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ABSTRACT

The August/September issue of the Iran in Focus brief examines Iran's tactical maneuvers amid the reportedly planned U.S.-Iran deal, assesses the evolution of the Iranian-Saudi détente on the occasion of the Iranian Foreign Minister's historic mid-August meeting with MBS in Jeddah and addresses the dim prospects of effective U.S. deterrence against Iran.

Note: This issue was written before mid-September 2023, which coincides with the one-year anniversary of the “woman, life, freedom” movement triggered by the death in state custody of Mahsa Jina Amini.

THE PLANNED U.S.-IRAN DEAL: THE SUCCESS STORY OF TEHRAN'S NUCLEAR ESCALATION STRATEGY

Iran is anticipated to decrease its accumulation of 60% enriched uranium, as the IAEA is set to present this information in its report scheduled for release in September. According to [Bloomberg](#), inspectors from the IAEA are getting ready to submit their quarterly report on Iran to the Agency's Board of Governors before their mid-September meeting.

Yet, IAEA Director General Rafael Grossi expressed concerns about Iran not coming clean on several issues regarding traces of uranium at three undeclared sites. He also stressed that if Iran wants to continue enriching uranium at a 60% level and higher, it "should know that [they] must give credible assurances to the international community about what they are doing to a stock of highly enriched uranium, for which the needs of a peaceful nuclear program are [...] not so clear."

Meanwhile, French President Emmanuel Macron, while urging transparency regarding Iran's nuclear activities, has called for the return of all parties to the nuclear agreement. At the same time, the spokesperson for the Iranian Ministry of Foreign Affairs announced that Iran will engage in direct discussions with JCPOA members and indirect negotiations with the United States, with the aim of sanctions relief, on the sidelines of the UN General Assembly. However, the deputy of the Atomic Energy Organization of Iran (AEOI) has claimed that the JCPOA is no longer effective, saying that Iran's nuclear program is no longer negotiable and that the West should negotiate with Iran toward ensuring mutual economic benefits.

BEYOND THE HEADLINES

Recent developments would suggest that Iran's nuclear escalation has yielded economic gains for the regime in exchange for a reduction in its 60% enriched uranium stockpile. Despite Iran's frequent promises of cooperation with the IAEA on various disputes, including the trace of uranium in undisclosed nuclear sites, Grossi's statement underscores that significant issues remain unresolved. In essence, Iran has demonstrated inflexibility concerning crucial issues related to its nuclear infrastructure.

Therefore, reducing the pace of 60% enrichment is merely a tactical move that can be swiftly reversed. Presently, as Iran awaits the release of USD 6 billion in assets from South Korea, it is evident that Iran has opted for this de-escalatory tactic.

Therefore, it is no surprise that the failure of U.S. deterrence has emboldened Iranian officials to emphasize that Iran's nuclear program is no longer up for negotiation. Given these circumstances, it appears unlikely that the two sides will be able to reach an agreement and revive the JCPOA. Indeed, the Iranian leadership does not perceive a necessity to accept fundamental nuclear restrictions in exchange for lifting sanctions. Over the past two years, Iran has gained considerable leverage, and this trajectory can be expected to persist until the November 2024 U.S. presidential elections.

THE IRANIAN–SAUDI RAPPROCHEMENT AND REGIONAL DYNAMICS: CHALLENGES AND REALITIES

In mid-August, Iran's Foreign Minister Hossein Amir-Abdollahian embarked on a significant step toward normalizing relations with Saudi Arabia with his visit to the kingdom. Alongside meetings with his counterpart, Amir-Abdollahian engaged in a 90-minute discussion with Crown Prince Mohammed bin Salman (MBS) in Jeddah on August 18. Following the meeting, Amir-Abdollahian conveyed on social media that the talks had been “frank, beneficial and productive.” While MBS reportedly expressed Saudi Arabia's “strategic” perspective on Iran and its unwavering commitment, details of the discussions remain undisclosed.

Furthermore, a Saudi official indicated that Iran's “forward-defense strategy must undergo long-term changes” to facilitate constructive collaboration. From Iran's standpoint, the Islamic Revolutionary Guard Corps (IRGC)-affiliated Fars News Agency highlighted the potential for regional collective security through normalization with Saudi Arabia, underscoring that the involvement of the U.S. and European powers is not necessary – indeed, a long-standing Iranian position regarding security in the wider Persian Gulf region that is meant to assure Iranian primacy there.

BEYOND THE HEADLINES

Over the previous five months, both Iranian and Saudi officials have sought to present their China-mediated accord as a breakthrough poised to exert substantial influence on Middle Eastern stability. However, despite their assertions, a comprehensive strategy and roadmap have yet to emerge. The re-opening of embassies in March remains the sole tangible action, which can barely be recognized as a major achievement on the regional level.

Moreover, several indications highlight disparities in the perspectives of the two parties. Saudi Arabia emphasizes Iran's need to reshape its “forward defense” approach in the Middle East. Yet, it is improbable that the Islamic Republic would accept such a shift, as Tehran views its regional activities as providing the regime with vitally important “strategic depth.” Conversely, Iran has reiterated the necessity for a collective security framework in the Middle East, excluding Western powers. This aspiration aims to de-Westernize the Persian Gulf region, granting Iran a dominant role in its interactions with Arab states.

Furthermore, developments on the ground show the difficulty that the two countries will face in the future in various areas. The dispute over a Persian Gulf gas field has recently re-emerged as a substantial challenge for Iran and Saudi Arabia (see below). Riyadh asserts Tehran's lack of rights in the area, while Iranian officials maintain their stake. These realities suggest that the two states will encounter significant hurdles toward normalizing relations in the medium term.

WILL U.S. DETERRENCE AGAINST IRAN BEAR FRUITS IN THE MIDDLE EAST?

On August 7, the U.S. Navy officially reported the deployment of over 3,000 military personnel to the Red Sea, utilizing two warships as their platform. This escalated mobilization is a direct response to Iran's seizures of two oil tankers in regional water in April and early May, as well as two attempts to seize commercial tankers in international waters off Oman on July 5 that were blocked by the U.S. Moreover, there is active consideration from the U.S. military regarding the potential placement of armed personnel onto commercial ships navigating through the strategically vital Strait of Hormuz.

While still pending confirmation, this proposed action aims to pre-empt Iran's ability to disrupt commercial shipping in the wider Persian Gulf region. Concurrently, from Iran's perspective, Gen. Ramzan Sharif, the spokesperson of the IRGC, asserted that “The Islamic Republic possesses the capability to respond in kind to any aggressive action by the Americans, even including the seizure of their vessels.” The evolving scenario has not gone unnoticed in Iran's media landscape. The IRGC-affiliated Javan daily has prominently featured the presence of U.S. forces in the Red Sea on its front page, with the title “Three thousand American riflemen enter Iran's firing line.”

BEYOND THE HEADLINES

In previous weeks, the U.S. has undertaken efforts to recalibrate its deterrence strategy toward Iran through the deployment of fresh forces and military equipment to the region. Moreover, the Biden administration has reportedly shown an active inclination toward fostering normalization between Israel and Saudi Arabia. Nevertheless, a fundamental challenge lies in the White House's lack of a comprehensive foreign policy approach vis-à-vis the Islamic Republic. This deficiency has led to the emergence of conflicting strategies within the administration's actions.

For instance, as the U.S. endeavors to fortify its deterrence stance, it simultaneously engaged in the planned prisoner swap deal, which is tilted in favor of Tehran and is de facto resulting in a reduction of Washington's leverage. These circumstances have emboldened the IRGC, as it perceives fewer substantial threats emanating from the region. This newfound sense of confidence has also encouraged the IRGC to openly issue direct threats to U.S. forces stationed across the Middle East. Effectively, Iranian officials maintain the belief that the U.S. is unlikely to take assertive actions against Iran's regional interests, substantiating the well-established perception in Tehran that the Biden administration is averse to confrontation.

Given this prevailing sentiment, it appears improbable that these developments will compel the IRGC to alter its current behavior. Remarkably, a specific divergence remains concerning the deployment of U.S. forces. While the United States has hesitated to station its troops in the Persian Gulf, a region of notably greater significance than the Red Sea, the above-alluded dynamics continue to evolve. This imbalance raises questions about the scope and effectiveness of the U.S. presence in strategic areas.

A SURPRISE MILITARY DRILL IN THE PERSIAN GULF WITH THREE GOALS

On August 2, the IRGC conducted an unanticipated military drill in the Persian Gulf, with a particular focus on the Abu Musa island while landing forces on the Greater Tunb islands – both of which have been claimed by the UAE alongside a third island, the Smaller Tunb. This exercise comes just a few weeks after a joint GCC–Russia statement that urged “bilateral negotiations or the International Court of Justice” to decide who should control the above-mentioned islands, thereby potentially backing the UAE's claims over the three disputed islands in the Persian Gulf.

This statement led to an outcry in Iran, as Tehran summoned Russia's ambassador over it. On his part, IRGC commander Gen. Salami emphasized the vigilance of the Islamic Republic, asserting that it would respond firmly to all threats, efforts at seditions and covert hostilities.

According to Iranian media reports, the IRGC Navy unveiled a new vessel equipped with missiles boasting an impressive range of 600 km, along with Fatah ballistic missiles capable of reaching distances of up to 120 km, and Ghadir cruise missiles with a range exceeding 600 km. Gen. Alireza Tangsiri, the commander of the IRGC Navy, stressed that the Iranian islands in the Persian Gulf represented the pride and honor of the nation, with the protection of the "Islamic homeland's" territorial integrity remaining an unwavering commitment.

BEYOND THE HEADLINES

The Islamic Republic pursued three primary goals through this undeclared military drill. First, the IRGC aims to rebrand its organization domestically. Over time, the IRGC's reputation within Iran has suffered, as it is increasingly viewed as a suppressive force responsible for oppressing society. The regime is acutely aware of the paramount importance of the country's territorial integrity to the Iranian people – in other words, of patriotic and nationalist sentiments. As a result, the Iranian leadership seeks to reclaim its lost popularity by emphasizing Iran's sovereignty over the three disputed islands. Therefore, the IRGC seeks to present itself as a national entity, purportedly addressing the demands of the Iranian people. However, this attempt at rebranding comes late in the game, after several years of repressive actions against protesters within Iran, as well as several instances of massive corruption, making its success unlikely.

Second, amid speculations about U.S. intentions to expand its presence in the Persian Gulf, the Islamic Republic aims to signal that the IRGC holds sway in the region. Iran understands the anti-war sentiment prevailing in the U.S. in general and the Biden administration in particular. Consequently, the IRGC endeavors to dissuade significant U.S. involvement in the region. However, the extent to which the Biden administration is willing to reshape its deterrence policy toward Iran, despite Tehran's warnings and actions, remains to be seen.

Third, Saudi Arabia and Kuwait have recently disputed Iran's rights to the Arash (also called Durra) gas field in the Persian Gulf. Iran has maintained its stance, insisting on its involvement in gas extraction from the contested region. This military drill could also serve as a message to Riyadh and Kuwait City, signaling Iran's seriousness in benefiting from the gas field. Tehran has called for negotiations on this matter and the military drill may further bolster its position in future talks.

MORE INSIGHTS

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The Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut

Inaugurated in 2006, the Issam Fares Institute for Public Policy and International Affairs (IFI) at the American University of Beirut is an independent, research-based, policy-oriented institute. It aims to initiate and develop policy-relevant research in and about the Arab world.

The Institute aims at bridging the gap between academia and policymaking by conducting high quality research on the complex issues and challenges faced by Lebanese and Arab societies within shifting international and global contexts, by generating evidence-based policy recommendations and solutions for Lebanon and the Arab world, and by creating an intellectual space for an interdisciplinary exchange of ideas among researchers, scholars, civil society actors, media, and policymakers.

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