

CSAG INFORMATION PAPER:

How Iran is Benefiting from Strategic Competition

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The opinions and conclusions expressed herein are those of a number of international officers within the Combined Strategic Analysis Group (CSAG) and do not necessarily reflect the views of United States Central Command, nor of the nations represented within the CSAG or any other governmental agency.

1. **Subject.** How Iran is benefiting from the concept of Strategic Competition.
2. **Purpose.** To present the results of the CSAG's analysis of Iran's position within the U.S. concept of Strategic Competition.
3. **Introduction.**
 - a. The world is becoming more divided and unstable and facing new challenges which puts more responsibility on major powers. However, since the way these major powers perceive the situation differs, the strategic competition is on the rise.
 - b. In the National Security Strategy (NSS) and National Defense Strategy (NDS), the U.S. underlines the importance of the upcoming decade and rise of strategic competition (Russia as "acute threat" and China as a "pacing challenge").¹
 - c. While Russia is heavily involved in Ukraine, according to the NSS "China is the only country with both the intent to reshape the international order, and has increasingly, the economic, diplomatic, military, and the technological power to do so."²
 - d. The NSS emphasizes that Iran interferes in the internal affairs of its neighbors, multiplies its missiles and drones through proxies, plans to harm Americans, and advances its nuclear program beyond a credible civilian need.³
 - e. Although Iran does not perceive strategic competition as the U.S. does, by upgrading its relations with Russia and China, Iran is trying to leverage its position.
4. **Situation in Iran**
 - a. With the protests going on for more than four consecutive months, the Iranian clerical regime faces its biggest challenge since the 1979 Islamic Revolution.
 - (1) To cope with this delicate situation, the regime started shuffling leadership positions amongst its security apparatus to maintain grip on the protests.
 - (2) Although several protest umbrella groups can be identified, the protesters lack leadership, organization, and their numbers have not yet reached a critical mass. Moreover, the protests are still in the early stage of a serious social movement that fundamentally overhauls the Iranian regime.⁴
 - b. Having the domestic situation practically contained, the regime's position maintains firm and strong, allowing room for an external political focus and the building of partnerships.

¹ Lloyd Austin III, "The 2022 National Defense Strategy," page 10.

² "The 2022 National Defense Strategy," page III.

³ "The 2022 National Security Strategy," page 11.

⁴ Social movement theory and the stages of the social movements allows one to better assess the current situation in Iran. Lumen Learning, <https://courses.lumenlearning.com/wm-introductiontosociology/chapter/types-and-stages-of-social-movements>, (accessed Jan 17, 2023).

- (1) The Iraqi PM condemned the former U.S. administration for the killing of General Qassem Soleimani.
- (2) Iranian and United Arab Emirates officials had a meeting and emphasized the need to boost regional cooperation to tackle environmental problems.
- (3) Speakers of the parliaments of Iran, Türkiye and Azerbaijan held a meeting on the sidelines of the Asian Parliamentary Assembly (APA), and President Raisi is slated to visit Türkiye and Syria in the next few weeks.
- (4) Pakistan and Iran have expressed their determination to increase military cooperation.
- (5) Iran has a multi-year experience in military exercises with China and Russia. Furthermore, Iran signed long-term partnership agreements with China and Russia.

5. China-Iran Relations

- a. China and Iran have a history of cultural, political, and economic exchange along the Silk Road since 200 BC, and have developed friendly relations. However, in recent years, when geopolitical tensions have increased, the relationship between the two countries remains unclear.
- b. The two countries signed a 25-year comprehensive cooperation agreement in 2021. Although there are nearly 100 joint projects in Iran, such as energy, infrastructure development or the establishment of free trade zones, not a single one has seen progress.
- c. There is no significant development in China and Iran relations other than the opening of the first shipping line connecting China to Iran's Chabahar Port⁵ and the opening of China's first consulate general in the port city of Bandar Abbas.
- d. The fact that Iran is an important country in the Belt and Road Initiative creates the potential for cooperation in various fields between China and Iran.
- e. Because the GCC countries are not under sanctions and remain a stable investment market, and the JCPOA is uncertain, Beijing has made a new plan and Xi's visit to the KSA has taken place.
- f. China's State Visits to the KSA and Iran
 - (1) Chinese President Xi Jinping has attended a series of summits led by Gulf States and pledged to create a "collective security framework" to stabilize the region. Subsequently, there is a perception in Iran that China is getting closer to Arab countries at the expense of its relations with Iran.
 - (2) In particular, China's implicit support for the UAE's territorial claims on three islands, which was included in the joint statement, created a reaction in Iran.
 - (3) Along with emphasizing the need to strengthen cooperation to ensure the peaceful nature of Iran's nuclear program, they called on Iran to cooperate with the IAEA and maintain the nonproliferation regime.
 - (4) Until last year, China has actively pursued a policy of equivalence in its diplomatic engagements and military cooperation to avoid the perception of favoring Iran or the KSA.⁶
 - (5) Immediately after Xi's visit to the KSA, Chinese Vice Premier's visit to Iran was to convey the message that China had not completely given up on Iran.

6. Russia-Iran Relations

- a. The relationship between Russia and Iran is built by circumstances. As an example, both countries are now targeted by severe sanctions because of Iran's nuclear program and Russian invasion in Ukraine, which created mutual benefits for partnership.
- b. To overcome Western sanctions and because of cooperation in the war on Ukraine, relations between the two countries are increasing in all domains.
 - (1) Iran is not only sending its cost-effective UAVs, but also building a UAV factory on Russian territory (Republic of Tatarstan, Russian Federation).
 - (2) Russia provided Iran reconnaissance and communication satellites which increase Iranian capabilities in this domain.

⁵ Chabahar port consists of Shahid Kalantari and Shahid Beheshti terminals, each of which has five berth facilities. The port is located in Iran's Sistan-Baluchestan Province and is about 120 kilometers southwest of Pakistan's Baluchistan province, where the China-funded Gwadar port is situated.

⁶ For instance, in 2016, President Xi Jinping signed comprehensive strategic partnership agreements with both the KSA and Iran, within weeks of each other. In both 2017 and 2019, Beijing held separate military drills with Iran and the KSA, spaced only a few weeks apart, to avoid conveying the wrong message.

- (3) Russia asked for Iranian ballistic missiles to increase Russia's capability in its war in Ukraine.
- (4) Russia will increase the current outdated Iranian air capability by providing them 24 SU-35 fighter jets.
- (5) Iran and Russia have reportedly signed a contract to build a cargo vessel for the port of Solyanka in Russia. It is also claimed that Iran wants to buy military ships from Russia.
- (6) The Iranian government stated that the trade volume with Russia is expected to increase 10 times in 2023.

c. Russia-Iran Meetings

- (1) Recently, Iranian President Raisi had a meeting with the new ambassador of the Russian Federation. Raisi described the two countries relations as "strategic" and emphasized, "Iran and Russia have good grounds for cooperation in bilateral, regional and international fields."⁷
- (2) In November 2022, Russian Security Council Secretary visited Iran and met the Secretary of the Supreme National Security Council of Iran to discuss their cooperation.
- (3) President Putin's last visit to Iran was in July 2022. This was Putin's first trip outside Russia since the invasion of Ukraine.

7. Conclusion/Assessments

- a. In general, the relation between Russia and Iran is increasing because of mutual benefits from the Russia-Ukraine war. China is careful in strengthening its relationship with Iran and takes the time to observe for opportunities. Meanwhile, Iran is trying to intensify its partnerships with the U.S.' main strategic competitors to bolster its position in the region.
- b. There is a possibility that Iran's expansion of relations with China and Russia, seeing these great powers as their main allies against the West, will turn the tide in favor of Russia and China rather than the US in the framework of strategic competition.
- c. In the light of strategic competition, growing China and Iran relations has the potential to create another competition zone in areas such as the Red Sea (CENTCOM AOR) or South America.
- d. Iran's main export and import ports are crucial for Iran. China's access to these ports gives it an advantage for strategic competition. While Iran is combating the U.S. unilateral sanctions, Iran can outmaneuver sanctions to the benefit of its economy.
- e. Although Iran's view of strategic competition is only to overcome the sanctions imposed against it and to expand Shiism in the region, it takes advantage of the strategic competition environment to gain benefits in the military field.
- f. China is maintaining friendly and balanced relations with countries instead of picking sides or engaging in alliances (its opposition to unilateral sanctions against Iran) may be its biggest trump card in the long-term strategic competition.
- g. The statement after Xi's visit to the KSA seems to have undermined the Iranian Supreme Leader's "Look East" policy.⁸
- h. China, which has kept itself at a safe distance from the conflicts in the Middle East until recently, tried to please one partner at the expense of the other for the first time. Thus, China deviated from its balancing stance between the Gulf countries and Iran.
- i. China is hesitating to develop investments in Iran despite its 25-year agreement because of the unstable environment caused by the protests and due to the current and possible future Western sanctions against Iran.
- j. The cooperation in the military domain between Russia and Iran may increase the threat to US allies and partners in the Middle East and destabilize security in the region.
- k. The war in Ukraine provided new opportunities for Iran to outmaneuver the Western sanctions. However, the relations between Russia and Iran may be reevaluated by both sides after the war.

⁷ Tehran Times, <https://www.tehrantimes.com/news/480748/Iran-envoy-meets-Russian-security-official>, (accessed Jan 17, 2023).

⁸"Look East Policy"; the general name of Iran's foreign policy of trusting China and Russia against the United States, particularly since 2018.