41
International Affairs	45
Iran-US Relations	46
I. The United States and Iran - Electoral Debate and Ongoing Pressure .	46
II. The Iranian Position on the US Elections	
and Options to Confront Pressure	49
III. Results and Repercussions	51
Iran and Russia	52
I. Selling Arms to Iran.....	52
II. The Ramifications of the Armenian-Azerbaijani Conflict	
for Iran-Russia Relations.....	53



THE EXECUTIVE SUMMARY

The month of October 2020 resulted in a lot of security and geopolitical changes for Iran. For the first time since 2001, Iran is facing a direct threat because of hostile jihadist groups stationed on its borders. This is just one of the dangers facing Iran due to the outbreak of fighting between Armenia and Azerbaijan. With Turkey moving Syrian fighters to Azerbaijan, Iran faces militia warfare on its borders after it was the number one cause of militia warfare in the region.

On the one hand the presence of Syrian fighters poses an external threat to Iran, whereas the protests staged by Iran's Azeri population pose a domestic threat on the other hand. Although Iran portrayed itself as a friend to both parties in the conflict, this did not convince Iran's Azeri minority, which perceived Iran to be allying itself with Armenia against Azerbaijan. They took to the streets in sweeping protests which covered most of the Azeri-majority Iranian cities, condemning Iran's siding with the Armenians. Iran's domestic security is at stake, at least in the Azeri regions, with the possibility of the unrest spilling over to engulf other Iranian cities.

In response to the conflict, Iran moved its forces to its northwestern borders, changing the usual map of Iranian force deployments. Moreover, the political equation in the Southern Caucasus has changed. Turkey is maintaining a deeper presence in the region via its backing of Azerbaijan. Overall, Iran is no longer the only country exerting pressure on the region's countries and its northwestern borders are now an existential threat posing political, military and security challenges to the country.

The other files in relation to Iran were no less dynamic than the political file, which was dominated by threats to the country's national security resulting from the developments in the Southern Caucasus.

At the ideological level, as much as the interaction between the religious seminaries in Najaf and Qom strengthens ties between Iran and Iraq, it also poses a threat to relations between the two countries. From time to time, Iranian political positions pose a danger to the level of jurisprudential cooperation between the two seminaries, as happened in the month of October 2020 when Ayatollah Araki, one of Qom's marjas, attacked the Najaf marja Kamal al-Haydari over his reading (interpretation) of Shiite jurisprudential heritage in relation to excommunicating individuals (declaring people to be disbelievers) belonging to other sects. The paradox is that cleric Hassan Araki used this attack against another cleric to prove that Shiite jurisprudence is not *takfiri*.

At the economic level, the ongoing problems of the deteriorating Iranian economy have exacerbated, which can only be resolved through consecutive years of reform. A report has been issued by the Iranian Parliament's Research Center about the surge in the country's debt to GDP ratio.

This crisis issue has existed throughout the period of sanctions and the government has faced ongoing budget deficits, according to the International Monetary Fund. Total Iranian debts rose from \$118 billion in 2018 to \$260 billion (44 percent of GDP) this year. It is clear, the surge in debt to GDP ratio indicates that the Iranian economy has been heavily impacted by US sanctions and its maximum pressure strategy. If this strategy continues indefinitely, Iran will most likely be unable to repay its debts and will resort to printing more money and we will see the Iranian currency being exchanged by weighing it on scales instead of the notes being counted as is the case in Venezuela.

At the military level, the transformations on Iran's northwestern border dominated the military interactions in the Iranian file. Iran mobilized its forces in the region neighboring Azerbaijan and Armenia, and conducted aerial drills, focusing on the deployment of hunting drones because they are extensively used as a principal weapon in this conflict. Unmanned vehicles offer a solution to the conflict raging across mountainous terrain and have significantly reduced the number of human casualties on the Azeri side. These were used to bomb defensive fortifications and outposts of artillery and armored vehicles.

There is no doubt that combat technologies and their development have overshadowed Iran's future plans in relation to arms deals which Tehran intends to conclude as the embargo on Iran's arms imports has ended. Drones and the technology as well as the equipment to shoot them down will top Iran's purchasing list.

At the level of Arab affairs, Iran continues its attempts to perpetuate the control of its militias over the Iraqi scene while the Iraqi government is undertaking concerted efforts to resolve the structural problems which weaken the strength of the Iraqi state and prevent Baghdad from establishing sovereignty over its territories. This is illustrated by the moves made by Iraqi Prime Minister Mustafa al-Kazimi, such as solving the problems in regard to the legal and security status of the Sinjar district. This was one of the major impediments to advancing the relationship between the Iraqi central government and the Kurdistan Region in Iraq. By ordering all armed groups to leave the region, Kazimi defused a crisis which was expected to get out of control at any time.

Although the pro-Velayat-e Faqih armed groups announced that the decision to force them to leave the region showed ungratefulness towards the Popular Mobilization Forces and its efforts to liberate the region from ISIS, the decision will help to strengthen the sovereignty of the Iraqi state and diminishes Iranian control over the country.

On the other hand, armed militias moved to collide with Iraqi Kurdish factions after the United States announced the possibility of moving the US embassy from Baghdad to Erbil. Hence, the militias fired six rockets at Erbil airport as a message to Washington that Erbil, like Baghdad, is within the range of their rockets. The militias also mounted an attack targeting the headquarters of the Kurdistan Democratic Party.

The militias in Iraq and their intensified movements can be viewed within the framework of Iranian policy in relation to deployments in the Middle East. Iran is now focusing on realizing specific objectives which are accept by the people in the region. Under the guise of driving out US forces from Iraq, Iranian militias are working to diminish the prestige of the Iraqi state, create problems for the Iraqi government and undermine its sovereignty so that it remains subordinate to Iran's will. Under the pretext of leading the resistance against Israel, Iran and Hezbollah are undermining the Lebanese state. But in Yemen, Iran failed to present a valid excuse for its ongoing support for the Houthi militias. Iran's violations of UN Security Council resolutions and international law are unambiguous. In addition to these violations, Iran has plainly announced that it provides the Houthis with weapons and the technology to manufacture weapons. This coincided with the arrival of Hassan Erlo, an IRGC commander, in Sana'a under the guise of an ambassador.

With Hassan Erlo arriving in Sanaa, the Yemeni crisis has witnessed a military escalation, in terms of more rocket attacks targeting the territories of the Kingdom of Saudi Arabia and battles escalating within Yemeni territories.

At the international level, Iran was an issue within the US election campaign, and Trump boasted that his maximum pressure strategy against Iran is one of his most important foreign policy accomplishments. Joe Biden in his campaign argued that withdrawing from international treaties harms US prestige and undermines its credibility. Trump has continued to impose sanctions on Iran. Iran does not possess any new cards which it can use as it has already undertaken the five steps to reduce its nuclear commitments. The only card it has left is its desire to drive US forces out from the region.

The Russia-Iran relations file was much more dynamic because of the Azerbaijan-Armenia conflict. Russia is the dominating country in the Caucasus, despite the involvement of Turkey, Iran, the United States, Europe and even Israel. It provides both countries with weapons and is signing a joint defense treaty with Armenia and has a military base there. At the outset of the conflict, Russia seemed unwilling to get involved, especially since the fighting was not taking place on Armenian territories which it is legally obliged to defend. Also, Russia considers Armenia to be withing its sphere of influence, thus it would never allow Armenian rapprochement with the United States to go unpunished, and amid the advancing mediation offers from Iran and others, Russia mediated some ceasefire agreements,

the first of which was a humanitarian truce to transfer the wounded. But the matter required greater coordination between the Russians and the Iranians. Tehran was impacted as projectiles hit its territories close to the conflict's hotspots. Moreover, the deployment of Russian forces along the lines of contact caused Russia to be an immediate neighbor of Iran, which Tehran has not experienced since the collapse of the Soviet Union.

Internal Affairs

The Internal Affairs section sheds light on four files. The first file is the Ideological File which discusses the jurisprudential disputes between the Najaf and Qom seminaries, particularly examining different Shiite jurisprudential interpretations in regard to deeming someone a disbeliever. Ayatollah Araki and marja Kamal al-Haydari were involved in this dispute. The Political File focuses on looking at the implications of the protests staged by Iran's Azeri minority on the country's national security. The Economic File touches on the issue of Iran's accumulating debt which surged following the reinstatement of US sanctions and the blocking of its oil exports. The Military File discusses the Azerbaijan-Armenia conflict and its impact on Iran via analyzing Iran's military deployments on its northwestern borders.



THE IDEOLOGICAL FILE

The Ideological File for the month of October casts light on the religious and ideological developments connected to Iran's religious elites and the Shiite seminary, and the impact of these developments on the country's religious and political landscapes.

Last month, the Ideological File highlighted the meeting between Ayatollah Ali al-Sistani and the UN special representative for Iraq and the impact of this meeting on the Iraqi and Iranian home fronts. This is in addition to Iranian concerns about this meeting and its outcomes in relation to managing electoral activities.

This month, the Ideological File touches on the differences which surfaced between the Iraqi and Iranian Shiite religious elites in response to the remarks made by Ayatollah Kamal al-Haydari in regard to the topic of *takfir* (labeling others as unbelievers) and extremism.

I. Marja al-Haydari and the Attempts at Reform

Marja Kamal al-Haydari,⁽¹⁾ in a series of episodes broadcasted on *al-Iraqiya* TV titled "Religion-Secularism Dialogue," argued that the Twelver Shiite scholars agree that the imamate is a fundamental pillar of religion, not just of Shiism. Therefore, whoever rejects the imamate will be classed as an unbeliever. He quoted al-Shaykh al-Mufid as saying, "Twelver Shiites agreed that whoever rejects the imamate of any of the imams, and dismisses the God-ordained obligatory obedience, shall be an astray believer who is worth dwelling in Hellfire forever."⁽²⁾

He continued to say, "I say it plainly, all the Twelver Shiite scholars implicitly judge all Muslims to be unbelievers. Yes, they superficially differ on judging Muslims to be unbelievers or not. Some of them, like Yusuf al-Bahrani – also known as Sahib al-Hadaïq – says, "Even apparently, they shall be deemed unbelievers."

Others such as cleric Khoei adopted the mainstream jurisprudential opinion, which deems those who choose not to be Muslims. However, according to hidden beliefs, banishment in the Hereafter and the Kalam philosophical dimension, all Shiite scholars agree that those who reject the fundamentals of Shiism are unbelievers.⁽³⁾

Haydari refused to deem those from different sects as unbelievers, as he adopts the philosophical approach in Shiism. The crux of this approach is that no one possesses the absolute truth, and *takfir* is a result of not fully accepting the Shiite narratives system and its interpretations. This ultimately led to one universal interpretation deeming others who believe in the same religion but belong to different sects as unbelievers.

The comments of Haydari came in the context of criticizing Shiite heritage and refuting the traditionalists and extremists. Hence, his comments should not be seen in any other light. He did not argue for those who belong to different sects to be declared as unbelievers, but he intended to change the prevailing culture and to inform the clerical community and Shiite traditionalists of the need to reconsider their beliefs and approaches so that they are in line with the current

time, coexistence, citizenship and other modern concepts which are agreed upon and not to dismiss these concepts based on the notion of a definitive jurisprudential interpretation.

Meanwhile, the reactions were not in line with Haydari's aims, and his underlying philosophy, with his statements turned into proof to declare people as unbelievers, and he was framed as a *takfiri*. This is because he was the one who initially made the statements, not the one who conveyed the remarks of others and was not a critic.

II. The Position of the Iranian Government: Excluding and Defaming Haydari

It seems that Iran's religious elites are angry at Haydari for jurisprudential and personal reasons which have been accumulating over time. As for the jurisprudential reasons, Haydari rebelled against the traditional line of the religious seminary as well as against the ruling religious elite in regard to the interpretation of religion and Sharia. In relation to the personal reasons, the religious elites are concerned about Haydari's outreach into traditional Shiite incubators, especially amongst the youth and women. This threatens their jurisprudential prestige, diminishes their standing in the eyes of the public, and this could even impact the collection of Khoms revenues.

The clerics close to the government criticized him. The criticism was so harsh that they government employed language which they have historically used against those who they deem as Iran's enemies. Hence, Haydari was accused of being astray, of practicing *bid'ah* (innovation in religious matters) and sorcery!

1. First, a statement was issued by cleric Mohsen al-Araki, who is close to the Supreme Leader of Iran Ali Khamenei, and he was one of the reasons behind the crisis blowing out of proportion. Araki said, "One of the biggest calamities which Muslims have been suffering since the early days of Islam so far is the emergence of heresiarch liars who assign interpretations to religion which it never included, deviate from the essential meaning of religion, add other fabrications to it, go astray and cause others to betray. Among those heresiarch liars is a man named Kamal al-Haydari."⁽⁴⁾

Araki then branded him as wicked, a heresiarch and a sorcerer. All Muslims should disavow him and treat him as a wicked heresiarch. He concluded by saying, "All the proofs and manifestations indicate that this man fell into the trap of the forces of arrogance's and the (countries making up) the trinity of *taghut* (despotism)."⁽⁵⁾

2. Then another response came from Mohsen Heidari, a member of Iran's Assembly of Experts. He said, "A comment has recently been made by a suspicious person named Kamal al-Haydari in which he accused Shiite jurists of deeming the entire Sunni community as unbelievers. There is no doubt that this is a lie. He concluded by calling on Shiite clerics to disavow Haydari, and then he lauded and blessed the statement of Mohsen al-Araki, describing it as "a satisfying and enlightening statement."⁽⁶⁾

3. Qom's community of scholars and teachers issued a statement against Haydari. It said, "Since a while, a person named Kamal al-Haydari has surfaced. He is linked to the religious seminary and makes false comments about the well-established rules of Islam and the Shiite sect from time to time. The community of scholars and teachers have been monitoring him for years. After reviewing his academic record, it appears that he lacks the discipline and diligence required to study. And he did

not receive sufficient learning from his teachers. His appearance in one of the shows broadcasted on Al-Kawathar channel was not because of his personal jurisprudential capabilities, but because of the information and narratives presented to him by a team of experts. His role was limited to explaining this information gathered by a team of experts.”⁽⁷⁾

Then the statement concluded by warning the public from the sedition created by Haydari, because the path adopted by this person is nothing but a deviation and error.⁽⁸⁾

It is noticeable that Qom’s statement focused on the level of Haydari’s jurisprudential knowledge and underrating his jurisprudential prestige. It did not engage in religious and doctrinal defamation.

However, other statements were issued rejecting Haydari’s excommunication and exclusion. A statement was issued by a host of Shiite modernists and enlightened figures, including Abdolkarim Soroush, Hasan Eshkevari and others. In this statement, they said, “Haydari has called for a radical review of Shiite Philosophical positions in relation to the other Islamic schools of thought...the better paradox is that cleric Mohsen Araki used the *takfiri* rhetoric against another jurist to prove that the Shiite jurisprudence has nothing to do with *takfir*.”⁽⁹⁾

Nonetheless, Haydari remained silent in response to the attack launched against him. He also called on his followers to remain committed to the rules of legitimate criticism and dialogue. Maybe he was aware of the fact that by responding he would expand the Shiite-Shiite rift or endanger his marja standing or his own safety. He opted to remain silent, hoping to overcome this period with the minimal losses possible and without colliding with the ruling religious elites in Iran.

III. Iraq Gets Embroiled in the Crisis

On the Iraqi side, Haydari attacked the Shiite supporters of Velayat-e Faqih and the Sadrist movement, whose leader Moqtada al-Sadr issued a statement. In it he said the reason behind Haydari accusing Shiite jurists of declaring Sunnis as unbelievers was because of his ignorance resulting from his incorrect interpretation of verses, narratives, hadiths and fatwas.⁽¹⁰⁾

He then mocked his jurisprudential knowledge, saying, “His statement is a ridiculous flexing of his deteriorating jurisprudential muscles,” accusing him of adopting secularism: “Secularism has conquered his mind and overtaken him.”⁽¹¹⁾

Sadr first accused Haydari of ignorance, and second he accused him of flexing his “deteriorating jurisprudential muscles” and third of being overpowered by secularism. The row between Sadr and Haydari is deep-rooted, and his involvement in the spat is a kind of revenge. In 2018, Haydari criticized Mohammad Mohammad-Sadeq al-Sadr, Moqtada’s father, in an audio recording which was leaked in the seminaries. At the time, Moqtada al-Sadr responded in a harsh manner. He said, “Haydari’s disparaging comments come from a stranger, not a friend.” Here, he hinted that Haydari does not belong to the school of Baqir al-Sadr which he was known to belong to because he cited its opinions. Moreover, Sadr described him as “cleric Haydari” not Ayatollah Haydari, in a clear downgrade of his jurisprudential standing. Haydari was prompted to apologize, saying that the leaked audio recording was fabricated and taken out of context.⁽¹²⁾

In the meantime, cleric Munir al-Khabbaz, who is close to the Supreme Marja Ali al-Sistani, reiterated the fact that the marjaya considers Sunnis, who adopt a

different sect, Muslims in both apparent/concealed deeds and beliefs. He quoted from the book “Minhaj Al-Saliheen” authored by Sistani⁽¹³⁾ in a bid to refute the accusation of Haydari and to negate his opinion.

Conclusion

The Ideological File sheds light on the Shiite-Shiite spat over rendering those who belong to different sects as unbelievers. It also touched on the attack launched against cleric Kamal al-Haydari due to his remarks. The reality is that the Iranian response to Haydari indicates the extent of the religious seminary’s independence and how far the clerical community is domesticated to serve the Guardian Jurist. It then points to another important matter that the seminary’s ijtihad is not open for further interpretations, unlike what the traditionalists keep repeating in their theories.

We can conclude by presenting two important conclusions in this regard: the Iranian government has been keen to curb the marja standing of Haydari through defamation and refusing to recognize his jurisprudential credentials. It differs with him about the sources of taqlid and is concerned about his growing role in the Shiite arena, which could impact it in the future. The government took the step of intimidating and curbing Haydari so it would not have to take harsher measures against him in the future.

The second is related to Iran’s fear of any genuine signs of reformation (of Shiite thought) which could advance rationalism, pluralism, the acceptance of others and end the fables prevailing across Shiite society. It looks at this (reformation) with fear, since it would impact it in the long run. What strengthens this conclusion is that most of the objections to Haydari came from the Iranian religious elites, not the Iraqi religious community.

THE POLITICAL FILE

In October 2020, protests broke out in several cities in northwestern Iran based on racial lines as a result of Iran's foreign policy which has favored Armenia at the expense of Azerbaijan over the past decades. These protests were sparked by the outbreak of fighting between Armenia and Azerbaijan on September 27. These protests followed a series of protests which have rocked Iran over the past two years due to the deteriorating economic situation as a result of US sanctions and the Iranian government's economic mismanagement.

Iran's Azeri minority held protests following accusations that the Iranian government provided military support to Armenia by allowing Russian arms shipments to be transferred to Armenia via Iranian territories. Iran strongly dismissed these accusations. Iran announced that Azerbaijan has turned into a launching pad for Israeli intelligence on its northern borders and Israel wants to activate Azerbaijan's Shiites against Iran similar to how Tehran has activated Lebanon's Shiites against Israel.⁽¹⁴⁾

The credibility of Azerbaijan's accusations against Iran was strengthened due to the economic and political cooperation between Tehran and Yerevan over the years. It reached its peak when Iran joined the Eurasian Economic Union which includes several Caucasus and Central Asian countries spearheaded by Russia, with Azerbaijan excluded from it. This is in addition to conducting maneuvers dubbed "Caucasus 2020" only a few days before the conflict broke out, the participants of which included Russia, Armenia, and Iran, with Azerbaijan excluded from this as well. But the gravest accusation leveled by Azerbaijan and Iran's Azeri minority at Tehran is that it is implementing a number of infrastructure projects in the disputed Nagorno-Karabakh region to benefit the separatist government.⁽¹⁵⁾

The Azerbaijan-Armenia conflict is a regional dispute with international dimensions, and goes beyond Iran's internal political affairs. However, the Political File for this month focuses on the ramifications of this conflict on the domestic front, particularly analyzing the position of the Azeri minority toward the Iranian central government, the impact of this conflict on Iran's ethnic map and to what extent can the protests of the Azeri minority motivate other minorities in Iran who suffer from similar problems. This could impact Iran's national cohesion and social stability.

I. The Protests

The protests staged by Iran's Azeris broke out in a number of Iranian cities during the period from September 29, 2020 to October 29, 2020. On top of these protests were the protests staged at Jiral Park in the city of Ardabil and Namaz Square in Tabriz. The protests included the cities of Tabriz, Urmia, Zanjan, Rasht, Tehran, Meshgin Shahr, Maku and Maragheh.⁽¹⁶⁾

Despite the extensive nature of the protests, they were relatively peaceful, with chants calling for the Nurdz border crossing between Iran and Armenia to be closed and chants that Nagorno-Karabakh is Azeri territory owned by Azeris, and it will continue to be so.⁽¹⁷⁾

The Azeri protests were peaceful to a big extent and no separatist calls or demands to change the government in Iran were observed. This reflects the nature of the Azeri opposition to the Iranian government. This opposition among the Azeri minority in most cases is not of a separatist or revolutionary nature as is the case with Iran's opponents within the Arab, Kurdish and Balochi minorities. This is due to a host of reasons, including a similarity in beliefs, with the Azeris and Persians believing in Shiism. This has enabled members of the Azeri minority community to assume the highest positions within the Iranian state, including the Supreme Leader Ali Khamenei himself. The Azeris also feel that they are an integral part of the Iranian identity, even before the advent of Islam. Their soil is home to the religious heritage of the ancient prophet Zoroaster and the oldest and biggest Iranian fire temple is located therein. This is in addition to their high economic living standards, the control they wrest over a significant part of Iranian domestic trade and their possession of a huge share of industrial activity.

But protests always break out among the Azeri minority due to the racist policies adopted by the Iranian government such as imposing a ban on learning the Turkish language in the Azeri areas. Iran's official media outlets mock Turkish language speakers in Iran and highlight the superiority of the Persian race over the Turkish race.⁽¹⁸⁾

However, the Azeri protests resulted in a strong reaction from the Iranian government at all levels: political, security, military, cultural and ideological. The main aim of the government was to contain the crisis and calm the protests, which is an unusual approach for the Iranian government when dealing with similar or stronger and more effective protests by other ethnic minorities such as the Ahwazi Arabs, the Kurds or even the Balochi militants in the southeasternmost part of Iran.

In the following lines, we highlight the Iranian government's reaction towards the Azeri protests:

II. The Iranian Government's Reaction Towards the Azeri Protests

At the political level, the Iranian government attempted to contain the swift variables which surfaced following the outbreak of fighting between Azerbaijan and Armenia. From day one, it seemed that the balance of power was strongly tipped in favor of Azerbaijan. It also seemed that the fighting which broke out was different from the conflict which erupted in July 2020 or even the fiercest fighting which erupted in 2016. Azerbaijan seemed to be intent on waging a protracted war. Furthermore, Turkey appeared to be strongly present in the conflict through the remarks of Erdogan in which he plainly announced Turkey's support for Azerbaijan. This is in addition to Turkey transferring Syrian fighters to the hotspot areas of the conflict close to Iran's borders. The most dangerous variable which had the biggest impact on the Iranian home front is the Azeri minority's interaction with the unfolding conflict and its demand for the Iranian central government to stop its support for Armenia. Hence, Iran rushed to take a series of steps which included a slight shift in discourse, with Iran officially shifting away from demanding a resolution to the conflict via peaceful means to reiterating Azerbaijan's right to recapture all its

territories occupied since the 1990s. The deputies of the supreme leader in the four Azeri-majority provinces emphasized Iran's support for Azerbaijan in its pursuit to regain its territories.⁽¹⁹⁾

At the cultural and religious level, the common factors bringing together the Azeri and Persian ethnicities – their belief in Shiism – as well as their belief in the principles of the Iranian revolution, especially Velayat -e Faqih, were emphasized on numerous occasions.

At the security level, Iran opted to strongly and resolutely respond to the protesters and made sweeping arrests targeting senior Azeri activists, especially those having links with Azeri dissenter groups among them. These groups published reports on Iran's support for the Republic of Armenia and how it was permitting arms shipment to go to Armenia. Even Iran's officials pointed to the role of these groups in stirring up the Azeri street and triggering unrest and chaos with the support of the United States and Israel.

Militarily, Iran moved to deploy forces to the northwestern border area after the Iranian supreme leader announced that there were terrorist operatives in the region and that these operatives will face a strong response if they carry out attacks targeting Iranian territories.

The Iranian Armed Forces carried out maneuvers codenamed “Lovers of Velayat-99,” by relying on the 164th Mobile Assault Brigade. The aim of the maneuvers was to ceaselessly move along the border areas around the clock so that hostile forces felt the permanent presence of Iran's military until further reinforcements arrived from the areas of Iranian strategic depth. The forces partaking in the maneuvers included Iran's engineering corps, its infantry, and drones, as well as an artillery battalion. Several days after the fighting broke out, Commander-in-Chief of the Iranian Army Major General Abdolrahim Mousavi showed up in the region, with 500 armored vehicles.

The Commander of the Iranian Army's Ground Forces Brigadier Haydari moved to Tabriz to check on the preparedness of the 25th Special Forces Battalion and the airbase in Tabriz. The Air Force units stationed in Esfahan were then moved to Tabriz, including tactical aircraft, bombers, and fighter jets to carry out two-day aerial drills. Afterwards, the 116th Armored Battalion of the 16th Brigade was moved from the city of Qazvin to the border.⁽²⁰⁾

Overall, the Iranian action to contain the Azeri protests was swift, organized and highly coordinated and planned. This reflects Iran's concerns about the outbreak of extensive protests within the Azeri minority community as well as facing attacks from Syrian militiamen partaking in the fighting on the side of the Azeris.

III. Iranian National Security in Light of the Northwestern Borders Turning Into a Threatening Hotspot

The changes which occurred on the Iranian northwestern border – which was always considered the safest and most stable Iranian border compared to the other borders which have long been restive hotspots – shifted Iran's national security priorities. The deployment of jihadists along this part of the Iranian border prompted Iran as we saw, as part of its military response, to mobilize a huge number of its troops towards the northwestern border, diminishing its forces deployed along the western border to face Kurdish militants and from the south and southeastern borders. This geographical shift in the deployment of Iran's forces will be followed by changes

in armaments, training programs and logistical support, given the significant difference in the geographic and climatic nature of the northwestern border area from the southern and southeastern border areas.

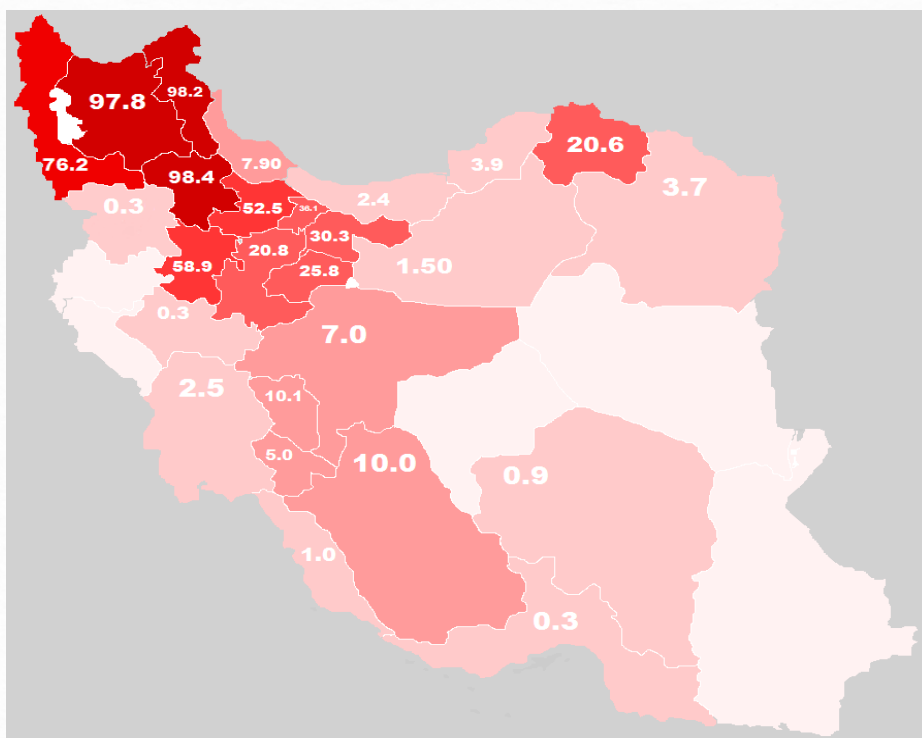
Also, the deep-rooted military and security ties between the Republic of Azerbaijan and Israel turned the Iranian northwestern border into a frontline against Israel which is no less important than the frontline between the Iranian militias and Israel in southern Syria over the Golan Heights. This led to the intensification of the Iranian security and intelligence presence in this region.

For the first time since 1990 – when the Soviet Union collapsed – Russian forces were deployed on Iran's borders via Russian outposts in the areas separating between Azerbaijan and Armenia as well as the deployment of Turkish forces in this restive area. There is no doubt that Iranian national security is now facing new challenges which it never faced at the external level and which never existed before the conflict broke out.

The expected triumph of the Azeris in the war will add a new dimension to the strength of Iran's Azeris at home, who already hold a strong position in the country. This will prompt the rest of the Turkish minorities spread across Iran to rally behind them as they are the spearhead of the Turkish community in the country.

Looking at the makeup of the Turkish community in Iran, we see that the Azeris constitute between 16 percent to 24 percent of the Iranian population, with a total of between 16 million and 25 million.⁽²¹⁾

Map1: The Proportion of Turks Among the Population in Each Region of Iran



Source: Iranian Azerbaijanis-Wikipedia. <https://2u.pw/4LxZA>

However, other Turkish-speaking minorities inside Iran could also join the protests. They usually declare unity with the Azeris such as the Turkmen in northeastern Iran, the Qashqai people and the Shahsoon whose offshoots are spreading across most of Iran's regions. This makes the Turkish community in Iran close to matching the numbers of the Persian majority. The spirit of unity among the Turkish-speaking minorities has been mounting so much in recent years that we have seen a bloc form within the Iranian Parliament including the representatives of the Turkish-speaking regions. There are 100 lawmakers from the Turkish-speaking regions out of 290 lawmakers.^[22] This indicates the possibility of significantly changing the political makeup in Iran in favor of the Turks.

IV- Conclusion

The outbreak of fighting between Azerbaijan and Armenia according to the new variables represented in the presence of Turkish forces and Syrian jihadists on the frontlines on the side of Azerbaijan against Armenia – in addition to the protests staged by Iran's Azeris against Iran's support for Armenia – led to a shift in the Iranian position on the conflict. Iran opted to side more than ever with the Azerbaijani side as it feared that the Azeris could turn into enemies in the coming phase. Iran also responded in a number of ways at the political, security and military levels intending in general to secure the northwestern border areas and contain the anger of the Azeri minority. In addition, Iran shifted the country's security and military presence from the southern regions close to the Arabian Gulf to the northwestern areas. Iran fears the jihadist presence there as well as the Israeli presence while watching Azerbaijan's imminent transformation into a regional power putting pressure on Iran in the Southern Caucasus.

New
Book
From
Rasanah



*"Iran's Policies Towards Central Asia
and the Caucasus:
Investing in Opportunities and
Ousting Competitors"*

The International Institute for Iranian Studies (Rasanah) published a new book entitled, "Iran's Policies Towards Central Asia and the Caucasus: Investing in Opportunities and Ousting Competitors," by Dr. Ahmed Algarni. The book addresses the significance of Central Asia and the Caucasus from Iran's strategic perspective; the extent of Iran's ideological influence through exporting Khomeini's revolution; its political impact in entrenching its hegemony across the Middle East; and its economic impact through oil exports and trade.

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THE ECONOMIC FILE

Throughout the month of October, the problem of government debt was considered the most important issue, making headlines across Iran's local newspapers. A report released by the Iranian Parliament's Research Center warned of the surge in the government's debt to GDP ratio. Thus, *The Economic File* for October 2020 discusses – in its first and second topics – the government's debt and its causes as well as the Iranian government's domestic and foreign debts. The third topic discusses the implications of the surge in Iran's debt to GDP ratio on economic growth and the government's ability to overcome its debts.

I. Iran's Public Debt and Causes

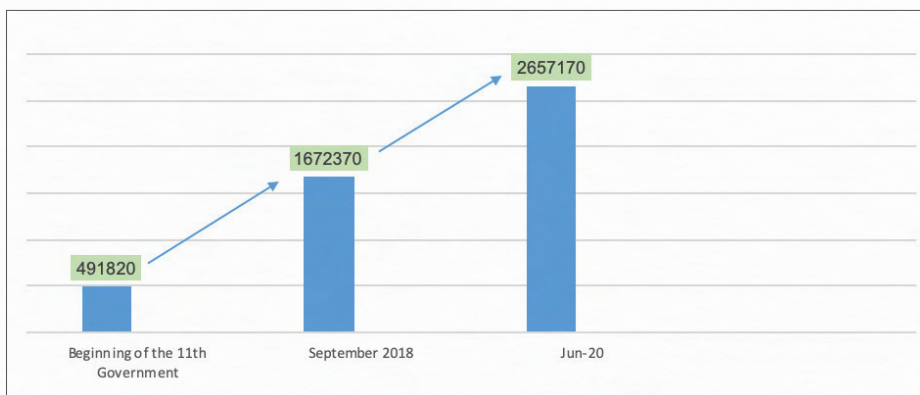
The problem of public debt is one of the main problems, which the Iranian government is facing in light of the sanctions imposed on Iran's economy and the decline of its oil exports – in quantity and value. This is in addition to its failure to reconcile between its increasing expenditures and the decline of its financial revenues, which in turn has resulted in a budget deficit estimated at \$58 billion in 2020.⁽²³⁾ To cover for its budget deficit, the Iranian government has resorted to taking advantage of Iran's debt markets.

This includes for example the Iranian government borrowing from the Central Bank of Iran (CBI) with the CBI printing banknotes (boosting liquidity), and issuing financial bonds to sell its citizens as well as borrowing from the National Development Fund to cover spending requirements. These steps have increased the debt that the government owes to banks.

In economic terms, government debt, in Iran or any other country, is defined as the total amount owed by the national government to local and international lenders. It is calculated as a percentage of GDP in order to estimate its percentage compared to the total volume of the economy and evaluate to what extent the government is capable of meeting its financial obligations.

According to the International Monetary Fund (IMF), the total amount of Iran's debt surged from \$118 billion in 2018 to \$260 billion (44 percent of GDP) for the current year.⁽²⁴⁾ On the other side, the figures released by the Iranian Parliament's Research Center were different as it estimated in its published report that public debt stood at roughly 52 percent compared to GDP for the year.⁽²⁵⁾ Both percentages represent an alarming figure when compared to the GDP of Iran.

There are some fundamental differences between the economic policies adopted by successive Iranian governments, however, all government have resorted to printing banknotes (increasing liquidity) including the current Rouhani government. The level of liquidity until the first quarter of this year reached 265,000 billion tomans (\$63 billion according to the official exchange rate),⁽²⁶⁾ up by 440 percent for the year 2013,⁽²⁷⁾ according to CBI estimates.

Figure 1: The Level of Liquidity in Iran (2017-2020)

Source: Mashreq News.

Prepared by: Unit of Economic Studies, the International Institute for Iranian Studies (Rasanah), 2020.

Sometimes, high liquidity is considered a positive element and a key factor in stimulating the economy. However, this is applicable only to states with stable economies which have relatively stable national currencies and the general inflation rate remains steady throughout the year. This is completely opposite to Iran's economic and political situation. Iran's currency fluctuates, while the inflation rate – both annually and monthly – has hit dangerously high levels reaching over 50 percent during the past year. This undoubtedly poses a threat to Iran's political and social stability. In relation to issuing government bonds, which is an important cause in the surge in public debt, the Iranian government has adopted two plans during this that are different in timing but have the same objective: securing financial resources via the sale of government bonds.

The first plan began in mid-May with the announcement of the issuance of additional government bonds totaling 150 trillion tomans (\$35.7 billion at the official exchange rate) to address the country's growing budget deficit. It saw an increase of 6.9 percent from what was previously announced in the national budget which was presented by President Hassan Rouhani. This budget involved the issuance of bonds worth 900 trillion tomans (\$21.4 billion).⁽²⁸⁾

As for the second plan, it included the announcement of a plan to sell oil bonds to Iranian citizens in August with a promise to repay them later with expected profits. This will have a direct role in inflating the government debt.

II. Reading the Debt to GDP Ratio

The net debt owed by Iran in 2020 amounted to about \$260 billion, or 44 percent of GDP, while the level of Iranian debt in 2018 (before the United States reimposed its sanctions) surged to nearly \$118 billion. In other words, the current debt has increased by more than twofold in just two years, which is a very fast pace reflecting the extent of the financial crisis that the Iranian government is facing.

Meanwhile, the IMF has predicted that by the end of 2020, the Iranian government will leave more than 1,367 billion tomans (\$325 billion) in accumulated debts for the next government.⁽²⁹⁾

**Table 1: Changes in the Iranian Government's Overall Debt
(in Billion Tomans)**

2011	2012	2013	2014	2015
577,613.70 (\$137 million)	883,282.17 (\$210 million)	1,054,680.13 (\$251 million)	1,331,210.34 (\$317 million)	4,420,160.44 (\$ 1.05 million)
2016	2017	2018	2019	2020
5,871,993.00 (\$140 billion)	5,654,349.86 (\$135 billion)	7,359,199.00 (\$175 billion)	10,968,887.00 (\$261 billion)	13,679,418.63 (\$352 billion)

Source: 世界の経済・統計情報サイト

Prepared by: Unit of Economic Studies, the International Institute for Iranian Studies (Rasanah) 2020.

1. Foreign Debt

Foreign debt is part of the state's debt that has been borrowed from foreign creditors, including commercial banks, governments or international financial institutions. These loans, including interest, and they usually have to be repaid in the currency in which the loan was paid. The imposition of US sanctions on Iran has significantly slashed its commercial and financial dealings, and attempts at borrowing from other countries except from those countries considered somewhat friendly countries such as Russia and China.

The level of Iran's foreign debt reached nearly \$9 billion by the end of the first quarter of this year. Meanwhile, it declined by 4 percent during the second quarter of this year to reach \$8.65 billion.⁽³⁰⁾

Even though the ratio of foreign debt to GDP in Iran is the lowest among low and middle-income countries, this is not necessarily a good indicator for Tehran. Rather, this may indicate Iran's inability to attract foreign investment and the fear of countries to provide financial loans to the Iranian government.⁽³¹⁾ On the other hand, Iranian politicians warn against depending on foreign debt due to fear of domestic criticism.

Table 2: Changes in the Foreign Debt Level (in Billion Dollars)

2016	2017	2018
5.448	6.276	10

2016	2017	2018
2019	2020	2021
9.01	8.06	NA

Prepared by: Unit of Economic Studies, the International Institute for Iranian Studies (Rasanah), 2020.

2. Domestic Loans

Domestic debt is known as the total debts accumulated by the government and state-owned companies at home. According to the CBI, the net government debt amounted to 500,000 billion tomans (\$119 billion at the official exchange rate). Meanwhile, companies affiliated with the Iranian government owe roughly 525,000 billion tomans (\$125 billion at the official exchange rate). Accordingly, the overall domestic debt from March 2019 to March 2020 was nearly 1,025,000 billion tomans (i.e. \$244 billion at the official exchange rate).⁽³²⁾ It was distributed as shown in Figure 3.

Moreover, according to the Iranian government's budget for the current year, it will borrow 374,000 tomans (\$65 billion at the official exchange rate) from the National Development Fund. This raises the debt this year to more than 1,300,000 billion tomans, and equals – according to Iran's official exchange rate – about \$309 billion.⁽³³⁾ This is considered a very sharp surge in the level of domestic debt, the repayment burden of which will be totally borne by successive governments and generations.

III. The Future Trends of Iranian Government Debt

The IMF has designed an important indicator known as “Public Debt Sustainability,” which measures whether countries and the extent to which they are capable of paying off their debts without defaulting. In other words, it measures a government's ability to fulfill current and future debt obligations without rescheduling or requesting to downsize its debts. According to this indicator, if the ratio of debt to GDP surpasses 50 percent, the state enters the warning stage, and if the ratio exceeds 70 percent, the state is considered within the danger category, which means that the state will not have the capability to pay off its debts in the future.

As for Iran, the IMF expects a surge in the debt-to-GDP ratio from 52 percent this year to reach 73 percent in 2026.⁽³⁴⁾ This means that the Iranian economy will, according to this indicator, be unable to pay off its debts as a result of the debt-GDP ratio entering the danger category as determined by the IMF.

Although there are other economies where the public debt exceeds the IMF ratios, such as Japan and the US; however, these economies have solvency, which makes them capable of upholding their economic stability, unlike the completely unstable economic situation in Iran.

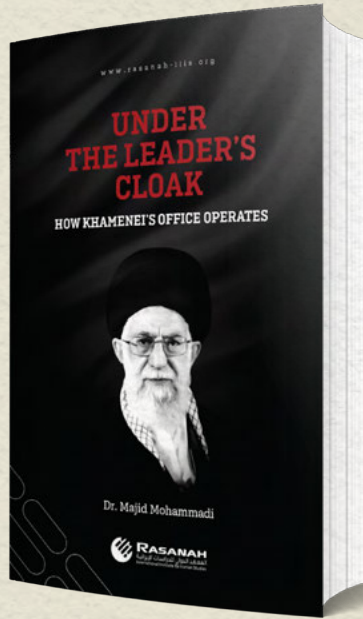
This is in addition to the foginess surrounding the future of Iran's political landscape and its relations with the outside world, especially the United States. The economic crises may exacerbate further, affecting the social and security situation

in the country—if Trump wins in the 2020 elections. If Biden wins, Iran might experience some economic relief in case it reaches an agreement to lift the embargo imposed on its oil exports, a scenario Iran's decision makers are betting on.

Conclusion

The Iranian government is facing tremendous challenges due to the ongoing increase in the budget deficit as well as the surge in liquidity rates and general inflation rates. This is in addition, to the Iranian government opting for the simplest but costliest approach to cover its budget deficit. It has resorted to borrowing, thus increasing local debts, which places a constant burden on the government's financial budget, and increases its future debts as well as throwing it into the dangerous category of debt-GDP ratio as determined by the IMF. Hence, successive governments and generations will bear the biggest brunt of the debt servicing burden, amid a general decline in economic and social development. The results of the imminent US elections will play a role in determining the course of Iran's public debt in the future.

New
Book
From
Rasanah



Under the Leader's Cloak
How Khamenei's Office Operates'

The International Institute for Iranian Studies (Rasanah) has issued a new book entitled, 'Under the Leader's Cloak: How Khamenei's Office Operates' — by Majid Mohammadi, an Iranian sociologist and political analyst residing in the United States. This seminal publication provides readers with an in-depth insight into Khamenei's office, unfolding its internal workings and dynamics; decision-making process; the cornerstone of its power, and much more.

Read more



THE MILITARY FILE

The Military File for the month of October includes major Iranian military activities. Iranian air defense forces conducted four-day long maneuvers codenamed “Defenders of Velayat Skies 99” in which a number of weapons were tested and firings were also carried out using the Iranian air defense system Bavar 373. The file also reviews the most prominent Iranian moves in the northern part of the country neighboring Azerbaijan and Armenia in the aftermath of the Nagorno-Karabakh conflict. The file also sheds light on the list of likely Iranian military purchases after the lifting of the arms embargo and the expected international reactions.

I. Defenders of Velayat Skies-99 Joint Drills

In a joint effort by the Iranian army and the IRGC’s Aerospace Force, the Iranian military forces conducted “Defenders of Velayat Skies-99” air defense maneuvers on October 21, 2020, which was dubbed “Safe Skies in Light of Capable Air Defense Force.” The drills include the testing of missile launchers, radars and steps to avert electronic warfare.⁽³⁵⁾

Spokesman for the drills, Second Brigadier General Abbas Farajpour, announced that the central aim of the maneuvers was to coordinate, command and control the air defense operations of Iran’s armed forces to boost air defense capabilities and resilience in the face of any possible aerial threat —through Iran’s integrated air defense network under the command and operational planning of the Iranian Air Defense Headquarters.

The drills were held in the aftermath of response to Iran’s air defense systems failing to track targets and shooting down a Ukrainian airliner carrying civilians last January.⁽³⁶⁾

Iran’s locally-made air defense systems partook in these drills intending to boost the integrity of these air defense systems and improve their systems. The systems included the Bavar-373, the Khordad-15, and another IRGC-controlled medium-range system called Tabas. Also, radar systems called Qadir, Moraqeb and Bashir also participated, with the aim of uncovering and identifying targets in Iranian airspace, in addition to using Sayyad-class missiles to hit targets.⁽³⁷⁾

According to the website of the Iranian army, the Bavar-373 air defense system was used for the first time in these drills. It managed to identify and destroy long-range targets.⁽³⁸⁾

The Bavar-373 and the Khordad-15 air defense systems use Sayyad-class missiles.⁽³⁹⁾ Aircraft and drones were also used in “simulated attack and defense conditions” to test the capabilities of Iran’s air defense systems and assess their performance.⁽⁴⁰⁾

II. Azerbaijan's Border Conquest Antagonizes Iran

Prima facie, Tehran is justifying the heavy deployment of troops and arsenal as an attempt to stop the infiltration of Sunni extremists via the Azeri border territories reclaimed from Armenia. This claim is absurd as Iran-Azerbaijan share a long border all the way to the Caspian coast where no deployments have been made to preempt foreign intrusions. The real threat is the deep military ties between Baku and Tel Aviv. Iran fears that Israel as well as its other foes can support separatist groups such as the Southern Azerbaijan National Awakening Movement or Guney Azerbaijan Milli Oyanis Herekati (GAMOH), which has significant support in Iran's Azeri majority provinces.⁽⁴⁴⁾ Over the last decade, Israel and Azerbaijan have become strategic partners with Tel Aviv's imports soaring to over \$4 billion and Azeri gas catering to 40 per cent of Israel's energy needs.⁽⁴⁵⁾

From Iran's perspective, Azerbaijan can be more than a listening post for Israel as its soil can be used to launch a preemptive attack on its nuclear and missile facilities. Tensions in the Gulf have reached a higher level after Tel Aviv established diplomatic relations with Abu Dhabi and Manama.

Iran's deployment of heavy arsenal and troops along the recently liberated Azerbaijani border region is anything but a defensive move. Many in Iran's strategic community believe that a buffer zone must be set up inside Azerbaijan to keep out militias and refugees. While Iran's Foreign Ministry explores ways to remove the decades of mistrust the country has towards Baku, the IRGC is digging in for plan B (a buffer zone). Iran has opened diplomatic engagements with Moscow, Yerevan, Baku and Ankara.⁽⁴⁷⁾ Russia's refusal to intervene in defense of Armenia has created a quagmire for Iran too, as Tehran must either accept the new strategic reality or start a conflict and eventually create a Hezbollah type militia to operate in the area.

If Tehran proceeds to create a buffer zone on Azeri soil, Ankara along with Baku's neighboring states except Moscow will oppose the military advance. Turkey maintains a no-holds-barred approach to Azerbaijan's sovereignty and will pressurize Iran against such an adventure. An all-out Iranian offensive against Azerbaijan can gain Baku Israel's explicit support. Even if the IRGC's deployment to the northern border regions is purely aimed to ensure the sanctity of the international border with Baku, the Azeri population of Iran will become more assertive and nationalistic. Videos of Iranian-Azeris cheering at Azerbaijani soldiers have already been making the rounds on social media.

During his visit to the border region, IRGC Ground Forces Commander Brigadier General Mohammad Pakpour sent out a message to the local people, "they may feel that we are vigorously monitoring the situation in the region and putting the necessary measures in line with it."⁽⁴⁸⁾ Pakpour's passive-aggressive message signaled to the Azeri-Iranian minority not to be too excited at the changing ground realities across the border. Even though the political space for dissent has shrunk further in Iran, the IRGC's tough talk does create fertile ground for dissenting Azeri ideas to gain greater traction and pro-Azerbaijan sentiments to increase.

On the other side, any attack by Iran on Azerbaijan could possibly increase Israeli support for Baku. In addition, any attempt by the IRGC to isolate international borders will arouse the ethnic sentiments of the Azeri population in Iran, who will be isolated from their ethnic atmosphere. Videos emerged on social media platforms showing Iranian Azeris chanting in support for Azerbaijan's soldiers.

Iran's inability to intervene to defuse the crisis will mean that the IRGC's intervention will be a means to agitate further anger among the Iranian Azeris and open the door for dissenting ideas to gain further traction.

III. The Interactions Following the Lifting of the Arms Embargo on Iran

On October 18, Iran became free to purchase and sell weapons under the nuclear agreement, also known as the Joint Comprehensive Plan of Action (JCPOA). This is notwithstanding the United States' pursuit to impose a unilateral embargo to prevent Iran from acquiring new weapons, and exerting pressure on other countries to not risk dealing with Iran in order not to be hit with US sanctions.

In theory, Iran can begin purchasing the weapons it needs to plug the gaps which its military equipment suffers from such as advanced fighter jets, tanks, defense systems, warships and air defense systems. But the reality does not give Iran open options in light of the embargo imposed by the United States on it and the entities linked to it. The matter also hinges on international considerations and interests which curb the desire of several countries to be open to Iran and sell it advanced military equipment.

Iran is in need of several sophisticated military systems in order to replace its old military systems, which date back to the pre-revolution era. This is in spite of Iran's overwhelming desire to usher in the indigenization of its military industry and its attempt to produce a locally-manufactured aircraft named Qaher-313 which has not entered into service even though it was unveiled several years ago. However, the relative industrial breakthroughs were confined to some improvements related to some missiles systems, drones and some air defense systems, the efficiency of which has not been proved yet. But the shortcomings are still evident in the old ground, naval and aerial capabilities, in addition to an overall weakness in Iran's air defense systems.

As for the Russians, reports indicate that Iran may be looking forward to obtaining an advanced air defense system (the S-400 Triumf), and is also hoping to acquire advanced combat aircraft (the S35 and S30). These endeavors may be enhanced by the fact that there are advanced aerial capabilities in the Kingdom of Saudi Arabia, the UAE's quest to acquire new F-35 aircraft as well as the US threats in the Arabian Gulf. Iran also hopes to obtain T-90 tanks to boost its ground capabilities, especially in light of the military developments on its northern borders.⁽⁴⁹⁾

From Chinese weapons, there is an Iranian need to acquire anti-ship missiles to solidify control over maritime navigation in the Persian Gulf and the Strait of Hormuz, and perhaps J-10C or JF-17 fighters as an alternative option in case Russian fighters cannot be acquired.

It is expected that Russia and China will view the Iranian requests with a great deal of circumspection, and this file will be among the issues of compromise on the position of both countries (Russia and China) with the United States regarding matters of trade and areas of influence. It is unlikely that both countries will proceed with total openness towards Iran without taking into account the US embargo measures targeting all those dealing with Iran.

Also, Russia and China put their interests with the Gulf states into consideration. China has important trade relations with the GCC states, especially Saudi Arabia and the UAE. Yet, Russia has strong ties with the Kingdom of Saudi Arabia in the field of energy to maintain the stability of the oil market.⁽⁵⁰⁾

Conclusion

The possibility of Iran concluding major deals will have high odds due to reasons related to the supplying countries and the financial squeeze which Iran is experiencing due to the US embargo imposed on it. However, Iran will seek to make the best out of this opportunity to maintain its ability to control the movement of navigation in the Arabian Gulf and the Strait of Hormuz. This will appear in Iran's military drills and maneuvers, the main arena of which will be the Arabian Gulf and the Strait of Hormuz. Moreover, the outbreak of tensions between Azerbaijan and Armenia and the existence of multiple heavyweight world powers there add a new threat to Iran which it shall take into its future defense considerations.

Perhaps China will be a supplier of arms to Iran in case it clinches a deal that solidifies its strategic position against the United States. Russia will be more conservative about selling advanced systems to Iran unless it gets significant concessions from it whether on the Syrian file or through obtaining a military presence in northern Iran under the pretext of resisting Western influence in Azerbaijan. This will help Russia reclaim its Soviet-era influence in northern Iran.

But it is difficult for Iran to make huge concessions to China and Russia. Therefore, the Iranian acquisition of arms after the lifting of the embargo may be confined to defensive weapons which could be obtained while the US embargo is still in place.

On the other side, the limitless options for Iran when it comes to the exporting and importing of weapons gives it significant room for maneuverability. It enhances the capabilities it possesses through the ability to purchase spare parts and critical equipment and helps it boost its industrial capabilities for manufacturing weapons to a great extent. Hence, it is likely that the Iranian threat to the Gulf states in particular and to the region in general will further mount.

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Report

New Pandemic Financial Stimulus Package Raises Questions Over the Strength of Iran's Economy



A new stimulus package to protect the vulnerable in Iran during the coronavirus pandemic has raised questions about its feasibility. The package promises subsidies and loans. But Iran's government has withheld important information about how it aims to finance this package.

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Arab Affairs

The Arab Affairs part is divided into two main files: Iran and Iraq and Iran and Yemen. The first file discusses the Sinjar Agreement and its implications for Iranian influence. According to the agreement, the Kurdistan region is to be jointly administered by Baghdad's central government and the Autonomous Administration of Iraqi Kurdistan in a manner that ensures the Kurds' participation in managing the region and keeping armed militias away from their territories. This file also deals with the implications of the visit of Akram al-Kaabi, the militia leader of Harakat al Nujaba, to Iran. The second file, Iran and Yemen, discusses the Iranian position on the Yemeni peace process in light of Iran's exploitation of the prisoner exchange agreement in which Iran transferred an IRGC commander to Sana'a under the guise of an Iranian ambassador to Yemen, shedding light on the subsequent escalation that erupted later on in the battle fronts. The file also addresses Houthi escalation which is linked to the Iranian government's violations of international law.



IRAN AND IRAQ

During October 2020, the Iraqi file witnessed numerous interactions against the backdrop of the signing of the Sinjar Agreement, the visit of the militia leader of Harakat al Nujaba to Iran, and the escalation in tensions between pro-Iran armed militias and Iraqi Kurdish components.

I. The Implications of the Sinjar Agreement for Iranian Influence

On October 1, 2020, the Iraqi government and the Kurdistan Regional Government signed an agreement regarding the Sinjar district. This agreement aims to restore stability in the district by appointing a new mayor by taking into consideration demographics, and establishing a joint administration between the governments of Baghdad and Erbil to manage the district. Under this agreement, the local police and the national security and intelligence services take over responsibility for the district's security and 2,500 displaced members of the district were appointed to the internal security forces. The 2017 security arrangements in the district were abolished and all armed formations were removed from the district.⁽¹⁾

Many pro-Iranian militias consider the agreement to be a political deal and a betrayal of the Popular Mobilization Forces' (PMF) role in fighting against ISIS. Qais al-Khazali, leader of the Asa'ib Ahl al-Haq militia said, " [The agreement] is a political courtesy and an electoral reward at the expense of the Yazidis who suffered greatly, and this new agreement is intended to continue their suffering."⁽²⁾ Former commander of the 30th Brigade of the PMF Waad Qado said, "The 30th Brigade is deployed in the Nineveh Plains and is dominating the land now. The brigade will not come out, but only over our dead bodies."⁽³⁾

The Iranian-backed militias would naturally reject this agreement because it undermines Iranian influence and Iran's gains as the agreement stipulates the withdrawal of all armed formations from the district. This means the withdrawal of pro-Iranian armed militias which have controlled the district since 2017. It negatively affects Iranian influence in Iraq especially in the other disputed areas within the Kurdistan Region of Iraq, such as Daquq, Kirkuk, Tuz Khurmatu, Khanaqin, Makhmur, and the various sectarian and ethnic areas that have militias. The negative impact on Iran's presence will also be seen as soon as similar agreements are crafted in line with the Kazemi government's goal to transition Iraq to the stage of statehood.

Iran and its proxies in Iraq are aware of the negative repercussions of the agreement for Iranian regional influence because the district is of geopolitical importance given its proximity to the city of Tel Afar near the Iraqi-Syrian border. This makes it a key link within the Iranian corridor linking Tehran to the Mediterranean Sea, and a logistical supply line from Tehran to Baghdad, Damascus, and Beirut. Therefore, losing this district is a painful blow to Iran – see the map of the Sinjar district below – because it will be an obstacle to the implementation of

Iran's project to link Iraq to Syria.

Map 1: The Geographical Location of Sinjar District



Source: "Dead Land Islamic State's Deliberate Destruction of Iraq's Farmland," *Amnesty International*, 2018, accessed October 3, 2020, <https://bit.ly/37FdtWH>

Although the agreement is a success point for Kazemi's government due to the inability of successive governments to resolve the dispute in the Sinjar district which holds geopolitical importance, and a potential starting point for future understandings between the government of Baghdad and Erbil to solve many controversial issues, its implementation will face obstacles due to opposition from militias and Iranian fears that calls might emerge for the drafting of other similar agreements, which would hinder Iran's expansionist plans, open the discussion of militia proliferation in Sunni provinces and cities, and strengthen the authority of the Baghdad government over the district.

The militias are likely to continue to reject the agreement, since it is difficult to imagine armed militias giving up the gains they secured in Sinjar which facilitates the linkage between Iraq and Syria.

II. The Implications of Akram al-Kaabi's Visit to Iran

The leader of the pro-Iranian armed movement, Harakat al Nujaba in Iraq, Akram al-Kaabi, conducted a visit to Tehran on October 28, 2020, during which he met Iranian political and military figures, including Secretary of the Expediency Council Mohsen Rezaee, the Supreme Leader's Adviser on International Affairs Ali Akbar Velayati, the Deputy Commander of the IRGC Ali Fadawi, and the Supreme Adviser for Military Affairs to the Supreme Leader Major General Yahya Rahim Safavi. According to media outlets, these meetings centered on the developments in Iraq, the future presence of US troops in Iraq, militia deployments in Iraqi cities and governorates, and conflicts in the region.



Photograph of Secretary General of Harakat al Nujaba militia at his meeting with the Supreme Leader's Adviser on International Affairs Ali Akbar Velayati. ("Kaabi: The US Embassy a Military Base and the source of Troubles in Iraq," *Mehr News Agency*, accessed October 30, 2020, <https://bit.ly/2TAmr12>).

This visit for several reasons sparked widespread controversy in Iraq, especially from the alliances, currents and forces that support the efforts to move Iraq towards the stage of statehood, namely the fact that Kaabi is the leader of an armed militia listed on the US terrorism list, and he himself was also added to the same list. Kaabi does not have any official status in Iraq that allows him to meet Iranian official figures.

The meeting can pose a challenge to the sovereignty of Iraq, which has a government with official capacity to speak to the outside world on one hand. The visit is one of the most significant indicators of the collaboration between armed militias and Iran and reveals that they implement Iran's expansionist agenda at the expense of the higher interests of the Iraqi state on the other hand. In addition,

this meeting reflects the intention of Iran and its militias to ensure that Iraq permanently remains without sovereignty to ensure its subordination to Iran and the implementation of the rest of Iran's plans. Finally, it shows Iran's support to groups classified as terrorist organizations.

Kaabi disregarding the will and sovereignty of the Iraqi state, which has the final say in determining the future of the US military presence in Iraq, was illustrated in his statement, "The missile for bullets policy has never changed. If the US forces do not withdraw from Iraq on time, our response will be decisive and harsh."⁽⁴⁾ He also stated during his meeting with Safavi, "The US embassy in Iraq is not a diplomatic center, but rather a military base and command center for deviant groups."⁽⁵⁾ This is a clear and explicit acknowledgment that the armed militias have targeted the headquarters of foreign missions in Iraq based on official instructions from Iran. Kaabi emphasized the expansionist plan of Iran via its armed militias in Iraq, Syria and Lebanon when he said, "the axis of resistance will not stop before liberating Jerusalem and praying in it."⁽⁶⁾

Kaabi is one of Khamenei's most prominent figures in Iraq and is loyal and obedient to the Vali-e-Faqih. He previously confirmed this when he said, "We follow the line of the Guardianship of the Jurist under the leadership of Grand Ayatollah Khamenei, and we will be wherever the axis of resistance needs us."⁽⁷⁾ He confidently announced that he would overthrow the Iraqi government or fight alongside the Yemeni Houthis if Khamenei ordered him to do so.⁽⁸⁾ Some call him the "Hassan Nasrallah of Iraq" because of his strong presence among militia leaders and fighters. The Harakat al Nujaba militia played a major role in all the Syrian battles to implement the Iranian agenda.

Third: The Tension Between Armed Militias and the Iraqi Kurdish Components

The relationship between the pro-Iranian armed militias and the Iraqi Kurdish components became tense during October 2020 considering militia supporters set fire to the headquarters of the Kurdistan Democratic Party, as well as to images of Kurdish symbols and the Kurdish flag on October 17, 2020. The escalation of the militias against the Kurdish components increased when those who set fire to the headquarters raised the PMF flag on top of the building.

The armed militias attributed their escalation against the Kurdish components to the statements of the Kurdistan Democratic Party leader and the former Iraqi Foreign Minister Hoshyar Zebari, in a televised interview on October 14, 2020, in which he said that the Iraqi government, "should clear the Green Zone in the capital Baghdad of militia proliferation" given the repeated militia attacks on diplomatic missions. He also described the PMF as "an illegal force."⁽⁹⁾ It should be noted that Zebari's statements were made against the background of militias firing six missiles at Erbil airport. The targeting of Erbil airport served as a message to Washington, because it had threatened to transfer its embassy from Baghdad to Erbil. The attack showed that Katyusha missiles can reach US targets in any geographical spot in Iraq.

A new militia affiliated with the pro-Iranian militias named Raba'a Allah considered Zebari's statements as an insult to the role of the PMF, which fought against ISIS. Therefore, the group decided to protest in front of the headquarters of the Kurdistan Democratic Party.⁽¹⁰⁾ Militia leaders and pro-Iranian factions in Iraq denounced Zebari's statements. They said that Zebari's statements were an insult to the sanctity of certain principles.

Iraqi media circles reported that Raba'a Allah is a Shiite Alawite group that is similar to the Iranian Basij because of its ability to mobilize and suppress movements considered to be against Iran's interests in Iraq. It follows the Hezbollah Brigades, Asa'ib Ahl al-Haq and Harakat al Nujaba. It emerged following the killing of the former Commander of the Quds Force, Qassem Soleimani. Media circles have indicated that this militia played a role in the assassination of political activists and protesters to suppress the popular anti-Iranian demonstrations in Iraq, and targeted media channels that adopted anti-Iranian rhetoric. In addition, it mobilized Iranian loyalists to target the US embassy to pressure Washington to pull out US forces. Finally, this militia is obstructing Kazemi's mission to limit arms to the state.

Iran and its militias in the areas of influence, whether in Iraq, Syria, or Lebanon, are pursuing escalatory policies against any state component that stands against or opposes the expansion of its influence, taking into account the importance of these countries in Iran's expansionist strategy. The Iran-backed militias continue to intimidate and threaten the governments in these countries and their regional and international allies, including the Iraqi government, that they can flare-up instability and large-scale devastation in these countries if the government curbs their activities or limits their deployment.

It is unlikely that the situation will develop into a military confrontation between the Kurdish components and Iranian-backed militias due to the presence of voices warning against confrontation, and the lack of contact between Kurdish forces and armed militias except in limited areas and the absence of military mobilization from both sides in the mentioned countries.

Conclusion

Previous interactions indicate that the escalation between the camp which wishes to move Iraq towards statehood and restore its sovereignty, and the alliances that are committed to keeping Iraq hostage and stuck in the non-state stage characterized by instability and the presence of armed militias will greatly influence the internal and external decisions of the state. This was manifested in militias escalating against government policies and movements to transfer Iraq towards statehood. These steps would have a disastrous impact on Iranian influence in Iraq and would also have a broader impact on its influence in the region. Therefore, the militias move to confront any actor that is hostile to Iranian influence and continue to violate state sovereignty. This is done via their coordination with Iranian political and military officials to keep Iraq as a vassal state.

Study

The Hijab and Politics in Iran



Iran, since the 1979 revolution, has perhaps not witnessed such a highly controversial issue along jurisprudential, philosophical and political lines as the hijab and women's attire. There are several issues which have turned this subject into a matter of identity and has led to a political and religious standoff.

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IRAN AND YEMEN

During October 2020, the Yemeni arena witnessed developments related to the Iranian role. Iranian escalatory steps coincided with UN efforts to bring peace to Yemen. UN efforts resulted in the first prisoner exchange agreement between the Yemeni government and the Houthi militia. Many observers considered it a breakthrough in the Yemeni crisis considering the Iranian government's attempts to obstruct all peace efforts by instructing its militias to increase military escalation inside and outside Yemen. To this end, Iran sent an Iranian military commander to Sana'a under the guise of an ambassador. These Iranian steps coincided with the lifting of the UN arms embargo; Tehran has exploited the Yemeni crisis to serve the Iranian political will in line with its own interests away from the talks to find a comprehensive political solution in Yemen, and end the suffering of the Yemeni people. We will review the most prominent developments in the Yemeni scene in October, which are directly related to the Iranian role.

I. The Iranian Position on the Yemen Peace Process

With every sign of a political breakthrough in the Yemeni crisis, the Iranian government pursues a policy of escalation and continues to shuffle the cards. This is how Yemen's Minister of Information Muammar al-Iryani described the Iranian position on the Yemeni crisis and the Iranian government's position on a comprehensive political solution in Yemen. Iranian escalatory steps often coincide with steps towards reaching a political solution in Yemen. Recently, the Iranian government deliberately smuggled a leader of the IRGC into Sana'a under the guise of "an ambassador with absolute powers." This coincided with the largest prisoner exchange deal between the legitimate government and the Houthi militia. The Iranian government announced the arrival of Hassan Erlo, the Iranian ambassador extraordinary to Sanaa. This announcement came via a statement by the Foreign Ministry's Spokesman Saeed Khatibzadeh.⁽¹¹⁾

Regardless of how Hassan Erlo was smuggled into Sanaa, which is unprecedented and violates all international laws, many sources indicate that Hassan Erlo does not have a diplomatic record, and is a Quds Force field commander and a missile expert who has previously worked with Hezbollah in southern Lebanon. Sources expect that he will work in Sanaa as a military field commander.⁽¹²⁾

Regarding this Iranian step, the Yemeni Minister of Information stated, "Tehran's announcement of smuggling an officer from the Quds Force, which is designated a terrorist organization, as an Iranian military ruler into Sanaa, came just hours after the largest exchange of prisoners and kidnappers. It was described as an important step towards completing the comprehensive exchange and a ray of hope for the path of peace based on the three references." He added, "The provocative Iranian announcement aims to destroy the positive atmosphere that prevailed after the implementation of the first stage of the exchange process. It came as a confirmation of the Iranian guardianship over the political and military decision making of the

Houthi militia, making clear that Iran should not be bypassed with regard to any decision in the Yemen file.”⁽¹³⁾

In the first stage of the prisoner exchange deal, the Houthi militia would release 400 prisoners, including 15 Saudi and four Sudanese prisoners, while the legitimate government and the coalition would release 681 Houthi prisoners, bringing the total number of prisoners released from both sides to 1,081. This operation was conducted under the auspices of the ICRC in cooperation with the Saudi Red Crescent and the Yemeni Red Crescent.⁽¹⁴⁾

It should be noted that the Iranian government’s smuggling of Hassan Erlo at the same time as the prisoner exchange deal also coincided with statements from a number of Iranian officials, including Iranian President Hassan Rouhani, which indicated an Iranian desire to supply Iranian weapons to the Houthi militia and other parties in the region. These statements reveal the danger of lifting the ban on the Iranian government’s ability to buy and sell weapons to the region’s peace and security as well as to international security. A member of the National Security and Foreign Policy Committee in the Iranian Parliament Abu al-Fadl Hassan Beki said, “The arms sale to Syria, Iraq, Yemen, Lebanon and even Palestine will be done easily after the lifting of the arms embargo.”⁽¹⁵⁾

These Iranian statements indicate Iran’s position that opposes all peace efforts in the region and is a continuation of positions adopted by past Iranian governments. These statements confirm what the official spokesman of Iran’s armed forces said last month. He said that the Iranian government would put all military technologies at the disposal of the Houthi militia and this coincided with the beginning of the Geneva talks over a prisoner exchange agreement between the Houthi militia and the Yemeni government.⁽¹⁶⁾

The Yemeni government has warned of Iranian officials intending to supply arms to the Houthi militia because it poses a threat to the security of Yemen and the region. The Yemeni Minister of Information responding to Iranian statements, including the Iranian president’s assertion relating to supplying weapons to the Houthis, said, “The statements of Iranian President Hassan Rouhani about the end of the arms embargo, and his intention to sell weapons to those who want them, in conjunction with the statements of a member of the National Security Committee of the Iranian Parliament, Abu al-Fadl Hassan Beki, on Iran’s intention to sell weapons to the Houthi militia, are a dangerous indication of Iranian policies that aim to escalate the pace of conflict in the region.” He added, “Any Iranian step to export weapons to the Houthi militia will escalate the conflict, undermine political solutions to the Yemeni crisis, and increase subversive and terrorist activities that undermine the security and stability of Yemen and the region as well as the movement of commercial ships, and international shipping lines.” At the same time, he called for extending the Iranian arms embargo, since it poses a threat to the security and stability of Yemen and the region.⁽¹⁷⁾

II. Houthi Escalations and Iranian Violations of International Law

The Yemeni government confirmed that the Iranian government’s continuous support to the militias is a violation of the rules of international law and of UN Security Council resolutions related to the Yemeni crisis, especially Resolution 2216. This came after the Iranian government announced the sending of an ambassador to Sana’a. “Iran’s aggressive policies undermine peacemaking efforts and constitute

a blatant violation of international law and an outright challenge to international resolutions relevant to the Yemeni crisis,” said Information Minister Muammar al-Iryani.⁽¹⁸⁾

The Yemeni government highlighted in its statement, “The Iranian government’s persistent use of gangs and terrorist organizations which smuggle weapons and individuals to the Houthi militia confirms this government’s aggressiveness and its malicious intent towards the Yemenis.” The legitimate government called on the international community and the UN Security Council to condemn these illegal Iranian practices and violations and Iran’s blatant and continuous interference in the internal affairs of the Republic of Yemen. The Yemeni government filed an official complaint to the UN Security Council against the Iranian government with regard to the smuggling of an IRGC leader into Sana’a under the guise of an ambassador. In this complaint, the Yemeni government called on the international community, especially the permanent members of the UN Security Council, to end their silence and to take a clear and resolute position towards Iranian aggression in Yemen.⁽¹⁹⁾

According to the US State Department’s spokeswoman, Morgan Ortagus, the United States condemned this Iranian step to smuggle Hassan Erlo as an attempt to expand its malign influence in the region. She also highlighted Hassan Erlo’s links with the terrorist activities of the Lebanese Hezbollah. Spokesman of the Yemeni army Brig. Gen. Abdu Abdullah Majili, said, “The new Iranian ambassador will commence military activities against government forces and would facilitate the arrival of arms shipments to the Houthis.” Many observers believe that the Iranian government, by sending a new ambassador to Yemen, wants to send a message to the world that it should acknowledge the Houthis as a legitimate authority in Yemen. This will allow further engagement in political and military escalations, which violate the rules of international law and threaten the security and stability of Yemen and the region.⁽²⁰⁾

In this context, many sources confirmed that Hassan Erlo delivered the Iranian government’s instructions to the Houthi militia to carry out military escalation inside Yemen and to intensify attacks against the Kingdom of Saudi Arabia. The sources emphasized that the commands of the Iranian government and the IRGC coincided with the arrival of batches of Iranian drones and ballistic missiles smuggled to the Houthi militia successively during the last period.⁽²¹⁾

It should be noted that the Houthi escalation increased significantly after the arrival of Hassan Erlo in Sana’a, with the militias systematically targeting civilian installations and civilians in the Kingdom of Saudi Arabia several times, using ballistic missiles, aircraft bombers and reconnaissance aircraft. These weapons were earlier described by the United Nations Committee of Experts as identical in design, dimensions, and capabilities to Iranian drones. Turki Al-Maliki, the official spokesman for the Coalition to Support the Legitimate Government, confirmed that all these attacks had been addressed. He believes that the increase in the Houthi escalation is due to direct orders from IRGC commanders. He said, “the orders of the IRGC are evident in occupied Sana’a.”⁽²²⁾

It should be noted that in a statement, IRGC Chief Commander Hossein Salami said to Tehran Radio in Arabic that Hassan Erlo’s tasks in Sana’a are to change the political structure of the Yemeni state, and to restore the internal structure of the Houthi militia. Many observers believe that just like the irresponsible statements

made by the chief commander of the IRGC, as well as its impact on the Yemeni reality, these remarks are a flagrant violation of international law. In addition, they also violate Yemen's sovereignty and territorial integrity, and challenge the will of the international community. At the same time, they indicate that Hassan Erlo's duties are of a military nature for the Houthi militia and are not related to diplomatic work. In his statements, Hossein Salami describes the leaders of the Houthi militia as following the orders of the IRGC rather than acting independently.⁽²³⁾

The US Secretary of State Mike Pompeo in relation to Iran violating international laws and UN Security Council resolutions, said, "The United States calls on Iran to stop smuggling weapons to the Houthis in violation of Security Council resolutions and empowering them to take aggressive steps against Yemen and its neighbors, including Saudi Arabia." He believes that the smuggling of an IRGC leader by the Iranian government and Houthi militias is in the context of military escalation to oppose all efforts towards finding a peaceful solution for peace in Yemen.⁽²⁴⁾

Conclusion

Iran's escalation and steps in the Yemeni arena at the political level, and the military support provided to the Houthi militia by the Iranian government indicates Tehran's desire to prolong the Yemeni crisis. At the same time, it exposes the Iranian government's indifference to all efforts to bring peace to Yemen on the one hand and the Iranian government's failure to comply with all international laws and norms and UN Security Council resolutions related to the Yemeni file on the other hand. The smuggling of an IRGC military commander to Sana'a by the Iranian government indicates an Iranian desire to fuel the Yemeni conflict and to prolong the Yemeni crisis and the suffering of the Yemeni people in order to exploit the Yemeni file in line with ongoing political developments, and to serve Tehran's expansionist project in the region, with the Houthi militia subordinate to the Iranian government. This was expressed by the IRGC commander in an unprecedented manner.

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International Affairs

The International Affairs part discusses two main files: Iran-US relations and Iran-Russia relations. The first file sheds lights on Iran's role in the US 2020 presidential elections while the second part reviews the ramifications of the Armenian-Azerbaijani conflict on Iran-Russia relations as well as Russia's position on Iran's request to purchase weapons following the lifting of the UN arms embargo.



IRAN-US RELATIONS

During October 2020, US-Iran interactions witnessed several developments, most significantly the Iran file was one of the electoral campaign issues for the current US President Donald Trump and his Democratic rival Joe Biden. The latter criticized Trump's policy towards Iran, and presented a new approach to deal with the Iran file. However, Iran awaits the results of the US elections as its outcome will have a major impact on the current crisis in Iran. Even though Biden's new administration is set to take office in January 2021, the Trump administration continues its pressure on Iran by imposing a wide range of sanctions on the country. Iran faces this escalation because of continuing with its policy of confrontation and resisting US pressure. This section of the report will shed light on Iran-US interactions during this month and their impact on the relationship between the two countries

I. The United States and Iran - Electoral Debate and Ongoing Pressure

The Iran file was one of the foreign policy issues raised by President Trump and his rival Joe Biden in their election campaigns. Obviously, they expressed divergent views on dealing with the Iran file. Trump insists on maintaining the maximum pressure strategy to force Iran to accept the US conditions that were issued by the US State Department in 2018, after the US withdrawal from the nuclear deal. Trump mentioned that if he was re-elected, he would sign a new agreement with Iran.

However, Biden criticized Trump's policy towards Iran and believes that it has increased the threat posed by Tehran and endangers US interests. He promised to pursue a smarter way to deal with Tehran. He vowed to prevent Iran from developing a nuclear weapon, restore the importance of diplomacy and amend the nuclear agreement with the participation of US allies as the negotiations include many issues such as the missile file and issues related to human rights. He also pledged to curb Iran's activities that destabilize and threaten US allies, and to defend US interests if Iran escalates.⁽¹⁾

Biden has set conditions for the United States to return to the nuclear agreement, most significantly that Iran reverses the steps it has taken to raise the uranium enrichment rate, and limits the range of its missiles, as well as ends its presence in the region. Biden said, "If these conditions are accepted, we will lift the sanctions." However, the positions adopted by Biden's advisers such as Antony Blinken and Jake Sullivan indicate that Biden's policies will not differ from Trump's policies but rather Biden will seek to benefit from Trump's policies.⁽²⁾

Biden warned Iran over Tehran's interference in the US election and its undermining of voter confidence. The US Director of National Intelligence John Ratcliffe has accused Russia and Iran of attempting to interfere in the elections. The United States blocked dozens of websites involved in these attempts to interfere in the elections as shown in Table 1.

The Trump administration has been pursuing its maximum pressure strategy against Iran. In this context, the United States announced a new package of

sanctions, some of which impacted a number of Iranian banks, ministries, companies and individuals to prevent Iran from obtaining foreign currencies and to hinder its trade with the world, and even to push its economy towards collapse. The US Secretary of State stated that these pressures aim to force Iran to reach a new comprehensive agreement.⁽³⁾



The United States also intensified its efforts to isolate Iran at the regional and international levels. The sanctions also impacted Iranian entities, companies and individuals abroad who provide support to Iran in order to help it circumvent sanctions. The most important sanctions impacted the Iranian ambassador to Iraq, companies in Hong Kong and Chinese, Singaporean-American companies as well as individuals that have been involved in violating the US sanctions regime, as detailed in Table 1.

The United States has also stressed that it will punish any party involved in arms sales to Iran, after Tehran confirmed that the United Nations ban on buying and selling conventional weapons has been lifted “automatically.” In this regard, Pompeo said, “The United States is prepared to use its domestic authorities to sanction any individual or entity that materially contributes to the supply, sale, or transfer of conventional arms to or from Iran.”⁽⁴⁾

Also, the United States is working to impede Iran’s request for financial help from the World Bank in order to deal with the coronavirus crisis. Among the international measures taken against Iran, the Financial Action Task Force (FATF) decided – during its general assembly held on October 21 to October 23 – to keep Iran on its blacklist and impose tighter restrictions on countries that do not cooperate in money laundering and terrorist financing. The United States continues to pressure some countries so that they do not release Iranian financial assets accumulated from previous financial transactions, such as those situated in South Korea.⁽⁵⁾

Table 1: US Sanctions on Iran (October 2020)

Date	Sanctions
September 30	130 Twitter accounts were shut down for allegedly influencing US voters.

Date	Sanctions
October 6	A US court order was issued for Iran to pay compensation to the family of a former FBI agent, Robert Levinson – who disappeared during a visit to Iran.
October 7	The US Department of Justice blocked 92 domain names. It said that they were targeting the United States for the spread of Iranian propaganda to influence US domestic and foreign policies. “In addition, the remaining 88 domains targeted audiences in Western Europe, the Middle East, and South East Asia and masqueraded as genuine news outlets,” the US Department of Justice added.
October 8	The Office of Foreign Assets Control (OFAC) sanctioned 18 major Iranian banks.
October15	Seyed Sajjad Shahidian was sentenced 23 months in prison for his role in conducting financial transactions that violate US sanctions against Iran.
October19	Two Iranian citizens, four Chinese companies, and two companies registered in Hong Kong were sanctioned for violating US sanctions against Iran.
October 21	The US Treasury fined the US company Berkshire Hathaway for violating sanctions targeting Iran.
October 23	Iran’s Ambassador to Baghdad Iraj Masjedi was added to the sanctions list for his links with the IRGC elite unit, the Quds Force.

Date	Sanctions
October 23	Three Iranian media institutions: Bayan Rasaneh Gostar Institute, the Iranian Islamic Radio and Television Union (IRTVU), and the International Union of Virtual Media (IUVM) were sanctioned. The IRGC, the IRGC-Quds Force (IRGC-QF) were also sanctioned over their attempts to influence the US elections.
October 26	The US Department of the Treasury designated the Iranian Ministry of Petroleum, the National Iranian Oil Company (NIOC), and the National Iranian Tanker Company (NITC), two vessels, and eight individuals for their links with the IRGC Quds Force.
October 29	Several Iranian, Chinese and Singaporean companies and individuals engaged in Iranian petrochemical trade were sanctioned.

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II. The Iranian Position on the US Elections and Options to Confront Pressure

Iran dismissed US accusations over interference in the US elections. The statements of Iranian officials and media outlets indicated the significance of the US election outcome. Following Biden's election victory, this could impact the difficult conditions which Tehran is facing, especially as Biden expressed a divergent view from Trump in relation to the handling of the Iran file, particularly the issue of the nuclear deal and US sanctions.

Although there is no consensus within Iran over which candidate would have been better, some believe that there is no difference between the Democrats and the Republicans, and that US policy for 40 years has not changed toward Iran. Therefore, with President-elect Biden soon to take office, he may adopt a policy that is not so different from Trump's policy. He may take advantage of the difficult situation and the economic crisis that Iran is facing. However, others believe that Biden might lift the sanctions and mitigate the crisis that Iran is going through.

However, on the eve of the elections, Iran's conditions continued to deteriorate as the new US sanctions imposed more pressure on the government. Iran claims that they pose a great challenge to Iranian international trade, especially the trade of humanitarian goods such as food and medicine. The government believes that the policy of the new US administration will have similar dimensions to the Trump

administration's policy. Therefore, the Iranian government still adopts the policy of confrontation and refuses to negotiate except when Iran's assets abroad are unfrozen and the United States returns to the nuclear agreement and pledges to lift the sanctions.⁽⁶⁾



Despite the US election outcome, Iran is pursuing a strategy to mitigate the pressure it is facing.

Tehran moved to put pressure on countries that have frozen its assets due to US pressure, such as South Korea and other countries that have agreed to find solutions to this problem, including the export of non-prohibited goods to Iran. In this context, it reached an agreement with Iraq to release \$5 billion of its assets. It is known that Iran has \$80 billion worth of hard currency frozen in other countries.⁽⁷⁾

The government discussed plans to circumvent US sanctions on the banking sector. Iran has experience in how to deal with such sanctions. Iran has also established a new pattern of financial relations with China and Russia which includes a movement towards common currencies, financial agreements and a new means of transport. It is estimated that Iran's oil exports have increased during the recent period as well as the export of petrochemicals and petroleum products.⁽⁸⁾

During the past period, Iran has directed its policies "eastward," in particular strengthening its partnership with the Eurasian Economic Union and the Central Asian region, by concluding trade agreements to strengthen cooperation in a number of fields. Iran has also developed its relations with China as Zarif recently visited China to discuss the implementation of the Comprehensive Partnership Agreement between the two countries. Iran endeavors to sign an agreement with Russia on the legal status of the Caspian Sea and to take advantage of their shared position opposing US policy towards Iran.⁽⁹⁾ Iranian officials have demonstrated their willingness to boost exports in the field of arms and equipment, and to provide hard currency and some defense products to Russia and China.⁽¹⁰⁾ In a related development, Iran supports its plans against American pressure by maintaining its relationship with the International Atomic Energy Agency (IAEA). The Iranian government allowed the IAEA to inspect two sites about which it had questions. IAEA Director General Rafael Mariano Grossi said that this was a good step. This

Iranian cooperation dispels the concern of the European parties, maintains their position on the nuclear agreement and disregards the United States. However, IAEA reports confirmed that Iran is building an advanced underground centrifuge assembly plant after its last one exploded in an attack last summer.⁽¹¹⁾

In response to US sanctions, the Iranian government issued warrants to prosecute 45 US individuals and legal entities involved in the sanctions regime targeting the Iranian people. It also imposed sanctions on the US ambassador to Iraq for his role in the assassination of Qassem Soleimani.⁽¹²⁾

III. Results and Repercussions

The maximum pressure strategy pursued by the Trump administration has exacerbated Iran's situation in an unprecedented way. As a result, exports fell by nearly 60 percent⁽¹³⁾ and factional protests re-emerged. In spite of the multiple steps taken by the Iranian government to control the decline in the exchange rate and to increase exports, the new sanctions will contribute to further problems, especially on the economic side.

Although Iran values the automatic lifting of the arms embargo and considers it a diplomatic defeat for the United States and a success in isolating Washington internationally from the Iranian file, it is aware of the extent of the challenge with regard to arms sales. This issue is a priority for America. The United States has been anticipating this matter by issuing a raft of laws and unilateral measures to punish any party that violates the special US embargo on arms sales to Iran. Russia and China may refrain from helping Iran to obtain some of the technology required to develop its weapons arsenal because they fear US sanctions.

Conclusion

In sum, as Trump's term draws to a close, Iran-US relations were characterized by a continuous escalation which did not stop even after the US election results were announced on November 3, 2020. This escalation resulted in a series of unprecedented pressures on Iran. President Trump stated that if he was re-elected, Iran would submit to American demands within a few weeks. Now that President-elect Biden will soon take office, he will find in the US pressure strategy, crafted by the Trump administration, an opportunity to bargain with Iran or maintain the existing pressure. He will not offer free concessions to Iran. For Biden, there will be critical issues similar to what Trump has been seeking to address, namely, to amend the nuclear agreement and make it more comprehensive, as well as to address the ballistic missiles issue, and modify Iran's regional behavior. These issues have become a major concern for US decision makers and its regional allies.

IRAN AND RUSSIA

Despite Washington accusing Russia and Iran of meddling in the 2020 US presidential elections, the two countries were attempting to realize political and military gains during October. Both countries tried to distance themselves from the international debate resulting from the US accusations. These gains were in relation to Iran of possibility purchasing arms and both countries exerting efforts to de-escalate tensions in Nagorno-Karabakh.

I. Selling Arms to Iran

Following the lifting of the arms embargo on October 18, 2020, Iran boasted that its foreign policy was “victorious” while the United States suffered a “defeat” as its moves — at the UN Security Council to extend the arms embargo and activate the snapback mechanism — were rejected by Europe, Russia and China. Though the future ramifications of the activation of the snapback mechanism are not clear at the moment and the Trump administration confirmed that the move was legitimate, vowing to punish those who violate the sanctions, Iran’s Ambassador to Russia Kazem Jalali tweeted that October 18 is a victory for multilateral diplomacy against the United States’ “unilateral” policy.⁽¹⁴⁾

Iran desperately needs to develop its military arsenal. Before the reimposition of US sanctions, Iran had provided Russia with an extensive list of arms it aims to purchase during the then Iranian Defense Minister Hossein Dehghan’s visit to Moscow in 2016. According to the “Iran Military Power” report released by the US Defense Intelligence Agency (DIA) in 2019, Iran is expected to immediately purchase Russian arms and technology including: Su-30 fighter jets, Yak-130 trainers, T-90 MBTs, S-400 air defense systems, and Bastian coastal defense systems, following the lifting of the UN arms embargo.

It is worth mentioning that Russia and China are the most prominent UN members opposed to the United States activating the snapback mechanism. Iran depends on these two countries to purchase advanced arms. Reports and statements indicate that Russia is likely to sell Iran arms. The first reported statement was made by Russia’s Ambassador to Iran Levan Dzagharyan on October 5, 2020 when he mentioned that “We have provided Iran with the S-300. Russia does not have any problem to deliver the S-400 to Iran, and it did not have any problem before, either.” Thus, it is expected that Russia will most probably deliver the S-400 air defense system to Iran.⁽¹⁵⁾

The US sanctions in line with Executive Order 13949, to punish any country that is involved in “the supply, sale or transfer of conventional arms to or from Iran,”⁽¹⁶⁾ will not deter Russia from selling weapons to Iran. Previously, the United States had imposed sanctions on the Russian defense minister due to the Russian annexation of Crimea, which is part of the Ukrainian peninsula. Thus, Washington’s Executive Order 13949 does not threaten the Russians, who have clearly indicated their

intention sell arms and to engage in military cooperation with the Iranians.

However, Iran is likely not to receive the weapons it wants from Russia due to the following reasons:

1. Iran's economic crisis and inability to supply Russia with hard currency in return for arms purchases; further, Russia has already declined Iran's request to purchase weapons on credit;⁽¹⁷⁾
2. Russia's decision to sell arms to Iran will impact its bilateral relations with Middle Eastern countries. It fully comprehends the disadvantages resulting from empowering Iran militarily, which will endanger its growing relations with the Gulf states, especially the two strategically significant Gulf states in Russia's economic stratagem: Saudi Arabia and the UAE. Moscow is also cautious about Israeli concerns over its arms sales to Tehran. Kirill Semenov, an expert on Russian international relations argues that Moscow would need to exercise restraint in selling arms to Iran based on its assessment of its relations with regional actors. According to Semenov Russia is likely only to deliver to Iran "new consignments of S-300 or TOR-M air defense systems, T-90 tanks, BMP-3 tanks, artillery systems and mortars."⁽¹⁸⁾

In a nutshell, Moscow has been seizing opportunities to denounce the United States internationally, and announcing its intention to oppose the US unilateral moves to reap political gains. Russia wants to polish its global image to confirm that it is a country that respects UN resolutions and the UN Charter. However, Russia will not rush into concluding arms purchases with Iran for three main reasons: Iran's economic deterioration; its inability to pay in hard cash at least for the meantime; Moscow's concerns about sharing sensitive technologies with a temporary ally and old rival like Iran — Tehran is not a strategic partner to Moscow; finally the ramifications of selling arms to Iran on Moscow's relations with regional actors, and Russia is quite keen to develop its relations with them.

II. The Ramifications of the Armenian-Azerbaijani Conflict for Iran-Russia Relations

Several sensitive geopolitical issues are interconnected with the Armenia-Azerbaijan conflict. International actors involved in the conflict include Russia and Turkey. Russia is militarily biased towards Armenia, due to their shared religion and ethnicity. Turkey is an ally of Azerbaijan due to religion, language, and ethnicity. Iran shares borders with the two warring countries, and they are bound ethnically to Iran's social fabric. Here, we discuss the developments in relation to this conflict in the context of Iran-Russia relations by addressing two main points:

1. Iran's Position and Initiatives Towards Forging a Strategic Balance

Since the conflict erupted in September, Iran immediately called on the two countries to de-escalate and ease tensions to ensure regional stability. The conflict prompted President Hassan Rouhani to make a statement in which he confirmed that the two countries should work to ease tensions and establish peace in the region. He reaffirmed that restoring stability is of great significance to Iran.⁽¹⁹⁾

By late October 2020, Iran's Deputy Foreign Minister for Political Affairs Abbas Araghchi had proposed an Iranian plan to promote "lasting peace" and resolve the decades-long dispute between Baku and Yerevan.⁽²⁰⁾ Araghchi, arrived in the Azerbaijani capital Baku on October 27; he then visited Armenia, Russia

and Turkey. Araghchi said that the main goals of Iran are: to end the occupation of Azeri territories; to protect minority rights and humanitarian rights; to start a dialogue with the help of influential countries; and to prevent non-regional powers from intervening in the conflict. Iran's plan comes in response to its criticism of the outcomes of the meetings held by the OSCE Minsk Group – co-chaired by France, Russia and the United States. Russian President Vladimir Putin said that Russian security guarantees to Armenia under the Collective Security Treaty Organization (CSTO) do not extend to the Karabakh region. Yet, he confirmed that Russia is committed to its security obligations under the CSTO.^[21]

2. Russia-Turkey Collision and Iran-Russia Relations

Russia plays an integral role in the Armenia-Azerbaijan conflict as it has been providing the two countries with arms while working to maintain the balance of power between them. Yet somehow Iran takes the side of Armenia. Russia concluded an agreement in 2010 with Armenia, which allows Moscow to strengthen Russian troop deployments in Armenia's territories while maintaining a military base in the northwestern Armenian region of Gyumri.^[22]

According to Russia, the Caucasus region is part of its vital sphere where it has economic interests. Russia's ability to spread its influence and restore its old dominance in the region is blocked by external powers meddling in the Armenia-Azerbaijan conflict — especially the United States, Israel, and Turkey, whose geopolitical interests and perspectives favor supporting Azerbaijan. Russia's interests and efforts have been increasing for years to ensure stability in the Southern Caucasus and the Caspian Sea, following the signing of the 2018 Convention on the Legal Status of the Caspian Sea. This Convention prevents external powers from navigating freely in the Caspian Sea or exploiting its resources.

On the other side, due to shared religion, language, and ethnicity, the Turks declared their full support for Azerbaijan. Ankara, here, seeks to craft a new reality in the Caucasus region, paving the way for it to reap strategic gains through Azerbaijan, a country with a prominent regional position due to the growth of its oil revenues. This has advanced its ability to build strong infrastructure and collect investments revenues.

While the Turks are endeavoring to advance their national interests, particularly energy security, via depending on Azerbaijan as an alternative to Russian and Gulf oil, they risk a direct confrontation with the Russians. This potential confrontation may jeopardize their concluded understanding in Syria.

The Russians were not pleased with the Turks' intervention in the conflict as the Turks seem eager to reap the biggest gains out of their mediation efforts to ensure peace. Since the conflict erupted, the Russians expressed their disdain over the presence of radical fighters and mercenaries from the Middle East. They hinted that the Turks transferred fighters to the battlefield. Sergei Naryshkin, the head of Russia's SVR Foreign Intelligence Service, confirmed that the conflict was attracting mercenaries and terrorists from the Middle East, saying, "We are talking about hundreds and already even thousands of radicals hoping to earn money in a new Karabakh war."^[23]

In brief, the entangled geopolitics resulting from the Armenia-Azerbaijan conflict — including the international looming threat of the US-Israel-Tukey alliance against Iranian and Russian interests prompts the latter two countries to

advance their collaboration much further. Russia's divergence from Turkey paves the way for Iran to strengthen its collaboration with Russia in Syria and join the efforts to address the international alliance (Turkey, Israel, and the United States) in Azerbaijan. The escalation in the disputed areas, where Russian and Iranian troops are deployed, may trigger Russia to reconsider its understandings with Turkey and opt for deepening its relationship with Iran. Iran does not see itself as a strategic ally of Russia, yet it hopes to acquire sophisticated Russian arms to strengthen its military arsenal and update its old worn-out air defense systems.

Conclusion

In this part, we discussed the developments in Iran-Russia relations through analyzing two main topics: the possibility of Russia selling arms to Iran and the ramifications of the ongoing conflict between Armenia and Azerbaijan. According to the first topic, we concluded that Russia has fully comprehended the entangled geopolitics of the conflict, taking into account that Moscow is aware of Iran's economic inability to pay in hard cash for its high-price arms sales. In the second topic, we shed light on the opportunities that arise from the Armenia-Azerbaijan conflict that advance Iran-Russia relations. The two countries may resort to strengthening their ties to address the international escalation and the pro-Azerbaijan US-Turkey-Israel alliance — given the fact that the three countries are a threat to both Iranian and Russian interests.

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