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INSTITUT DE RECHERCHE STRATÉGIQUE
DE L'ÉCOLE MILITAIRE

WHERE IS IRAN HEADING WITH PRESIDENT ROUHANI'S RE-ELECTION?

Pierre Razoux

Research Director at IRSEM

ABSTRACT

The re-election of President Hassan Rouhani comes against a very tense regional backdrop that brings as many risks as it does opportunities for the Iranian regime. This note decrypts the issues of this re-election firstly by focusing on the immediate regional challenges, and then by analysing the domestic situation (political, economic, and societal), before looking at the real capacities of the Iranian armed forces and at the complexity of the foreign policies of a country at a crossroads, swaying between ideologised Islam and patriotic nationalism.

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A TENSE INTERNATIONAL CONTEXT, SOURCE OF UNCERTAINTIES

Hassan Rouhani was re-elected triumphantly in the first round of the Iranian presidential election (19 May 2017), in a tense regional context marked by President Donald Trump's visit to Saudi Arabia and Israel, by Russia's offensive activism in the Middle East, by Turkey's resurgent ambitions, and by the persistence of exacerbated rivalry between Iran and Saudi Arabia.

Despite Donald Trump's statements hostile to Iran, the Iranian leaders are banking on his pragmatism, pointing out that, as a good businessman, he should be favourable to the idea of negotiations leading to a win-win deal. They consider that Trump is seeking, initially, to put more pressure on them so as then to be in a more favourable position from which to negotiate. They recall that, on the eve of the election, Donald Trump upheld the sanctions waivers decided by his predecessor, even though he committed himself to increasing the individual sanctions against certain officials in charge of the Iranian ballistic missile programme. This explains Tehran's restraint regarding both the contradictory declarations of the new US administration and its recent strikes in Syria. More than the possibility of a pull-out from the nuclear deal or than a hypothetical military confrontation, it is the unpredictability of Donald Trump and his will to keep oil and gas prices low that worry the Iranian authorities. While being braced to resist any military attack, they have forcefully reasserted that Iran would comply with the terms of the nuclear deal, if only to hold the United States responsible for it failing if the Americans do break it off.

Although Tehran shares strategic interests with Moscow, their energy interests diverge fundamentally, in particular in Iraq and in Syria. The Iranians are seeking to diversify their hydrocarbons exports by building new gas pipelines across those two countries towards Europe and the Mediterranean, whereas the Russians are blocking off that route so as to stay in a gas tête-à-tête with the Europeans. Beyond the energy question, Russia constitutes a source of concern (or indeed a threat) for Iran in the long term, suggesting a growing rivalry that some might be tempted to exploit for their own gain. Fear of the Russians is inscribed in the historic DNA of the Persians who remember that the two empires have often been at war, that Russia has always wanted to have access to the warm seas via Persia, and that the Red Army occupied Tehran and the North of Iran during the Second World War. During the Cold War, 60% of the Shah's Army was deployed on the Northern Border, facing the Soviets. Today, the rapprochement not only between Putin and Trump, but also between Russia and Israel, is worrying the Iranian elites.

The offensive activism of Turkey in Syria and in Iraq, and the scathing criticism by Turkey's President Erdogan of Tehran, is irritating the Iranian establishment. Even though the Iranian, Russian, and Turkish presidents meet regularly for talks through the Astana process¹, they seem to find it difficult to agree on the regional dossiers². Many Iranians interpret Erdogan's very sharp criticism of their country as evidence of a Turkish president isolated, seeking for support from Moscow, Washington, and Tel Aviv. They point out that Tehran will not tolerate the Turkish army staying in Iraq once Mosul has been re-taken and Daesh has been removed from Northern Iraq. Those two objectives constitute the strategic priority for Iran in the short term³.

For the Iranian establishment, Saudi Arabia remains the player who contributes the most to regional uncertainty, whereas a certain form of mutual dissuasion guarantees a relative balance between Iran and Israel. Since the deal of July 2015, the Iranian regime is convinced that time is in its favour and against the Saudi monarchy, provided it does not fall into the trap of a conflict imposed by those who continue to want to ostracise Iran. Although it is calling for a major negotiation with a more reasonable Saudi regime, it does not want to see that regime collapse or become fragmented, which would cause even more instability and uncertainty in the region. Today, Iran sees Middle Eastern security from an overall perspective. In the short term, such security involves eradicating Daesh and marginalising Salafi Jihadism. In the medium term, it involves an essential negotiation with Saudi Arabia and doubtless a discreet dialogue with Israel. In this respect, everything would suggest that Iran will cease to support the Houthis in Yemen after a negotiation with Riyadh that could take place once the Saudi authorities are convinced that it is in their interest to come to the negotia-

1 Since January 2017, Russia, Iran, and Turkey have been meeting behind closed doors with the armed groups they respectively support, to discuss the future of Syria, on the fringes of the Geneva negotiations that are taking place under the auspices of the UN.

2 For Iranian geopoliticians, Turkey and Iran are on parallel tectonic plates that sometimes come into friction in Azerbaijan, in Iraq, and in Syria. However, the two countries have learnt to manage their differences since the Peace Treaty of Qasr-e-Shirin (1639) between the Ottoman and Persian empires.

3 For Tehran, the battle for Mosul therefore takes priority over the battle for Raqqa.

ting table, in exchange in particular for recognition of Iranian primacy in Lebanon, in the same way as the Shah of Iran actively supported the Kurdish Peshmergas who were rebelling against the Iraqi central authorities (1970 to 1975) until those authorities accepted a compromise on the Shatt al-Arab (Algiers Agreement of 1975).

In the long term, the normalisation of relations between Iran, Iraq, and the monarchies of the Gulf will involve a framework for dialogue and for regional security (which could be inspired by the framework of the OSCE) in which each local stakeholder state will have a role to play. Nobody in Iran wants the regional borders to be reworked. Like the Turks and the Iraqis, the Iranians are opposed to the idea of an independent Kurdish State. However, they agree that it will be necessary to negotiate the political future of the Iraqi Sunnis so that they remain inside a united Iraq.

Despite this very uncertain context, the Islamic Republic of Iran now considers itself to be consolidated, and no longer fears seeing its political model collapse, even though that model will probably change when the Supreme Leader (Ali Khamenei) dies. The Iranian elite has interpreted the nuclear deal of July 2015 as an international recognition of the Iranian regime, and of it being fully integrated into the concert of nations. This feeling is strengthened by the painful memory of the failure of the Green Revolution in the spring of 2009. Hassan Rouhani therefore does not want any military confrontation, and will not begin any direct hostility, even with Israel or Saudi Arabia, even though the Islamic Revolutionary Guard Corps will very probably continue its military operations in Syria; but if it is attacked, or if it is forced to go to war, Tehran will fight back without any hesitation, including against the United States.

DOMESTIC POLICY

Iranian domestic policy is dominated in the short term by the consequences of the re-election of President Hassan Rouhani (19 May 2017), and in the medium term by the prospect of the appointment of a new Supreme Leader. It is significant that the candidacy of the former populist president, Mahmoud Ahmadinejad, who is frontally opposed to the Supreme Leader, was rejected by the Guardian Council so as not to weaken the fragile internal balances and so as not to send out negative signals to the international community. Mohammad Bagher Ghalibaf, a hero from the Iran-Iraq War (the “Iranian Bonaparte”), and who had been sanctioned by the popular vote that lost him his office as Mayor of Tehran, withdrew at the last minute, urging people to vote for the hard-line conservative candidate Ebrahim Raisi. Ali Larijani (59, and a moderate conservative), current Speaker of the Majlis (the single-chamber Iranian Parliament) did not stand, waiting patiently for his time to come, and setting his sights on 2021; he knows he will then be able to count on his many networks and on his brothers, who are well placed among the highest echelons of the Iranian State.

Hassan Rouhani was re-elected thanks to his very positive record on the foreign stage and to his capacity to continue the acceleration of the opening up of the economy (with the modernisation of the industrial production facilities) and to put in place cautious political and societal reforms. It must be admitted that, after the nomination by the Guardian Council of the six candidates authorised to run for office, the electoral process proved to be democratic: open and reliable opinion polls (considering the outcome), three live television debates, broad media coverage, presence of numerous foreign observers, genuine uncertainty about the result, and partial results announced properly as of the close of voting. Clearly, the regime had learnt its lesson from the Green Revolution of 2009, realising that it was not in its interest to go against a massive vote from the population, while it was under scrutiny by the international community, ready to invest in the country. In many ways, the re-election of Hassan Rouhani shows that the regime, and society, want to promote a pragmatic nationalistic agenda, muting a religious ideological agenda seen as a foil and as a factor in worsening the regional tensions. A similar change seems palpable in Turkey and in certain Arabic countries.

Ebrahim Raisi, the ultra-conservative rival of Rouhani, comes out as the big loser of the election. He probably suffered from his image as an orthodox ideologist and from the memory of the role he played as public prosecutor in the execution of thousands of political prisoners in 1988-1989. Even though he was presented as his successor, he has thus lost some of his legitimacy for taking over, when the time comes, from the ageing (77) and sick Supreme Leader who has just lost his oldest rival (Rafsanjani). Beyond the presidential election, the succession of the Supreme Leader constitutes the second priority in terms of domestic policy. The very high tensions between the Rouhani side and the hard-line conservatives on this subject seem to have eased. President Rouhani reassured the regime’s hard-liners by consenting to a clampdown on the domestic scene during his first term of office. The debate on the mode of succession of the Supreme Leader (a single, very powerful Leader for the hard-line conservatives as against a Council of Leaders

formed of several ayatollahs for advocates of a more open system) has been put on hold so as not to revive the tensions and so as to give an image of unity to the Trump administration. For the moment, Ali Khamenei is showing the entire political class that he intends to stay in command to the very end.

THE ECONOMY

The economy constitutes President Rouhani's absolute priority for the foreseeable future. Iran is durably channelling efforts and investment into its industrial and financial development, and is looking to open up to partners in all directions (urgent investment is required in the oil and gas industry, infrastructures, and means of transport), in particular to Asia⁴. The governing elite (including some of the Pasdaran) have understood that they would gain more influence by imposing Iran as a dynamic regional economic hub rather than looking for armed conflict again. Tourism is seen as being a vector for economic development and for easing tensions with the West (the number of western tourists has increased twentyfold in 2 years). Even Mohsen Rezaee, the unbending conservative representative of the war veterans lobby (he was commander in chief of the Pasdaran during the Iran-Iraq War) and long-time supporter of Iran's self-sufficiency policy, publicly declared that Iran should henceforth invest in tourism and develop a genuine strategy of economic openness⁵.

Iranians are aware of the promises shown by their macro-economic indicators: a large and well-trained middle class (even though the regime cannot manage to reduce unemployment among the 700,000 young people who arrive on the labour market every year); a constantly growing scientific level (patents, Fields Medal winner); a very high hydrocarbons potential (world's second largest gas reserves and fourth largest oil reserves – excluding oil shale); a genuinely diverse industry (vehicles, agri-food, aviation, space); and growing international trade (beyond pistachios and rugs). They are also aware of the challenges to be taken up and of the reforms to be made: restructuring the banking system, combating corruption and opacity; cutting red tape; attracting foreign investors; and privatising a plethoric public sector dominated by the Pasdaran.

The Iranians are under no illusions about the mercantile nature of the Chinese, even though they have just signed a new military cooperation deal with Peking, who remain Iran's leading economic partner (market share of 23%)⁶. They are also seeking to escape an economic stranglehold put on them by Moscow, who has been imposing its financial conditions for decades, so as to diversify as much as possible their economic partnerships⁷. This is why the Iranians are turning to those Europeans who are eager (and, given the banking sanctions still imposed by the US Congress, are able) to forge commercial ties with them. From this point of view, Franco-Iranian trade, up since 2015 (major agreements signed by Total, Peugeot, and Airbus in 2016; growing share of the agri-food, cosmetics, and pharmaceuticals industries), still has considerable room for growth.

Beyond the mere economic agenda, the main challenges for Iran, in the longer term, remain freshwater management (there is a lot of pollution and wastage), and taking into account the environmental factor (in particular the very worrying level of pollution prevailing in Tehran), and also the capacity of the regime to offer a future to young people.

4 Incidentally, the hotel for foreigners where the author was staying was over 90% occupied by Asian businessmen, the rare Europeans (Germans and Italians) being openly pleased about France's stance, which "gave them a definite edge in commercial negotiations". Every week, the *Tehran Times* highlights the multiple joint-venture projects between Iran and South Korea, China, India, Japan, Indonesia, or Malaysia.

5 At the International Conference on "Geopolitical Crises in the Islamic World", broadcast on Iranian state television, that was held at the Shahid Beheshti University of Tehran on 15 November 2016 and in which the author was able to take part. In 2015, tourism revenue (growing constantly) reached 9 billion dollars.

6 *Tehran Times*, 15 November 2016.

7 Apart from China and Russia, the main economic partners in Iran are the United Arab Emirates (with market share of 17%), South Korea (8%), Turkey (6.5%), German (5.5%), and India (5%).

SOCIETY

Hassan Rouhani's dilemma can be reduced to the following equation: how to lead at least the minimum amount of openness expected by a majority of the population without striking panic into the bigwigs of the regime, even though Iranian society has voted massively for continuing to open it up? For the moment, the re-elected president is managing to reconcile the nationalistic, economic, technological, and religious aspirations of a society in transition that is attempting to enable the following categories of the population to live together: the children of the revolution (over one half of the population are aged under 30 and have no memories either of the revolution or of the Iran-Iraq War); the war veterans (who control the country to a much greater extent than the clergy); and a middle-class bourgeoisie torn between the desire for societal reform and the fear of falling into a political crisis that could degenerate into civil war, as in Syria. The memory of the 2009 demonstrations and their consequences is still in everyone's minds, even though Hassan Rouhani's re-election can be considered to be a sort of "reverse 2009", given the scale of the success obtained as of the 1st round by the reformists, both in the presidential election and at the local level⁸. This Persian society, which is very different from the other societies in the Middle East, remains attracted by the North-American cultural model; it invests in education (nearly two-thirds of young Iranians go on to higher education, and a majority of them are young women) and venerates engineering culture, and the film industry, while also maintaining its traditions firmly⁹.

For certain experts (B. Hourcade), "Iranian society is installing new software with which no one is really familiar, no more the Iranians than the foreign observers, and which is swaying between nationalism (a full-blooded return to the Darius myth), Islam, and opening up to the world" (translated from the French). For others (A. Kian), "young people are a lot less politicised than their parents; they do not want to change the regime, but rather they want to open it up and to modernise it"¹⁰ (translated from the French).

For still others (F. Nahavandy), "young people today are aspiring to improve their economic situation with the possibility of gaining access to a decent job, to the consumer society, and to a world in which the leaden weight of morality that suffocates them in their daily lives has lifted; the socioeconomic discontent has led to a culture of emigration that affects all strata of the population" (translated from the French). However, all observe that it is a calmer society in the process of being secularised, and is much less religious than the Arab societies (the mosques are empty). In this context, President Rouhani, comfortably re-elected, now seems in a strong position to push back the limits set by the Supreme Leader, in particular since the constitution prevents him from standing for a third consecutive term of office.

THE ARMED FORCES

Various observations result from attentively examining the real capacities of the Iranian armed forces. Firstly, their equipment is very old (the most recent equipment, of Russian origin, is 25 years old, and the older equipment of American or British origin is from 40 to 50 years old). Even though it has been patched up and modernised, its military worth is very much lower than that of the weaponry equipping the armies of the neighbouring countries. Secondly, the armed forces obey the logic of large battalions, preferring a mass of well equipped and trained but not very mobile infantry, whose main mission is to defend the borders, be it the regular army (Artesh) or the Revolutionary Guard Corps (Sepah), the famous Pasdaran. The result is an essentially defensive strategy (that might be termed the "hedgehog doctrine" based on lines or "moles" of infantry soldiers entrenched in the mountains of the country, supported by vast amounts of artillery and by special forces capable of violent counter-attacks¹¹). This primarily defensive strategy is supported by batteries of S-300 ground-to-air missiles (delivered at the end of 2016¹²) and about thirty interceptors (MiG-29s and F-14 Tomcats) still in flying order. Finally, the rivalries remain strong between the regular army and the Revolutionary Guard Corps that still has the Supreme Leader's ear, and controls the arsenal that is deemed to be strategic.

8 In the main Iranian cities, including the capital Tehran and the very conservative Yazd and Mashhad, the local elections held the same day as the presidential election were won by the reformists.

9 Cf. the many reports on this subject by Armin Arefi in *Le Point*.

10 Like Hassan Khomeini, the grandson of the ayatollah who founded the Republic, often presented by the local media as the "Iranian Justin Bieber".

11 This is how the Iranian Army held on to its territory during the Iran-Iraq War.

12 *Press TV Iran*, 13 October 2016.

Beyond their numerous capacities for harassment attacks by land (special forces, drones) and by sea (coastal batteries of Chinese antisurface missiles, pocket submarines, swarms of light vessels, drones), the only really offensive capacities of the Iranian armed forces consist in the possibility of conducting:

- a large-scale cyber offensive against the C4 capacities (Command, Control, Computers & Communications) of its neighbours or of its potential enemies [Sepah];
- a helicopter transport raid carrying an airborne brigade to attack the immediate vicinity of the borders (radius of action of the fleet of CH-47 helicopters) [Artesh];
- a land incursion with one or two mechanised-armoured divisions beyond the land borders of the country (clearly into Afghanistan, Pakistan, or Iraq) and which, in view of the logistics constraints, could not last [Artesh + Sepah];
- an amphibious assault that could land up to two naval infantry brigades in the Gulf, in the Indian Ocean, or in the Red Sea, escorted by ageing and vulnerable corvettes [Artesh + Sepah + Navy];
- an air raid with about fifteen Su-24 fighter bombers equipped with Ukrainian Kh-55 cruise missiles (and/or the “Soumar” version made in Iran¹³), escorted by a dozen MiG-29s equipped with 3rd-generation air-to-air missiles (the Gulf countries and Israel are equipped with 4th or 5th generation missiles) [Aviation];
- an offensive operation with three Kilo submarines of Russian origin in the Gulf of Oman, in the Indian Ocean, or in the Red Sea [Navy];
- projection of the Qods (Jerusalem) Force supported by a few specific battalions (paratroopers, armoured vehicles, artillery, engineers, drones, and helicopters) for the benefit Iran’s allies [Sepah + Artesh]; today, this force is partially deployed in Iraq and in Syria, which limits the contingent available for other theatres;
- a ballistic missile strike against one or more symbolic targets, to reassert the credibility of Iran’s military might and thereby its dissuasion capability [Sepah].

None of the actions described constitutes the invasion of the Arabian Peninsula announced by certain regional players who wish to strengthen the Western guarantees of security for them. The same actions could be prevented, in the event of a sudden deterioration in the regional context, by preventive deployment of air defence, anti-aircraft, and antimissile systems (F-22, Rafale, Patriot, THAAD, PAAMS, anti-aircraft and anti-submarine frigates). That would offer the advantage of reassuring the Gulf monarchies, without causing an uncontrollable escalation with the Iranian authorities.

The real capacity of Iran to strike in depth is constituted by its ballistic arsenal, whose performance is limited today (under thirty Shahab-3 missiles having an estimated range of 1,800 km, and rather uncertain accuracy; and numerous Shahab-1 and 2 missiles of limited range), even though, in the future, this arsenal could be significantly reinforced by Shahab-4 and 5 missiles coming into service. Similarly, the capacity of Iran to establish A2/AD (Anti-Access Area-Denial) bubbles should not be exaggerated so long as its armed forces do not have high-performance antisurface missiles and S-400 or equivalent missiles (that Russia has not yet agreed to deliver to it¹⁴).

13 Reuters, 2 February 2017.

14 Israel and the United States are perfectly well acquainted with the S-300 missiles that have equipped Syria for a good many years, and with which Greece and Egypt are equipped.

Recapitulative table of the Iranian Armed Forces

	Personnel	Major units	Main equipment
Regular Army (Artesh)	350,000	12 divisions (4 armoured, 2 mechanised, 4 infantry, 1 paratrooper, 1 commando)	1,500 tanks (480 T-72) 1,250 light armoured vehicles
Pasdaran (Sepah / IRGC)	130,000	13 divisions (2 armoured, 8 infantry, 3 special forces) + Qods Force + amphibious assault force + ballistic force (255 missiles: 200 Shahab-1/2, 25 Shahab-3 and Ghadr)	2,350 guns and multiple rocket launchers. Several thousand anti-tank missiles and MANPADS (Man-portable air-defence systems)
Aviation + Anti-aircraft defence	32,000	18 squadrons, 225 combat aircraft (including 2/3 in flying order) + 3 aerial refuelling aircraft + drones + about thirty batteries of S-300 & S-200 missiles	36 MiG-29s, 24 Su-24s, 10 Su-25s, 60 F-4Es, 50 F-5Es, 10 F-14s, 24 F-7s, and 10 Mirage F-1s
Navy	18,000	HQ at Bandar Abbas; 10 large ships, 13 amphibious vessels, about a hundred patrol boats, 18 pocket submarines, and coastal batteries equipped with C-704s and C-802s.	3 Kilo submarines 7 missile launcher corvettes 13 amphibious vessels 34 rocket launcher patrol boats 18 pocket submarines
Basij	100,000	Several hundred battalions	
Border Guards	50,000	Several hundreds of posts	
Total	680,000	25 divisions + Qods Force + 225 ballistic missiles	

Sources: SIPRI (2016); *Military Balance*, 2017, IISS, London, Routledge, pp. 376-379.

Two last points are worth emphasising. Firstly, thanks to the gradual lifting of economic and oil sanctions, Iran will have a significant financial influx for modernising its defence system in all directions, so that it can better free itself from the Russian and Chinese stranglehold and can thus upgrade its defence qualitatively¹⁵. Its military budget (estimated in the range 14 to 16 billion dollars in 2016) could reach 19 billion dollars in 2017¹⁶. The nature of the arms purchased will constitute a signal as to how the regime is going to evolve in the future, either towards an ideological and religious re-focus (with priority being given to dissuasion and to defensive and harassment weapons), or, conversely, towards promotion of militaristic nationalism aiming at extending Persian influence in the region (with priority being given to force-projection capabilities).

In addition, we are today seeing a generational conflict within the Revolutionary Guard Corps and a genuine transformation of the old guard of the Pasdaran who fought during the Iran-Iraq War. They seem to be calming down with age (a classic in all post-revolutionary eras) and becoming pragmatic, knowing that they will keep their honorary prerogatives and that they now have competition from the young guard who are fighting in the Levant. This young guard, who are achieving victories in Syria and in Iraq, and who, by the same token, are earning their legitimacy, are convinced of the need for economic openness to increase Iran's influence (a clearly nationalistic agenda), to modernise its armed

¹⁵ Even though Tehran is currently negotiating with Moscow the acquisition of Su-30 and Su-34 fighter bombers. Asian countries are already positioning themselves as potential suppliers of arms to Iran.

¹⁶ Matthieu Anquez in *Les Grands dossiers de Diplomatie* No. 37 on Iran (see bibliography), p. 85; this budget nevertheless remains much smaller than Saudi Arabia's (48 billion dollars) and than the UAE's (24 billion dollars).

forces, to gain a return on the cost of the blood paid in the very tough fighting, and to increase their share in the financial cake that they would like to be able to taste.

FOREIGN POLICY

Like the United States, Iran does not have one foreign policy, but rather it has several foreign policies that interact depending on the players, zones, topics, and context. Iran is part of several regional systems that fit into continental or global sets. Each of the systems, whose importance varies depending on the time, interacts with the others, leading to gains or losses that need to be evaluated in the form of an overall or global assessment. What counts for the Iranian Government is to obtain a net overall gain, which means that it can accept to lose somewhere if it wins more elsewhere. At each election, the outgoing president has to defend his record before the Supreme Leader who may or may not give him a discharge for it. This was one of the issues in the re-election of Hassan Rouhani that undoubtedly worked in his favour. We can identify seven systems that model Iran's foreign policy:

The "Arabian-Persian Gulf" system: geopolitical importance;

The "Caspian Sea" system: geopolitical importance;

The "Levant" system: ideological importance coupled with geopolitical and economic interests (desire to export hydrocarbons to Europe and the Mediterranean);

The "Shia Muslim World" system: ideological importance;

The "OPEC" system: cardinal economic importance;

The "Indian Ocean" system: economic importance; and

The "Asia" system: economic importance.

Although the Iranian regime can be pragmatic and calculating for the systems guided by economic and geopolitical interests, it finds it very difficult to be so for the systems guided by ideology and in which the clergy¹⁷ and the Pasdaran retain the whip hand. Very particularly in the Levant, it has various different desires: to protect Lebanese Shiites, to support the Syrian regime (its oldest ally), and to put pressure on Israel.

This mosaic diplomacy is coming up against the discussions between the Russians and the Americans who appear to want to define two zones of influence in the Middle East to guarantee a regional status quo that satisfies their global agendas. The first zone, dominated by the partnership between Russia and Iran, extends to Iraq and to Syria. The second, based on close partnership between the United States, Israel, and Saudi Arabia, leaves Turkey isolated and increasingly close to Russia, with whom it is entering into numerous economic partnerships. This new geostrategic division does not solve the problem of the centres of friction between Iran and Saudi Arabia: Yemen, the Bab el-Mandeb Strait, the Strait of Hormuz, Bahrain, Kuwait, Iraq, Syria, and Lebanon. In the Lebanon, Saudi Arabia seems to have lost the upper hand, witness the election of Michel Aoun and the appointment of Saad Hariri as Prime Minister, apparently resulting from a deal between Iran and the United States¹⁸.

Only a direct negotiation would enable the regional tensions to ease. An understanding with Saudi Arabia appears to be possible, in particular based on a rise in the price of oil and on the fight against Daesh and Al-Qaida (when some of the jihadis driven out of Iraq and Syria seek refuge in Saudi Arabia). Until the Saudi leaders agree to come to the negotiating table, Iran is keeping up the pressure. In this regard, Yemen, which does not belong to any of the Iranian systems and is in the US-Saudi zone of influence, should be able to be sacrificed by Tehran when the time is ripe. The subliminal message from the Iranian regime to the Saudi authorities seems crystal clear: "so long as you dispute my leadership in the Strait of Hormuz, I dispute yours in the Bab el-Mandeb Strait".

17 It is interesting to highlight, in this regard, the good level of English of the members of the clergy who are involved in international affairs, whereas the reverse applies to many military officers, civil servants, Pasdaran, and even certain academics, who are incapable of expressing themselves in the language of Shakespeare.

18 As several experts close to the Leader led the author to understand during his visit to Tehran.

Although they are highly distrustful of them¹⁹, the Iranians are currently showing considerable interest in the British, who, unlike the Americans, are returning to the Gulf region and are looking for substantial contracts following Brexit. Finally, Tehran is seeking to re-forged ties with Egypt, seen as a counterweight to Saudi Arabia within the Arab World. The Iranians seem convinced that Sisi is pragmatic and that the Saudi-Egyptian Alliance will not survive the economic and financial crisis that is affecting the Saudi Kingdom.

THE SPECIAL CASE OF ISRAEL

In many respects and even though Israel remains the fantasised-about enemy, the Iranian and Israeli societies are similar: they have no territorial dispute, they maintain the same distrust with regard to their Arab neighbours, and they develop the same “citadel under siege” paranoia that is close to being schizophrenic. This is what cemented the Iran-Israel Alliance at the time of the Shah. As for their leaders, they remain perfectly rational, analyse the regional environment pertinently, and assess the balances of power with finesse. We should remember that in the early days of the Islamic Revolution, during the Iran-Iraq War, the Likud Government (Begin-Sharon) delivered large quantities of arms and munitions to the Regime of the Mullahs, to combat the common enemy Iraq²⁰. It was Ronald Reagan, mired in the Iran-Contra scandal, who forced the Israelis to cease that military cooperation. Under the Rafsanjani and then Khatami presidencies (1989-2005), Israelis and Iranians maintained an informal dialogue enabling them to discuss regional dossiers, to keep a certain form of balance, and to avoid a rise of the extremes, in particular as regards Hezbollah. On the Iranian side, stigmatising Israel as the “Little Satan” was aimed essentially at seducing the Arab masses in the face of the regimes in place who were accused of abandoning Palestinian interests.

It was only in 2005 that Iran and Israel designated themselves as irreducible enemies. The Israeli Government, who knew it no longer had anything to fear from the Iraqi Ba’athist Regime, toppled by Washington, no longer needed to have a rear ally against Saddam Hussein, in particular after the acceleration of the Iranian nuclear programme, and the election of the populist Mahmoud Ahmadinejad as Iranian President. For his part, that President needed a foil for justifying his populist line of speech and for masking his economic failures. The war of the summer of 2006 between Israel and the Hezbollah merely added fuel to the fire.

In 2013, Hassan Rouhani coming to power in Iran changed the deal and offered a glimpse at a negotiated settlement, as recognised by numerous Israeli security chiefs²¹; today, the problem remains doubly political. In Israel, Benjamin Netanyahu has built his electoral goodwill on an intransigent line against Iran; he cannot go back on that without losing credibility and putting his political survival at risk, while he is under threat both from his left and from his extreme right. In Iran, the regime has based its survival on a mobilising ideological line of speech, on which it would find it very difficult to backtrack, unless it openly gave preference to a nationalistic and pragmatic pitch based on the geopolitical and economic interests of “Eternal Persia”²². It is undoubtedly one of the hidden issues of the presidential election and of the debates around the future appointment of a new Supreme Leader.

In Tehran, many consider that it is too early for dialogue to be resumed, even though they do not rule it out in principle. Hassan Rouhani has, on several occasions, indicated that Iran could establish diplomatic relations with Israel, as soon as a fair solution has been found for the Palestinian question. In Israel, many wish to up the stakes, aware that it would be very much in Israel’s interest to resume an informal dialogue with Iran²³.

Everything should urge the Iranians and Israelis to resume a discreet dialogue for considering the future of the region and for combating the common threats more effectively, in particular since 15,000 Jews still live in Iran today (they are represented in the Majlis by a member of parliament).

19 The Iranian authorities remember the hostile declarations made by Theresa May when she addressed the Gulf Cooperation Council on 6 December 2016. The United Kingdom occupied part of Persia, and then of Iran, from the 19th Century to the 1950s.

20 Pierre Razoux, *The Iran-Iraq War*, Harvard University Press/Belknap, 2015, pp. 113-117 & 380-384.

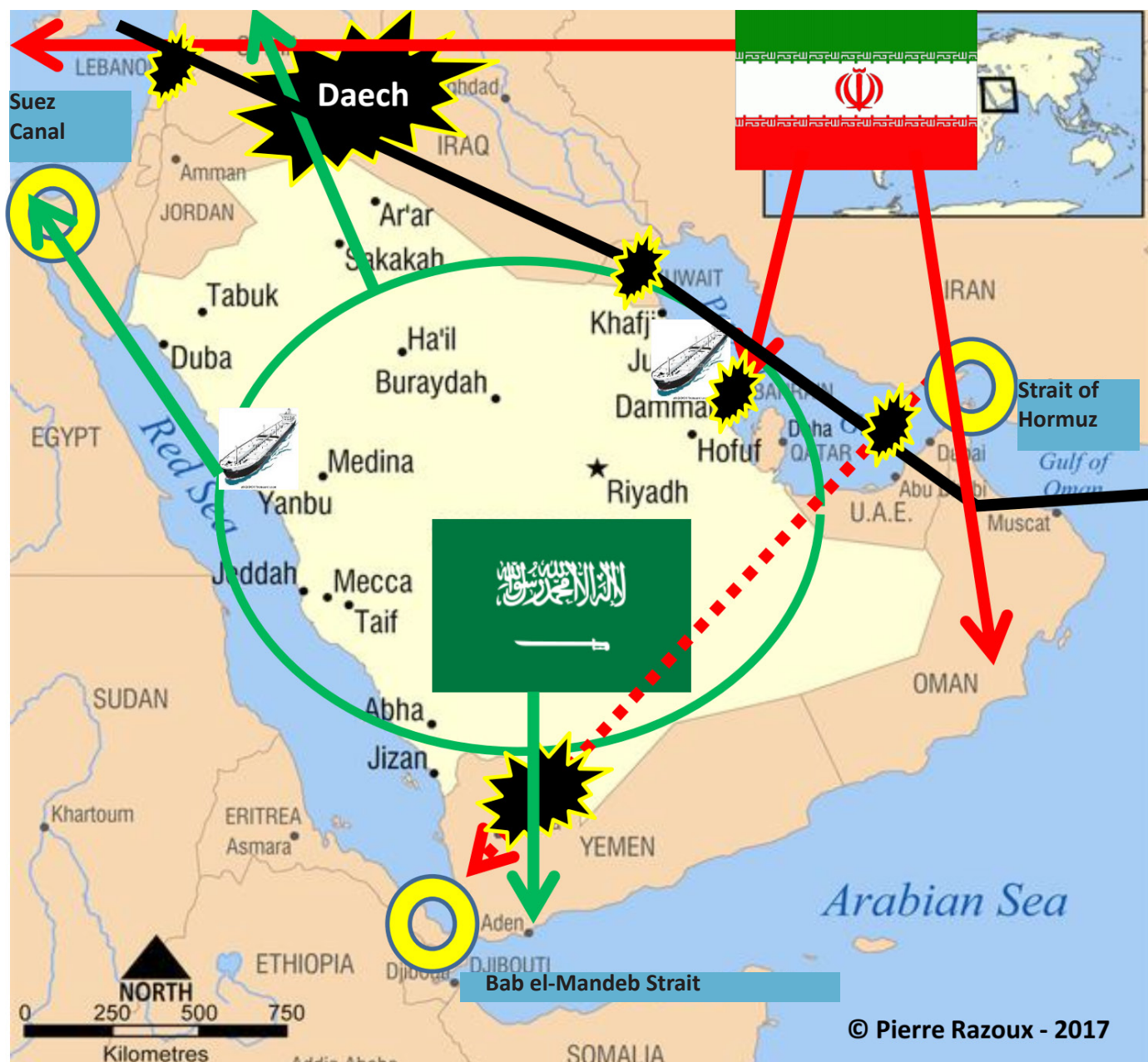
21 In particular Efraim Halevy, former Mossad Chief, during multiple interviews in the Israeli media.

22 Pierre Pahlavi, “Quel rôle géopolitique pour l’Iran?” (“What geopolitical role for Iran?”), *Les grands dossiers de Diplomatie* No. 37, 2017, pp. 46-50.

23 As recognised by the Israeli professor David Menashri during a visit to IRSEM on 4-5 April 2017.

FOR FURTHER REFERENCE

Map of the geostrategic rivalry between Iran and Saudi Arabia



Iran in a few figures

Surface Area: 1,648 ,95 km²

Population: 82 million (a very small proportion of foreigners, essentially made up of Afghan refugees; marginal presence of westerners); 73% of the population is urban.

Main ethnic groups: Persians (47%), Azeris (21%), Kurds (10%), Loris (8%), Armenians (7%), Arabs (3%), Balochis (2%), others (2%).

Religions: Shiites (92%), Sunnis (7%), others (1% = Christians, Zoroastrians, Jews).

GDP (2016): 412 billion dollars (50% from hydrocarbons).

Annual Growth (2016): + 4%.

Inflation (2016): 8%.

Unemployment rate: 18% (30% among young people).

Public debt (2016): 12% of GDP.

Daily oil production (2017): 3.6 million barrels / day (capacity: 6 million).

Daily natural gas production (2017): 885 million cubic metres / day.

(4th largest oil reserves and 2nd largest natural gas reserves in the world).

Defence budget (2016): between 14 and 16 billion dollars (i.e. 3.6% of GDP)

Compulsory national service of 21 months.

Armed Forces (2017): 680,000 men (25 divisions, 1,500 tanks, 225 combat aircraft):

Regular Army (Artesh): 350,000 men; Revolutionary Guard Corps (Sepah – Pasdaran): 130,000 men; Air and Antiaircraft Forces: 32,000 (225 combat aircraft + S-200/S-300 missiles); Navy: 18,000 men (10 large ships, including 3 Kilo submarines); Basij (paramilitary volunteer militia): about 100,000 men permanently; Border Guards: 50,000 men.

Special Military Advisor to the Supreme Leader: Rahim Safavi

Diplomatic Advisor to the Supreme Leader: Ali Akbar Velayati

Defence Minister: Hossein Dehghan

Commander in Chief of the Pasdaran: Mohammad Ali Jafari

Commander of the Qods Force: Qasem Soleimani

Chief of General Staff (Artesh): Mohammad Hossein Bagheri

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Pierre RAZOUX is a Research Director at IRSEM. Previously, he was in charge of the “North Africa - Middle East” programme of the NATO Defence College, in Rome, after having been *chargé de missions* at the Délégation aux affaires stratégiques of the French Ministry of Defence, and after having worked for three years at the political division of the British Ministry of Defence. Former auditor of the 67th national session of the IHEDN, he is the author of numerous works, in particular *La guerre Iran-Irak – Première guerre du Golfe* (Perrin), the English version of which, *The Iran-Irak War* (Harvard University Press), was rewarded in the United States by the Society for Military History's prize for best work in 2016.

This research note summarises the information acquired during a trip to Tehran in November 2016, numerous more recent interviews, and the teachings from the international conference on the future of Iran organised by IRSEM, the Institut Français de Géopolitique (IFG), and the Université Paris 8, on 29 November 2016 at l'École militaire, that brought together the best Francophone experts on the subject.

E-mail: pierre.razoux@defense.gouv.fr