



IRAN'S

INTERNATIONAL POSTURE
IN ROUHANI'S ERA



CENTRO STUDI
INTERNAZIONALI

By Gabriele Iacovino and Francesca Manenti

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Methodological Note

This paper aims to present the current situation of Iran's foreign policy. In particular, the purpose of this publication is to analyze the national priorities identified by President Hassan Rouhani and the strategy that the moderate leader is implementing in order to pursue his own agenda, without altering the traditional internal equilibrium. To this end, the report will address three aspects. First, the political pragmatism of Rouhani's Government: thus, the policy of the current President will be analyzed in the framework of both his rupture and continuity with the past, in order to outline how this attitude affect the policy agenda of the Government. The second part of the paper will focus specifically on two great topics of Iranian foreign policy under Rouhani's Presidency: Tehran's rapprochement with the International Community and the expansion of its power projection capabilities in the Middle East. It will highlight, in particular, how the two dossiers are managed, albeit in a synergic way, by the Foreign Ministry, responsible for diplomatic relations, and by the Revolutionary Guards, expression of traditionalist stakeholders and custodian of the regional agenda. A specific focus will be given to relations with Italy, with an analysis of mutual opportunities which could be spurred by a revival of bilateral relations between the two countries, from an economic and, especially, political point of view. Finally, the report will examine the future implications of Iran's reintegration in the International system, as the end of Tehran's marginalization will influence the regional balance.

The contents of this report have been inspired by a visit to Iran of a delegation of Ce.S.I. – Center for International Studies, from 7th to 15th November 2015. The delegation was led by Ce.S.I. Chairman, Prof. Andrea Margelletti, with the participation of Dr. Gabriele Iacovino, Ce.S.I. Analysts Coordinator, and by Dr. Francesca Manenti, Ce.S.I. Asia Desk Analyst.

During the visit, the analysts of the Institute had the opportunity to meet representatives of leading political and military Iranian think tanks, in order to discuss current issues of common interest between Iran and Italy, such as the crisis in Iraq and Syria, the expansion of Daesh, the American and European policies in the Middle East, the possibility for Iran of reviving its

relations with Europe and, in particular, with Italy. The ideas that emerged were reworked and incorporated into a framework that highlights how the rapprochement of Iran towards the International Community goes hand in hand with an increased Iranian influence in the Middle East, as two sides of the same coin, in order for Rouhani's Presidency to keep a balance in the traditional power relations within the institutions of the Islamic Republic.

Ce.S.I. gratefully acknowledges all those interlocutors who agreed to meet its delegation and made the exchange of ideas at the base of this report possible. The Institute expresses its gratitude to the Institute for Political and International Studies (IPIS) for hosting the delegation, managing the agenda and organizing the visit.

For their invaluable support in the organization of the visit our special gratitude goes to His Excellency Jahanbakhsh Mozzafari, Ambassador of the Islamic Republic of Iran in Italy, the First Secretary Hassan Mohammad Asef and the Defense, Military, Naval and Air Attaché, Col. Davood Ramezani.

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2015 can be considered a year of breakthrough for relations between Iran and the International Community. After being successfully signed in Vienna last October, the historic agreement on the nuclear programme between Iran and the so-called P5+1 group (United States, Russia, China, Britain, France and Germany) marked a landmark opening moment by the Iranian Government, after nearly forty years of isolation and distrust towards the outside.

The Vienna agreement, however, was the culmination of a process of reconciliation with the International Community, promoted and heavily encouraged by current President Hassan Rouhani who, for the past two years, has made the dialogue with international stakeholders a strategic priority of his agenda. Since his election in May 2013, in fact, Rouhani considered the end of Iran's longstanding isolation as an opportunity not just to increase the regional status of its country, but also primarily to free the country of the grip of sanctions that had exhausted the already compromised domestic economy.

The President's diplomatic activism, however, was bound to be inevitably offset by the traditional "stiffness" of the Iranian system. In a country where the State's strategic priorities are formulated according to a careful balance between the political and the military establishment, which is expressed by the most conservative instances, the new Government had to act with great caution in order to safeguard the fragile internal balances. Moreover, in Iran dossiers which are sensitive for national interests, such as those related to foreign and security policies, are not taken care of by the Government, but by the Supreme Leader. The Supreme Leader is the political and religious authority of the Islamic Republic of Iran, which may delegate the Government to manage specific topics of each single dossier, but which has, in any case, the last word on any decision. To prevent the religious and military most conservative circles, usually close to the Supreme Leader, from trying to reduce its room for maneuver, Rouhani's Government had to step back on some of the issues deemed of particular interest especially for the military establishment.



For this reasons, even though it is being conceived as a whole by all concerned institutions, Iranian foreign policy now seems to be managed essentially on a double track. On the one hand, the Foreign Ministry is pursuing its diplomatic agenda, centered on the relaunch of Iran's international role and on the normalization of bilateral relationships. On the other hand, the military establishment, particularly the Revolutionary Guards (Pasdaran), is focused on issues of national security interest, such as the deterioration of the Middle East crisis and the projection of Iranian power in the region.

This dualism has become increasingly clear over the last twelve months, as the occurrence of certain international contingencies pushed Iran to adopt an increasingly active foreign policy: on the one hand, the slow, but positive development of nuclear talks; on the other hand the consolidation of Daesh and the rapid advance of the jihadist threat in both Iraq and Syria. Now that, for the first time in nearly four decades, Iran and the International Community are sharing a number of topics in their respective agendas (such as the fight against extremism and terrorism), the parallel development of these issues not only somewhat institutionalized the two tracks, but has mostly demonstrated how this “synergistic management” is proving successful for the Iranian national interests and the improvement of the country's international status.

As far as the relationship with the International Community is concerned, the success of the Vienna agreement seems to have opened a season, although still in its early stages, of resumption of relations between the Iranian Government and several Western States, especially in Europe. Indeed, while the relationship with the United States still suffers from the distrust built during forty years of antagonistic narrative, on the contrary the Iranian Government seems particularly proactive in trying to increase its ties with Europe, either bilaterally, with single European countries, or multilaterally, by a direct dialogue with Brussels. Creating a new climate of trust also allowed Iran to successfully seek recognition for its role as a reliable and indispensable western partner for the precarious Middle East order. This situation

has inevitably brought the countries most interested in the management of the current Middle East crisis to look with less apprehension at the Iranian policy towards its neighbors, as the Country is mainly focused on the eradication of jihadism from Syrian and Iraqi territories. In this context the revival of diplomatic relations by the Foreign Ministry in Tehran has actually promoted the implementation of the regional agenda originally drafted by the Guards of the Revolution, which have been given *carte blanche* by Rouhani's Government regarding the operational management of the Syrian and Iraqi dossier. This financial and military involvement, through which Iranian forces have so far supported their allies in Baghdad and Damascus, has allowed Tehran to strengthen its influence in the area.

The end of its international isolation, on the one hand, and the strengthening of its influence in the middle-eastern area, on the other, are set to be two important constant elements of Tehran's policy for years to come. However, this could create tensions with other countries in the region, primarily with the Sunni Monarchies of the Gulf, which look at the strengthening of the Shiite neighbor as a dangerous and destabilizing factor for the current balance of power. Among these countries, a special role is played by Saudi Arabia, the historic rival on Tehran's doorstep. In the near future, therefore, the real game of the Middle East could be played by Tehran and Riyadh, each of them intent on asserting their own regional leadership. The confrontation between the two countries is not likely to be direct or of a conventional kind, but rather carried out in third countries and through unconventional means. Nonetheless, the triggering of a military competition could push Saudi Arabia and Iran to increasingly raise the stakes and to take advantage of their respective network of regional allies to weaken the rival. Such an escalation, however, could further worsen the already controversial dialectic between Sunnis and Shias, a longstanding major weakness of the region, and cause more outbreaks of dangerous instability in a complicated area like the Middle East.



1

*The pragmatism
of Rouhani's Government*



On June 14th 2013, the election of Hassan Rouhani as President of the Islamic Republic put an end to almost a decade of Conservative Government. After having entered unexpectedly the electoral race, Rouhani won the support of both the moderates of former President Akbar Hashemi Rafsanjani and the reformists of Mohammad Khatami, and became the frontrunner of “centrist” forces. Although not well known among the population in the weeks leading up to the vote, Rouhani actually had already a long political career, with roots in the first stages of the Islamic Revolution and in the war against Iraq. In particular, while holding offices of high political and clerical nature, the new President has always paid a special attention to sensitive subjects such as national security. He was Secretary General of the Supreme National Security Council (SNSC), the body responsible for formulating security-related policies; National Security Adviser of Presidents Rafsanjani and Khatami, as well as Chief Negotiator during the talks on Tehran’s nuclear program in the period 2003-2005, (until he resigned due to strong disagreements with newly-elected President Mahmoud Ahmadinejad).

Therefore, although it’s not certainly possible to define Rouhani as an *homo novus* of the Iranian institutions, his victory against conservative candidates in the presidential election, during the first round and to a large extent¹, signaled a widespread desire for change among the population. Indeed, the election of the new President was hailed within the country as a possible turning point for Tehran’s politics, after eight years of Conservative Government plunged Iran into an unprecedented economic, administrative and diplomatic crisis. Thus, the strong disaffection against the previous Ahmadinejad Administration conveyed unprecedented consensus on moderate forces. However, Rouhani’s victory didn’t open the doors to a new generation of young politicians, but, on the contrary, brought back to power the old guard tied to the Iranian revolution of Khomeini. After all, the electoral system

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¹ The election results showed that Rouhani won with 50.71% of the vote (about 18,700,000), against 16.46% (just over 6 million votes) of the first conservative candidate, Mohammad Bagher Ghalibaf, Mayor of Tehran.



itself, which allows the Guardian Council of the Constitution² to vet eligible candidates before the election, has inevitably prevented nominations which are completely external to traditional institutional environments.

Therefore, the strong thirst for renovation inside the country is actually inserted in the wake of the last 40 years of Iranian history. In this context, the real new and innovative factor of Rouhani's Presidency is not to be looked for in a sort of revolutionary attitude towards the institutional system and its underlying values, but in a highly pragmatic attitude aimed at the pursuit of the Country's national interest. The strongly repressive policies carried out by the Ahmadinejad Government were essentially motivated by the ruling traditionalist establishment trying to protect the privileges acquired in three decades, even at the expense of the State's health. Both the harsh repression of popular demonstrations³ erupted following the presidential elections of 2009 and the stiffening of the antagonistic rhetoric toward the West were decided by the former Administration not because of an outright dislike for reforms or due to the fear that contact with the outside could undermine the solidity of the revolutionary values, but rather because of the Conservatives fearing that even small concessions in both areas could compromise their power. On the contrary, the current President and his Government, due to their pragmatic attitude, seem to favor the recognition of strategic objectives for the Iranian State, such as trying to strengthen and restore prestige to the Country.

This clear break from the previous Government has been mainly embodied in two of Rouhani's political agendas, promoted since the beginning of his electoral campaign and now carried out by the Government. First, the eco-

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2 Authority formed in 1992 that consists of 12 members, six experts in Islamic law and six jurists. It has the task of interpreting the Constitution, ensuring compliance of legislation with the constitutional rules and approving lists of candidates in Presidential and Parliamentary elections and for the Assembly of experts.

3 The so called Green Revolution. In 2009 the re-election of Ahmadinejad to the Presidency of the Republic brought thousands of protesters to take the streets in all major cities of the country, in order to denounce the manipulation of the results to the detriment of the then reformist candidate Mir-Hussein Mousavi.

conomic recovery. With the inflation almost at 40%, the unemployment rate at 10% and a sharp drop in state revenues due to the tightening of international sanctions, over the past decade the country has experienced a severe recession that has inevitably affected the well-being and living conditions of the population. Second, the revival of Tehran's international relations, which had been reduced to the lowest terms by the aggressive rhetoric and sclerotic policies of Ahmadinejad, are essential in ending the longstanding marginalization of the country. Although seemingly distinct, the two dossiers are strongly linked in Rouhani's agenda.

The main cause for the inefficiency of the Iranian economic system, in fact, is to be found in the long period of international isolation which Iran has been subject to since 1979. Over the years, the country's exclusion from any form of exchange with the outside has created a highly rigid system, where the major political and economic interests at national level have been centralized in the hands of a few power centres, which, as an expression of the religious and military establishment, have managed to extend over time their influence across the State apparatus. This mix of political power and economic interest has created a thick fabric of corruption and inequality, as well as an inevitable dispersion of resources that has further burdened the already precarious economic conditions of the Country. One good example of this can be that of the Revolutionary Guards (Iranian Revolutionary Guard Corps - IRGC, Pasdaran in Farsi language), the influential military body that reports directly to the Supreme Leader. Founded to defend the Islamic Republic, the Revolutionary Guards have gradually become one of the main economic actors in the country, with interests entrenched particularly in the construction industry and in the civil engineering sector. This trend, which began at the end of the Iran-Iraq war on the tail of the reconstruction effort, crystallized under President Ahmadinejad. Enlisted among the ranks of the Pasdaran in the mid 80's, the former President not only has always maintained a close contact with that world, but he has been one of the main facilitators of its political strengthening, to the point that, during his first office, 18 out of the 21 members of the Cabinet had served in the ranks of the IRGC. During his two terms, from 2005 to 2013, the



economic conglomerates linked to the Revolutionary Guards have managed projects with a total value of about 25 billion dollars.

Such interconnection between the political and military establishment and economic interests has always made it difficult for the Government to implement reforms which, although positive for public finances, would be liable to endanger these balances of power. Although the current Government so far has passed two budget packages, aimed at taking the Country out of economic stagnation, the endemic inefficiencies of the system and the strong opposition from some forces to any kind of change haven't led so far to much actual results. Implementing a structured plan of economic reforms, in fact, would allow Rouhani to increase the public opinion's approval rate of moderate forces, as they would take the credit for the improvement of current negative living standards. High satisfaction rates for the Government could become an important electoral capital for "centrist" forces, for them to wear away the power and influence of more conservative political formations within the institutions.

In this context, the increasing interest of President Rouhani in opening the country to the outside seems to answer a need by the Government to build the necessary political support through the establishment of international links, in order to reform a system which has been stagnant for over three decades. Such political support may stem from the resumption of foreign investments into the country, which would encourage the creation of new activities, with positive effects on the domestic labor market, and also stimulate an almost sclerotic economy. On the other hand a significant relief to public finances could result from the reduction of sanctions, which the Country has been subject to for several years. In order to obtain such a result, therefore, the current Government had to start a more constructive and continued dialogue with those very international partners that were previously seen as a threat to the Islamic Republic.

However, as he was aware that he could not radically alter the precarious internal balance unless he wanted to generate a backlash from the more

traditionalist segments of the establishment, Rouhani decided to implement an extremely rational foreign policy project, involving even those units of the Revolutionary Guards engaged in operations abroad, which have always been an important instrument of influence in the hands of the military establishment. In this context, the Rouhani Government has focused its activities on strengthening political and diplomatic relations, with the aim of transforming Iran from a pariah State to a trustworthy partner for the International Community in the Middle East. In this context, given the progressive deterioration of the security framework in the region due to the advance of Daesh in neighboring Iraq and Syria, the Government opted for a clear step back, entrusting both dossiers to the Pasdaran.



2

*The rapprochement with
the International Community*

The big bet of Rouhani's Government of trying to resume the relations with the International Community has given a new impetus to talks on the Iranian nuclear program with the Group P5 + 1 (United States, Russia, China, France, Britain and Germany). Started in November 2013 with the signature of the framework agreement, negotiations have continued for about a year and a half until the conclusion last July of the final agreement (Joint Comprehensive Plan of Action – JCPOA). This period was crucial for all the delegations involved, as they tried to find the best balance between, on one side, the wish to reformulate Tehran's nuclear activities in order to avoid the development of a military application and, on the other side, the right to develop nuclear technology for civil purposes. Negotiations were particularly sensitive for Rouhani's Government, having to balance the demands from international negotiators with the risk of being considered too submissive by the traditionalist establishment, which could have led to a crackdown on the freedom granted to its very own negotiators. This need has inevitably slowed down the talks. However, although long and marked by several delays, the talks led to the conclusion of an agreement deemed satisfactory by both sides: a substantial downsizing of the activities and technologies employed in the Iranian research programme¹ in exchange for international sanctions being progressively lifted.

The open attitude adopted by Iran on this occasion allowed Rouhani's Government to achieve two important results: ending the economic marginalization experienced until then by the country and restoring its international status. The lengthy talks that led to the JCPOA were an important opportunity for all parties involved to revive a dialogue that always looked complicated. The negotiations, in fact, started a cautious and absolutely gradual process of rapprochement between the parties, as well as a fruitful testbed for a collaborative mechanism that, if proved working, could be applied also to other occasions. This mutual openness to dialogue has inevitably been favored by the specific international circumstances of the last couple of years:

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1 For further details, refer to "The Lausanne agreement and the future bet on Iran" at <http://cesi-italia.org/contents/Lausanne%20agreement%20future%20bet%20on%20Iran.pdf>

on one hand the strengthening of international terrorism of jihadi inspiration, represented by Daesh, on the other hand, the Obama Administration betting on a dialogue with Rouhani's Government.

Since 2014, in fact, the rise of jihadist militants in Iraq and the expansion of Daesh both in Iraq and in Syria have exacerbated the severe crisis of confidence that has spanned the region over the past years. The strength of the new group and the global reach of its threat have created a timely convergence of interests between Iran, concerned about the escalation of violence at its borders, and actors such as the US and the EU, intent on preventing the emergence of a new major terrorist subject. Thanks to this shared objective, i.e. preventing the advance of the jihadi group in Syria and Iraq, Iran became a potential partner for stabilization within the middle eastern region, for the first time in over three decades.

Thus, during such a difficult moment for international security, the Iranian Government has found the International Community particularly open to discuss its inclusion in the management of such issues of common interest. The successful negotiations on the nuclear issue and the disruption of the balance in the Middle East allowed President Rouhani to present Iran's institutional strength not as a threat but as an opportunity for the stabilization of the region. In this way Iran became the de-facto actor to be involved not only in the management of the current crisis, but also for the definition of future balances within the middle eastern scenario. Nevertheless, Tehran continues to watch this process carefully. Indeed, the opportunity to open an international dialogue on issues different than the nuclear deal represents a real opportunity for Tehran to turn in its favor the current combination of alliances in the region. However, the mistrust that for years has stained the relationship with some Western States seems to suggest great caution to the Iranian Government.

A similar caution can be found particularly in the relationship with the US: the antagonism and the hostile narratives adopted by both sides for nearly forty years are still a heavy burden on bilateral relations. Although there was

some common ground between Teheran and Washington on issues such as the fight against extremism and the nuclear dossier, there is still a strong mutual distrust between the two Countries that taints with uncertainty the future of their bilateral relations. In the past year and a half, in fact, the two Governments have been able to pursue a constructive dialogue on issues of common interest mainly thanks to a pragmatic calculation of the benefits to be gained by collaborating on issues of common concern, albeit for different reasons. For Rouhani, as mentioned above, the dialogue with Washington was instrumental in freeing the country from the grip of international sanctions and in trying to capitalize on the ensuing economic benefits in terms of internal political support. Obama, for its part, has viewed the reintegration of Tehran in the international system as a twofold objective: first of all, including the signature of the historic agreement on the nuclear issue in his own otherwise rather lackluster political legacy; second, rehabilitating in the eyes of the International Community an actor who could prove of great help in managing the current imbalances of the Middle East. Now that the Middle East is no longer of primary strategic interest for US policy (now Pacific-focused), Washington started to look at Iran as an essential partner for the definition of a future regional balance. This trend seems to have found a first confirmation in the recent negotiations to discuss the future of Syria, started in Vienna in mid-November. Indeed, for the first time since the outbreak of the Syrian civil war in 2011, the Iranian Government was formally invited by the United States among the countries tasked with discussing the possible resolution of the conflict. Despite the inconsistency between the stance of Tehran on the issue and the policy adopted by Washington until now (in particular regarding the legitimacy of current President Bashar al-Assad), the American willingness to engage Iran on the Syrian dossier was a clear indicator of the role that the United States wants for the Iranian Government.

This attitude has positively affected, albeit modestly, how the Iranians view the Americans and it has helped to establish a climate conducive to dialogue. Besides being viewed as a sign of greater understanding of their internal dynamics, the more positive attitude of the US towards Iran has also weakened



Tehran's feeling of encirclement, which usually pushed Iran to hamper in every way possible the regional interests of the United States². Without this feeling Iran has inevitably become more cooperative with the White House on certain issues. However, the upcoming end of Obama's term could be a critical moment. In fact, if the next presidential elections, due in November 2016, will be won by those, within both the Republican or the Democratic party, who oppose the dialogue with the Islamic Republic, the small progresses made so far might suffer a setback. The existence of a cross-party opposition to the appeasement towards Iran had already emerged both in the Senate and in the Congress well before the agreement on nuclear power was signed. The relationship between Washington and Teheran, in fact, is so fragile that a possible resumption of a hostile and antagonistic rhetoric from the White House could well push the Iranian Government to take a step back and revive the anti-American narrative that has characterized bilateral relations for over thirty years.

In the near future, on the contrary, a very different outlook could be in store for the revival of relations between Tehran and Europe, which the Iranian Government seems to have aimed at in order to strengthen its recovered international presence. The role played by the High Representative for EU Foreign Policy, Federica Mogherini, in reaching the agreement on the nuclear issue, in fact, has further strengthened the confidence of the Iranian Government on the possible development of a solid relationship with Brussels. However, the current lack of a united European voice on key regional issues is slowing down the development of a more structured cooperation. At the moment, therefore, the relationship between Iran and Europe is not being led by Brussels diplomacy, but rather centered on the revival of bilateral relations with individual European countries. Indeed, several Ministry-level delegations from all over Europe have already paid a visit to Tehran in the days following the signature of the JCPOA, attracted by the possibilities opened by the strengthening of relations with Iran. A

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2 Indications emerged during a workshop held at the headquarters of the IPIS, Institute for Political and International Studies.

first dossier to be developed for the reinforcement of relations is certainly the economic one, favored by the size of the internal market (about 80 million people), by the country's energy resources (with oil reserves of about 158 million barrels and gas reserves of 34 billion cubic meters) and by the attitude of the Iranian business community, generally interested in attracting new foreign investments.

Thus, with international sanctions being lifted, European countries are trying to reclaim their privileged relationship in terms of trade volume with Iran, like before the sanctions. From its point of view, Iran is observing with great interest how European diplomacies have started courting the Country in the past six months. The revival of the partnership with Europe, in fact, would allow Tehran to limit its dependence on behemoths such as China and Russia, the only possible partners for the Country in recent years. It would also help to try and involve European diplomacy on other issues of common interest. In this context the Iranian Government, being aware of its strategic location at the heart of the Middle East as a gateway for Central Asia, knows that it can be an important partner for European Countries on many important issues, such as the fight against drug trafficking, the flows of immigrants and refugees (who are leaving the region to reach Europe) and the fight against religious extremism, all of them being sore points for both countries' political agendas.



3

Focus on Italy

Iranian Government's policy of openness and the international results achieved so far represent an important opportunity for our Country. The historical connection between Tehran and Rome, in fact, makes Italy a natural partner for an Iran increasingly interested in the strengthening of its relations with Europe. Alive even during the sanctions, though resized, this connection could now become a real strategic partnership between the two countries, for them to boost their role in the international arena. The relationship between Iran and Italy, in fact, is a potentially well-rounded synergy, covering economic, cultural and political matters.

From the economic point of view, until 2012 Italy was the second European trading partner of Tehran (after Germany). Trade between the two countries decreased during Ahmadinejad's Presidency and the international sanctions, despite communications between Tehran and Rome were kept fairly constant (as opposed to other European countries and the US). Now, the lifting of sanctions would seem bound to give a fresh boost to the trade exchange between the two countries. At the end of November, the visit of a delegation of companies, business associations and banking groups (belonging to strategic sectors such as energy, infrastructures, transports, automotive) highlighted the common interest to test the opportunities for investments and commercial and industrial development which should arise in the coming years. In a country of nearly 80 million inhabitants, with a dynamic new generation, willing to look abroad to find new stimulus for internal growth, the Italian model might be able to strengthen its presence in the country. Moreover, strengthening the Italian presence in Iran would allow our country to have both a bridge towards the Middle East, representing a market of about 400 million people, and a new road to the rich markets of Central Asia.

Although the economic dossier is definitely an important topic in their agendas, the change of pace by the Iranian Government in the last two years gave Italy the opportunity to push forward its relationship with Tehran, adding to the indispensable economic dimension a more structured channel of political communication. Always friendly partners even in the most



difficult moments of the relationship between the Islamic Republic and the West, Rome and Tehran should be able to carve out an important position for themselves within the International Community. In fact, although in 2004 the Italian Government decided not to have a place among the 5 + 1 Group, thus ruling Italy out of the main negotiation table between Iran and the International Community for the past decade, our country has now the opportunity to catch up and try not only to regain its position, but also of sealing a special relationship with the Iranian Government. First of all, by strengthening the pre-existing people-to-people relationship, which promote mutual understanding and foster communication and synergies between the two countries. Then, given the friendly and established bilateral relations, Italy could become for Iran the gateway to Europe, establishing itself as a broker between Tehran and Brussels. That role could prove critical in defining a joint agenda, where to highlight the priorities in terms of international security, with particular reference to the crisis in the Middle East. In this way, our Government, on one hand, could try to promote a unified EU policy regarding urgent issues in the Middle East, while, on the other hand, it would take, if not the leadership, at least a prominent role in the management of those critical scenarios that affects the security in the Mediterranean and, therefore, our national interests.

4

*The power projection
in the region*



One of the key issues of Iranian foreign policy has always been its power projection in the Middle East, which is not linked to the institutional structure created after the Revolution of '79, but to the Persian heritage, both historical and political, of the country. In addition, being the only country in the region where the Shias are so overwhelmingly prominent in the structure of the State, it was almost inevitable for Iran to conceive its foreign policy in the framework of the confrontation with Sunni Islam. During the past decade this approach was implemented through the creation of a network of regional proxies, such as Hezbollah, Hamas and the Palestinian Islamic Jihad. Thanks to the support from Tehran, these groups, through political, social and military means, could expand the Iranian influence in the region at the expense of Israeli interests. In fact, in an Arab world crystallized in a chessboard of authoritarian Sunni regimes, backed by the United States, the only space of action for Iranian authorities was the antagonism to Israel, portrayed as the cause and effect of all problems. This posture has evolved following the fall of Saddam Hussein and the presence of international troops in Iraq. After the destruction of Baghdad's institutional apparatus and the subsequent expansion of the Shias in the country, Iraq has become a top priority for the Iranian establishment, not only because the Sunni insurgency threatened Iranian borders and interests too closely, but also in order to expand its strategic interests beyond its usual boundaries. The creation of Shia militias in Iraq is part of this strategy and it has seen a further evolution with the outbreak of the so-called Arab spring and the beginning of the civil war in Syria. In this context, the Iranian room for maneuver has changed, due to the country questioning the current status quo in the region and having to protect its interests in Syria. In addition, the emergence and strengthening of Daesh has directly engaged the Iranian authorities in establishing a regional strategy that has seen the Revolutionary Guards being more and more pro-active.

The Pasdaran have taken the leadership of the Iranian intervention in Iraq against Daesh, in support of the Baghdad government, and in Syria, in support of the Damascus regime. This was done through the reactivation of Shia Iraqi militias as troops within a chain of command and control run primarily

by the Pasdaran responsible for operations abroad, the Qods Force. What we saw on Syrian territory in recent months was a capillary action of Shia entities: almost completely expression of Iraqi groups, since the explosion of the Caliphate first they have mobilized on the territory of Iraq and then they have used their powerful recruiting machine in Syria. Until now there have been Syrian Shia militias fighting alongside Assad loyalists since 2013, but in recent months there has been an increasingly coordinated operation by Tehran, through its Iraqi proxies, to support the regime in Damascus to regain its territory. This strategy is a model already used by the Iranians, but if in the past only large groups, such as Kataib Hezbollah or Asaib Ahl al-Badr, mastered it, now there is a universe of small militias linked to Tehran that's operational between Iraq and Syria.

Even Hezbollah has been employed in this theatre of operations. Although the Party of God has been engaged in the conflict alongside the loyalist forces for quite some time, so far its operational range has been limited to areas bordering Lebanon, the highway linking Damascus with the Bekaa Valley and the southern part of Daraa near the Golan Heights. All these places are of strategic importance, as they are related to the control of Lebanese territory or affect Israeli interests. The presence of the Lebanese militia in the North represented a further broadening of the group action, but Hezbollah has not been able to bring a large number of men to the cause of the Damascus regime. It would not be sustainable for the party of God, in fact, to shift too many men away from their own strategic interests.

For this reason, in order to support a Syrian Army which is currently reduced to its lowest terms, the strategy of the regime agreed with Tehran (or rather, instructed by the Guards of the Iranian Revolution) has seen mass activation of Iraqi Shia militias in Syrian territory. Today in Syria there are many active Shia formations, such as groups or subgroups of larger entities: they intersect with each other, split in order to expand their recruiting potential and are neatly coordinated under the watchful eye of General Soleimani, Commander of the Qods Force, increasingly present on the battlefields around Aleppo. The most active group was definitely Kataib al-Imam Ali (KIA), cre-



ated in Iraq by a group who had left the Mahdi Army of Muqtada al-Sadr in June 2014. In fact, its leader, Shebl al-Zaidi, was one of the military commanders of the Sadr militia. Thanks to his Office for communication and recruitment, KIA has managed to call to arms large numbers of Shias, especially in the area of Najaf, in Iraq, thanks to its deployment for the defense of the sacred place of the shrine of Sayyeda Zainab, in Damascus. Another very active Iraqi militia is Harakat Hezbollah al-Nujaba (HHN). Very similarly to KIA, HHN was born in 2013 as an offshoot of Asaib Ahl al-Haq, another splinter movement of the Sadrists, and is led by Akram Kaabi, co-founder of the movement with Qais al-Khazali. Active in Syria since 2013, HHN was one of the first Shias militias to announce its involvement in the fighting in Aleppo. One of the largest groups that has been managing the arrival and the organization of Shia fighters in Syria is Liwa Abu Fadl al-Abbas (LAFA). Appeared in fall of 2012, this organization was set up to guard the shrine of Sayyeda Zainab and protect the Shia communities of the southern districts of Damascus. Created on a Syrian structure, the vast majority of its militants are Iraqis, although the core structure is not Iraqi. The situation is a bit different if we take into account the different militias that fall under the logistic organization of LAFA. Among these, it is important to emphasize the role played by Liwa Dhulfiqar (LD). Operational since 2013 in the area of Damascus, the militia was deployed in Latakia in early 2015, while in the second half of April some of its elements were used in the mountainous area on the border with Lebanon, between Yabous and Zabadani, supporting Hezbollah. Another group active in the mobilization of militants into Syria, under the umbrella of LAFA, is Abu Fadl Quwet al-Qaeda Abbas (QQAFA). Controlled by Auws al-Khafaji (another escaped from the Sadrist bloc movement) and by Abu Kamil al-Lami (member of Asaib Ahl al-Haq), the militia was formed in Iraq in June 2014 as a result of the advance of the Islamic State. It is part of the Committees of Popular Mobilization, Iraqi groups used for the reactivation and expansion of Shia militias against the Caliphate of Baghdadi, which also includes Liwa Dhulfiqar. For the commemoration of the martyrdom of Zaynab, in May, many militiamen of QQAFA were seen arriving in Damascus to enforce the security of the holy place. Since then, these militiamen should be used for fighting in Syria in coordination with the

LAFANA network. In addition, it seems there are numerous interconnections between QQAFA and KIA, demonstrating the strength of the former Sa-drist group in Iraq, in an operation that seems increasingly aimed at stripping of any real power the former prodigal son of Tehran, Moqtada, while, at the same time, keeping as strong as possible the structure and the organization created by Iran during the years of its presence in Iraq.

Therefore, the Iranian strategy appears clear at this juncture. The choice to support Assad isn't the best option, but it is the only available. To this regard, the strategy of the Pasdaran is double: using the officers of the Qods Force as a command and control structure of the different militias that have their own logistical structure in Iraq, as it was set up for the organization of the insurgency after the fall of Saddam; using the power of Shia political and religious discourse for mobilization and recruitment. The Syrian and Iraqi dossiers, in fact, do not fall under the authority of the Ministry of Foreign Affairs, but under the Guards of the Revolution.

Therefore, operations that are set by these militias under the Iranian aegis are part of Tehran's strategy to expand its influence in the area and to change certain balances. Safeguarding Baghdad or protecting the Syrian regime will have repercussions on the future institutional set-up of the two countries and on the role of the groups closely tied to Tehran. In addition, it should not be forgotten that their action is not only limited to Shia-majority areas, but has spread to regions previously unthinkable. The role played in support of the Iraqi Army in Ramadi and Fallujah is an example showing how the Iranian plans for its role in future regional arrangements is increasingly clearer.

In addition, the action of Daesh in Iraq is considered crucial to Iranian security. Tehran authorities have established a series of red lines whose passing would result in the direct intervention of massive Iranian security forces in Iraq, with or without the go-ahead of the Baghdad Government. Such a scenario would occur if the militias of the Caliphate threatened the Iraqi capital or some of the sacred Shiite sites in Iraq (for the defense of which hundreds of militia men from the armed groups mentioned above were already de-



ployed) or if they got close to the border with Iran, at 20/30 kilometers from it¹.

This scenario includes also the Yemeni crisis: not because there is evidence of direct Iranian intervention in this particular conflict, but rather because Tehran sees the search for a new institutional order in Sanaa as the first test case for a new regional balance. In fact, as Iran is no longer an international “pariah”, thanks to the agreement on the nuclear issue and the involvement in all major negotiation tables (like the one on Syria), the situation in Yemen, together with the other regional crises, becomes for Tehran a test case for its influence and for its role as the antagonist of the Sunni champion, Saudi Arabia.

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1 These claims have emerged from a meeting with analysts at the Center for Strategic Research, a Think Tank for the Supreme Leader.



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Future Perspectives

During these first two years of Rouhani Presidency, political pragmatism adopted by the Executive has allowed Iran to boost its international role, turning from pariah State to a central actor for the balance in the Middle East. For the time being, this new posture towards the outside has led to a strengthening of diplomatic relations which, in the coming months, could produce important political and economic results. The scheduled visit by President Rouhani in Europe for the beginning of the year, the first since taking office in 2013, seems to give a clear indication of how much the relationship with Europe is important for the agenda of the Iranian President. Originally scheduled in November 2015, but then postponed due to the tragic attacks in Paris, the journey that will lead Rouhani in Italy and in France could be a first opportunity to discuss and find common ground on issues of shared relevance, such as the fight against extremism, the management of migratory flows, the fight against illegal trafficking that come from Asia and the Middle East in Europe.

The implementation of the agreement on the nuclear issue has begun on January 17th. In this context the free resume of exchanges with foreign partners and the consequent positive effects on the domestic economy will allow the President to show that he has completely fulfilled his electoral promises. Such a success might prove to be a valuable card to play to strengthen the support for the pragmatic-reformist forces within the country and try to enlarge their electoral base. This may be of particular importance in view of two events scheduled for the first half of 2016: the renewal of the Assembly of Experts, the advisory body responsible for the appointment and supervision of the Supreme Leader, and the parliamentary elections. A victory of centrist forces in both elections could translate into greater institutional support for the Government, thus providing Rouhani with greater freedom of maneuver in advancing his own agenda.

The attention paid until now by Rouhani to respect the traditional internal balance of power, however, could drive the President to try and balance the domestic political empowerment with an ever increasing autonomy granted

to the Pasdaran regarding the management of the regional interest of the country. In this context, the reintegration of Iran in the “international concert” prompted the country to adopt a more active approach towards regional crises, thus increasing its influence in neighboring theatres. In the near future, the inevitable need to redefine the balance of power in the Middle East could become an element of further tension within the region.

The increase of Iran’s influence, in fact, is viewed with deep concern by the Gulf monarchies and, in particular, by Saudi Arabia, that consider its Shiite neighbor as the main geopolitical rival in the important Middle Eastern context. The antagonism between the two countries fit in the millennial confrontation between Sunnis and Shias, which has always been a potential source of instability for the whole Middle East. The Gulf monarchies, therefore, fear that the strengthening of Iranian influence could translate into a direct support of Tehran to their Shiite minorities, with a consequent deterioration of internal security. The new Iranian activism could accentuate a heated dangerous rivalry between Tehran and Riyadh. At the moment, this confrontation seems bound to be played only in third-party operational theaters. First and foremost in Yemen, which is becoming a central issue in the match between Iran and Saudi Arabia. Although Tehran does not currently seem interested in getting involved in a scenario out of its own direct interests, the Iranian Government is using the Yemeni crisis as a purely political argument to embarrass the Salman family before the International Community. The repeated bombings carried out by the Saudi Air Force in Yemen, in fact, are being used by Tehran to highlight how the Saudi policy is actually causing a severe humanitarian crisis in the country.

Although currently still limited to a purely diplomatic plan, the exacerbation of the confrontation between the two countries could degenerate in a dangerous regional escalation. In this context, it looks like that Saudi Arabia has recently hardened its stance towards Iran in order to show the US how the balance of power in the Middle East is far from being stable enough to let a substantial downsizing of the American commitment and presence in the region. The choice of sharply raising the tones of the confrontation would



be aimed at pushing the Iranian Government to make a false step, in order to compromise, or at least to slow down, the recent normalization of its relationship with the International Community. At the moment, however, the Saudi strategy does not seem to have produced the desired effect. Aware that a clash with the Saudis might be counterproductive for its national interests, Iranian institutions are measuring their reactions to avoid becoming vulnerable to Riyadh. A signal in this direction would seem to have been when the Iranian Government condemned the recent attack against the Saudi Embassy in Tehran.

Thus, it seems plausible to think that, for the moment, the Iranian Government will continue opposing Saudi Arabia on a purely political basis, to try embarrassing the Salman Government before the International Community. This could mean that, in the coming months, Tehran will increase its anti-Saudi narrative, focusing on two aspects considered as possible Achilles' heels of its Sunni rival: the war in Yemen and the incitement to religious extremism. Although, therefore, the crisis between the two countries does not seem bound to lead to a direct clash between Tehran and Riyadh, at least in the short term, it cannot be excluded that the worsening of bilateral tensions could push the two Governments to try and weaken their rivals indirectly, through a careful use of their own regional allies and proxies in third party theatres.



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