

MONTHLY REPORT

Iran Case File

August 2023

Your window on Iran from inside and abroad





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EXECUTIVE SUMMARY

The Iran Case File (ICF) for August 2023 sheds light on the most salient developments experienced by Iran at the political, economic, social, military and ideological levels. This is in addition to the developments related to the country's foreign relations such as its relations with Arab nations, including the Gulf states, Iraq and Syria as well as its relations with global powers such as the United States and the EU. It could be said that the internal and external developments indicate that there is an Iranian intention to attempt to restore the Iranian system's dwindling legitimacy and calm tensions with others.

Regarding the political front, it seems that the parliamentary election race, scheduled to be held in March 2024, has started at a very early stage, overshadowing the entire political landscape. The Iranian government's amendments to the electoral law sparked debate among Iranian political currents. These amendments are viewed by the opposition as failing to address the fundamental problem posed by the extensive role of the Guardian Council in overseeing the electoral process. Perhaps the Iranian government has introduced these amendments to avert widespread criticism and the low turnout seen in past elections.

In relation to the economy, the release of some frozen Iranian assets following a prisoner swap deal with the United States contributed to the strengthening of the toman and an improvement in forex rates. Geopolitical transformations on the global stage facilitated the recent surge in Iranian oil exports. This surge helped the Iranian government stave off more pressures and tensions at home. In addition, the government attempted to shore up its legitimacy at home through promoting the invitation to join BRICS as a foreign policy success and its contri-

bution to reviving the Iranian economy. Iran's accession to the bloc provides it with important economic opportunities. However, some challenges remain, which could limit the opportunities in the short and long term — unless Iran changes the course of its foreign policy as well as its relations with the West.

Regarding society, the file sheds light on child labor in Iran, a phenomenon that has started to surface in recent years, according to official data. The Iranian government has already adopted national programs to address this problem. However, these programs have had limited success. This phenomenon is overshadowing the social landscape in Iran, particularly for Iranian families who have been forced to send their children to participate in the labor market because of worsening socioeconomic conditions.

On the military front, maybe Iran's Shahed-131/136 drones did not have a huge impact on Ukraine's military capabilities. However, these drones inflicted massive damage on civilian infrastructure such as electricity networks and grain storage depots. Iranian drone purchasers have increased, including Belarus and Serbia in Europe. It is planned that the Iranian drone factory in Russia's Tatarstan region will produce 6,000 units by 2025. The Kremlin, for its part, has transferred two Yak-130 combat trainer aircraft to Iran. This development is in the context of Iran's attempts to boost its military capabilities as well as cooperation with allies.

On the religious front, though the Iranian political system is supported by clerics, particularly those embracing Wilayat al-Faqih, voices of protest were apparent during the Hosseini rituals that have become a pulpit for those objecting to and opposing the policies of the Iranian ruling elite. These dissenting voices

have thrown the Iranian leadership into disarray. The political system as well as the Iranian religious elite have employed such religious rituals to boost their legitimacy and cement Wilayat al-Faqih — so how could they accept religious pulpits to be used against them? This issue is the central theme of the Ideological File, in addition, it sheds light on the positions of jurists embracing Wilayat al-Faqih; these jurists support the Iranian government's position on the hijab. This position is at odds with other religious and social segments that adopt an opposing stance.

On the regional front, particularly regarding Iran's policies toward its Arab neighbors, there has been a movement to calm tensions, in addition, this has been the hallmark of Iran's regional policy. Regarding the Arab Gulf, Iranian Foreign Minister Hossein Amir-Abdollahian visited Saudi Arabia, which occurred in the context of reconciliation. Both parties seem intent on rendering this process effective. Moreover, both parties are keen to develop tools for economic and diplomatic cooperation. There is no doubt that the invitation to the two parties to join BRICS along with the UAE provides them with a platform to hold meetings, exchange views and discuss opportunities for cooperation.

In Syria, despite Iran's extensive clout, as well as its close cooperation with Russia and the Syrian regime, it is facing multiple challenges. Foremost among these challenges are the clashes in the eastern parts of the Euphrates River and the popular protests that have erupted there. These clashes could take Syria back to square one. A new wave of civilian infighting could break out, with external forces also playing a role. This was apparent in the US military movements on the Iraq-Syria border and the fear that these movements could encircle Iranian militias in Syria and cut off the logistical supply lines between Tehran, Damascus and Beirut.

Regarding the international front, the prisoner swap deal between the United States and Iran helped to de-escalate tensions between the two sides, hence providing Iran with an opportunity to unfreeze some of its overseas assets. Though this swap deal is distinct from the nuclear talks, the current de-escalation reflects a tacit and undeclared nuclear understanding between the two sides. But this understanding will not necessarily lead to reviving the nuclear deal since there remain certain circumstances and challenges that will prevent this from happening, at least in the coming period.

While Iran and the United States succeeded in concluding a deal to swap prisoners, the diplomatic efforts involving the EU and Iran to release a Swedish diplomat who was working for the bloc fell apart. It seems that Tehran wants to conclude a prisoner swap deal that would see the Swedish diplomat released in exchange for Hamid Nouri who was convicted in Sweden. This case reveals that Iran is exploiting hostage diplomacy to serve its own ends.

Overall, it could be said that there were significant internal and external developments for Iran in August 2023. As the Iranian political system prepares for parliamentary elections, it will likely aim to pursue a policy based on containing domestic flare-ups and de-escalating tensions with regional and global actors to reap economic fruits, hence lifting the Iranian ruling elite out of the economic mess it is drowning in. The political establishment is also seeking to manage the next elections without having them marred by popular protests or external interventions that could fuel anger at home and prompt the Iranian people to take to the streets once again. At the same time, the Iranian ruling elite will not make substantial concessions, particularly about its regional clout or its relations with the United States and the West. This means that the movement toward calming tensions is tactical rather than strategic.

DEVELOPMENTS IN IRAN'S INTERNAL AFFAIRS



In August 2023, Iran experienced significant developments in politics, economy, society, and ideology. This month's Iran Case File highlights these developments by covering the following topics:

- Preparations for Parliamentary Elections Amid Controversial Amendments
- Despite Opportunities, BRICS Does Not Offer an Economic Alternative for Iran
- Child Labor in Iran and the Government's Response
- Enhancing Military Capabilities and Cooperation With Allies
- The Hawza Between the Growing Protests at Religious Ceremonies and the Renewed Debate Over the Hijab

Preparations for Parliamentary Elections Amid Controversial Amendments

The Iranian parliamentary elections are scheduled to be held in 2024 and the amendments to the electoral law have stirred much controversy and debate about the integrity of the elections. The “reformist” current has led this criticism of the amendments but what is clear is that an electoral battle is taking shape, seven months ahead of the scheduled date. The Iranian Interior Ministry announced that roughly 49,000 people had registered their names in the first stage that precedes the Guardian Council vetting the candidates. The August 2023 file aims to shed light on the most salient of these amendments, the domestic debate and its impact on the Iranian political landscape.

Major Amendments to the Electoral Law

As the Iranian parliamentary elections scheduled for March 2024 will be held by the new amendments made to the electoral law, the question that arises in this context is: what are the differences between the current and previous electoral laws? At this point, Mohammad Saleh Jokar, head of the Internal Affairs of the Country and Councils Commission of the Iranian Parliament said, “Among the essential changes made to the electoral law is to grant the regulatory bodies, particularly the Guardian Council, enough time to check the qualifications of candidates.”⁽¹⁾

Along with Jokar’s remarks, another key distinction between the new and prior electoral law is that the new electoral law takes into account the issue of pre-election registration and allows enough time for it. In the old electoral law, the registration of candidates was always done in one step; a few months ahead of the elections. Moreover, in the

old electoral law, according to the process of prior registration, those seeking to run in the parliamentary elections were required to bring forth their documents via a purpose-built website. If the Interior Ministry along with the judicial bodies verified the attached documents as valid, the candidate moved to the main stage in which the Guardian Council vetted the candidates.

The amendments to the electoral law aim to resolve all the problems associated with the elections, particularly those related to the rights of candidates. A candidate will be allowed to defend himself and be informed of the reasons that prompted the Guardian Council to disqualify his candidacy — or perhaps the disqualified candidate will receive a written response clarifying the reason for the disqualification, which did not happen in the elections held in Iran since 1979.

Additionally, the new amendments require the Interior Ministry to conduct electronic balloting and the vote-counting process in one-eighth of the constituencies with multiple seats. This measure aims to ensure extensive participation and voter turnout in the elections.

The “Reformists” Position on the Amendments and Electoral Participation

The Reformist Front issued a statement in which it argued that the latest amendments enhance and expand the powers of the Guardian Council, increase the role of security agencies, diminish the legal room granted to the Interior Ministry, and expand the scope of breaches, manipulation and the possibility of fixing election results.⁽²⁾

Spokesman for the Reformist Front Javad Imam said that the new amendments to the electoral law did not leave any room for doubt that participation in the elections would be limited for Iranian parties and groups. He added that the new electoral law does not seek to increase voter turnout in the elections. Rather, the electoral law seeks to curb participation, creating unfavorable conditions for the “reformists” to effectively partake in the elections.⁽³⁾

Regarding the registration of “reformist” candidates at the stage of prior registration for the parliamentary elections, some sources said that the last meeting of the “reformist” leaders saw blatant division between the current members. After several attempts, the Reformist Front’s resolution on “no pre-registration recommendations” was passed by a fragile 19-to-16 vote. The meeting concluded without any agreement on pre-registration recommendations.⁽⁴⁾

Supporters of registering candidates to run in the parliamentary elections believe that the only way to achieve the objective of reform is to interact with the political system through participating in the elections. Opponents, on the other hand, argue that the system will not allow any reforms and will work to politically exploit the participation of candidates before disqualifying the strongest ones fielded on the lists of the Reformist Front, leaving only the weak and lesser-known candidates — in preparation for declaring the front’s loss.

There is talk about sharp divisions among the “reformists” on whether or not to participate in the next parliamentary election. However, various media outlets reported that more than 800 “reformist” candidates had registered their names on the stage prior to registration.⁽⁵⁾ They include leading “reformist” figures such as Masoud Pezeshkian, Ali Motahari, Mostafa Kavakebian, Has-

san Marashi, Mohsen Hashem, Majid Ansari, Elias Hazrati, Tayebeh Siavoshi, Soheila Jolodarzadeh and Parvaneh Mafi.⁽⁶⁾ This means that the “reformists” concluded their meeting with no pre-registration recommendations, which means that the noise surrounding this matter was nothing more than a tactic to avoid openly declaring their intentions to run in the parliamentary elections. Later on, they will allow their candidates to register in the hope that the new amendments to the electoral law — as well as the supreme leader’s desire to see a big turnout in the next elections — will lead to the qualification of a considerable number of “reformist” candidates to contest the elections.

Conclusion

It could be said that the amendments made to the electoral law focus merely on procedural aspects. However they have raised doubts over the integrity of the elections and failed to address the electoral flaws that have dominated the debate between the public and the ruling elite in Iran. Such amendments should ideally provide broader guarantees for representation and participation. The real problem that has gone unaddressed is mainly related to the issue of prior oversight (vetting) carried out by the Guardian Council, thus curbing the rights of candidates, a process by which the council controls the whole electoral process. The council also determines the candidates who should run in the election — whether the parliamentary or the presidential. Instead of removing this prior custodianship over the electoral process, the new amendments consolidate and reinforce this through more bureaucratic measures. But it appears that the political system has brought forth these amendments to pull the wool over the public’s eyes, circumvent the current pressures, and ease the criticisms leveled against it after the engineering of the Febru-

ary 2020 parliamentary elections and the June 2021 presidential election for the benefit of the “hardliners.” There is no doubt that the political system not conducting a genuine review of the electoral law calls into question its very intentions and makes the possibility of it intervening in shaping the next Parliament and the makeup of its membership highly likely. It could also be said that there is an adamant desire on the part of the “reformists” to make a comeback in Iranian political life. But their concerns about the possibility of repeating the scenario of collective exclusion from the parliamentary elections — seen before in the 2020 elections and the 2021 presidential election — have led them to use various tactics and assign roles among various factions within the “reformists.” This role-play includes calling for changing the system, supporting the anti-government protests, threatening to boycott the elections, and calling on the “reformist”

movement’s supporters to shun the voting process. All these measures aim to force the “hardliners” to roll back their policy of monopolizing power. Given that the call bore fruit in the previous elections — whether the parliamentary or presidential — which witnessed the lowest turnout since the 1979 revolution, the political system could thus reconsider its position and give a bigger opening for the “reformists” to participate.

In any case, it should be reiterated that the electoral process that is controlled by the Guardian Council allows the ruling elite to dominate the political landscape and create a superficial dispute among currents that embrace the same ideology. This creates some sort of activism that enables the system to maneuver, thus easing domestic discontent in times of crisis. The talk about the “hardline-reformist” binary is nothing more than a charade.

Despite Opportunities, BRICS Does Not Offer an Economic Alternative for Iran

BRICS concluded its summit held in South Africa's Johannesburg on August 24, 2023, by announcing the addition of six new members, including Iran. The other members are Saudi Arabia, Egypt, the UAE, Argentina and Ethiopia, bringing the number of the bloc's members to 11, which combined makeup 25% of the global GDP. The main BRICS members, particularly India and China, are considered the main trading partners of the bloc's recent newcomers. Some new members, such as Saudi Arabia and Iran, are considered among the most important suppliers of energy for India and China, not to mention the economic, political and security cooperation between these parties, which is greater than the mutual trade. In light of the foregoing, this file attempts to discuss the economic opportunities and challenges facing Iran following its accession to BRICS.

Promising Economic Opportunities

Iran's accession to BRICS brings with it a host of opportunities that could help Tehran in meeting its economic needs. On top of these opportunities is access to finance and increasing the level of trade, particularly with China, which has been the country's number one trading partner since the reinstatement of sanctions on Iran in 2018. The domestic market in Iran depends on Iranian goods and spare parts, but it faces a problem related to securing hard currency due to the US sanctions. In addition, Iranian trade could benefit from BRICS in case of financial settlements in the Chinese yuan or local currencies. But this requires a balanced or approximate trade exchange between the two countries. It also depends on the bloc's success in creating a new currency that

stands head-to-head with the US dollar, an unlikely outcome in the near future.

Second, Iran could benefit from BRICS through access to new markets in case of agreeing to remove or ease customs restrictions. Moreover, Iran could benefit from the Chinese and Indian financing of the Iranian economy's development and investment needs as well as taking advantage of the bloc's development bank. Iran could also attract investments from Asian countries, revive the suspended investment and logistical projects such as the trade corridor with India via Chabahar port.

Third, Iran's accession to BRICS could provide it with opportunities to upgrade its production sectors that have become outmoded since the imposition of sanctions, consequently there is a scarcity of spare parts, production resources and equipment in the Iranian market. Iranian accession comes at a time when Iran is attempting to bring in new technology and production equipment from alternative sources other than Europe to replace outmoded production equipment and improve the lack of modernization in various sectors including automobile and aviation industries as well as in oil and gas industries. However, international companies, including Asian ones, cannot run the risk of working with Iranian partners; penalties include sanctions or loss of access to the US market. This narrows the choices to modernize the Iranian economy.

Benefits Depend on the Nature of Relations With the West

Though Iran's accession to BRICS and other blocs provides it with economic advantages and opportunities, benefiting from such blocs depends on several

factors. These include structural factors such as the business climate, an area in which Iran scores poorly in global rankings, in addition, foreign investors face difficulties in carrying out investments freely, as well as administrative and financial corruption and the role of religious entities and military institutions in economic affairs. There are additional factors related to technical impediments, primarily Iran's isolation from the global economy as well as from the global financial system that is based on the US dollar, the main global reserve currency and the main tool for global trade, even for the major BRICS countries such as China and India. It suffices here to note that transactions in the US dollar have accounted for 70% of total trade over the past years.

Even if the BRICS countries undertake transactions using local currencies, this will only be done on a limited basis. Even in domestic transactions between members of the bloc, its rising members cannot do without the US dollar. It will take a long time for this to occur, as well as for the bloc's members to increase their share of the world's GDP and international trade. The G7 has a stake of 28% in the global export of commodities compared to BRICS' 21%.

Yet, the majority of the BRICS members maintain close economic relations

with the West that cannot be dismantled for the time being. Iran itself needs Western investments in several areas including energy, automobiles and jets. Therefore, getting the best out of BRICS is for Iran inseparable from resolving the contentious issues with the West, including the lifting of sanctions. Perhaps the Russian economy and the heavy blows dealt to it by Europe and the United States despite Moscow being a part of BRICS is proof that the bloc alone is insufficient.

Conclusion

Iran's accession to BRICS could bring with it a host of trade, financing, investment and even logistical opportunities in the future. A few of these opportunities could be available in the future in case US sanctions continue and tensions between the two sides remain high. In other words, Iran's BRICS membership cannot be an alternative to a nuclear deal that meets the needs of the Iranian economy. An improvement in relations between Iran and the West, particularly the United States, is an important factor for Iran to maximize the benefits of joining BRICS. It is important to note that Iran's membership in the bloc will not negate the Iranian economy's future need for the West, particularly Europe which Iran relies on for investments in several vital areas.

Child Labor in Iran and the Government's Response

The surge in child labor across different age groups and fields has become an issue of concern for the Iranian public. The issue has grabbed the headlines of Iranian newspapers in recent times. It is considered a growing phenomenon in Iranian society due to various factors. This crisis has created a generation that bears the brunt of a lot of problems. What stirred up the Iranian people is the Iranian government's negligence of the issue resulting in children being deprived of their rights. This file attempts to shed light on the issue and its various dimensions.

Factors Contributing to the Increase in Child Labor in Iran

Several indicators show that the phenomenon of child labor is growing in Iran. Reports published by the Iranian Parliament's Research Center state that child labor in Iran has reached 15%. Those children unable to go to school account for 10% of child laborers in Iran. Children work in homes, as porters and engage in illegal activities such as drug dealing. In addition, they are employed in workshops in far-flung areas which makes it hard to monitor them, and as street vendors, or even beggars. All these forms of work are lowly and degrading for children and deprive them of their rights and needs.⁽⁷⁾

There are several factors leading to the exacerbation of the phenomenon, namely: the absence of social justice, inflation, poverty, unemployment and economic deterioration. The number of people below the poverty line accounts for 30%.⁽⁸⁾ Yet there are also cultural attitudes that reflect a lack of emphasis on education or the role of gangs and mafias in forcing children to work. Overall, it could be said that the crisis in the family structure and poor care are

the primary reasons for the rise of child labor in Iran. Children are exposed to sexual violations as well as to physical, psychological and social harm. As a result of work, children drop out of school and end up as illiterate.⁽⁹⁾

Aspects of the Official Response to Child Labor

From a legal perspective, Iranian law criminalizes child labor, rendering labor illegal for those under 15, in compliance with international and domestic laws. For example, Iran complies with the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, the Labor Law (1990), and the Law on protecting children and youth (2020). In the international conventions Iran has signed, it took into account that these laws do not conflict with the principles of Iran's national culture.⁽¹⁰⁾

From a procedural aspect, the Iranian government is intensifying its efforts to counter the growing phenomenon. Among the government initiatives in this field is admitting children to projects of vocational empowerment and training at ISACO school, a scientific and educational platform for repairing cars and consulting with specialists in auto mechanics. This is in addition to holding workshops and donating educational tools, as well as enrolling adolescents in the ISACO music institute for them to benefit from fair access to educational facilities.⁽¹¹⁾ Moreover, the government works to change and reform the structure of contracts in the field of waste and urban services to make them more realistic. This is one of the most effective ways to prevent the employment and exploitation of children.⁽¹²⁾ The Center for Intellectual De-

velopment to Prevent Social Harm aims to train children and grant them the skills to enable them to work and protect them from social harm. Among the most important skills taught are media and emotional literacy, which is significant for the identity issues Iranian teenagers may face. This was reiterated by Mir Malaki, head of the scientific and practical work team for child laborers in the Ministry of Interior. The center includes training children using the center's mobile theater, specialized library, cinema and media center.⁽¹³⁾

Conclusion

The breakdown of the family unit and economic problems have pushed children into the labor market, even though families are aware of the consequences

of child labor. Yet, the economic crisis curbs the ability of the Iranian government to allocate appropriate finances to address this phenomenon. Therefore, despite criminalizing child labor, poor law enforcement, the lack of mechanisms to follow up, flawed economic policies, the lack of necessary support for children and their families, the non-existence of awareness on the importance of education and bringing forth the facts related to child labor via the media, given that children are among the most vulnerable segments and are easy to exploit, all have contributed to exacerbating the child labor problem in Iran. Child labor creates other problems such as children being pulled into criminal activities, which adds to the social fractures in society.

Enhancing Military Capabilities and Cooperation With Allies

In the shadow of normalization with its neighbors, Iran is making strides in strengthening its defense industry as well as increasing its military exports. After playing a crucial role for Russia in the Ukraine invasion, Iran is vying to sell thousands of drones to Serbia and Belarus. Iran's drone facility, which is being built in the Alabuga Special Economic Zone in the town of Yelabuga and will be operational next year, could play an integral role in Iran's defense cooperation. Along the way, its backward air force is getting modernized in cooperation with Russia at the same time Iran is enhancing its maritime capability through cooperation with North Korea.

Iran Unveils New Drones and Missiles

Though not sophisticated enough, drones remain all the rage in Iran since Russia's invasion of Ukraine. In August, Iran's Ministry of Defense and Armed Forces Logistics unveiled the Mohajer-10. With obvious design similarities to the MQ-9 Reaper, the UAV is claimed to carry a 300kg payload including a variety of bombs and anti-radar equipment. Mohajer-10 flies at a maximum speed of 210 km/h, has an altitude of 7,000 meters to a range of 2,000km.⁽¹⁴⁾ Its unveiling came with an artistic rendering of the drone overlooking Israel's Dimona nuclear plant.

On the occasion, Iranian President Ebrahim Raisi also announced the commissioning of two long-range ballistic missiles including the Haj Qassem, named after the former commander of the Quds Force. "Yesterday, they viewed us as a consumer and a country in need. Today, they see us as a producer who can have much to say in the defense and military industries," Raisi boasted.⁽¹⁵⁾

Drones Supports Iran's Economy

Russia is Iran's largest customer of drones including Mohajer 6.⁽¹⁶⁾ Iran is now setting up drone factories in Russia's region of Tatarstan's Alabuga Special Economic Zone and Belarus. There has neither been official word from Iran nor from Russia and Belarus about the augmented defense cooperation.

According to a Washington Post report "In correspondence and other documents, engineers used coded language: Drones were 'boats,' their explosives were 'bumpers,' and Iran — the country covertly providing technical assistance — was Ireland or Belarus," reads the documents of the program, codenamed "Project Boat."⁽¹⁷⁾ Iran's factory in Russia alone is ambitiously tasked to build 6000 advanced drones by 2025. Moscow is benefitting from Iran's forte in the technological black market and expertise, which it presently lacks. The factory in Belarus will also serve Russia's military needs but will not be vulnerable to Ukraine's drone and missile attacks, at least theoretically. The joint production facilities will also secure Iran's weapon manufacturing assets from Israel's attacks. Besides, Tehran earns much-needed foreign exchange as well. Moscow also expects to upgrade the drones with its own expertise and Tehran's ingenuity.

Serbia a New Buyer of Iranian Drones

Iran's third keen customer and Russia's key ally in Europe, Serbia, sent a delegation in August to discuss the acquisition of reportedly 20,000 Shahed drones. Serbia's Deputy Foreign Minister Goran Aleksic led the negotiations in Tehran.⁽¹⁸⁾ There is no official word about the number of drones Belgrade seeks to

buy from Iran but it is clear that Tehran does not have the capacity to produce UAVs in large numbers at the moment. Serbia-Iran defense cooperation is plausible as both are Russia's close allies. Belgrade is heating up the temperature with Kosovo in the context of the Russia-Ukraine war. It is worth mentioning that Yugoslavia, prior to its dismemberment and Serbia becoming its inheritor, used to be a fledging arms-producing country during the Cold War.

Between 2015 and 2021, Serbia's defense spending jumped by some 70% to \$1.4 billion a year, which involved acquiring 10 MiG-29 jets, 30 tanks, armored personnel-carriers and air-defense system.⁽¹⁹⁾

Russia Updates Its Air Forces and Cooperates With North Korea in Maritime Defense

Iran received the first batch of Italian-designed YAK 130 Mitten light attack and trainer jets in line with its thickening defense bond with Russia.⁽²⁰⁾ The unconfirmed number of jets (likely only two) are now operational at Shahid Babaei Airbase (TAB-8) in Isfahan. The trainer jets are the most advanced fighter planes in Iran's otherwise vintage air force. Iran expects the delivery of 18 Su-35s delivery which has been deferred for an unspecified period. Though the initial batch of Su-35 pilots received training in Russia, Yak-130 will be used to train future fighter pilots in Iran. Yak-130's Italian sibling Aermacchi M-346 is already being used by the Israeli air force to train fighter jet pilots. Both the jets have similar flight characteristics but capabilities vary due to different power plants (engines) and radars. After the initial hype about the delivery of Su-35s in early 2023, Iran's civilian and military leaders are restraining their optimism as Russia's war in Ukraine drags on.

While Iran continues to deepen its defense ties in Russia's sphere of influence, its longstanding ties to North Korea re-

main the most consequential among all. North Korea and Iran cooperate literally on all aspects of military power including space. In August, Iran commissioned the Almas-3 torpedo drone, which has glaring external similarities with the North Korean PT-97W anti-ship torpedo and has an estimated range of 10 nautical miles.⁽²¹⁾ Experts believe that the submarine-launched torpedo will bolster the capabilities of Iran's fleet of KIL0 and Ghadir class subs. Tehran did not release much information about the underwater drone but expert assessments suggest that it is Iran's attempt at developing a stealth undersea drone. According to Defense analyst H I Sutton "An anti-sweeping system has been installed in the mine's electronic system as a vessel counting circuit. This means that it doesn't necessarily explode under the first ship which passes, instead counting to a certain number."⁽²²⁾

Conclusion

The Iranian government allocates a considerable part of its revenues to defense spending and seeks to enhance its military capabilities for all classes of weapons. It is mainly interested in drones, which have witnessed increased demands following its effective impact in the Russia-Ukraine war. What started as a program to disrupt neighboring rivals' defenses in the veil of plausible deniability is turning out to be a source of vital revenue for Iran's sanction-ridden economy on the one hand and a diplomatic and strategic asset on the other. Even if Tehran acquires Russian and Chinese fighter jets in the coming years, its drone program won't be eclipsed on the priority list. Iran has exerted considerable effort to enhance its defense capabilities, yet its defense improvement is still deemed limited, given its lack of advanced technology for the military industry. Though the UN arms embargo on Iran expired in October 2020, its weapons sales are still affected by sanctions and Western pressure.

The Hawza Between the Growing Protests at Religious Ceremonies and the Renewed Debate Over the Hijab

The Shiite community has continued to practice certain rituals and ceremonies since its inception because Shiites see them as essential to the sect's identity and the basis for its continuation and survival. Even though these rituals are primarily directed at Shiites' foes, these were not exploited for political purposes. Amid the Ashura ceremonies in Iran during the period from June 27 to August 5, 2023, it was clear that these ceremonies were being used as a platform to vocalize anger against the Iranian political system's policies. This is a huge shift in the course of the role played by such rituals and ceremonies, as this time they did not aim for a secularist regime such as that of the shah (Reza Pahlavi), but rather targeted the government of the Guardian Jurist. This shift comes at a time when the hijab issue remains a subject of massive debate, not only at the social or cultural levels but also at the jurisprudential level; the debate intensified and included the factions/religious elites — some of whom have become desperate and frustrated. Accordingly, the issue of religious ceremonies transforming into protests as well as the hijab issue will be the subject of discussion and analysis in the August 2023 file.

Can Religious Rituals Turn Into Protests?

This is a pivotal question that is pondered by Iran's religious elites. According to some reports, each year, Ashura Day ceremonies occur in a way that expresses the strength of Shiite clerical rule. However, this year the ceremonies appeared different, taking an opposing course. Moreover, they reflect the weakness and fragility of the rule of the clerics. Mourners spontaneously

gathered in the city of Yazd and others, chanting slogans that took aim at the clerical ruling elites. They turned religious banners into hymns of protest depicting the suffering of the Iranian people. Among the chants and songs, they said, "For the sake of a city that suffers devastation, we are all hostages. For the sake of grieving women and the tears of the disenfranchised, we grieve for the thousands of innocent souls, and we get ashamed of this raging fire. O rain come down. O storm come forth. They have set fire to our camp."⁽²³⁾ Another meddah (reciter) in Kermanshah sang a song directed against officials, "They steal and devour resources from underprivileged people."⁽²⁴⁾ Another meddah recited against the government in Dezful, a small city in Khuzestan province, southwest of Iran. "O my country, do you know why I am sad? Their only concern is the hijab. They do not see the blood and poverty... they steal the money of the public... fathers are embarrassed Mothers are suffering.... I hope they can see our poverty."⁽²⁵⁾ These hymns are indicative of people's anger at the ruling elite's interest in subsidiary issues that do not reflect their real suffering.

Throughout history, there have been several events that Ashura rituals contributed to. These rituals contributed to toppling the shah's regime, when they turned into mass protests against his policies. Yet the participants in the Ashura Day ceremonies in 2009 protested against electoral rigging, putting the ruling elite in an awkward situation. Therefore, it was natural this time for the ruling elite to be concerned about the mounting protests during the religious rites and the stepped-up anti-establishment rhetoric. Though the Minister of Guidance and Culture

denied any attacks on the political system during the Ashoura rallies this month, the ground reality reflects that the system's critics are no longer merely modernists or secularists, but they include religious people as well.⁽²⁶⁾ This has weakened the Iranian government and placed it in an awkward situation. It would have been easy for the government to defame the participants if they had been secularists or pro-Western. However some segments of the religious community taking advantage of the rites and rituals to reject some of the system's policies make it much more difficult to label or defame them.

In parallel with this powerful ritual environment, another dissenting voice has emerged. Abdelkarim Soroush sent a public letter to the supreme leader in which he called on him to accept criticism, given that is a fundamental right of citizens. He said, "You convene a hundred assemblies for supporting Wilayat al-Faqih, so convene a single assembly for criticizing it and diagnosing (the problems it is facing). You have a hundred cheerleaders and promoters in the newspapers, the radio and television institution (IRIB). We ask you to endure just one critic."⁽²⁷⁾ Moreover, he called on the supreme leader to encourage criticism. "Not only you should endure criticism, but you should encourage people to publicly mention your flaws. You won't be harmed. Try criticism. It's useful." At this point, the two camps converge: the religious and the modernists with hawza origins, with both criticizing the Iranian ruling elite.

The Hawza and Wrangling Over the Hijab

The issue of the hijab is usually a subject of political and social wrangling. However, the religious and jurisprudential wrangling in the hawza is the most dangerous aspect as it elevates the entire matter of the hijab to a definitive level over which there should never be any disagreement. Second, it stigmatiz-

es those opposed to the hijab as they are viewed as anti-religion and sect; this is dismissed by those who oppose the ideologization of Shiism. All that they seek to achieve is that the government eases its restrictions, keeping its hands off the issue of the hijab and giving women the choice to wear the hijab or not. The government should not intervene to compel women to wear the hijab or perform other obligations, this is even the position of the traditionalist jurisprudential view.

However, recent reports indicate that the state is seeking to impose administrative and identity-related restrictions on girls under 18 who are not wearing the hijab, such as denying them passports, work or study.⁽²⁸⁾ Even though this runs counter to the Constitution which emphasizes equality for all Iranians, these restrictions ignore society's real problems, instead embroiling the Iranian people in a division over a religious and identarian issue that splits the Iranians into two camps. The first camp is supportive of the obligatory nature of the hijab while the other favors the right of women to decide on whether or not to wear the hijab. An Iranian official said that these sanctions are sufficient, and that girls under 18 will not be locked up. The remarks came in response to reports of the government's intention to alert girls three times before handing them over to the security forces on the fourth occasion, according to the hijab and chastity regulation. According to some press reports, economic factors, i.e., the level of affluence of women determines the implementation of the bill; "the richer you are, the bigger freedom you will have on the issue of the hijab according to this regulation. But you will be compelled to accept the hijab restrictions imposed by the government if you are from society's middle or lower classes."⁽²⁹⁾

While Iran's society sees that the government is paying close attention to the issue of the hijab, chastity and regulations, prioritizing all of them, and ig-

noring genuine everyday problems, the religious elite believes otherwise. Marja Ayatollah Subhani, in his meeting with Iranian President Ebrahim Raisi, praised him for giving special attention to the issues of the hijab and chastity. Raisi responded, "Over the past two years, the government's primary attention was given to tackling the concerns of clerics and marjas."⁽³⁰⁾ Here a question arises: is the priority the hijab or resolving the problems related to people's living conditions? The Iranian government amplifies the issue of the hijab and works to resolve it by issuing laws and regulations, encouraging religious and security institutions to treat the matter as a threat to the state as well as the Iranian revolution's principles. At the same time, it totally ignores citizens' living problems.

Conclusion

It appears that the Hosseini rituals are among the most important rites of the

Shiite community. The rituals have been employed by the religious elite since 1979 to bolster legitimacy and strengthen Wilayat al-Faqih. But over time, given the ruling elite's blocking of protests and gatherings and its concern about them, Hosseini rituals have turned into an arena for unleashing anger against the system itself. This has raised the ruling elite's concerns, which fears that the rites are directed against it, thus losing control over how to employ and direct them. The hawza clerics, on the other hand, particularly the line supportive of Wilayat al-Faqih, view the attention given by Raisi and his officials to the issue of hijab as a sign of the government's accomplishments. At the same time, according to their foes, they have neglected people's abysmal living conditions, even though religious precepts accord utmost priority to people's welfare.

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Rasanah's Most Prominent Events



Partnership | An MoU was concluded with Vivekananda International Foundation (VIF)



Visit | A delegation from the Institute of Oriental Studies (IOS) of the Russian Academy of Sciences (RAS) was received at Rasanah's headquarters headed by IOS President Vitaly Naumkin



News release | Jurists and Divine Sovereignty (Hākimiyya) in Iran

IRAN-ARAB INTERACTIONS

In its foreign policy, Iran places a priority on the Arab world. There have been significant developments in its interactions with Arab countries, most prominently its relations with Saudi Arabia following a visit by Iran's Foreign Minister Hossein Amir-Abdollahian to the Kingdom. This is in addition to Iran's relations with the Gulf states and its influence in Syria. These developments are analyzed by covering the following topics:

- Abdollahian's Visit to Saudi Arabia and Gulf-Iran Relations After the BRICS Invitation
- Tensions in Eastern Euphrates and Protests May Affect Iran's Clout in Syria

Abdollahian's Visit to Saudi Arabia and Gulf-Iran Relations After the BRICS Invitation

August 2023 witnessed a step forward in Saudi-Iran relations following the visit of Iran's Foreign Minister Hossein Amir-Abdollahian to Riyadh. He met with his Saudi counterpart Prince Faisal bin Farhan Al Saud and then with Saudi Crown Prince Mohammed bin Salman. These meetings reflected the two parties' positions to activate the rapprochement deal brokered by Beijing. This was further evident from the responses and statements of the Iranian foreign minister after the visit. Some described this visit as the beginning of the implementation of the reconciliation process between the two countries. The developments in August were of great importance as they tested whether or not Iran and the Gulf states could overcome the impediments to reconciliation. After the crisis of the Dorra gas field, the visit to Riyadh attempted to emphasize that dialogue was the only way forward to resolve differences and hammer out understandings that achieve the long-term aims of the rapprochement deal. Saudi-Iranian interactions will be discussed in the context of Abdollahian's visit, and also BRICS' expansion to include Saudi Arabia, Iran and the UAE will also be examined. These countries joining BRICS along with other nations raises a number of questions.

Abdollahian's Visit Is Part of Iran's Normalization With Saudi Arabia

During the press conference with his Iranian counterpart on August 17, 2023, Saudi Foreign Minister Prince Faisal bin Farhan Al-Saud stressed the importance of the rapprochement deal between Saudi Arabia and Iran; it is a reference point for strengthening and developing relations between the two countries, ensuring a security environment free

from interference in the internal affairs of countries and a means to mitigate/navigate regional security threats. The Saudi foreign minister expressed the country's desire to enhance mutual trust and expand cooperation with Iran, especially when it comes to regional security. He also appreciated Iran's decision to support Saudi Arabia's candidacy to host Expo 2030.⁽¹⁾ Although the Iranian foreign minister did not explicitly refer to the rapprochement deal, he did speak about expanding cooperation and developing relations. He said that the two countries had agreed on the basis of past agreements to prepare the ground to expand and enhance their mutual cooperation, and this was firmly on their respective agendas. Both countries also agreed to name various joint technical and specialized committees headed by the foreign ministers of the two countries. Abdollahian mentioned that relations with Riyadh are on the right track, and that Riyadh and Tehran could work to resolve longstanding regional issues. He added that Tehran is making the right moves to strengthen relations with its neighboring countries, including Saudi Arabia. Abdollahian also stated that Iranian President Ebrahim Raisi had accepted the invitation to visit Saudi Arabia and would respond at the appropriate time. Saudi Crown Prince Mohammed bin Salman and Abdollahian also discussed in an extended meeting future opportunities for bilateral cooperation. This lengthy meeting indicates that understanding governs the relationship at this stage and that the two countries are keen to continue on the trajectory of diplomacy and cooperation.⁽²⁾

Economy and Security: Two Pillars

for the Development of Relations Between Saudi Arabia and Iran

Saudi Arabia focuses on security as it views this as a cornerstone for development, whereas Iran's prime focus is on the economy and reaping the benefits of the rapprochement deal. In this context, several Iranian media outlets analyzed the future development of relations between the two sides, with many focusing on the economic aspect. In his analysis published in *Donya-e-Eqtesad* daily newspaper, Kamran Karami, an Iranian analyst who specializes in Arab Gulf issues, pointed out that in the context of resuming diplomatic relations between Iran and Saudi Arabia that bilateral visits had taken place, embassies had reopened and their official activities had resumed. He believes that other aspects will be resumed soon, especially economic relations, with opportunities for entrepreneurs to visit and flights and port activities also re-starting. In addition, he pointed to the possibility of forming economic forums and the establishment of a joint committee for bilateral relations to facilitate the enhancement of relations between Iran and Saudi Arabia. He was optimistic about trade increasing, with the current volume standing at \$16 million.

Likewise, some Saudi experts emphasized that the added value of Saudi-Iranian relations at the current stage compared to previous ones, despite the political and security dilemmas, is the economic variable. In accordance with Saudi Arabia's GDP growth and Vision 2030, the economic aspect is a vital variable that must be looked into in order to explore the economic opportunities that exist; this will ensure the effectiveness of the rapprochement deal and its continuation in the future. Saudi experts considered the fact that the sanctions on Iran would thwart investments in the near term. However, the sanctions on Iran will not last forever and there are many prospects and

possibilities within the framework of international law.⁽³⁾

Iran's ambassador to Saudi Arabia held an interview in which he mainly discussed the economic impacts and prospects of the rapprochement deal. The ambassador stated that he would work directly to arrange the convening of a joint committee between Iran and Saudi Arabia, adding that Iran's Ministry of Oil would head Iran's delegation at this joint committee. He pointed out that relations between Iran and Saudi Arabia had progressed before going backward once again and that the Iran-Saudi Arabia joint committee was the most successful one that Iran had concluded with its neighbors back then. He hoped that the new path that has opened up would be used by both sides to promote prosperity, trade and development in the region.⁽⁴⁾

BRICS Membership May Enhance Cooperation Between the Gulf States and Iran

Six countries were invited to join BRICS on August 24, 2023: Saudi Arabia, Egypt, the UAE, Iran, Argentina and Ethiopia. Chinese President Xi Jinping described this expansion as historic, adding "The expansion will also inject fresh vitality into the BRICS cooperation mechanism, and further strengthen the forces for world peace and development."⁽⁵⁾ Given the current period of understandings between the Gulf states and Iran after the signing of the Saudi-Iran rapprochement deal, there is optimism about Iran, Saudi Arabia and the UAE working together on multilateral and bilateral issues.

Probably, it is too early for one to assess the impact of BRICS membership for Saudi Arabia, the UAE and Iran in light of the current internationally intertwined interactions, however, BRICS countries may seek to take advantage of the presence of new members to extend their political influence and enhance

their economic opportunities. They will make sure to avoid any negative competition in the region that may affect the bloc's plans and ambitions. BRICS membership can be an important factor in strengthening Gulf-Iran relations.

Yet, some disagreements might downplay the significance of the two parties' presence in BRICS. Iran's membership will align it with more anti-US countries. Iran is in favor of multilateralism and challenging the existing rules in the international order. Therefore, Iran finds BRICS as a way to hedge against Western pressure. However, under the current conditions of sanctions imposed on Iran, its economic fruits will be limited from joining the bloc.

Saudi Arabia's accession to BRICS makes sense as it has strong trade relations with China and India and strong energy relations with Russia. BRICS member countries and Saudi Arabia have interests to maintain and develop strong relations. Saudi Arabia and the UAE have the financial resources to strengthen the BRICS Development Bank, hence increasing the influence and attractiveness of the bloc and its competitiveness vis-à-vis similar blocs. This Gulf contribution will also help them achieve financial returns and influence the policies of the bloc's member countries.

Conclusion

It can be said that Iran and the Gulf states have an interest in moving for-

ward with the process of de-escalation to further normalize relations in line with each party's hopes and desired outcomes. The evidence suggests that the path of diplomacy and cooperation is likely to remain open in the near future at least, particularly if the parties that seek to thwart this path are identified and dealt with. Iran's obvious weakness in the regional equation appears to be its economy, especially given its presence next to prosperous Gulf economies that have massive transformation plans. Iran's domestic front is deteriorating, the Iranian leadership lacks development plans and is facing excessive pressures, thus forcing it to seek rapprochement with the Gulf states, especially Saudi Arabia. This Iranian reality gives the Gulf states an important card in the equation with Tehran. Therefore, the Gulf states can make it clear that economic openness is conditioned on the basis of Iranian flexibility in the security files that are causing harm to the Gulf region. This will ensure that the Beijing-brokered deal is successful and relations are reestablished on strong irreversible foundations. Saudi Arabia and Iran joining BRICS and the Shanghai Cooperation Organization (Riyadh as a dialogue partner) may effectively push further their relations so that they stay on the track of cooperation and diplomacy, with security and the economy traded off against one another.

Tensions in Eastern Euphrates and Protests May Affect Iran's Clout in Syria

In August 2023, Syria witnessed domestic and external developments that were significant to Iran's influence in the country. One of the most significant developments at the domestic level was the escalating tensions in the eastern and southern regions. These tensions had security and social dimensions and conflicting forces attempted to settle scores. In addition, August witnessed a new wave of protests against the Syrian regime in its controlled area as well as in the opposition-controlled areas. At the external level, coordination between Russia and Iran in Syria stepped up, especially regarding the exchange of expertise and military cooperation. In this file, we analyze the dimensions of these internal and external developments, Iran's involvement in them, and their impact on Tehran's influence in Syria.

Tensions Eastern Syria

Syria's eastern region witnessed tensions after clashes broke out in a few villages in the eastern countryside of Deir Ezzor. This happened after the Syrian Democratic Forces (SDF) dismissed the commander of the Deir Ezzor Military Council, Ahmed al-Khabil. He was accused of several accusations that varied in their severity. These accusations encouraged its pro-local fighters to attack SDF forces. The skirmishes quickly escalated into large-scale clashes and Arab clans joined in too.

The problem is that multiple parties have conflicting interests in this region. Arab tribes and SDF live on the Eastern Bank of the Euphrates. However, the Syrian government forces control the Western Bank of the river. The parties have conflicting interests and different ethnic compositions. In addition, the

international forces, most notably the US forces, are deployed in this region at Al Omar oil field base and Koniko gas field. Turkey and Russia also have a foothold in this region because of their anti-SDF position. From Russia's point of view, the SDF is a tool of US influence in the region and from Turkey's point of view it is a source of threat to the Turkish border with Syria, hence to its national security. In addition, some jihadist outfits are involved occasionally in internal attacks and assassinations, creating fertile ground for conflicts and settling scores.

Many factors have contributed to the aforesaid reality; SDF has accused the Syrian government, Iran and Turkey of fueling the situation and stirring up unrest in Deir Ezzor and eastern Syria in general. The residents of the areas believe that the tensions are a reaction to the encroachments of the SDF and its attempt to exclude the Arab element and impose forcible recruitment. The SDF is also blamed for the deterioration of living conditions, contributing to tensions between the residents and the SDF.

Some associate the volatility in eastern Syria with the conflict between external forces, especially between the United States and Russia. Each party works to weaken the influence of the other. This volatility was preceded by intensive talk of controversial US military mobilizations in Iraq and Syria especially on the border between the two countries. The US aimed to block the way to Iran and its militias and shut down the border. This mobilization also occurred after Russia's fighter jet targeted military sites and barracks of the SDF. The rivalry between the United States and Russia has stepped up after

the Ukrainian war and its ramifications on other spheres.

The ongoing conflict serves the interests of Damascus and Tehran. It provides an opportunity for the Syrian regime to draw attention away from the protests in Sweida and the opposition-controlled areas in Daraa, Idlib and other regions of Syria. It also offers Tehran an opportunity to thwart the plans of the US-led international coalition in that region and pressure US forces to end their attempts to cut the Tehran-Beirut Road. Hence, this conflict weakens US allies and sows discord between Arabs and Kurds in eastern Syria, accordingly undermining the unity of anti-Iran forces. US calculations regarding the situation on the Syria-Iraq border are likely to get further complicated.

A New Chapter of Iranian-Russian Cooperation in Syria

In light of the intertwined interests of Russia and Syria and their stand-off against US influence in Syria, the coordination between the two sides has stepped up, especially in the field of exchanging military expertise, and the deployment of Iranian drones on various fronts where Moscow is involved. Despite the controversy surrounding Russia's use of Iranian drones in Ukraine, Moscow is taking a similar approach in Syria as it has established drone cooperation and coordination with Iran. Many reports have stated that Iran has started to supply Russian forces in Syria with various types of drones like the Kasif 1 attack drone and the multi-tasking Ababel 3.⁽⁶⁾ The delivery of arms from Iraqi territory to Syria is done via commercial trucks that are operated by Iranian militias. The Palmyra military airport, where Iranian militias and Russian forces are based, is an assembly and test area for Iranian drones, and it is dedicated to Iranian officers especially

IRGC officers training officers and cadres of Russia's forces in Syria.

Abdollahian's Visit and Popular Protests Affecting Iran's Influence

Iranian Foreign Minister Hossein Amir-Abdollahian visited Damascus on August 31, 2023. According to Abdollahian, the visit came within the framework of strengthening the regional and neighborhood policy of the Iranian government and accelerating the implementation of the agreements concluded with Syrian President Bashar al-Assad during the visit of Iranian President Ebrahim Raisi in early May 2023.⁽⁷⁾ Abdollahian's visit coincided with the tensions worsening in eastern Syria and protests flaring up in regime-controlled areas as well as in opposition-controlled areas; these developments have important implications for Iranian influence in Syria. The outrage is not only connected to the Syrian state's mismanagement and corruption, but also to Iran's role and penetration in the country, and its effective role in the current unprecedented impasse Syria has been experiencing.

Conclusion

It can be said that the tensions in Syria either the clashes in eastern Euphrates or the popular protests may make the Syrian crisis go back to square one in light of the lack of a comprehensive radical solution to the crisis. The country is likely to enter a new wave of civil strife. Therefore, external forces will have a wider role in Syria while they dispute over how to achieve a balanced settlement to the crisis. These forces are engaged in a zero-sum battle in the Syrian arena. The current rivalry that has emerged east of the Euphrates, and Iranian-Russian cooperation on the deployment of drones in Syria may be a new source of a potential wave of conflict and competition in the Syrian arena which is likely to persist further than any other conflict in other arenas.

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IRAN'S RELATIONS WITH REGIONAL AND INTERNATIONAL POWERS

The prisoner swap deal influenced, somehow, the course of Iran-US relations; it stirred the stagnant waters of diplomacy and defused tensions on Iran's nuclear deal. However, negotiations between Iran and the European Union (EU) regarding the release of the Swedish EU diplomat who is detained in Iran failed. In this part of Iran Case File, two prominent developments are covered as follows:

- The Impact of the Prisoner Swap Deal on the Trajectory of US-Iranian Relations
- Iranian Pressure on EU to Release Hamid Nouri

The Impact of the Prisoner Swap Deal on the Trajectory of US-Iranian Relations

The United States and Iran made progress on the diplomatic track, but this time it was through a deal to swap prisoners and unfreeze some of Iran's overseas assets. Some believe that this deal would not have happened without tacit understandings including on the Iranian nuclear file, Iran's hostile behavior and its relationship with Russia, preparing the ground for broader understandings to be reached. This deal is not exceptional in the history of relations between the two sides because it was preceded by other similar deals. Despite the calm that has accompanied the deal, it cannot be counted on as representing a serious breakthrough in US-Iranian relations. Because of the absence of trust and the conflict of interests, the two sides have not committed to many deals. The August 2023 file attempts to shed light on the most important developments in US-Iranian relations and their implications.

The Prisoner Swap Deal and Its Features

After long negotiations in Qatar and Oman, Tehran and Washington reached a prisoner swap deal, under which Iran would release five US citizens in exchange for the release of Iranian detainees held in US prisons. In addition, the United States allowed the unfreezing of some Iranian overseas assets held in South Korea which were transferred to a Qatari bank account. According to the deal, Tehran has the right to access these funds but they can only be used for humanitarian purposes so that US sanctions are not breached.⁽¹⁾

The deal elicited mixed reactions in Washington and Tehran. The Iranian government promoted the deal as a victory as Iran did not make any conces-

sions and the released assets allowed domestic production to be increased. In addition, the deal was employed within the framework of partisan competition before the Iranian parliamentary elections to be held in March 2024. The Raisi government viewed the deal as representing a diplomatic achievement that Rouhani's government had failed to achieve. However, the "reformists" believe that the deal came too late and was concluded at the expense of the Iranian people's interests and living conditions. The United States believes that the deal is less costly than reviving the nuclear deal amid concerns that its revival would affect Biden's popularity in the lead-up to the US presidential election in November 2024. However, this does not prevent criticism and blame from being directed at the Biden administration, as this deal could motivate Iran to continue with its hostile activities and use the hostage card once again to obtain concessions.

Implicit Nuclear Understandings

Some believe that the prisoner swap deal included a broader understanding. Against the backdrop of the conclusion of the prisoner swap deal, the United States and the European participants in the original nuclear pact chose not to escalate tensions further by referring Iran to the UN Security Council to automatically reimpose sanctions. These parties toned down their criticism of Iran's role in the Russia-Ukraine war and renounced their support for the Iranian opposition. In his interview with Intikhab, foreign affairs expert Professor Abdul Redha Faraji said that the United States may no longer impose sanctions on individuals and will reduce the restrictions on oil sales,

signs of which are apparent during the current stage. Tasnim News Agency reported that oil exports were expected to reach 3.5 million barrels per day in September 2023, a level close to what Iran's oil exports had reached in 2018 before the US withdrawal from the nuclear deal. This prisoner swap deal could not have been possible if the United States did not overlook the sanctions imposed on Iranian oil sales. There is a Western desire to control oil prices after the outbreak of the Russia- Ukraine war.⁽²⁾

Iran reconsidered its longstanding policy of nuclear escalation. In conjunction with the ongoing negotiations, signs of this approach were apparent, for example, Iran demonstrated further cooperation with the International Atomic Energy Agency. Tehran also significantly slowed down the pace of uranium enrichment and decreased some stocks of uranium. It is also said that Iran has reached understanding with Washington to reconsider its military cooperation with Russia. This includes its support to Moscow in the Russia-Ukraine war and the suspension of broader military cooperation. According to Reuters, these steps "could help ease tensions with the United States and its allies and revive broader talks over Iran's nuclear program." This conclusion might be accurate, especially as the parties are committed to the diplomatic option.⁽³⁾

The Continuation of Mutual Maritime Escalation

The prisoner swap deal did not significantly address the profound differences between Washington and Tehran. According to US Secretary of State Antony Blinken, US sanctions are still in effect. However, the United States did not impose sanctions during this month as apparent in recent months. This reflects the desire to establish a positive atmosphere to make progress in the negotiations.

Despite all these manifestations of

de-escalation, regional confrontation has not abated. As usual during recent months, the maritime confrontation in the Arabian Gulf has been the focus of regional interactions between Washington and Tehran. The United States believes that "maritime security in the Strait of Hormuz is its main priority, "according to US Navy 5th Fleet Spokesperson Commander Tim Hawkins. Iran wants to leverage international and regional geopolitical shifts to enhance its maritime control in the Gulf and pressure the US presence in the region. As part of this escalation, Washington deployed 3,000 sailors and US Marines to the region. It trained 100 Marines of the 26th Marine Expeditionary Unit stationed in Bahrain in anticipation of placing them on board merchant ships transiting through the Strait of Hormuz to prevent Iran from seizing them, in case these ships asked for protection.

⁽⁴⁾ Despite of US actions, Iran continued its confrontations against the US presence in the Gulf. On August 20, 2023, Iranian drones intercepted a US ship in the Strait of Hormuz and sent a warning message to it. The IRGC Navy also showed its intention to dominate the Arabian Gulf and maintain its control on the UAE occupied islands by conducting Iqtidar maneuvers.⁽⁵⁾

On another regional front, US and Iranian moves presaged an upcoming confrontation in Syria or Iraq. US forces made moves on the Syrian-Iraqi border. This may lead to the closure of the Abu Kamal crossing, which is a vital border crossing that connects Iran with Syrian territory and Hezbollah with Lebanon. US moves may have driven Iran's militias to change some of their positions in Syria.

Conclusion

According to the developments in August 2023, it can be said that the prisoner swap deal is of particular significance in many ways: it is the first deal con-

ducted by the Iranian government with Washington and it suggests that the negotiations are expanding between the two parties to include non-nuclear issues. In addition, the deal to an extent ended the tensions between Tehran and Seoul, and between Tehran and Baghdad as Tehran had previously demanded its assets frozen under US sanctions in Iraq and South Korea.

The Biden administration emphasized that the prisoner swap deal was separate from the diplomatic trajectory to revive the nuclear deal. The prisoner swap deal could not have been possible without tacit understandings and perhaps mutual measures to calm tensions and mutual fears, especially in some hot files, such as the nuclear file and Iran's participation in the Russia-Ukraine war. Although the deal may have offered Iran conditional access to some of its frozen assets, it did not calm regional tensions, especially the maritime confrontation between the two sides.

In addition, reviving the nuclear deal is still a complex issue, especially for the

United States as the 2024 presidential election draws near. With regard to the nuclear deal, many of its terms are set to expire soon; for example, in October 2023, the terms of the nuclear deal which restrict Iran's ballistic missile program will expire, and the terms have actually lost their effectiveness due to the development of Iran's nuclear program. Accordingly, it has become difficult to return to square one regarding Iran and the nuclear deal.

Developments in international rivalries have provided room for Iran to maneuver, gain time and receive support from strong allies such as China and Russia, which welcomed Iran's accession to BRICS. This bloc attempts to achieve a semblance of international balance with the United States and its allies. According to the cost-benefit calculation, Iran has benefited greatly from this prisoner swap deal. This deal is unlikely to change Iran's policy toward the United States. On the contrary, as happened after the signing of the nuclear deal, Iran could be encouraged to pursue more hostile policies.

Iranian Pressure on EU to Release Hamid Nouri

The European Union (EU) finally lost its patience over the “illegal” detention of its diplomat and Swedish citizen Johan Floderus after “consistently negotiating” his release during 500 days of custody. Sweden is trying Hamid Nouri over his crimes against members of the People’s Mojahedin Organization of Iran and his involvement in repression against Iranian prisoners. Iran’s tough stance in the negotiations to release the Swedish diplomat is believed to be related to the trial of Nouri. Given his significance and symbolism to the Iranian leadership, the Iranian government probably seeks his release in a prisoner swap agreement. In this part of the Iran Case File, we review the dimensions of this story and shed light on how Iran managed to exploit hostage diplomacy as a bargaining chip to confront the EU.

European Pressure on Iran to Release the EU Diplomat

The New York Times broke the story of the Swedish citizen who was stopped on April 17, 2022, from boarding his flight after a vacation in the country with his compatriots. Brussels chose against going public with the news and his family complied with the suggestion in the hope of his release.

Josep Borrell, the EU’s foreign policy chief, has demanded the release of Floderus. “I want to say something about, if you allow me, a specific case, the case of Mr. Floderus. He’s a Swedish citizen who worked for the European Union and has been detained illegally in Iran for the last 500 days,” Borrell said.⁽⁶⁾

Ever since Floderus fell victim to Iran’s hostage diplomacy, the EU and Sweden have been “pushing the Iranian authorities to release him.” “Every time we had a diplomatic meeting at all levels,

we have put the issue on the table. Relentlessly, we have been working for the freedom of Mr. Floderus. And we will continue doing that . . . we will not stop until Mr Floderus will be free,” Borrell told reporters.⁽⁷⁾ “To avoid complicating our efforts and for reasons of secrecy, we cannot go into any more detail at present,” he added.

Floderus is reportedly being held in Tehran’s Evin prison. Quoting unnamed sources, The New York Times reported that Floderus had been accused of involvement in espionage.⁽⁸⁾

The Connection Between Floderus’ Arrest and Nouri’s Trial

Floderus’ arrest in April 2022 appears to be linked to the judicial trial of Nouri in a Swedish court. The Iranian national was apprehended in 2019 while traveling to Sweden. He was accused and found guilty of “intentionally taking the lives of a large number of prisoners who sympathized with the Mujahedin-e-Khalq and, additionally, of subjecting prisoners to severe suffering which is deemed torture and inhuman treatment.”⁽⁹⁾

Former prisoners testified before the Swedish court that Nouri had helped select who was brought before the tribunal and that they saw him taking condemned people to the gallows.⁽¹⁰⁾

Declaring him guilty, a Swedish court sentenced Nouri to life imprisonment in August 2022. A month prior, Iran had announced that it had arrested an unnamed Swedish citizen (Floderus), for involvement in a nefarious activity.⁽¹¹⁾ Nouri is currently appealing his sentence. If Iran’s hostage diplomacy can be any guide, it hopes to swap Nouri for Floderus. The EU’s public silence on the issue has possibly damaged the Swede’s case as media and public pressure usu-

ally act as a shield for such vulnerable hostages in the hands of hostile governments.

Nouri's conviction sets a rare precedent of universal jurisdiction, allowing countries to arrest foreign nationals on their soil and prosecute them for atrocities committed elsewhere.⁽¹²⁾ Tehran's many operatives involved in similar crimes could also fall prey to Europe's universal jurisdiction or elsewhere lest they avoid traveling to countries where they could be tried. The case poses a dilemma for Iran as well as for other countries involved in crimes, to put it simply.

While Nouri's trial was underway, Iran put two Swedes on death row in May 2022 on murky charges of espionage. While researcher and lecturer Ahmadreza Djalali still awaits execution, Habib Chaab — an Iranian-Swede who was kidnapped from Turkey in 2020 — was hanged in May 2023. Floderus remains imprisoned without trial and formal charges.

"The imprisonment of a Swedish citizen and employee of the European Union is

a scandalous event that urgently needs to be clarified," Cornelia Ernst, the chairwoman of the EU Parliament's Iran delegation, was quoted as saying by *The New York Times*. "The commission, and in particular Josep Borrell, must now explain how long they knew about the detention and why it was not made public," she observed.⁽¹³⁾

To avenge Nouri's global disgrace and his subsequent sentence, Iran converted its hostage diplomacy to death-sentence blackmail. In the case of Floderus, Tehran did not hesitate to arrest an EU official. Brussels' silence, however, has bolstered Iran's position.

Conclusion

Iran's relations with Europe suffered a massive blow when Borrell publicly condemned Iran for detaining a Swedish citizen for over 500 days. His statement came against the backdrop of the EU's admittance of diplomatic failure on the issue of releasing those illegally held by Iran. On the other hand, for Iran, hostage diplomacy seems to be winning the way it imagined.

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