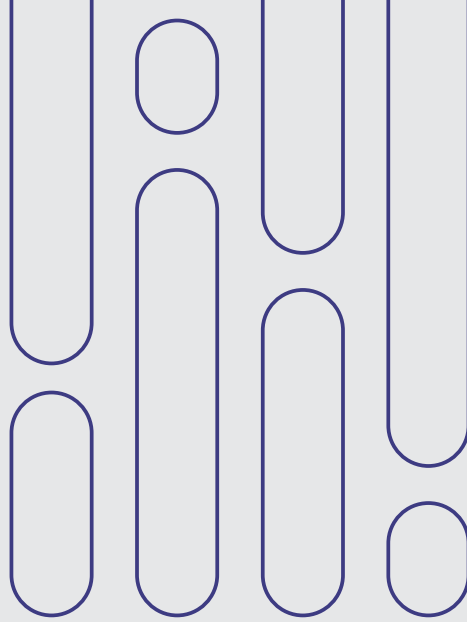


Study

Iran's Foreign Policy Compass Amid International Conflict

23 Oct. 2022

Mahmoud Hamdy Abo El-Kasem
Managing Editor of JIS



Contents

World Powers' Conflict Amid International Shifts	03
Challenging US Rules and Suggesting Alternatives to the Current World Order	05
Iran's Foreign Policy Under the Raisi Government	09
Ramifications of Growing International Conflict on the Substance and Outcomes of Iran's Foreign Policy.....	13
Conclusion	23

The international arena has witnessed rapid shifts amid growing strategic competition between world powers resulting in heightened conflict and confrontation. The United States found itself obliged to exert all efforts possible to protect its hegemony in a unipolar world. This has intensified the US conflict with the re-emerging Russia and ascendant China. This competition has pushed Russia and China to revive their old ties and establish new ones, providing room for smaller countries to enhance their interests, policies, and partnerships. Iran, crippled by US sanctions, has found opportunities within the international arena to enhance its interests and challenge US hegemony — which according to the Iranian perspective is adopting unjust policies toward it. Thus, the study aims to answer a significant question: to what extent have the current international shifts impacted Iran's foreign policy?

To answer this question, the study examines three major topics: the conflict between world powers and international shifts, the nature of Iran's foreign policy under the Raisi government, and the impact of growing conflict between world powers on Iran's foreign policy.

World Powers' Conflict Amid International Shifts

The international arena has witnessed furious conflict between major powers. The prominent features are as follows:

Military Confrontation and the Expansion of Geopolitical Competition

Since President Biden assumed office in early 2021, the US administration has followed a strategic competition policy in the

international arena to counter rising powers and preserve its hegemonic status. This policy is based on four pillars: restoring the strategic balance of power in Europe, directing resources and forces toward the Far East, maintaining technological supremacy and privileges for the United States, and mobilizing allies to support US values and the rules of the world order. This US policy has opposed that of Russia and China, two powers that aspire to eliminate US hegemony. This opposition has turned their competition into a conflict in hotspots and intersections of interests; evident in the impact of the Russia-Ukraine war and the Taiwan crisis in the South China Sea.⁽¹⁾

Return to Polarization and Coalition-Building

Amid the growing international competition, the major powers have allocated more resources to support their allies. The United States, for example, has evidently worked to enhance its alliances in East Asia, expand NATO, recalibrate its policy toward the Middle East, and return to Africa.⁽²⁾ China, meanwhile, has been keen to build blocs of supporters or at least of those who oppose the United States. Chinese efforts were evident in the expansion of the Shanghai Cooperation Organization (SCO) and BRICS (the acronym for the five major emerging economies: Brazil, Russia, India, China and South Africa). China hopes that these two blocs will be an alliance of non-Western great powers.⁽³⁾

Chaos Amid the Decline of US Deterrence

Apparently, the Asian powers are rising amid instability and furious competition in variant spheres of influence across the world. Chaos is consistently expanding, which undoubtedly exacerbates further the current turbulence in the internation-

al order, leading to a decline in the effectiveness of deterrence strategies, especially that of the United States. Probably, US deterrence has declined or even proved futile because the United States is not sufficiently prepared to utilize military power except when necessary. Washington has often threatened to use military power but retreated in Syria and with Iran. In the 1990s, the United States was more effective in achieving its goals whether in the former Yugoslavia or Iraq.⁽⁴⁾ The failure of US deterrence is not because US power has eroded. The shift was evident when Washington expanded the scope of its confrontation and in its extensive use of sanctions as more alliances have emerged to resist the sanctions regime.

Challenging US Rules and Suggesting Alternatives to the Current World Order

Some world powers refused to show compliance to the sanctions imposed by Washington and its partners on Russia against the backdrop of its invasion of Ukraine. The UN role has been marginalized in light of the blatant violation of international law by a UN Security Council permanent member as Russia seeks to redraw borders using military force. Many world powers believe that the current world order does not reflect the reality of their status; it is unjust and imbalanced and have frequently expressed their desire for enhancing multilateralism instead of the current unilateralism and have called for the reform of the current system of the UN. China recently unveiled a new strategic framework called the Global Security Initiative which reflects China's perception of the world order. The initiative also indicates that China is seeking to un-

dermine the international trust placed in the United States and the West as major guarantors of regional and international stability. The main international organizations are based in Western capitals, however, China's initiative might be welcomed by many countries which have lost trust in Washington.

The Rise of Anti-unilateralism

Apparently, sentiment against US hegemony has been rising. Many countries seek liberation from the shackles of US hegemony. These countries have collaborated at the regional and international levels to achieve their goal. They have taken measures to amend the structure of the world order and at least curb US hegemony or make a drastic change to the world order. They have already changed the pattern of distributing resources and interests. Amid the current changes, China has found opportunities to enhance its relations with the West. Therefore, China seizes all opportunities available to deepen its ties with anti-US partners through helping them to resist US sanctions and build trust.⁽⁵⁾

Without a doubt, the drastic changes occurring during this period of transformation from competition to conflict have affected the structure of the world order and its governance standards, the behavior of states, and interactions within the international system. The most prominent consequences of this period are as follows:

- **Expanding room for maneuver for small and medium powers:** The more intense the conflict between world powers becomes, the greater room small and medium powers have. They become liberated from the shackles and levers of a unilateral world order. They can also invest in this conflict to support their paths toward strategic independence and neutrality

while benefiting from the parties to the conflict. The positions of some states reflect their ability to challenge US policy and support their path towards strategic independence from US hegemony. The United States has accordingly lost its power to control their positions and serve its own interests. Despite the blatant Russian aggression in Ukraine, many countries were hesitant to condemn Russia's invasion — even those countries which are close to the United States did not respond to Washington's calls to condemn Russian aggression.⁽⁶⁾

- **Limiting international cooperation on major issues; nuclear proliferation:** No wonder, the diplomatic domino effect of furious rivalries has made it difficult for great powers to work together to address regional and international challenges, even when it is in their interest to do so.⁽⁷⁾ Given the strong cooperation between Russia and China, multilateral institutions have become less effective. Beijing and Moscow adopted a united position and hindered the UN Security Council from issuing many resolutions such as those related to the Yemeni and Syrian crises. Russia decided to veto consensus on a final document at the conclusion of the Tenth Review Conference of the Nuclear Non-Proliferation Treaty (NPT) in August 2022.⁽⁸⁾ The two countries also thwarted the US desire to achieve international consensus to halt global proliferation, including vetoing a UN resolution on North Korea following its nuclear test in May 2022. Their stance has affected the power of the UN Security Council, and sent a potential negative message to North Korea and other countries ambitious to acquire nuclear weapons such as Iran. It is worth noting that this is occurring amid a potential gap in the non-proliferation regime and escalating international rivalries while the US sanctions regime against what it perceives as rogue proliferators may collapse.⁽⁹⁾

- **Enhancing the status of exporters of vital goods:** The conflict in Ukraine highlighted the significance of vital strategic goods. Russia places pressure on the West through its main bargaining chip, gas and oil and other vital goods necessary for technological semiconductor industries. China is the world's largest importer of computer chips. Countries such as the Gulf states, Iran and Venezuela have attracted the attention of major powers because of their mineral reserves which are essential for manufacturing computer chips. The current international conflict has paved the way for these countries, especially the sanctioned ones, to benefit from rising demand for their resources. These countries do not only aim to reap economic gains but also aspire to enhance their interests and evade sanctions restrictions.

- **More collaboration to address US/Western sanctions:** Following its excessive use of sanctions, several countries have expressed their desire to collaborate against US sanctions. They have also criticized the international monetary system which grants the United States unilateral power. China, Russia and Iran are seeking to set up an alternative financial system based on the Chinese national currency for the exchange of basic commodities.⁽¹⁰⁾ This potential system would bring about transformative shifts in current world order. However, an alternative physical currency for the US dollar is not expected to materialize in the short run. The looming threat for the United States is the development of decentralized digital currencies including cryptocurrencies and private sector digital currencies, which may end the US advantage from the current monetary system; jeopardizing the dollar's centrality in enforcing sanctions, and accordingly influencing international financial transactions over the longer term.⁽¹¹⁾

Iran's Foreign Policy Under the Raisi Government

The international status quo has provided Iranian President Raisi with a significant opportunity to adopt two parallel approaches:

Cautious Diplomacy

Raisi assumed office at a complex time during which Iran has been facing an economic crisis and internal strife, jeopardizing the legitimacy of the ruling system — while being under harsh external pressure. Unlike Rouhani, Raisi is not well-experienced in foreign policy, therefore, he has relied on state institutions and figures that helped him assume office, especially the Supreme Leader Ali Khamenei, who enjoys the final say when it comes to the country's foreign policy; especially those related to the nuclear deal, Iran's relations with the West, and the policy of "Look to the East." The Raisi government, therefore, did not oppose the Biden administration's diplomacy to revive the nuclear deal. It expressed its desire to expand regional dialogue to infuse tensions while adhering to its red lines related to its vital interests. Iran's cautious diplomacy can be explained as follows:

- **Participating in negotiations while affirming enmity against the United States:** Iran's Supreme Leader Ali Khamenei underpinned his distrust in the West, laying down red lines hindering any efforts to normalize relations with the United States. "Holding talks and negotiating with the enemy at a certain juncture does not mean surrendering to it. We have never surrendered so far, and we never will," Khamenei said.⁽¹²⁾ The Raisi government practically and directly translated Khamenei's remarks by avoiding direct talks with the United States to

revive the nuclear deal, while ensuring guarantees that Washington will not withdraw from the deal again and that Iran will achieve economic benefits from the deal.

- **Adopting a strict position on the nuclear talks:** Iran has expressed its harsh stance on the nuclear negotiations, exploiting the current international shifts to gain more time and reap more benefits to draw closer to manufacturing a nuclear bomb under the guise of diplomacy and applying leverage to counter US and Western pressure. This is with the aim to push the United States and the West to concede their demands to revive the nuclear deal and accept Iran's demands.

- **Complete rejection to include the ballistic missile program in the talks:** Iran adopts an unyielding stance when it comes to including any non-nuclear issues in the nuclear deal, which it perceives as a red line. "Iran's ballistic missile capability, popularity, and regional influence associated with the Revolutionary Guards — that has been a target for the unified front of Islam's enemies, especially the terrorist, mafia regime of the United States which lives on crises — is a red line for the Iranian people."⁽¹³⁾

- **Talks with regional rivals:** To defuse tensions and avoid further challenges while enhancing its regional influence, Iran resorted to holding talks with regional powers, namely the Kingdom of Saudi Arabia. Iran aims, here, to mitigate the impact of pressure and sanctions, and halt the Gulf's approach to normalize ties with Israel, which will eventually bring the Iran-Israel confrontation to the Gulf, Iran's neighbor. Tehran also seeks to change the position of regional powers which reject the revival of the nuclear deal without including Iran's regional behavior in the talks. The Raisi government sought to improve ties with the Gulf countries to curb US influence in

the region and strengthen its position in the ongoing nuclear talks.

- **Activating energy diplomacy:** Iran presents itself as a prominent player in the world oil market. Iran's Oil Minister Javad Owji said that the global oil market needs Iran's oil and gas, adding that the return of Iran's oil may stabilize the market. He also stressed that Iran is able to swiftly increase oil production to the level before the imposition of sanctions. It is worth discussing his remarks given the unprecedented crisis in gas supplies. Gas has become a powerful lever in the Russia-Ukraine war. Iran possesses massive gas reserves exceeding 34 trillion cubic meters which account for 17 percent of global gas reserves. Iran is the third largest gas producer after Russia. Iran also has oil reserves amounting to nearly 158 billion barrels, which represent about 9 percent of global oil reserves. Iran is the fourth largest oil producer after Venezuela, Saudi Arabia, and Canada. There are still enormous undiscovered oil and gas fields; it is likely to witness an increase in its oil and gas reserves. Its strategic location may lead Iran to become a vital energy supplier with reasonable prices — which Iran actually aims to achieve in order to reap more economic and strategic gains to entrench its influence in the region and the world.⁽¹⁴⁾

Resistance, Avoiding the West

Creating balanced foreign relations through enhancing ties with US competitors has been a top priority for Raisi. He also works to diversify Iran's foreign policy, hoping to resolve the country's woes away from the nuclear deal. This is in addition to ensuring that sanctions do not affect Iran's foreign relations, neither the ruling system's legitimacy at home. Raisi directed all ministries and state institutions to evade US sanc-

tions, devise ways to bypass sanctions in commodities markets, and it was decided that the first vice president will take responsibility for coordinating government activities to mitigate sanctions.⁽¹⁵⁾ In this context, the Raisi government resorted to adopting the following policies:

- **Look to the East policy:** It does not refer to the status quo of the region during the Cold War, but it is about Iran's perspective toward the region and its neighbors. It also aims to strengthen Iran's national policy given the fact that it relies on making the East a counterbalance to the West. The Raisi government, therefore, underpinned the significance of cooperation with key countries: Russia, China, India.

- **Neighborhood policy:** It aims to expand the scope of Iran's relations with its neighbors in order to open perspectives on cooperation and commercial exchange so it can overcome US sanctions. This includes cooperation on logistics, finance and banking in addition to the enhancement of international markets, trade agreements, trade development structures, and cooperation with local banks of the targeted countries in the East in their own national currencies.⁽¹⁶⁾ To practically translate this policy, the Iran Trade Promotion Organization (ITPO) concluded bilateral agreements to lift restrictions, establish bilateral transaction channels to circumvent sanctions, hold conferences to enhance trade and hasten the implementation of bilateral programs, enhance the mechanism of joint committees; and trade. This is in addition to holding talks to expand economic relations and trade cooperation, and adopting a strategy for paying debts including goods-oil agreements.⁽¹⁷⁾

- **Enhance regionalism:** This was evident in the first regional tour of President Raisi when attending the summit of the Shanghai Cooperation Organization (SCO) — during which

Iran was accepted as a member in the organization. Further, the Iranian government enhanced its relations with the Eurasian Economic Union (EAEU) through practically implementing the provisions of the free trade agreement concluded with the EAEU in 2021. Iran also recently applied to join BRICS.

• **Economic Diplomacy:** This came within the framework of Raisi's program to tackle Iran's problems away from the nuclear talks. It aims to make trade a top priority in the government's foreign policy to boost economic revenues. The Iranian Parliament issued a bill to increase economic diplomacy to enhance Iran's trade with its neighbors. The government continued to activate economic and trade partnerships through joint committees with countries such as Uzbekistan, Azerbaijan, Armenia, Pakistan, Iraq, Turkey, Qatar, and Oman. Since Raisi's ascent to power, Iran has engaged in many regional and international organizations such as the SCO and BRICS and other organizations. Iranian officials paid visits to several countries and Tehran also received many foreign officials. The situation was suitable for concluding agreements and memorandums of understanding whether for politics, the economy, society, culture, security and the military. Iran's policies in this regard certainly sent a message to the world that Iran seeks to enhance its relations with the governments and peoples of neighbors and allies.⁽¹⁸⁾

Ramifications of Growing International Conflict on the Substance and Outcomes of Iran's Foreign Policy

Apparently, international shifts have not drastically changed the substance of Raisi's foreign policy; it still focuses on careful diplomacy at both the regional and international levels; Iran's

nuclear talks with world powers and dialogue with regional competitors, especially the Kingdom of Saudi Arabia and Turkey. Amid the significant internal woes, Iran still adheres to this policy. However, it stresses on its own red lines while continuously working to overcome international isolation and sanctions through cooperating with anti-US powers, especially Russia and China. By adopting such policies, Iran may manage to tackle its internal problems and strengthen its position at the negotiating table with the West and the United States. Iran continued implementing such policies with the traditional tools that it has been using to achieve its goals abroad without making any crucial changes; all of its tools and tactics rely on the notion of “resistance,” which Iran has managed to employ since the 1979 revolution.

The international shifts have impacted the order of priorities in Raisi’s foreign policy. The Raisi government’s position on reviving the nuclear deal and dialogue with regional powers has been influenced by the changes in international powers’ positions. The strategy of resistance has gained momentum due to the desire of both Russia and China to challenge the United States and thwart its sanctions regime. As for the outcomes of Raisi’s foreign policy: though international changes have generated gains for Iran, it has also created new challenges. The outcomes can be reviewed as follows:

Gains and Available Opportunities

- **Curbing the US ability for international mobilization and launching military strikes against Iran:** Tehran believes that the current international conflict curbs Washington’s ability to launch a new war in the Middle East as it is occupied with the ongoing war in Ukraine and its top priority now is to

curb China's rise. Any war against Iran will trigger a regional conflict. The United States and the Europeans seek to avoid regional conflict at this crucial time not only because it will undermine regional stability but also because it will affect energy supplies and lead to further increases in prices amid the unexpected, snowballing energy crisis the United States and the Europeans have been suffering lately. The energy crisis has helped Iran to challenge US pressure and avoid including any thorny issues related to its ballistic missile program in the nuclear talks. It conducted more ballistic missile tests and delinked its regional behavior in the nuclear talks. Iran has managed to confine the nuclear talks only to reviving the 2015 nuclear deal without making any drastic changes.

- **Gaining more time while approaching closer to the nuclear threshold:** Iran has exploited the current international conflict to gain more time while using its nuclear program as a bargaining chip in the nuclear talks. It denied the UN watchdog access to monitor its nuclear activities; increasing enriched uranium stockpiles through installing more sophisticated centrifuges, and avoiding providing answers regarding the IAEA inquiries about uranium particles found at three undeclared sites near Tehran. By doing so, Iran attempted to increase its bargaining chips and gain more privileges at the negotiating table. It seems that Iran is exploiting the current developments to move forward in its nuclear program and approach closer to the nuclear threshold. Then, Iran's nuclear program serves as a deterrence tool to halt any withdrawal from the nuclear deal and prevent Washington from any manipulation in the new nuclear deal. When Iran reaches this phase, the possibility to control its nuclear program will be notbeasbefore.⁽¹⁹⁾

- **More strategic cooperation with China:** The Raisi government took more steps on the ground to implement the strategic partnership with China in January 2022. Ali Shamkhani, secretary of the Supreme National Security Council (SNSC) tweeted, “The signing of the Partnership Roadmap between Iran and China is part of the active resistance policy.”⁽²⁰⁾ China currently imports nearly 650,000 barrels per day from Iran.⁽²¹⁾ Amid the current international conflict, Iran hopes to be a key linking point in the strategic route of the Belt and Road Initiative so it can achieve geo-economic repositioning to overcome the isolation and US sanctions and achieve more political and strategic independence.
- **Partnership with Russia:** Following the war in Ukraine, Russia-Iran relations have been growing. They have become more prepared to collaborate and defy US sanctions. Iran intends to sign a strategic partnership agreement with Russia similar to that with China, strengthen defense cooperation, and implement arms deals; such as the latest drone deal to support Russia’s military operations in Ukraine. Such deals help Iran to overcome the sanctions on arms exports.⁽²²⁾ Against the backdrop of the harsh sanctions imposed by Western countries on Russia, the two countries agreed to use Russia’s MIR card payment system (MIR is a Russian card payment system used in Russia and established and run by the Central Bank of Russia).⁽²³⁾ Evidently, they have taken effective steps to undermine the impact of US sanctions. The leaders of the two countries have exerted efforts to boost economic cooperation and bilateral trade. In the first quarter of 2022, the trade volume increased by 10 percent and the North-South Corridor, a key route for Russia amid its current confrontation with the United States, has also been developed.⁽²⁴⁾ This is in addition to

their strong cooperation to support Bashar al-Assad's survival in Syria. Russia is likely to provide more support to Iran in Syria to challenge the United States and Israel, given their stance against the war in Ukraine.

- **Expanding the anti-US coalition with international powers:** Within the framework of anti-US alliances, Iran continued to help Venezuela that has been under US sanctions. It has revamped Venezuela's largest oil refinery and supplied Caracas with gasoline. In May 2022, an Iranian-flagged tanker carrying about 1 million barrels of crude arrived in Venezuelan waters. Such transactions are carried out under the oil swap agreement concluded between Caracas and Tehran in 2021 to defy US sanctions. Officials in the Oil Ministry said that they have increased the export of gas condensate, which was between 20,000 and 60,000 barrels per day under the Rouhani government, by 2.5 to 3 times. The cooperation between Iran and Venezuela is not limited to trade and oil contracts. Israeli Defense Ministry officials have previously said that Iran has delivered guided bombs to Venezuela for use in Mohajer drones and other similar models.⁽²⁵⁾ During the visit of the Venezuelan president to Iran in June 2022, Tehran and Caracas signed a 20-year strategic cooperation agreement which includes political and economic cooperation. Iran reportedly sends long-range missiles and drones to Venezuela; this Iranian move aims to threaten the United States in its backyard.⁽²⁶⁾

- **Increase in foreign trade and opportunities to overcome sanctions:** Iran's foreign trade has increased not only because of the lax US implementation of sanctions but also due to the current international conflict with Russia and China. The United States turned a blind eye to enforcing secondary sanctions on countries cooperating with Iran. According to Wash-

ington, Iran pumping more oil to international crude markets is a positive step. As a result, Iran's foreign trade bounced up to 38 percent in the first 11 months of the Iranian year — which starts in March 2021— and reached its highest level in recent months.⁽²⁷⁾ Iran managed to overcome variant sanctions, including those on its petrochemical industry.⁽²⁸⁾ According to The Wall Street Journal, the Iranian political system runs a covert financial network abroad to resist US sanctions. Through this network, the Iranian political system mitigated some of the mounting political pressure at home, and strengthened its position at the negotiating table to revive the nuclear deal. It is not ruled out that this network will be a permanent part of Iran's economic structure to evade future potential sanctions or prevent any foreign monitoring.⁽²⁹⁾

Iran's exports to neighboring countries in the last quarter of the Iranian solar year increased to between 70 percent and 120 percent,⁽³⁰⁾ trade with Caspian Sea countries to 39 percent.⁽³¹⁾ The Iranian government deemed such increases a success for its program to thwart the impact of US sanctions through its “neighborhood policy.” According to the statistics of the Iran-Oman Joint Chamber of Commerce, Iran's exports to Oman increased to 63 percent.⁽³²⁾ Iran-Pakistan financial relations have also improved with the two countries signing a barter agreement. The Iranian president also concluded a gas agreement with Turkmenistan.⁽³³⁾ Eurostat, the statistical office of the EU, revealed that Iran-EU trade witnessed a notable increase in the first three months of 2022; it increased to 40 percent compared to the same period in 2021. Further, EU exports to Iran increased to more than 18 percent.⁽³⁴⁾

Table 1 illustrates the escalating increase of Iran's exports from 2021. Iran managed to tip the balance of trade in its favor.

It is expected that Iran will witness a spike in exports in 2022 and 2023. Without a doubt, this notable boost is caused by many factors: US foreign policy which has focused on tackling its thorny issues with Iran without including Arab countries, the United States' lax implementation of sanctions on Iran or its collaborators in the current international conflict. It is worth noting that amid the international conflict, many countries have become more able to violate international trade law; including restrictions. Iran's policy of "economic resistance" defies international trade law and reinforces protectionism, i.e., protects its domestic products against foreign competition. It will increase further in light of the current conflict.

It is worth highlighting that other factors contributed to the growth of Iran's foreign trade including: the increase in oil prices, the decrease of national currency value, import restrictions, and tipping the balance of trade in its favor.⁽³⁵⁾

Table 1: The Volume of Iran's Exports, Imports, and Balance of Trade (2017-2023)

	2017	2018 (Start of US sanctions)	2019	2020	2021	2022 (Esti- mates)	2023 (Fore- casts)
Exports	96.034	92.651	59.975	49.848	79.470	104.161	101.010
Imports	73.840	61.847	58.090	46.612	63.626	71.503	78.653
Balance of Trade	14.915	26.241	1.652-	708-	11.144	26.834	15.736

Challenges in Light of the Yet Unchanged Rules of the World Order

Iranian decision-makers still face foreign policy challenges despite the gains they have made. These challenges are as follows:

- **US hegemony and potential cost of defying the US-established rules of the world order:** For a while, debates have been ongoing about the current international shifts. Some believe that there are drastic changes in the nature of the world order; shifting toward pluralism. Iran, as a result, managed to reap some gains, most prominently overcoming sanctions and building alliances. However, strong US efforts to challenge the ambitions of China and Russia reflect its insistence on maintaining its global hegemony. There is still a gap of comprehensive power between the United States and its rivals. It is still the most influential power in the world because it enjoys the dominance of the dollar in the global economy, unrivaled military deployment, the most powerful and influential alliances, unrivalled diplomatic status and massive soft power. The aforementioned realities constitute challenges to medium powers like Iran. Violating the rules of the world order might be quite costly for Iran. If Iran is tempted, given the current changes in the world order, to move forward with acquiring nuclear weapons, the United States and the West will decisively halt it. Such a move may cost the Iranian political system its existence — the system probably realizes this danger. Therefore, Iran is keen to maintain the diplomatic track. It has actually given up some of its demands to revive the nuclear deal such as the lifting of the terrorist designation of the Islamic Revolutionary Guard Corps (IRGC) and other “red lines” which Iran adhered to at the beginning of the negotiations.

• **The extent of Russian and Chinese preparedness to support Iran:** Russia and China are reliable allies for Iran. However, they do not seem well prepared, neither do they have sufficient abilities and initiatives to change the established rules of the world order. They may resort to give up on their allies to maintain their privileges and larger stakes in the US-led world order — given the fact that curbing Iran’s nuclear ambitions is a common interest for the three powers. Thus, they will not necessarily continue to support Iranian defiance of US-established red lines. This is in addition to their shared concerns regarding Iran’s influence, i.e. its destabilizing behavior in the region from which energy supplies are generated and through which massive amounts of international trade are transported. Despite the current cooperation between Iran and Russia, their old enmity and divergent goals may undermine their relations. China and Russia share fears that Iran may tilt toward the West as was the case with the 2015 nuclear deal. Russia, particularly, is concerned that Iran’s gas and oil exports may replace its own exports.⁽³⁶⁾ Iran may face obstacles in joining anti-US alliances such as BRICS and with the SCO and the EAEU because some influential members in these organizations may curb any anti-US efforts such as India, a member in the SCO and BRICS. Iran’s membership in these organizations may help in mitigating the pressure and sanctions of the United States and its allies on Iran.

• **Increased maneuvering space for regional competitors to resist Iran’s behavior:** The Raisi government’s foreign policy has focused heavily on the East while facing massive challenges from West Asia. The United States returned to adopt a deterrence strategy to counter Iran’s danger in the region, especially after Iran’s scheming undermined security and stability

in the region, in addition to the decline in influence of Iranian proxies in the region. This was evident in Lebanon where Hezbollah's status declined in the latest elections; Iraq where intra-Shiite disputes erupted and the popularity of Iran-affiliated factions decreased as the Iraqis are longing to reclaim their sovereignty and Arab sense of nationalism; and Syria where Iran faces other challenges as its interests intersect with those of Turkey and Israel as Russia is preoccupied with its war in Ukraine and crisis with the West. Under the current Biden policy, as much as Iran can maneuver and seize opportunities to expand its ideological influence, regional powers can resist Iran's policies as well. This resistance was evident in the deep disagreement between the Gulf states and Israel from one side and the United States regarding the latter's position on Iran.

- **Modest outcomes of Iran's policy to tackle thorny issues apart from the nuclear talks:** Raisi aspired to tackle Iran's problems apart from the nuclear deal, yet it has become apparent that it cannot solve its thorny issues without forging understandings with the West and resolving disagreements on its nuclear agreement. Further, sanctions are still effective and consume Iran's economy amid the unresolved disagreement on reviving the nuclear deal. Iran's crippling economy hindered its efforts to maneuver away from the West. Though it managed to achieve some notable economic gains, the spread of corruption, mismanagement, and the parallel economy to circumvent sanctions have squandered more resources and revenues, which are supposed to increase the national budget. As the internal situation continues to deteriorate, Raisi's popularity has declined compared to any Iranian president since the 1979 revolution. The protests that erupted over the killing of Mahsa Amini expose the level of popular agitation,

which goes beyond the killing of Amini by the morality police. Needless to mention the economic ramifications following the spread of the COVID-19 pandemic. The Russian war on Ukraine has further exacerbated the difficulties faced by the Raisi government.

It is worth noting that Iran's foreign trade has not yet reached pre-sanctions levels, especially with key partners such as the EU; Iran's most significant partner for technology. Its partnership with the EU positively contributed to Iran's vital industries in aircraft, tourism, and automobiles, etc. Due to the lax US stance against Iran and the current international changes, Iran's oil exports have spiked but have not reached even half of the level before the implementation of sanctions; which was 2.3 million barrels of oil per day. Iran has not yet benefited from high oil prices to make up for its decline in exports.

Conclusion

The current international shifts have granted Iran more room for maneuver, especially to overcome sanctions and break international isolation. It managed to export oil to China and expand its military cooperation with Russia. Further, it joined Russia's payment network system to evade sanctions imposed on financial transfers. It also availed of opportunities to place further pressure on the United States and the West and to expand the scope of its maneuvers through joining influential international blocs.

It can be said that Iran's successes in the current international environment may trigger it to move forward and continue to challenge world powers to revive the nuclear deal while moving on with acquiring nuclear weapons and testing its abili-

ty to evade the ramifications of US sanctions. This scenario is possible as the “hardline” elites in Iran believe that it is just the right opportunity to achieve the nuclear threshold as the United States, its Western allies and Israel are not prepared to launch a war against Iran or even launch strikes targeting its nuclear facilities. They think China and Russia, to antagonize Washington, will support and protect Iran against any aggression.

However, others argue that Iran’s thorny issues will not be resolved without settling its disagreements with the West and the United States. All the economic achievements still cannot ensure stability at home, neither can they support the deteriorating legitimacy of the ruling system.

Thus, Iran may reconsider its policy of resolving its issues apart from the West and will continue on the diplomatic track to revive the nuclear deal. This scenario is likely because the United States is still the most influential power in the world and would not allow Iran nor any other country to violate its established rules of the world order established at the end of War World II without facing consequences — or any other country that helps Iran to acquire nuclear weapons or change the balance of power in the region. If this happens, the United States may resort to another plan, which it seems prepared for. Washington will receive infinite support from regional powers, which are in line with the United States in this goal; curbing Iran’s nuclear power and regional influence. Further, Raisi is in dire need of enhancing his deteriorating legitimacy through boosting the government’s economic performance, seizing the opportunity presented by the heightened global demand for energy resources. The Iranian government is fully aware that Russia and China are not quite reliable.

It is likely that Iran will continue to operate on two sides; i.e., to engage in the international conflict at a minimum level to reap the maximum benefits but without confronting the United States. Then, it can reach an agreement to revive the nuclear deal while ensuring its interests are safeguarded but without normalizing relations with the United States. Iran will also continue to maintain good ties with the two great powers; China and Russia and undermine the backlash from regional powers through opening up dialogue to ease tensions and lift the international isolation imposed on Iran. The Iranian established has extensive experience in achieving its own interests while addressing challenges. This scenario is likely because the top priority for the elites in Iran's ruling system is the survival of the "Islamic Republic." Further, the elites are fully aware that Iran cannot challenge the well-established rules of the world order amid the current international shifts without facing dire consequences.

Endnotes

- (1) Hippolyte Fofack, "Dawn of a second Cold War and the 'scramble for Africa,'" in *Africa Growth Initiative at Brookings* (Washington: The Brookings Institution, May 2022), 4-5.
- (2) Steve Holland, "Biden Announces US Africa Summit for Mid-December," *Swiss Info*, July 20, 2022, accessed 9 August 2022, <https://bit.ly/3P5NFXv>.
- (3) Bonny Lin and Jude Blanchette, "China on the Offensive: How the Ukraine War Has Changed Beijing's Strategy," *Foreign Affairs*, August 1, 2022, accessed August 9, 2022, <https://fam.ag/3zFLhB7>.
- (4) Melanie W. Sisson, "America's Real Deterrence Problem," *The Brookings Institution*, June 15, 2022, accessed September 1, 2022, <https://brook.gs/3zFvcvf>.
- (5) Lin and Blanchette, "China on the Offensive."
- (6) Elizabeth Sidiropoulos, "How do Global South Politics of Non-Alignment and Solidarity Explain South Africa's Position on Ukraine?" *The Brookings Institution*, August 2, 2022, accessed August 9, 2022, <https://brook.gs/3A85pNV>.
- (7) Richard Haass, "The Dangerous Decade: A Foreign Policy for a World in Crisis" *Foreign Affairs*, September/October 2022, accessed September 9, 2022, <https://fam.ag/3TSHsIE>.
- (8) "Nuclear Non-Proliferation Treaty Remains Strong Despite Russian Obstructionism," *US Department of State*, August 28, 2022, accessed August 29, 2022, <https://bit.ly/3pPkLRm>.
- (9) Andrew Yeo, "Why further sanctions against North Korea Could Be Tough to Add," *The Brookings Institution*, July 8, 2022, accessed August 9, 2022, <https://brook.gs/3bCoD1L>.
- (10) Adam Tooze, "The World Is Seeing How the Dollar Really Works," *Foreign Policy*, August 12, 2022, accessed September 1, 2022, <https://bit.ly/3CKl07R>.
- (11) "The Future of Money," *Foreign Policy*, n.d., accessed August 23, 2022, <https://bit.ly/2ZkQuQU>.
- (12) "Khamenei Signals Flexibility on Nuclear Talks, Reiterating Enmity With US," *Iran International*, September 1, 2022, accessed October 2, 2022, <https://www.iranintl.com/en/202201092278>.
- (13) "In his First Implicit Statement on the Vienna Negotiations... Khamenei: Negotiation Does not Mean 'Surrender to the Enemy,'" *Al Jazeera*, January 9, 2022, accessed September 1, 2022, <https://bit.ly/3q2tRKx>. [Arabic].
- (14) "Lagging Behind Global Developments Is the Reason for the Delusions of the American Terrorist Regime Against the IRGC," *Tansim News Agency*, March 21, 2022, accessed September 1, 2022, <https://bit.ly/3uLGkEj>.
- (15) "The Agencies/Ministries Should Cooperate With Deputy President to Neutralize Sanctions," *IRNA*, October 17, 2022, accessed November 1, 2022, <https://>

bit.ly/2XjdXkf. [Persian].

(16) China, India and Russia Are Iran's New Business Priorities in the Raisi Government/ 2 Solutions for the Trade Problem With the Caucasus," *Tasnim New Agency*, October 10, 2022, accessed August 1, 2022, <https://bit.ly/3ltU5Ez>. [Persian].

(17) "Iran's Trade Delegation on the Way to Kazakhstan/ the Possibility of Reviving the Energy Swap Agreement," *Mehr News Agency*, October 11, 2021, accessed August 1, 2022, <https://bit.ly/3oTSVUU>. [Persian].

(18) "Iran's Readiness to Conclude Long-term Contract With India for the Development of Chabahar port/ India: We Will Make Chabahar One of the Most Important Ports in the World," *IRNA*, July 23, 2022, accessed September 1, 2022, <https://bit.ly/3dPoTLe>. [Persian].

(19) Abdulqader Fayezi, "Iran and America: From the Card of [Uranium] Enrichment in Oman to the Self-Guarantee in Vienna," *Al Jazeera*, March 28, 2022, accessed August 3, 2022, <https://bit.ly/3vAMUxY>.

(20) Ali Shamkhani, Twitter post, March 29, 2021, 9:38 a.m., accessed October 18, 2022, <https://bit.ly/3TuF7MB>.

(21) "Iranian Oil exports to China Slump Against Cheap Russian Crude," *Attaqa*, May 9, 2022, accessed August 20, 2022, <https://bit.ly/3VHerdg>. [Arabic].

(22) "Major General Bagheri: Contracts for the Purchase of Defense Equipment From Russia Are Being Followed Up," *ISNA*, September 23, 2022, accessed August 2022, <https://bit.ly/3FWBUPT>. [Persian].

(23) "Tehran, Moscow to Recognize MIR Banking System," *Fars News Agency*, March accessed August 3, 2022, April 22, 2022, <https://bit.ly/3qsJPyn>. [Persian].

(24) "Russians Interested in Deepening Ties With Iran/ Importance of Access to the Gulf Through North-South Corridor/ Reduce Import Restrictions," *ILNA*, May 22, 2022, accessed May 31, 2022, <https://bit.ly/3wMShea>. [Persian].

(25) "Reuters: Tanker Carrying One Million Barrels of Iranian Crude Oil entered Venezuelan Waters," *Iran International*, May 24, 2022, accessed August 31, 2022, <https://bit.ly/3lzT2Sy>. [Persian].

(26) Andres Oppenheimer, "Colombian Man Extradited to Miami May Know Secrets of Iran Arms Shipments to Venezuela," *Miami Herald*, October 20, 2021, accessed November 1, 2021, <http://hrlid.us/3GIDRjw>.

(27) "The Highest Oil Exports and Revenues Recorded During Sanctions," *Tasnim News Agency*, March 24, 2022, accessed August 3, 2022, <https://bit.ly/3JJoOn>. [Persian]

(28) We Broke the Embargo," *ILNA*, March 26, 2022, April 3, 2022, <https://bit.ly/3DbQHoS>. [Persian].

- (29) "Iran's Secret System to Avoid Sanctions," *The Wall Street Journal*, March 24, 2022, accessed August 2022, <https://on.wsj.com/3SnnA7T>.
- (30) "70-120% Growth of Iran's Exports to Neighboring Countries During the Last 4 Months," *Tasnim News Agency*, March 28, 2022, accessed September 3, 2022, <https://bit.ly/3Dhg6h5>. [Persian].
- (31) "Iran's Trade With Caspian Countries Increased to 39 Percent," *ILNA*, March 19, 2022, accessed September 3, 2022, <https://bit.ly/37KIT1P>. [Persian].
- (32) "63 Percent Increase in Iran's Exports to Oman," *ISNA*, May 21, 2022, accessed May 31, 2022, <https://bit.ly/3yOtid5>. [Persian].
- (33) "Representative of Qom: Five Billion Dollars Were Released From the Country's Blocked Resources," *IRNA*, January 8, 2022, accessed September 29, 2022, <https://bit.ly/3zGfhMP>. [Persian].
- (34) "The Significant Growth of Trade Between Iran and the European Union in the First Quarter of 2022," *Radio Farda*, May 21, 2022, accessed August 30, 2022, <https://bit.ly/3NvFfrZ>.
- (35) "IMF Data: International Financial Statistics (IFS)," September 2022, accessed October 1, 2022, <https://bit.ly/3VJtfbh>.
- (36) "After Removing the Reactors' cameras, European Countries Call for De-escalation, Washington Warns Tehran of Nuclear Crisis," *Al Jazeera*, June 10, 2022, accessed August 3, 2022, <https://bit.ly/3nxXYIE>.

