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# How Will a Revival of the JCPOA Affect Regional Politics and Iranian Militias?

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A Report of the CSIS Emeritus Chair in Strategy

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INTERNATIONAL STUDIES

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# Executive Summary

The news about the imminent revival of the nuclear deal between the United States and Iran is heightening concerns, especially across the Middle East. The deal would involve the lifting of economic sanctions, resulting in Iran enjoying a significant flow of income. This analysis attempts to address two important questions: First, free of the U.S. sanctions, will Iran indeed decide to increase its regional influence by funding its regional militias? And second, how will Iran's strategic direction and regional politics change in the near future?

This analysis reveals that the geostrategic threats currently facing Iran as a result of its adopted hostile regional policy outweigh the gains from continuing in its current trajectory. In general, despite the long history of conflict, dispute, and mistrust, the region seems to be gearing toward an era of de-escalation. For the Islamic Revolutionary Guard Corps (IRGC) to justify its continued presence, there is a need for its involvement in continuous conflicts, especially since it currently controls more than two-thirds of the Iranian economy. However, this buckling economy itself is now in dire need of renewal and revival to continue Iran's ability to prop up the regime and all its components.

# Introduction

After the U.S. invasion of Iraq, Iran succeeded in developing a number of military options to avoid a similar fate. Contrary to expectations, the main option was not nuclear. According to all strategic experts, it was instead Iran's ability to invest in its regional soft power, which increased significantly following the U.S. occupation. This soft power was cleverly translated into hard power, manifested in Iran's ability to successfully copy and paste the Hezbollah model, ensuring that Iran had powerful military and political influence in many locations in the Arab world.

Such armed ideological groups, whether in Iraq, Syria, Yemen, or beforehand in Lebanon, have proven both their loyalty to Iran and their competence in expanding Iranian influence. This has resulted in Iran becoming a main regional power—or rather the main one—forcing regional countries, in addition to the United States, to reconsider strategic policies to deal with the security concerns posed by the armed militias.

Many regional countries expressed their happiness about the U.S. decision to withdraw from the nuclear deal during the Trump administration due to concerns about the security threat posed by a nuclear expansion of Iran's influential hard power. They also welcomed former president Donald Trump's decision to start his term with the "Maximum Pressure" campaign, which became one of the most significant milestones of his presidency.

When President Joe Biden later expressed his intention to return to the nuclear deal with Iran, these same regional countries attempted to put pressure on his administration. Perhaps more importantly, they started to take steps toward forming new strategic alliances by engaging in negotiations and discussions with Israel that resulted in the Abraham Accords. Indeed, regional concerns are reaching a heightened level as the return of the nuclear deal between the United States and Iran becomes imminent.

There now is a deep regional alarm over the possible effects of lifting economic sanctions on Iran because of the power and influence exerted by the militias Iran now funds and arms. Will the armed groups supported by Iran become more active and influential? Will they reach the level of power they enjoyed in the pre-Obama era? Many consider this a rather rhetorical question, based on Iran's historical regional behavior. Critics argue that these armed militias will become increasingly active as they start to enjoy new levers to advance their political and military influence in the region. However, a careful scrutiny of the strategic factors affecting the strengths and weaknesses of Iran and its militias indicates that this may not be the case.

# Iran: Strength, Weakness, Opportunity, and Threat (SWOT) Analysis

## Soft Power

Contrary to what many might assume, a number of studies have recently shown that Iran's main source of regional power and influence is actually its power by example.<sup>1</sup> The 1979 Iranian Revolution has served as a source of inspiration for what the people can do in the face of dictatorships. It has modeled the possible fusion and cohesion between the disadvantaged public and the men of God heralding absent divine justice. As for the Shias of the world, this revolution represented the living embodiment, not only of the concept of Guardianship of the Islamic Jurist (*velayat-e-faqih*), but also of their return to a long-lost position of authority and power—a dream awaited for decades. In Iraq, many inspired young people of that generation rushed to join the Islamic Dawa Party with a blind conviction in Khomeini as their savior and in the Islamic Revolution as their lodestar.

What complicated matters further was the collective Arab reaction to the revolution and the new Iranian constitution, which demonized Shias and accused them of being everything from populists, to elitists, to lacking Arabism and nationalism. This backlash further glorified Iran in the eyes of the oppressed Arab Shias, whether in countries where they accounted for the majority, such as Iraq and Bahrain, or a minority, such as Saudi Arabia and Lebanon. Many Iraqi Shias continued to dream of the day they could establish their own state after being ruled by Sunnis throughout their history. The U.S. invasion of Iraq provided a golden opportunity for Iraqi Shias to seize the helm of government. Naturally, Iran's Islamic Revolution model, which had long-embraced Iraqi Shia political parties, became the desired prototype.

Furthermore, after the fall of Saddam Hussein, other Arab countries completely disconnected themselves from Iraq. It does not come as a surprise that by 2004, 85 percent of Iraqi Shias had a

positive perception of Iran and viewed it as the ideal partner for their country. However, the events of the following few years took a sour turn with the repeated failures of successive Iraqi governments and their supportive Islamic Shia political parties, both considered by the public as products of the strong Iranian influence on Iraqi affairs.

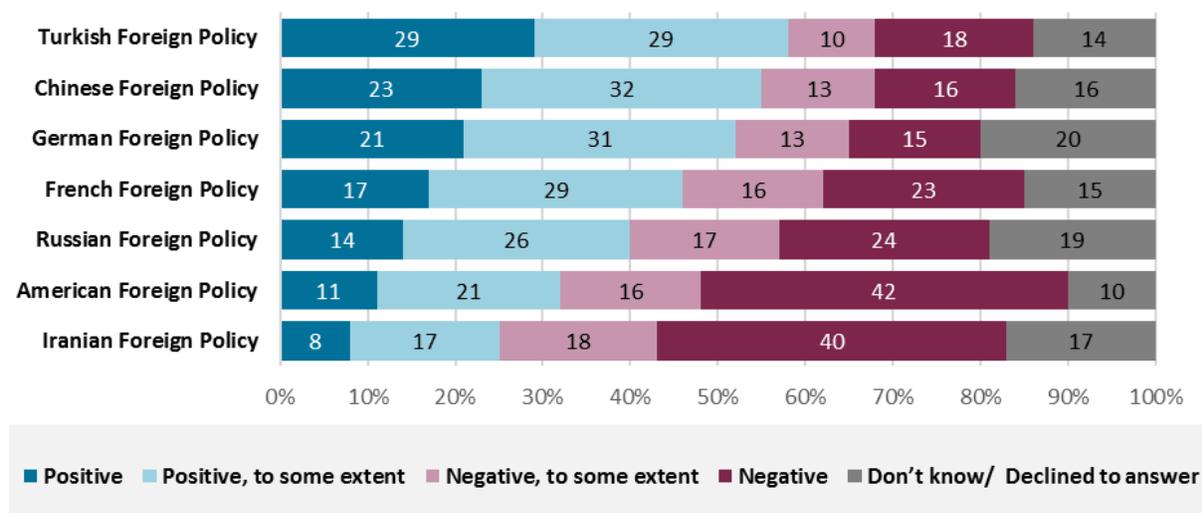
After more than a decade of optimistic patience, the Shias of southern Iraq are starting to ask questions which none of the political parties, allegedly representing them, have satisfactorily addressed: Why have financial and living conditions not improved? Why are Shias still facing ignorance, poverty, and a lack of public services? What have the political parties that represent Shias really done for Shias? How has a Shia governance improved Shia lives? And what will become of the future if Shias remain with the same regime, parties, and individuals in power?

Regardless of the truth or legitimacy of these questions—and regardless of the response of the Shia Islamic political parties who periodically admit failure and pledge reform—the reality is that Iran, including its revolution and its regime, has lost the power of example and depleted its soft power credit. Currently, less than 20 percent of Iraqi Shias still consider Iran the ideal partner for their country.<sup>2</sup>

In Lebanon, opinion polls show that the popularity of Hezbollah and Iran has suffered significantly following the 2019 Lebanese protests, despite continued support from the majority of Shias.<sup>3</sup> Analysts have also observed grassroots discontent with Hezbollah, in part due to the suffocating economic crisis but also because of its involvement in obstructing the catastrophic Beirut port explosion investigations.<sup>4</sup>

Moreover, statistics from independent research centers point to a significant decline in Iran’s regional popularity since a peak in 2006 due to its support of the Arabs against Israel.<sup>5</sup> According to the 2020 Arab Opinion Index, Iran represents the third-largest threat to the security of the Arab world, following Israel and the United States. Furthermore, according to the same study in 2020, 58 percent of Arabs maintained negative views on Iran’s Arab policies.<sup>6</sup>

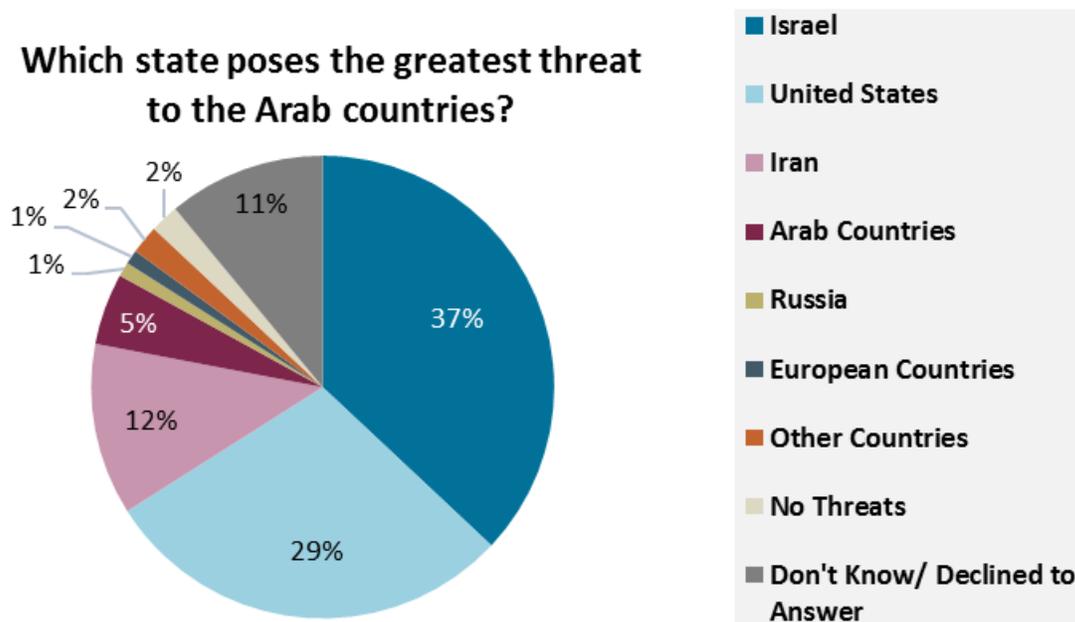
Figure 1: Foreign Policy Assessments



Source: “The 2019-2020 Arab Opinion Index: Main Results in Brief,” Arab Center, November 16, 2020, <https://arabcenterdc.org/resource/the-2019-2020-arab-opinion-index-main-results-in-brief/>. Reprinted with permission.

Iran is aware of the weakening support for its administration and its waning influence within its Arab surroundings, especially after witnessing the attitudes of its own people, expressed in the series of popular protests of 2019. Iranian protesters were clearly demanding their government to withdraw from Syria, Lebanon, Iraq, and Yemen and to immediately cease squandering wealth on funding operatives in those countries.

Figure 2: Threat Perception



Source: “The 2019-2020 Arab Opinion Index: Main Results in Brief,” Arab Center, November 16, 2020, <https://arabcenterdc.org/resource/the-2019-2020-arab-opinion-index-main-results-in-brief/>. Reprinted with permission.

## Iranian Economy

The latest numbers on Iran published by the World Bank indicate a clear economic weakness and fragility, presenting a great challenge for the country’s future.<sup>7</sup> A World Bank report predicts a slight increase in Iranian GDP this year, in contrast to the significant setback of negative growth between 2018 and 2020. However, it seems that four years of U.S. economic sanctions, compounded with the effects of the Covid-19 pandemic as well as the drop in oil prices, are making the economy buckle.

There is an inability to meet people’s urgent needs, sending the inflation rate to an average of 36 percent for the last three years—with projections to reach 40 percent this year.<sup>8</sup> Additionally, the currency has experienced a depreciation of 400 percent. Rates of poverty and unemployment have risen to unprecedented levels. In 2020, President Hassan Rouhani stated that U.S. sanctions after 2017 deprived Iran of \$700 billion in revenue.<sup>9</sup>

The latest round of sanctions caused a 50 percent reduction in Iran’s oil production.<sup>10</sup> Moreover, its ability to export oil has plummeted by more than 80 percent in the same time frame, and it now only exports a little over half a million barrels per day, mostly to China and Russia.<sup>11</sup>

Iran's exports in general have also declined by almost two-thirds, while its imports have declined by only 40 percent, indicating a significant increase in its trade balance deficit.<sup>12</sup> In short, its struggling economy makes it very unlikely for the country to decide to follow the same approach as it did when sanctions were lifted in 2015.

Even with estimations that the Islamic Revolutionary Guard Corps (IRGC) controls two-thirds of the Iranian economy, it seems unlikely that the IRGC will continue to supply its regional militia network with the same financial resources as it has so far.<sup>13</sup> The anticipated flow of income from the expected lifting of sanctions is first and foremost needed to address poverty, inflation, and currency depreciation. Equally important, this flow is needed to build up a strong environment for investments to support the return of the oil sector to its previous production and export potential. The country's infrastructure also requires billions of dollars in reconstruction and maintenance projects, following the damage and neglect it has sustained under the sanctions.<sup>14</sup>

## Iran's Geostrategic Stance

Iran's overestimation of its strength and its dream of exporting its revolution have ultimately created great geostrategic threats for the country. Initially, the Iranian administration cleverly exploited the void created by the U.S. regional and geostrategic fumble that lasted for almost two decades. After 9/11, the United States got involved in successive conflicts and withdrawals in Afghanistan, Iraq, and Syria without careful planning. Iran found an opportunity to behave quite boldly in the region through militia operatives in various locations such as Iraq, Yemen, Syria, and Lebanon. This not only raised alarms in these specific countries but also on the wider regional and global scale.

Iran succeeded in creating what is referred to as the Shia Crescent, extending from Yemen in the south, into Iran, then west into Iraq and later Syria and Lebanon (and even in some locations in Azerbaijan to the north).<sup>15</sup> This great extension of power is what led to the convergence of Israel, Saudi Arabia, and most other Arab and Gulf countries—as well as Turkey, the rest of Azerbaijan, and even Pakistan—in an attempt to curb Iranian expansion.

Arab Gulf countries grew increasingly concerned about the Iranian threat to security, especially about attacks from Houthi agents launching drones and missiles that successfully reached targets in the depths of Saudi Arabia and the United Arab Emirates (UAE). These concerns were further heightened due to the hesitation of the United States to defend the interests of its Gulf allies to the same degree as under the Obama administration.

Furthermore, when the Biden administration decided to remove the Houthi movement from the U.S. list of terrorist organizations, Arab Gulf countries felt this action confirmed that U.S. support against Iran could not be relied on in the future.<sup>16</sup> Arab countries therefore turned to form an alliance with Israel, which shares a common interest in resisting Iran and also possesses the power and technology to face Iran with its regionally superior military strength. And so, with this alliance, Israel is now effectively only tens of kilometers away from Iranian land and strategic sites.

To its north, Iran faces challenges with Afghanistan and Azerbaijan. The return of the extremist Sunni Taliban to power is bad news for Iran, posing a threat that should not be ignored or underestimated.<sup>17</sup> Moreover, tensions with Azerbaijan significantly increased in the last few

months, especially in relevance to the Nagorno-Karabakh conflict. Iranian-supported Armenia suffered losses at the hands of Israeli- and Turkish-supported Azerbaijan.

Despite the attempts to ease the tensions in Azerbaijan-Iran relations, the situation remains volatile, as evidenced by the latest “Three Brothers – 2021” military exercise involving the joint forces of Turkey, Azerbaijan, and Pakistan in a display of cooperation and unity.<sup>18</sup> Some of the drills took place in the Caspian Sea, which is considered one of the pillars of Iranian geostrategic security.<sup>19</sup>

In addition to all of the above, Iranian-supported militias are constantly being targeted by Israeli and U.S. airstrikes in Iraq and Syria.<sup>20</sup> Israel also launched a number of cyberattacks on the heart of Iran, especially Tehran, with the intention of disrupting its nuclear program.<sup>21</sup>

After a decade and a half of Iran being on a continuous offensive, it is now having to confront and defend against potentially threatening attacks from all sides, affecting its geostrategic strength and status. It is evident that Iran is recalculating its regional relations in response to the surrounding alliances. It agreed to enter rounds of negotiations with Saudi Arabia in Baghdad, albeit unsuccessful so far, and has been attempting to improve its relationship with Azerbaijan.

As Iran faces a mix of airstrikes, cyberattacks, and disconcerting new regional alliances, it struggles to tackle all fronts, especially with inferior technological capabilities and a struggling economy. It is only natural that it will continue support for loyal, affiliated regional Shia militias, but with a crucial shift toward focusing on ideological moral support and away from the draining financial support that it can no longer afford.

## Internal Politics

The current Iranian president, Ibrahim Raisi, is viewed in a similar light to the revered Supreme Leader Ali Khamenei when he was the president. Raisi is the creation of the extremist Iranian wing and has long been expected to be the successor to Khamenei. This enables Raisi, for the first time in a long time, to eliminate the ongoing conflict between the IRGC and the state and to unite them under his leadership. Also, to ensure a smooth transition of power between Khamenei and himself, he has to be attentive to the public’s anger and appease them with wiser and less extreme economic policies.<sup>22</sup>

It is likely, therefore, that Raisi will not hesitate to invest all the financial resources available with the return of the nuclear deal and the lifting of the economic sanctions toward reviving the economy, decreasing inflation and poverty rates, and improving the exchange price of the toman. After all this, leftover funds to support the militias will certainly not be close to the previous generous payments.

## Leadership Crisis

After two years as the IRGC leader, Esmail Qaani has proven unsuccessful in filling the leadership void that was left by the assassinated Qasem Soleimani—a void that was lamented by the widespread militia groups from Yemen and Iraq to Syria and Lebanon.<sup>23</sup> In addition to being unfamiliar with the important internal affairs of the militias that were created, structured, and armed by his predecessor, Qaani lacks Soleimani’s poignant charisma that captivated the heads of militias as well as politicians who worked closely with Iran.<sup>24</sup>

His incompetence is demonstrated by his repeated visits to Baghdad in the last couple of months with failing attempts to unify the Shia political front for the process of forming a new Iraqi government. Political analysts cannot avoid a comparison to the five occasions of forming previous successive Iraqi governments when Soleimani was always successful in unifying political opponents under his leadership.

# Iran's Enemies

## *Strengths and Weaknesses*

Iran seems likely to continue to generate enemies for structural and operational reasons. On the one hand there is the recognized hostile relationship with the United States and Israel based on ideological grounds. However, this is not the full story. The blatant statements from Iranian leaders, spearheaded by Khomeini, about the wish to export the Iranian Revolution experience is a source of concern for the internal security and stability of neighboring countries. Iran's seriousness is conveyed by its bold support of vulnerable and disadvantaged Shia communities in Sunni-led countries such as Saudi Arabia, Bahrain, and the UAE. Even Shia Azerbaijan is alarmed by Iran's support for Islamist opposition movements, posing a threat to the secular regime.<sup>25</sup>

After discussing the numerous geostrategic threats to Iran above, it is worth weighing up the strengths and weaknesses of its neighbors.

### **Saudi Arabia and the UAE**

Iranian threats to the internal security of Saudi Arabia and the UAE have intensified as they suffered drone and missile attacks by Iranian-supported Houthi and Iraqi militias. Their resistance can be understood from three parallel approaches:

Militarily, Saudi Arabia and the UAE have both continued to reinforce their arsenals with state-of-the-art equipment, despite the strain created by their involvement in the Yemen war. Even though Saudi Arabia's military spending for 2022 has decreased by 10 percent to reach \$45.5 billion, its defense spending as a proportion of GDP remains among the highest globally for decades.<sup>26</sup>

On the other hand, the government of the UAE dedicated \$20 billion dollars (or 5.6 percent of GDP)

to military spending in 2020, as well as a significant allocation to investments in military arms companies.<sup>27</sup> In December 2021, the Biden administration agreed to sell the UAE F-35 fighter jets, arguably the most developed such fighters in the world, which is expected to improve the UAE's air capabilities and ensure its regional air force superiority.<sup>28</sup>

Saudi Arabia and the UAE have gained invaluable military experience, especially in the field of sophisticated air warfare, through their involvement in the Yemen war and militia attacks within their territory. The stark gap in combat experience and force capabilities between them and Iran is shrinking. Indeed, they are starting to amass the advanced military capacity needed to threaten Iran's strategic depth.

The second approach in responding to Iranian threats is to work on strategic international relations and to enter new political, economic, and military alliances, having previously relied exclusively on the presence and support of the United States. The United States Fifth Fleet in Bahrain and the U.S. air base in Al-Udeid, Qatar—despite their significance—are no longer enough to guarantee these countries' security and protect against Iranian threats. The fluctuations in U.S. policy, from the Obama administration until now, have made regional countries acutely aware of the importance of becoming self-reliant. Some have entered political and even military alliances with Israel, exchanging diplomatic relations in the Abraham Accords.<sup>29</sup>

Others have sought to re-establish warm relations with Turkey, the northern neighbor of Iran and the other major power in the region. Erdogan's Turkey has recently presented itself as the defender of regional Sunni interests and the rightful heir to the Ottoman empire. Turkey is troubled with the advancements of Shia Iran in the region, especially highlighted by Iran's increased influence in the Syrian and Azerbaijani arenas, both crucial for Turkey's strategic security.

This common concern shared by the Arab Gulf countries is sufficient to force Erdogan to rise above any ideological differences with Saudi Arabia and the UAE. Another main attraction of such ties is the much-needed benefit to Turkey's economy as it gains access to the valuable Saudi and Emirati markets. Efforts to rekindle the relations have finally culminated in economic and military deals signed by Erdogan during his recent visit to the UAE, officializing this new alliance that further isolates and corners Iran.<sup>30</sup>

## Israel

Despite repeated statements by Israeli officials that they have no intention to engage in a direct war with Iran, the fact is that there is already a raging shadow war between the two countries. Israel continues to attack Iranian-supported militias in Syria and on the Syrian-Iraqi borders. Additionally, it is clear that Israel stands behind multiple cyberattacks targeting the heart of Iran with the aim to disrupt the Iranian nuclear program.<sup>31</sup> This shadow war will surely escalate, as Israel has recently expressed great criticism and discontent toward the return of the nuclear deal between the Biden administration and Iran, backed by European blessings.

Israel's primary concern with Iran does not stem from the historical lack of trust between the two countries but rather from a concern that the deal will empower Iran and its operatives in Syria and Lebanon as it did in 2015, threatening Israel's national security. From the Israeli point of view, the threats from Hezbollah and the rest of the Iranian-supported militias are no less serious than the nuclear threat itself.<sup>32</sup>

Although finalization of the deal is imminent, it is likely that Israel is still trying to pull strings through its strong political allies in Washington to sabotage the process and possibly even suspend the deal altogether. Even if not completely successful, it remains a strong possibility that Israeli pressures on the United States will result in the continuation of a significant portion of the economic sanctions on Iran. In the event of such an outcome, Iran's anger might result in a threat to return to enriching uranium, which would derail the negotiations altogether. The first few months following the deal, if it proceeds, will be full of challenges; and it will be very interesting to watch how the situation between Iran, Israel, and the United States unfolds.

On another front, Israel and Iran are working hard to curtail each other's regional influence. According to a recently published *Washington Post* report, Iran has been active in Deir-ez-Zor on the social front, spreading Shiism and religious political ideology, as well as on the economic and military fronts, in an effort to establish a strong militia influence in this crucial location to face Israel. Iran is also attempting to establish a land corridor through Iraq, Syria, and Lebanon to facilitate the transport of military arms and equipment to encircle Israel from its north and northeast.<sup>33</sup> In response, Israel is working toward enclosing Iran from its west through the new alliances with Arab Gulf countries and from the northwest through its longtime alliance with Azerbaijan.

## Turkey

Relations between Turkey and Iran have gone through periods of ebb and flow. Although they have managed to maintain relations until now with at least a minimum of understanding, there are undeniable signs of conflict relating to three locations of strategic interest: Syria, Iraq, and Azerbaijan.<sup>34</sup> Despite agreement on keeping the Kurds in their respective countries and in Iraq and in Syria under control and squashing Kurdish separatist movements that threaten national security in Turkey and Iran, there are far more points of dispute and disagreement.

Even though Turkey under the leadership of Recep Tayyip Erdogan has many differences with Europe and the United States, it remains an old and valuable member of NATO with important military bases. Being a part of NATO imposes obligations on Turkey that might go against Iranian national security and interests.

Syria is the biggest area of strategic dispute between Turkey and Iran. As is well known, Russia and Iran are the two main countries that have supported the Assad regime and propped him up to remain in power. Turkey, on the other hand, sided with the armed opposition groups, not only by supporting them but also by directly interfering with its own military force. In August 2016, Turkish forces crossed the Syrian border, and they currently control a vast portion of Syria's northern region.<sup>35</sup>

The second area of dispute is Iraq. Turkey maintains the presence of a military base in Iraq, allegedly to curb any potential attacks from the rebels of the Kurdistan Workers' Party (PKK) based in the Qandil Mountains. Indeed, Turkish forces have launched a number of attacks in the last few years against what was claimed to be military bases belonging to the anti-Turkish PKK. Meanwhile, a number of reports indicate that the PKK rebels actually receive support from militias affiliated with Iran.<sup>36</sup>

The two countries also lock horns over the control of Tal Afar, a city in Iraq with a vast majority of Turkmen inhabitants. The dispute is not solely due to the conflict between the Sunni Turkmen and the Shia in the neighboring town of Sinjar, nor is it only about protecting the Yazidi minority in the region.

It is also a struggle of power over a city that lies strategically on the land corridor that Iran wants to establish to link to Syria and Lebanon through Iraq.

A third area of tension is Azerbaijan, which has strong historical, cultural, religious, social, and economic ties with both Iran and Turkey. With a majority of Shias and a minority of Sunnis, tensions are high in secular Azerbaijan as growing sectarian polarization threatens to tear the social cohesion of the population apart. The presence of Iranian-Turkish tensions in Azerbaijan is evident in the support the country received from Turkey in its dispute against Iranian-supported Armenia in Nagorno-Karabakh. In fact, Turkish arms, especially Turkish-made drones, had a major role in the military victory that Azerbaijan had over Armenia.<sup>37</sup>

These points of dispute between Iran and Turkey did not stop them from signing many economic deals during the 15th Economic Cooperation Organization Summit held in Turkmenistan. However, economic trade between the two countries only reached \$3.4 billion dollars in 2020, which is much less than the \$30 billion projected.<sup>38</sup> Contrastingly, during UAE Crown Prince Mohamed bin Zayed's visit to Istanbul, Turkey signed \$15 billion in deals with the UAE for 2021. Later, during Erdogan's visit to Abu Dhabi in February 2022, a further 13 trade cooperation agreements were signed.<sup>39</sup>

Although Turkish exports to Saudi Arabia have dropped to \$2.5 billion in 2021, economic relations between the two countries are expected to greatly improve in the near future as a result of the anticipated visit of Erdogan to Riyadh.<sup>40</sup> Driven by Turkey's need for Gulf countries' investments as well as Turkish strategic interests to ward off Iranian threats, it is likely that Turkey will continue to apply more pressure and create more strategic challenges for Iran. Surely, Iran is aware that a decision to send even more funds and support to the regional Shia militias in their local disputes against regional countries would prompt a response through Turkey—a move that would have serious repercussions on Iran's national security.

## Pakistan

The Iranian-Pakistani border extends to more than 750 km. Although the relations between the two countries have not always been friendly, they have not been hostile either. However, tensions have increased in recent years because of disputes over two main issues.

The first issue is the situation in Afghanistan, where each country supports a different faction. Pakistan helped in the creation and support of the Taliban, and they share very strong ties, contrary to rumors about disagreements. Iran, on the other hand, supports the Shia Afghan militias. Nevertheless, there are efforts from the two countries to reconcile their opposing points of view and reach common points of agreement, especially since they both house the biggest numbers of Afghan refugees.

However, there are still deeply rooted ideological sectarian differences between them.<sup>41</sup> In recent years, Pakistan has witnessed rapidly growing sectarian conflicts between its Shia-minority and Sunni-majority populations, with evidence that the groups are backed by Iran and Saudi Arabia, respectively.<sup>42</sup> Following the Iranian Revolution, Iran decided to increase its support of armed Shia militias in Pakistan. Contrastingly, Saudi Arabia has been lending a hand to Sunni extremist groups. It is worth noting that Pakistan is politically dominated by Sunni decisionmakers that are eager to please Saudi Arabia to maintain its funding and aid. As a result, Pakistan is experiencing sectarian

conflict, fueled by Saudi influence and connections on the one hand and Iranian control over affiliated religious groups with aligned ideology on the other.

Pakistan also accuses Iran of supporting separatist groups in Pakistani Balochistan, an area of utmost importance to Pakistani interests due to the area being rich in valuable natural gas and resources. Equally important for Pakistan, Balochistan is where Gwadar Port is located, a vital hub of the Belt and Road Initiative and the Maritime Silk Road being established by China.<sup>43</sup> Similarly, Iran also accuses Pakistan of supporting separatist groups in Iranian Balochistan.<sup>44</sup> Despite the common interest of halting the activity of the separatists' movements at both borders, the two countries have not yet managed to reach an agreement to resolve the disputed borders. Balochistan continues to remain a regional flashpoint.

Saudi Arabia and Pakistan enjoy strategic economic, political, and military ties that go back for decades. This was recently fortified when Raheel Sharif, the former Pakistani chief of army staff, was appointed as the head of the Islamic Military Counter Terrorism Coalition (IMCTC)—a coalition of countries with the goal of fighting ISIS—headquartered in Saudi Arabia.<sup>45</sup> This strong relationship can therefore be utilized as leverage by Saudi Arabia in response to continuing Iranian threats.

## Afghanistan

Afghan-Iranian relations represent a perfect example of how complicated and convoluted security and strategic interests between any two countries can become. On the one hand, Iran enjoys solid ties with al Qaeda and hosts many of its leaders and their families. These ties go back to the early 1990s, when Iran was an important corridor used by al Qaeda agents to reach Afghanistan. In addition, many al Qaeda leaders have admitted to frequent dialogue and discussions between Osama Bin Laden and Iranian intelligence about the role of al Qaeda in Iraq following the U.S. invasion. There is no doubt today about the existence of relations between the two entities; the question is the extent of the role these relations play in Afghanistan and the Iraq.<sup>46</sup>

Iran welcomed the U.S. invasion of Afghanistan and the removal of Taliban, only to rush in soon after with support for armed groups, the Taliban, and others in their efforts to attack U.S. forces in Afghanistan. Keen on seeing the U.S. troops suffer defeat and withdraw from Afghanistan, Iran was one of the main players in the U.S.-Afghan deal, going as far as hosting Taliban leaders in Tehran to coordinate their positions against the United States.<sup>47</sup> Iran's involvement in Afghanistan also resulted in the formation of the Liwa Fatemiyoun, a militia created by the Afghan Shia Hazaras minority that was sent to fight along Assad's forces in Syria.<sup>48</sup>

Lately, however, it is becoming increasingly difficult for Iran to ignore the attacks by Taliban fighters against the Afghan Shias in the Afghan city of Mazār-i-Sharīf. Equally so, there is a deeply rooted ideological hostility between the extremist Sunni movements, such as the Taliban, al Qaeda, and ISIS in Afghanistan on the one hand, and the Afghan Shia with their armed groups supported by Iran on the other.

Afghan borders will therefore continue to be a source of security concerns for Iran—a flammable situation that might be triggered into a full-blown armed border dispute between the two entities.

# Conclusion

With suspense, the region awaits the final decision on whether Iran and the United States will decide to return to the terms of the 2015 nuclear deal, which would mean lifting the U.S. economic sanctions on Iran. This is raising many questions about whether Iran will return to its unsettling behavior in the region, whether through activities by the IRGC or Iranian-supported loyal militias in multiple regional locations such as Iraq, Lebanon, Yemen, and Afghanistan. However, this is less likely to occur, as different factors indicate that it is in the interest of Iran to follow a new direction of foreign policy, based on containment and de-escalation rather than aggravation and confrontation.

The strength, weakness, opportunity, and threat (SWOT) analysis for the position of Iran shows a clear strategic weakness domestically. The current, suffocating economic crisis requires that all financial gains obtained from the nuclear deal be directed toward rebuilding the economy, catching up with missed opportunities, and appeasing internal public discontent. President Raisi's close relationship to both the Supreme Leader and the leaders of the IRGC will enable him to unite internal opinions about the imperative decision to prioritize domestic improvements over supporting the network of regional militias and operatives. Raisi also has strong ambitions to eventually replace the Supreme Leader, who is now an old man with many health complications. To take over smoothly, he must ensure the support of the people, who are angry with their government's decision to interfere in other countries' affairs and to spend scarce funds on its expansionist policy.

The SWOT analysis also reveals that the geostrategic threats currently facing Iran as a result of its adopted hostile regional policy outweighs the gains from continuing in its current trajectory. A quick look at the map in Figure 3 shows how Iran is surrounded by a circle of danger, as most regional countries have chosen to ally against it due to Iran's expansionist policies. These serious regional

threats make it more likely that Raisi will favor a less extreme approach, at least in the next phase. In general, despite the long history of conflict, dispute, and mistrust, the region seems to be gearing toward an era of de-escalation. For the IRGC to justify its continued presence, there is a need for its involvement in continuous conflicts, especially since it currently controls more than two-thirds of the Iranian economy. However, this buckling economy itself is now in dire need of renewal and revival to continue Iran's ability to prop up the regime and all its components.

Figure 3: Geostrategic Threats to Iran



Source: Based on author's research and analysis.

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