

General Policies of Energy in Intellectual System of Ayatollah Khamenei: Challenges and Opportunities

Mahdi Naderi^{1*} and Sardar Farzollahi²

¹ Associate Professor, Department of Political Science, school of Law and Political Science, Shiraz University, Iran.

² Ph.D. Student of Islamic Revolution Political Studies, Shahid University, Tehran, Iran.

Highlights

- Iran's position and importance in the field of energy are unique in the world.
- Iran's general energy policies, announced by the Supreme Leader, are policy-making and decision-making documents in the field of energy.
- The implementation of this policy in the field of energy comes with opportunities and challenges.
- Recognizing opportunities and solving challenges are required for planning to operationalize energy policies in Iran.

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Abstract

Energy is a strategic commodity, and ensuring its stable supply is considered an important issue for governments. Oil and gas, as the two main sources of energy, have played a serious role in the world's energy supply in the last century, and statistics show that these sources, especially gas, will continue to play a serious role in the world economy in the next few decades (History). Meanwhile, general energy policies can be examined as one of the extracts of Imam Khamenei's political-economic thought and the challenges and opportunities (Issue). The main questions of the article are the following: What is the place of general energy policies in the political-economic thought of Imam Khamenei? and Why did some address it? For this purpose, a descriptive-analytical method and reference to the related documents have been used (Method). The result is that from this point of view, Imam Khamenei was able to intelligently guide different managers and governments toward using the general policies in order to manage and rebuild the country's economy in a way that is not influenced by foreign impulses. However, in this framework, the country has also faced some problems (Results).

Keywords: Imam Khamenei, General policy, Energy diplomacy, Energy, Upstream documents

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1. Introduction

Especially, since Iran is one of the major producers and exporters of energy, energy is one of the most powerful tools, both as a provider of the country's basic needs and as a source of income. Therefore, having dense and impressive geographic and natural advantages on the sidelines of political conflicts and security considerations requires special intelligence and demand. Especially, since Iran is at a historical turning point in global engineering developments today, its role is important in this special situation to maintain interests, requirements, and ideals in terms of geopolitics, military, economic, and

* Corresponding author:

Email: Mahdinaderi35@gmail.com

historical background and influence in the region. Therefore, policies should find the optimal point in the evolution of the world system for Iran and establish growth and development in all areas in addition to reducing internal problems and issues.

Examining the process of socio-economic growth and the development of countries also shows the undeniable role of energy resources as the driving engine of this process in such a way that the sustainable development of these countries is a permanent and continuous need for reliable, affordable, and clean energy sources (Mohammadnejad et al., 2011:3). Energy policy-making includes very diverse and complex packages of effective goals and factors that interact dynamically and are linked to issues such as economic growth, employment, science and technology, political stability, national security, international agreements, and social issues (Maleki, 2013:24).

On the other hand, along with the evolution of markets and the expansion of energy infrastructures, the discussion of energy security and its various economic, political, and social dimensions has an important place in the national security considerations of countries.

In the meantime, Iran, as the holder of the world's largest total oil and gas reserves, should be more sensitive to the changes and developments in the energy field and the increase in the penetration of new energies in the market than other countries (Manzoor, 2017). If Iran appears weak and lacking resilience against sanctions and full-scale economic war, arrogant governments will impose more expenses in the energy sector. Therefore, this effective and powerful presence in the energy governance scene should be strengthened with a practical move in the direction of the intelligent strategies of the wise leader of the revolution.

With this description, the main questions of the article are the following:

- “Why did the great leadership of Islamic Iran formulate and announce general energy policies?”
- “What are the main challenges and opportunities?”

Thus, the purpose of the current research is to investigate why Imam Khamenei formulated and communicated the general energy policies and evaluate the challenges and opportunities of the approved policies in the field of energy and present proposed policies.

This work is investigated and analyzed using the descriptive–analytical approach combined with the study of documents, data, and materials related to the above topic.

The importance and objectives of the research

Surveys show that energy production and consumption in Iran are not properly directed and managed, and such a trend can endanger the future of Iran's energy industry. If the production, distribution, and consumption of energy continue with the current trend and are not managed in a proper governance framework, the country's energy resources will only be spent for domestic consumption, thereby not having an impact on the acquisition of added value, foreign exchange, job creation, and industrial development of the country.

One of the most important measures designed to achieve long-term goals is the formulation and communication of general energy policies.

2. Background research

In an article entitled “Energy Diplomacy in Strategic Documents of Iran's Foreign Policy”, Tarighi and Taheri (2018) tried to answer the question: “What is the position of energy diplomacy in the strategic documents of the Islamic Republic of Iran considering its strategic importance?” Based on the results

of the research, re-reading and reviewing the upstream documents show that the contribution of energy diplomacy has not been a worthy and necessary contribution in the main and official effective discourses of foreign policy and economic development. For a country like Iran, where the energy sector has a dual role in providing domestic needs and, of course, foreign exchange income, and it is considered the main infrastructure of domestic development and power-creating components in foreign policy, neglecting the capacities and functions of the energy sector in the foreign policy is evaluated contrary to the provision of national interests.

Abdullah and Heydari (2022) in an article entitled “Analysis of General Energy Policies and How to Apply the Social Approach in Upstream Documents” concluded that the serious emphasis of energy policy is on two areas of development plans and consumption management. Although it includes some elements of the social approach, this approach has been neglected in many cases. In recent documents, the dominant mentality indicates a relative tendency in the technical approach toward the technical–social approach. The proposed model of the research is to apply the social approach based on the experience of programs and within the framework of upstream documents and paradigmatic changes, which can be used in the seventh development program and other related executive procedures.

Razavi (2020) published a work on Explaining the Challenges and Opportunities of Energy Diplomacy from the Perspective of the Statement of the Second Step of the Islamic Revolution. The results of the research showed that using the capacity of Islamic resistance diplomacy in the field of energy, concluding favorable contracts, diversifying and employing the capabilities of neighboring countries, using the transmission pipeline route, employing the new diplomacy approach, and activating the capacity of the countries subject to oil sanctions are among the most important requirements in energy diplomacy in line with the aforementioned statement.

In an article titled “Political Economy of Renewable Energy and Iran’s Future Scenarios in the Perspective of Energy Transition 2050”, Ismaili Ardakani and Shokri (2021) concluded that Iran’s four possible scenarios, namely “realization of sustainable development and transition to green gold”, “gradual and independent transition toward sustainable development and green gold”, “development based on black gold”, and “development stagnation with black gold”, include a wide range of possible situations. Familiarizing with the narrative of each of these scenarios and comparing their desirability enable actors and decision-makers to consider different situations in renewable energy policies.

2.1. Innovation of this work compared to previous studies

According to the mentioned issues, it can be acknowledged that in the field of research, the conducted researches have mainly focused on the importance of energy and its diplomatic opportunities in economic development. Nevertheless, this work examines the position of general energy policies in the perspective of the Supreme Leader of the Revolution, and it addresses the challenges and opportunities of this important field, making it very different from previous researches.

3. Literature review

The energy field is an integral part of the comprehensive security strategy, which makes sense in the framework of the general goals and general policy directions of each country. Today, most of the major players in the global energy market have formulated their general energy strategies and policies. The purpose of developing such macro policies is to establish self-enhancing interaction between the energy sector and other national and international areas.

Because energy was considered a strategic product driving economic development in the following decades of the 1970s, and its control and management were recognized as strategic management,

currently, energy is not only the engine of national development but also the basis of drawing national power (Clark, 1997:5–7). Further, because the field of energy, as one of the components of the international economy, has strategic importance in shaping micro and macro political and economic trends, it has been an effective basis for the foreign policy functions and diplomatic approaches of countries and it has developed a strong theoretical framework based on the idea of interdependence in the past half century (Keohane and Nye, 1998:86). In fact, this field is known as one of the main components of building national power and wealth. This importance is double in the countries that have these reserves, and any disruption in energy security, either naturally or with the influence of human and political factors, affects all levels of national, local, and global economies (Maleki, 2013:34). These are the characteristics that turn energy into a complex variable in the international system and civilizational levels because, on the one hand, it has a great impact in the domestic arena, and on the other hand, it plays an important role in the foreign and international arena. Therefore, improving Iran's economic capabilities through improving the position of energy in the field of foreign policy is one of the inevitable necessities of the country's political, economic, and security structure.

Therefore, general energy policies have conceptual foundations that, without paying attention to them, the possibility of realizing other macro policies will not be implemented and operational; moreover, if they are formed, they will be collapsed with minimal tension. Therefore, for economies such as Iran's, facing the sanctions of oppressors, the development of general policies and resistance economy seem a suitable model.

General energy policies, resistance economy policies, and other related documents are complete and coherent packages; these packages are not leaked personal thoughts, and they are rather the product of collective wisdom. These models have been prepared with the efforts of knowledgeable people and with the consensus of the Expediency Council and the presence of the heads of the three powers and other officials of the Islamic system, which have appropriate nature and characteristics. The general policies of the system, especially its energy sector or resistance economy policies, are a model that fits the needs of the country and are not unique to our country; they can also be a concern of other countries as well. In addition, these policies are endogenous and boiled down from capabilities and capacities within the country.

It is also extroverted because it interacts with global economies, is based on people's side, and is realized by people's will, people's capital and their presence; the government is also responsible for planning, infrastructure, and capacity building. Further, this is a knowledge-based economy, that is, scientists, industry owners, and skilled workers can play a role in this economy (statements in the Holy Shrine, 1/1/2013). Justice-oriented is one of the other dimensions of these policies and resistance economy policy, that is, justice plays a central role in the production of wealth and its increase.

The best way for Iran, which is in a cruel embargo, is resistance economy; of course, it does not mean building a fence around oneself and doing defensive work (Ibid). It is not closed and stonewalled that if a new plan is born in the world, it cannot digest in itself (statements in the meeting to explain resistance economy policies, 20/12/2013). Resistance economy does not mean economic austerity; it has a completely reasonable and deeper meaning that is understandable and defensible (in a meeting with members of the government delegation, 6/6/2013). We do not tell people austerity in any way; we say that the wealth should not be wasted (the meeting to explain resistance economy policies, 12/20/2013).

3.1. Upstream documents related to Iran's oil and gas

Iran has the first natural gas reserves and the third largest oil reserves in the world (Electricity and Energy Planning and Macroeconomics Office-Energy Balance Sheet, 2019). It also has a very favorable geopolitical position that can play an effective role in the future of energy trade. The proper use of this situation and the suitable use of opportunities arising from energy resources and its issues at the country level, the technological ability of extraction, and sufficient capital in the field of energy production and supply will double Iran's strategic position.

Investigations show that in recent years, developed laws and policies have been compiled and promulgated to improve economic efficiency and reduce the environmental consequences of the oil and gas sectors; some are fundamental and others are secondary documents. The most important documents and laws are mentioned in Table 1.

Table 1

The most important documents and laws

Title of document	Description
General policies of the system in the field of energy (2020)	A- General oil and gas policies
	1. Adopting appropriate measures and solutions to expand oil and gas exploration and fully understand the country's resources;
	2. Increasing the capacity of protected oil production in accordance with the existing reserves and the country's increasing economic, security, and political power;
	3. Increasing the capacity of gas production in proportion to the volume of the country's reserves in order to ensure domestic consumption and maximum substitution with petroleum products;
	4. Expanding basic and developmental research and training of manpower and efforts to create a center for the absorption and export of energy-engineering knowledge and technical services at the international level and the promotion of technology in the fields of oil, gas, and petrochemical resources and industries;
	5. Necessary efforts and creating a legal organization to attract the required financial resources (domestic and foreign) in oil and gas affairs in legally authorized sectors;
	6. Taking advantage of the country's regional and geographical situation for buying, selling, processing, refining, exchanging, and transferring regional oil and gas to domestic and global markets;
	7. Optimizing consumption and reducing energy intensity;
8. Replacing the export of oil, gas, and petrochemical products instead of exporting crude oil and natural gas;	
B- General policies of other energy sources	1. Creating diversity in the energy resources of the country and using it while respecting the environmental issues and trying to increase the share of renewable energies with the priority of water energies;
2. Attempting to acquire nuclear technology and knowledge and to create nuclear power plants in order to provide a share of the country's energy and train specialist forces;	

Title of document	Description
The vision statement of the Islamic Republic of Iran in 2003	<p>3. Expanding research activities in the area of nuclear fusion energies and scientific and specialized participation and cooperation in this field;</p> <p>4. Trying to acquire technology and technical knowledge of new energies and create power plants such as wind and solar, fuel cells, and geothermal energy in Iran.</p> <p>Iran is a developed country with the first economic, scientific, and technological position in the region, with an Islamic and revolutionary identity, inspiring in the Islamic world, and with constructive and effective interaction in international relations. The most important sentence of this document is “achieving the first economic, scientific, and technological position in the Southwest Asian region (including the Central Asia, the Caucasus, the Middle East, and neighboring countries), with an emphasis on the software movement and science production, rapid and continuous economic growth, the relative improvement in the income level, and the achievement of full employment.</p>
General policies to modify the consumption pattern in the year (2009)	<p>Paragraph 7: Saving energy consumption by applying a balanced set of price and non-price measures in order to continuously reduce the country’s energy consumption intensity index to at least two-thirds of the current level until the end of the fifth development plan and to at least one-half of the current level until the end of the sixth development plan with emphasis on the following policies:</p> <ol style="list-style-type: none"> 1. Giving priority to increasing the efficiency of energy production, transmission, and consumption in creating new energy production capacities; 2. Carrying out a comprehensive and integrated study of the country’s energy system in order to optimize energy supply and consumption; 3. Compiling national energy efficiency program and implementing incentive policies such as financial support and providing banking facilities to implement projects; 4. Optimizing energy consumption and forming public and private institutions to improve energy efficiency; 5. Monitoring macro energy indicators with appropriate mechanism; 6. Reviewing and approving laws and regulations related to energy supply and consumption, developing and applying mandatory national standards for the production and import of all energy-efficient devices and equipment, strengthening the monitoring system for their good implementation, and obliging producers to modify energy-efficient processes; 7. Increasing the efficiency of power plants, diversifying sources of electricity production, and increasing the share of renewable and new energies;
General policies of resistance economy (2012)	<p>The oil and gas industry has a special place in this document; among others, the following can be mentioned: Paragraph 4 emphasizes using the capacities of the targeted implementation of subsidies in order to increase production, employment, and productivity; reduce the intensity of energy consumption; and improve social justice indicators.</p> <p>Clause 12: increasing the strength of resistance and reducing the vulnerability of the country’s economy through the following:</p> <ul style="list-style-type: none"> • Developing strategic links and expanding cooperation and partnership with countries in the region and the world, especially neighbors, using diplomacy to

Title of document	Description
Five quarter development plans	<p>support economic goals through the capacities of international and regional organizations;</p> <p>Clause 13: Dealing with the vulnerability of income from oil and gas exports through the following:</p> <ul style="list-style-type: none"> • Choosing strategic customers, creating diversity in sales methods, involving the private sector in sales, increasing gas exports, increasing electricity exports, increasing petrochemical exports, and increasing oil products exports; <ol style="list-style-type: none"> 1. Increasing Iran's share and improving its position in the international oil and gas markets and achieving the first economic, scientific, and technological position in the region and neighboring countries; 2. Establishing constructive and effective interaction with other countries of the world; 3. Having advanced knowledge by relying on the use of national funds in oil and gas production;
The fifth program of economic, social, and cultural development of the country	<p>The following are among the main strategies of the fifth plan in the field of oil and gas:</p> <ol style="list-style-type: none"> 1. Development and production needed to exploit the maximum capacities; 2. Increasing protected production by maintaining the production capacity in 2009; 3. Increasing the final capacity of the program compared to 2009 by one million barrels of crude oil per day; 4. Preparing the national energy management document and its implementation plan; 5. Increasing the recycling rate of the country's tanks by 1% during the program; 6. Maintaining the second rank in the Organization of Petroleum Exporting Countries (OPEC);
The vision statement of country's oil and gas industry in 2024	<p>The 20-year vision statement of Iran's oil industry is compiled around four axes. Based on the first axis, the petrochemical industry should become the first producer of petrochemical materials and goods in terms of value in the region by having a share of 34% of the value of the Middle East's petrochemical product capacity and having a 6.3% share of the value of the world's petrochemical product capacity. Continuing to maintain the position of the second oil producer in OPEC with a capacity of 7% of the global oil market demand and gaining the position of the third gas producer in the world with a share of 8% to 10% in the global trade of gas and gas products are other goals of this document. Further, in the fourth axis, Iran has the first place in oil and gas technology in the region, and it will be completely independent from oil income at the end of 2024.</p>
Sixth five-year development plan	<ol style="list-style-type: none"> 1. Changing the view to oil and gas and its revenues, from a source of public funding to "economic generating resources and capital" and making the statute of the Development Fund permanent; 2. Completing the oil and gas industry value chain and reducing energy intensity; 3. Supporting the establishment of non-governmental companies to invest in exploration activities (without ownership) and exploitation and development of the country's oil and gas fields, especially joint fields within the framework of the general policies of Article 44;

Title of document	Description
General policies of the seventh five-year development plan	<p>4. Increasing the share of renewable and new energies and expanding scattered and small-scale power plants;</p> <p>5. Complete targeting of subsidies to increase production, employment, and productivity; to reduce energy intensity; and to improve social justice indicators;</p> <p>6. Handing over the collection, containment, control, and utilization plans of gases associated with production in all oil fields and oil industry facilities to people;</p> <p>7. Increasing added value through completing the value chain of the oil and gas industry and developing the production of products with optimal efficiency (based on the energy consumption intensity index);</p> <p>8. Knowledge-based upstream and downstream oil and gas industries by establishing and strengthening knowledge-based companies for designing, engineering, manufacturing, installing equipment, and transferring technology in order to increase self-sufficiency;</p> <p>9. Continuously increasing the recycling rate and final extraction from oil and gas reservoirs and wells;</p> <p>1. Maximum increase of crude oil and natural gas production in common fields;</p> <p>2. Increasing the recycling rate in independent fields;</p> <p>3. Increasing added value through completing the value chain of the oil and gas industry;</p> <p>4. Implementing several huge national economic, driving, infrastructural, up-to-date, and forward-looking plans;</p> <p>5. Activating geographical–political advantages and turning the Islamic Republic of Iran into a center of exchanges and commercial services, energy, communication, and transportation by streamlining regulations and creating and developing the necessary infrastructure;</p> <p>6. Paragraph 22: Strengthening the economy-oriented approach in foreign policy and regional and global relations and strengthening economic ties with the priority of neighbors;</p>
The statement of “Second Step of the Revolution” (2017)	<p>Emphasizing the strengthening of the country’s independent economy, which is based on mass and quality production, justice-oriented distribution, moderate and wasteless consumption, and wise management relations; it has been repeated and emphasized by many times in recent years due to the tremendous impact that the economy can have on the life of the society today and tomorrow.</p>

3.1.1. Energy issue in Imam Khamenei’s thought

The Islamic revolution influenced Iran’s contemporary history so much that, under the leadership of Imam Khomeini and with the slogan “Neither Easy nor West”, it became the source of a huge and unpredictable movement in the era of Western civilization’s rule over the world. Therefore, it must be stated that the Imam was not only the Imam of the age before his death, but he also became the Imam of the future age. This matter continued under the leadership of Imam Khamenei in terms of opinion and action; he explained Imam Khomeini’s thought and path on various occasions and continues to do so.

However, today, after more than three decades of the leadership of this wise sage and entering the fourth decade, with a look at the past, it seems that his great personality, like Imam Khomeini, needs to be read and studied more seriously and deeply. The extension of Imam Khomeini can be seen in all the difficult scenes of decision-making and administration of the country and in control of internal and external crises, with the same strength and glory and with the same wisdom and foresight. As we move in this direction in these three decades, this feeling becomes more and more objective in the entire human existence that his existence is the same as Khomeini's with new requirements and new issues that did not exist during the Imam Khomeini's leadership. Many of Imam Khomeini's ideas did not find a chance to become a general policy or system during the short time of his leadership.

This important thing was implemented during the leadership of Supreme Leader of the Revolution. Various debates, from economy to culture and from energy to defense, are among the fundamental issues that have been discussed at the level of society in the direction of Islamic system building. In June of 1988 and in the early days of his leadership, while various fractions and groups of people and officials came to meet him, while informing the society about the direction and plans of the enemies, he considered "the enemy's problem making for the sale of Iranian oil" and asked the country's officials to search for the best and the most successful ways to reduce the economic problems of people: "I, contrary to some analyses, believe that, in order to make the people regret and despair from continuing this path and this presence, the enemy will impose new economic problems on us. It is not unlikely that it will create problems for the sale of oil and the procurement of raw materials and essential goods to increase the pressure on the people.

The government, parliament, and officials should join hands and search for the best ways and the most successful methods so that the economic problems of the people will be reduced (Statements of supreme leader in the meeting between the President and the representatives of the Islamic Council, 24/3/1988).

This warning and declaration of danger can perhaps be considered one of the first plans of the revolutionary leader's serious discussions about the necessity of reducing the dependence of the country's economy on the sale of oil: a warning that became one of the serious demands of the leadership from government officials for planning and action. The supreme leader, with his careful observation of the issues of the country as well as the opposite front, expressed the interpretation that the war was dragged to the economic embankments. Before the results of the economic war can be seen in the people's lives or in the field of economic management of the country, he entered this issue and defined and communicated the priorities of the country in the form of general policies and in an economic system.

3.1.2. Basis of general energy policies

1. Cruel sanctions related to energy: These sanctions first started with a process to impose pressure on Iran's energy sector, and most of the energy revenues were subject to this law as the United States felt that reducing energy revenues could be an effective step in preventing terrorist financing in the region and preventing the expansion of Iran's nuclear activities. Then, the USA expanded the scope of these sanctions to Iran's production-industrial centers and even to individuals.

2. Pursuing an oil-free economy: Iran has always been a political, security phenomenon rather than an economic one. In addition, since a huge part of the government's revenue sources is provided through foreign currency income from the sale of oil, Iran's government can be called a "Rentier" government.

One of the special results of the government's dependence on oil income is the fact that the government's income from taxes is not enough. Like many developing countries, the tax system in Iran

is prone to corruption and tax evasion. Only an effective tax system can replace the income from oil sales (Shabafrooz, 2016:7).

The history of the past three decades of Iran shows that the country's reliance on oil revenues and foreign currency from oil exports has had negative effects on its economy through changes in the balance of payments and currency reserves. It should not be forgotten that inflation has been one of the problems of Iran's oil-based and rentier economy in the past three decades. Relying on oil income and the method of producing hydrocarbons has caused economic development to undergo inflationary and recessionary cycles, thereby ultimately bringing economic problems such as poverty, unemployment, and brokering in the economic market, lowering the quality of life, and degrading people's livelihood.

One of the consequences of the oil-based economy is the fluctuation of the foreign exchange earnings of the country since Iran's foreign trade is highly dependent on the foreign exchange earnings from the sale of crude oil; any fluctuations in the price of oil have an effect on trade exchanges and ultimately the gross national product. Another consequence of the oil-based economy on economic development in the past three decades is the impact of Iran's economy on crises and international sanctions. The tightening of international sanctions in response to Iran's rightful pursuit of nuclear energy led to a significant decrease in economic growth. Another important point about the oil-based economy is that more than 80% of Iran's economy fell under the control of the government in the years after the Islamic Revolution and the imposed war. Therefore, in the field of oil, the new policy of the government led to the termination of the control of the Iranian oil consortium in the production, export, and oil market sectors (Zahirnejad, 2010:4).

This situation continued during the construction and reform governments, and it can be inferred that the government's sole reliance on oil revenues and economic development planning based on the oil economy will not be successful without an endogenous economy and an extroverted foreign policy.

The leadership's warning about this issue and his demand from the authorities should not be analyzed only from the perspective of sanctions and enemy pressure. Although this issue has been and still is very sensitive and important, the desire of leadership can be investigated and rooted in several levels and layers. On April 13, 1993, the leader of the revolution mentioned closing the oil wells and forming the country's economy based on non-oil products as his "Real dream" and called everyone to work toward realizing this goal: "My real dream—which cannot of course be possibly realized soon—is for us to close the oil wells and base our economy on non-oil goods and products, that is, let's assume that this country does not have a commodity called oil" (Statements in a meeting with members of the government, 4/6/2014). He openly expressed his dissatisfaction with the country's dependence on oil sales for years after the end of the war and he said "Look today, when they put pressure on our oil, we have problems. What is the cause of this? It is caused by the fact that we could not reduce our reliance on oil from the period of the war and the end of the war until today. If we had reduced our reliance on oil, the pressure on oil would not have ended so hard for us." (Friday prayer sermons in Tehran, 11/14/2013).

4. Oil and gas sector and its carriers (fossil energy)

4.1. Expansion of oil and gas exploration and complete knowledge of Iran's resources

There is no doubt in this context that fossil fuels have been one of the main reasons for the rapid growth and development of different countries during the last hundred years. In fact, fossil energies, especially oil, are considered one of the signs of human civilization in the 20th century, without which many human developments would not have occurred (Ahmadi, 2015:404). On the other hand, the importance of energy is such that it has formed a pattern of converging and diverging relations in the field of

international relations to the extent that some parts of the country's interactions are defined by the passage of energy flows. At the same time, one of the most fundamental problems of countries in the field of energy is the inability of major oil producing countries to produce more due to the reduction of oil resources and the end of the useful life of major oil wells (Torabi and Payam, 2016:3).

This situation has caused some leaders of energy producers to develop appropriate policies for the optimal use of these God-given resources and provide appropriate measures and solutions to expand oil and gas exploration and fully understand the country's resources.

4.2. Expansion of fundamental research and development of energy

A look at the history of successful economic countries such as America, Germany, England, and Japan shows the importance that all large successful countries, without exception, have periods of economic nationalism and emphasis on national production and support for work and national capital. Nationalism and economic endogeneity have always been among the subordinate elements of the policy-making goals of these countries with a package of smart externalization policies (Hosseinzadeh, 2022:20). The supreme leader of the revolution mentioned in one of his speeches that the secret of the progress of the last 150 years of the USA is the implementation of resistance economic policies.

The USA experience in the last 150 years has shown that this country has been able to reduce the vulnerability of its domestic economy and achieve economic growth by promoting domestic production and industries; paying attention to innovation, technology, and knowledge; and reducing dependence on oil. Regardless of the value orientations and the unfortunate consequences of the implementation of capitalism in this country, such as the increase in injustice and the class gap and the increase in the statistics of poverty, crime, and moral damage, it can be stated that there are three experiences of this country reflected in the general policies of the system, the resistance economy, and the words of the revolutionary leader. It has been emphasized many times that the national production is referred to as the backbone of the economy, and serious emphasis has been placed on avoiding dependence on oil and knowledge-based economy; they can cause the internal economy of the country as experienced principles (ibid.) Regarding the condemnation of the economy's dependence on oil, Imam Khamenei says "Those young people who do not know what the previous regime did to this country should know that this is one of the dozens of treasonous things they did!". They made the economy of this country dependent on oil, which cannot be easily changed (Statements on the 21st anniversary of Imam Khomeini, 14/03/2019).

"The economy of the Iranian nation must be separated from oil. We have recently communicated this issue to the serving government to plan for it. Our government is making maximum use of oil today, and it should do so. The government must be able to decide, and it should not need oil. We have huge wealth, many natural resources, and much domestic production. There are many opportunities to generate wealth inside the country. Once, due to the war, these things were not practical, but, thank God, they are practical today. It should be done, and they should do it." (Statements in the resistance economy meeting, 12/20/2013).

Another experience of successful countries is that the government has played a fundamental and serious role in guiding and shaping the market as well as creating an efficient private sector; it has been intelligently setting up commercial policies, exports, imports, and subsidies to create competitive and high-quality industries. Imam Khamenei considers the support of the governments of the world from their large companies as one of the success factors of those companies and says "One of the essential contributions of the government to the private sector is to help the development of exports and foreign markets; in this field, economic diplomacy should be done with the joint government, and private sector

should be strengthened.” In supporting domestic production, the Supreme Leader of the Revolution called government supervision a complement to supporting the private sector and said “This supervision, which is different from government intervention, cannot be ignored at all” (Imam Khamenei, in a meeting with economic activists and producers, 12/11/ 2023).

4.3. Preservation of energy reserves

Increasing the oil production capacity in accordance with the existing reserves and the country’s increasing economic, security, and political power is one of the important components of the general energy policies. Optimum use and maintenance of the strategic underground energy of oil and gas determine the successful prospects of the sustainable economy of the Islamic Republic of Iran in the upstream sector of oil and gas.

Among the important and serious challenges facing the oil industry and the upstream management of oil and gas is the issue of the “preservation” of oil and gas reserves. Gaining knowledge about hydrocarbon fields and the stages of production and development of oil and gas reservoirs includes complex and intertwining variables whose systematic control and intelligent planning will lead to their correct and maximum exploitation (Khojastehmehr, 2008:1).

Therefore, oil should not be used to import goods that it is possible to produce. Imam Khamenei says “We do not have to use oil for running the affairs of the country, for various tasks of the country, for import and services of the country, for education, and for the current budget of the country. We do not have to sell the oil that is our reserve and import wheat or powdered milk! This is wrong. Oil is and will remain the permanent reserve of this nation” (statements at the beginning of the year, Holy Shrine, 1/1/1997).

4.4. Trying to generate wealth from knowledge and moving toward a knowledge-based economy

Countries that have made knowledge the basis of their development have been more successful than those sold their assets and imported knowledge and knowledge products. In this regard, Imam Khamenei says:

When we can earn the country’s income through our knowledge and seal the oil wells is a good day for us. Today we are eating from our reserves, and most of the country’s budget comes from oil. Oil is our reserve. We are emptying our treasure out of necessity. There must come a day when this nation can generate wealth from its knowledge. Then, that wealth itself will help the advancement of knowledge.

4.5. Replacing export of products instead of exporting crude oil and natural gas

Replacing the export of oil, gas, and petrochemical products instead of exporting crude oil and natural gas is another component of the general energy policies.

This component emphasizes avoiding the sale of crude oil and gas and the export of their products. Islamic Iran has huge underground resources and has taken a place in the oil market. We own oil and must improve our situation in such a way that we can supply oil to the world at a fair price. We must make the real value of oil known to the world, and the petrochemical industry in the country can play an important role in reaching such a situation (Statements in the Khuzestan People’s Assembly, 12/20/1995).

In his orders, the Supreme Leader of the Revolution has repeatedly emphasized the necessity of preventing the sale of crude oil, and he has also spoken about the importance of the petrochemical industry and its important role in preventing the sale of crude oil. He has always emphasized this area

in the vision statements of the regime. For example, on March 20, 1999, when they communicated the general policies of the system in the sectors of economic security, energy, water resources, mining, natural resources, and transportation to the heads of the three forces, they also paid attention to the petrochemical industry, which is the most important part of it. The eighth paragraph is one of the general oil and gas policies, which emphasizes replacing the export of oil, gas, and petrochemical products instead of crude oil and natural gas. He also emphasizes the realization of the goals of the general energy policies and says “It is necessary to act in such a way that in any situation, any decision about the amount of oil production and sale is made by ourselves and based on our own interests; of course, we have progressed to a great extent in this direction. God willing, this goal will be fully realized in the future, and the Islamic Republic will become a model for other countries in this field as well” (12/25/2013).

In order to deal with the vulnerability of oil and gas export revenues, he emphasized the issues of increasing petrochemical exports as one of these seven issues in the form of announcing resistance economic macroeconomic policies (The Supreme Leader, 2012). On June 25, 2015, in a meeting with the government officials, he emphasized the petrochemical industry and even the downstream industries and said “High oil production is a positive thing in oil culture and oil sales and oil market. Increase production and increase oil exports! it is a good thing, and the country needs it. There is no doubt about this, but it is better for us to make oil have added value. The oil we extract from the well, send it out, and paid for it has no added value; oil is running out day by day. If we can convert the oil or gas into a commodity with added value for the country, that is good. Put the policy like this, but let’s activate the downstream parts; let there be employment, and let there be work!” (Statements, 3/25/2015).

On June 2, 2017, in the meeting with the government officials on the occasion of the holy month of Ramadan, he emphasized the necessity of using oil and gas in the petrochemical industry: “We are used to bringing oil, this national reserve, out of the underground and selling it without any added value. However, when oil is finishing like this, these are our basic problems” (2/3/2017). On May 17, 2019, in a speech on the occasion of Labor Day, he described the implementation of petrochemical projects that will lead to a multifold increase in product production as one of the sectors that should be given special attention in terms of production jump, and he directly and explicitly mentioned the development plans of the petrochemical industry for the first time: “In this production leap, some sectors are the leading sectors, and these should be given priority”. Their value will be increased three times, which is an important issue. Especially in the current situation of the country and the need for foreign exchange, this will naturally be a very valuable thing (Statements, 2/17/2019).

Further, in his Nowruz speech in 2020, he introduced the petrochemical industry to the nation of Iran as one of the few industries that really progressed and grew in 2019. This production movement in the country should continue and the obstacles to production should be removed from the way of production (Statements at the beginning of the year, 1/1/2020).

4.6. Optimizing consumption and reducing energy intensity

For more than a few decades, the necessity of saving energy in the country has been investigated and discussed; however, we have not yet reached a logical and clear solution. The increase in global energy prices on the one hand and the need to import some carriers on the other hand have caused the need to save energy and protect it more than ever. The increasing growth of energy consumption in the country has jeopardized energy security.

Therefore, the government must insist on the implementation of this policy to ensure internal energy security, considering the significant possibility of saving energy in the country. They believe that we

are hit economically from several sides, and we are also hit economically because of oil. According to him, oil is the wealth of the Iranian nation and the wealth of the government. Nevertheless, the income of the government that produces oil is less than the income of the governments whose oil companies buy our oil, and that government collects taxes from them (Statements in the holy shrine of Imam Reza, 1/1/1997). Condemning the unorthodox consumption culture, he says “Where does the wrong consumption culture imposed on many Islamic and non-Islamic countries of the third world come from? Oil-producing countries use the God-given wealth belonging to all people, while it should be spent on construction and population of their country; in return, they take things that have no other effect than degeneration and corruption in life. All of this is the export of Western, American, and European culture to the third world countries” (Statements at the Pledge of Allegiance ceremony of different classes of people, 1/4/1989).

He also believes that “There should be an arrangement in the country’s economic situation so that the drop in oil prices cannot affect our country so much” (Statements in the meeting of workers and teachers on the occasion of Labor Day and Teacher’s Week, 2/15/1998). “In this regard, something should be done so that we can have diversity in economic production and export and domestic use of the country and use all the capacities of the country” (Statement with the government delegation, 8/6/1994). They believe that we should use oil in the right and effective way. According to him, first of all, oil should be used to build lasting infrastructures and other basic capitals of the country. Secondly, with the power of oil, the Iranian nation can express its power in the international political arena.

4.7. Lack of dependence of economy on oil and government enterprise

The most important defects are the dependence of the economy on oil; the state ownership of parts of the economy that are not within the scope of the government’s duties; looking at the outside and not at the internal power and capacity; little use of the country’s manpower capacity; flawed and unbalanced budgeting; and lack of stability in executive policies of the economy, the non-observance of priorities, and the presence of unnecessary and even wasteful expenses in some parts of government institutions. The result of these are the problems in people’s lives, such as youth unemployment and income poverty in the weak class. The endogenization of the country’s economy, its creation and knowledge-based aspect, popularization of the economy and not taking over the government, and externalization using capacities already mentioned are the important parts of these solutions.

Undoubtedly, a young, knowledgeable, faithful group dominating economic knowledge within the government will be able to achieve these goals. The coming period should be the field of activity of such a group (Declaration of the second step of the revolution, 22/11/2017).

4.8. Geographical position of country to become a pole of exchange and transfer of oil and gas to domestic and global markets

Both Article 49 of the Sixth Five-Year Development Plan, which refers to forming a regional market and creating an energy pole, and Section 5 of the General Policies of the Seventh Five-Year Development Plan, which addresses activating geographical-political advantages and turning the Islamic Republic of Iran into a center of exchanges and commercial services, energy, communication, and transportation by streamlining regulations and creating and developing the necessary infrastructure, emphasize implementing this section of the general energy policies. Paragraph 10 of the general policies of the Seventh Development Plan also emphasizes the activation of geographical-political advantages of Iran and the transformation of the country into the energy exchange center of the region to consider the importance and necessity of Iran’s transformation into a hub of energy exchanges in the region.

4.8.1. Need to position Iran in new world economy and order, emphasizing Iran's role in regional energy equations

In the past, international politics equated oil with goods and security. In this equation, Iran would supply the energy (crude oil) needed by the world, and especially the Western block, and it would meet both its foreign exchange income and its need for imports in this way. Further, by playing a role in ensuring energy security in the world, it would stabilize its position in one of the previous blocks.

However, the events of the last few decades caused the shift of power from the West to the East, and the growth of energy consumption, including oil and gas, was directed toward the two emerging economies of the East: China and India. This caused a decrease in the West's dependence on the oil of other countries, especially the Middle East. Thus, it was necessary for our country to adopt another strategy in the field of energy to be immune from the political and economic effects of the reduction of oil exports (Zafariyan and Noorbakhsh, 2022:12).

The transition to the new world order and consequently the change in the world trade map and global value chains have accelerated the change in big deals and previous contracts. With these changes, the geopolitical and geo-economics interests of the world powers have also been changed, and the result will be the rearrangement of equal interests against the new order. While this current situation can be considered an opportunity for Iran's new position in this field, if neglected, it can also weaken the country's current position. Therefore, an immediate and appropriate response is necessary to emphasize Iran's role in regional and global energy equations. Looking at this issue and the importance of foreign policy, Imam Khamenei, in the meeting with the officials of the Ministry of Foreign Affairs and the ambassadors of the Islamic Republic of Iran, expressed six important principles: "Effective and directional presence in various political-economic phenomena, events, and currents of the world; the ability to convincingly explain the logic of the country's approaches in various issues; the elimination or reduction of threatening decisions and policies against Iran; the weakening of dangerous centers for the country; the strengthening of governments and groups allied with Iran; and the ability to recognize hidden layers in regional and global decisions and actions" (Imam Khamenei, 30 /2/2023).

4.8.2. Strengthening Iran's special geographical position

One of the other fundamental advantages of the country is that Iran is located at the junction of Asia and Europe, which is the only integrated land route between the Caspian Sea and the Persian Gulf. In addition to having energy resources, Iran has some oil and gas exporters on one side and some oil importers on the other side. Therefore, it makes it possible for Iran to play the role of an energy hub and has a privileged geographical position in the region (Zafariyan and Noorbakhsh, 2022:12). Regarding the situation of the country, Imam Khamenei says "In the geography of the region and the world, we are the point of connection between North and South and East and West, which is of great importance for the issue of transit" (Statements in a meeting with government officials, 2/4/2014). We are neighbors with 15 countries that lead to the open sea in the south and limited waters in the north (Statements in the holy shrine, 1/1/2013).

4.8.3. Increasing regional integration

Regionalism is one of the macro strategies that, with the expansion of political-economic relations through energy connection with regional countries, reduces sanctions problems and makes the regional economy more immune than the economy based on global oil trade. On the other hand, this strategy has led to the deepening of Iran's relations with the countries of the region that have cultural commonality with Iran and increases the capacity of action in the region. The strategy of regionalism has been mentioned many times in the statements of the supreme leader of the revolution: "In foreign policy, the

preference of the east over the west, the preference of neighbors over far, and the preference of nations and countries that have common features with us over others are one of our priorities today” (Statements of Leadership, 11/29/2016). Therefore, the 13th government has also announced its important approach in the shadow of energy advantages and neighborhood policy and has sought to expand regional cooperation.

4.8.4. Reducing effects of sanctions

Energy trade is created due to its political security aspects and relationships between producers, intermediate countries, and consumers, which will not easily separate through sanctions. This relationship is intensified especially in situations where the market is relatively monopolized such as the gas market. This feature of energy trade has gained double importance for a state like Iran which is under sanctions and can significantly protect the country from the impulses of sanctions (Zafriyan and Nourbakhsh, 2022:13).

5. Attention to renewable energies (non-fossil)

The limitation of fossil resources on the one hand and the emission of environmental pollutants on the other hand have led countries to maintain a stable balance and security between water, food, energy, and the environment and exploit renewable energy sources. Forecasts show that factors such as the expansion of urbanization, population growth, technological advancement, and economic development will intensify climate change, destroy resources, and increase the need for energy. Many countries, realizing this issue and with the intention of social and economic progress, have created methods to transition from fossil energies to renewable energies. Advanced countries and emerging economies are carrying out infrastructural reforms in the field of renewable energy to have significant opportunities to play a role in the global political economy during the energy transition. Fossil energy owners, along with other developed countries, have taken plans for the development of renewable energy in the age of energy transition. Despite having rich oil and gas resources, Saudi Arabia, the United Arab Emirates, and Qatar have decided in recent years to reduce their dependence on these resources and consider using renewable energy in their long-term plans.

In the meantime, Islamic Iran has original capacities in the field of renewable energy production; on the other hand, due to the impact of international sanctions, it has taken certain policies, making its motivation stronger to transition to the post-carbon era compared to other oil countries. In this regard, it has defined large-scale structural plans in the form of development plans and vision statement for the development of renewable energies.

However, restrictions such as international sanctions and technology and investment restrictions define an ambiguous perspective for Iran’s activism in the coming years (Ismaili Ardakani and Shokri, 2022:2).

From this point of view, the issue of alternative energies without the need for oil was seriously pursued by Imam Khamenei. Further, one of the most important reasons for the Supreme Leader’s stand on the issue of nuclear energy and his constant emphasis on the necessity of using this technology can be understood from this angle: “We want our non-renewable resources to last for generations to come. It should not be the case that this country will not have oil in 20, or maybe 25, years; then, we have to buy our oil from America or American agents. We want to have an alternative to oil, and that is nuclear energy. They say ‘No, do not have it; use your oil until it runs out’” (Statements in Friday prayer sermons, 5/28/2005).

In his speeches, the Supreme Leader has emphasized many times that the nuclear issue is one of the manifestations of the defense of the honor, self-confidence, and standing of the Iranian nation; its achievement is a bigger task than the nationalization of oil (Statements in the meeting with thousands of pilgrims and people nearby the holy shrine of Imam Reza 1/1/2007) and developing the country (Statements in a meeting with the Director General of the International Atomic Energy Agency 2/10/1386). Moreover, as a local achievement, it is a source of pride for the Iranian nation and the Islamic world (Statements in a meeting with the people of Qom, 18/ 2006/10).

It is not only the problem of our country today, but also the issue of the future and destiny of our country (Statements in a meeting with the people of East Azerbaijan, 11/28/2006); withdrawing from it is considered to mean breaking the country's independence (Statements in a meeting with the Minister of Foreign Affairs and heads of Iranian delegations, 12/23/2005).

In this regard, the following can be mentioned:

Proving Iran's authority: "One of the manifestations of defending one's honor is the issue of nuclear energy. For us, the issue of nuclear energy was that we wanted to have a technology and that various powerful, aggressive, coercive powers, and their worthless satellites wanted to impose their words on the Iranian nation (Statements in the meeting with the President and members of the government, 2/6/2008).

Proving determination of the Iranian nation: "The nuclear issue was able to give this nation self-respect. This is one of the dimensions of the importance of your work. Nuclear energy is a work for the nation, for the country, and for the future. We will be able to use the nuclear industry for purposes that benefit the national interests" (Statements in a meeting with nuclear scientists, 12/3/2013).

Proving Iran's progress program: "With the victory of the Islamic revolution in Iran and the emergence of a spirit of self-confidence among the youth, many advances have been made in the field of science and technology; the achievement of nuclear energy technology is also an example of this progress" (Statements in Meeting with the President of Djibouti and accompanying delegation, 14/6/2006).

Proving the standing of the Iranian nation against the enemies: "The problem is not only nuclear energy, but the consecutive effort of the enemy using excuses to prevent Iran's progress, authority, and prosperity; these facts turn the issue into a decisive issue that must be dealt with understanding the great interest of the country, and the future of Iran stands on it" (Statements of the Supreme Leader in the meeting with the Assembly of Experts with the Leader of the Revolution, 12/18/2008).

Proving self-confidence of Iranians: "One of the signs of this self-confidence is the Iranian nation stepping into the fields of high-level scientific discoveries, one of which is the issue of nuclear energy" (Statements of the Supreme Leader, 10/12/2016).

Proving Iran's native power: "I will tell you about nuclear issues; we told the Iranian nation many times, and we will tell it again; this achievement falling into the hands of the Iranian nation in the matter of nuclear technology; this is a huge and historic achievement, and the Iranian nation is not under the burden of anyone. This has become an indigenous knowledge" (Statements in the meeting with different classes of people on the anniversary of the birth of Imam Ali)

5.1. Diplomacy of energy and capacities to act as a pole of energy exchanges

Achieving national interests, which considers the most vital needs of a government, has taken on a global color in the new era; that is, it is impossible to formulate one's interests without taking into account the considerations of the global political economy system, especially considering the structural

change caused by the evolution in the global economic process. Countries without understanding how to change the nature and distribution of power, i.e. national interests, are not able to maintain and reproduce national power, which is one of the requirements of foreign policy. In this way, Strange (1994:103–104) draws our attention to the structural change, especially to the change in the production structure in the global economy.

Raw material interdependence foreign policy is not the transformation of power or forces beyond our control; rather, it is in drawing future policies. Especially despite the numerous environmental challenges and climate change, energy links and foreign policy have been provided as an opportunity for more communication and cooperation in the field of energy for the transition to new futures. Accordingly, one of the advantages of trade relations is that countries find common interests in the continuation of stable and peaceful relations in the future.

In fact, this kind of interdependence responds to a civilization need in the era of globalization (Seifzadeh, 2015:99). The asymmetric distribution of energy resources in the world arena and the process of unbalanced depletion of resources in energy geopolitics have placed some countries in the position of exporters and others as major importers. Therefore, the rule of economic logic in the foreign policy of the Islamic Republic of Iran has created new interests in the region and the world for the country, making new opportunities (Javadi Arjmand, 2006:70). Returning to the aforementioned basics and looking at energy diplomacy as a foundation for business development through the promotion of diplomatic relations, complex interdependence appears as a tool to find common solutions for global issues. In this regard, energy as the most important relative advantage for Iran and participation in providing energy security at the international level are the most focal point of Iran's connection to the world for the realization of the outward development program at the country's disposal (Javad, 2005:242).

For a country like Iran, whose energy sector is considered a power-creating component in foreign policy and its geographical position in turning the country into a center of hydrocarbon interactions doubles the need to adopt appropriate strategies with the aim of promoting energy diplomacy, this decades-long expectation is revealed that Iran's energy industry will become the main advantage of the country in achieving the country's economic development goals by combining the territorial capabilities and talents resulting from the presence of huge oil and gas resources and young and efficient workforce. Hence, in order to become the focal point of energy in the region, our country has important tools at its disposal, which can be perceived in two sectors: non-energy sector and energy sector. The non-energy sector includes possessing hardware and software infrastructures, a long list of material opportunities of the country, and the capacities of the private sector. The field of energy consists of crude oil, oil products, gas, and electricity.

5.1.1. Non-energy field

1. Possessing hardware and software infrastructures: the existence of basic infrastructures of important capacities in energy; in rail, road, and air transportation; in communications; in commercial centers; in power plants; in dams (In a meeting with the officials of the system, 2/4/2014) and the availability of software like the general policies of the system, vision statement, resistance economy policies, five-year development plans, and Islamic–Iranian progress document (Statements in Razavi Shrine, 1/1/2013).

2. The long list of the country's material opportunities: The country's material opportunities form a long list that efficient, motivated, and wise managers can increase the national income with a visible leap by activating and taking advantage of it and make the country rich; in the true sense of self-

confidence, they can solve the current problems. Iran, having one percent of the world's population, has 7% of the world's mineral reserves; huge underground resources, exceptional geographical position, a large national market, a large regional market with 15 neighbors with 600 million people, long sea coasts, land fertility with diverse agricultural and horticultural products, and large and diverse economy are parts of the country's capacities; many capacities have remained intact. It is said that Iran is ranked first in the world in terms of unused natural and human capacities. Undoubtedly, you faithful and hard-working youth will be able to fix this great defect.

The second decade of the vision should be the time to focus on the exploitation of the past achievements as well as the unused capacities, and the progress of the country should be improved in the production sector and the national economy (Statement of the second step of the revolution, 22/11/2017). In addition to these, there is much management experience, which has helped us grow non-oil exports in recent years (Statements in a meeting with system officials, 2/4/2014).

3. The private sector is the hope of the country's economy: the leader of the revolution called the injustice in energy (water, fuel, electricity, and other areas) an obstacle to great works and added that the elite human resources of the private sector could really unravel the knots in these fields, which requires proper planning for using the intellectual and practical capacity of this sector (Statements in a meeting with economic activists and producers, 10/11/2023). Activities in various upstream fields such as oil and gas represent a very broad field of private sector participation, and he said "The powerful hands and innovative fingers of the activists of these sectors will lead to increased employment and reduced poverty" (ibid.).

5.1.2. Energy field

In order to determine how to use these resources to transform the country into a focal point of energy and considering that energy diplomacy is a combination of political and economic categories, we should take the political and economic benefits resulting from the trade of each of these energy carriers into consideration and must avoid begging diplomacy.

In the field of diplomacy, Imam Khamenei points out important points: "In foreign policy, when we say 'dignity', it means the negation of 'begging diplomacy'". Our tone may not be pleading, but the essence of the matter is begging. Honor means the negation of this kind of diplomacy and the negation of winking at the hand and language of this and that; honor means relying on our own principles.

"Wisdom" means to act wisely in all bilateral and multilateral interactions. We should act calculatedly and avoid making impulsive and uncalculated comments. Wisdom means that everything we do has intellectual and rational support; it should be thought out and calculated. "Interest" means knowing flexibility. There must be some flexibility, and flexibility does not conflict with principles. Preserving the principles is combined with the possibility of flexibility. "Flexibility does not mean that we avoid continuing the path and retreated; we do not go to the rock war, and we find flexibility and are able to find another way" (Imam Khamenei, meeting with officials of the Ministry of Foreign Affairs and ambassadors, 2/30/ 2023).

Focusing on some fundamental indicators and trying to apply them in a timely manner is beneficial considering the important emphasis of the "Second Step Statement" and strengthening the field of energy diplomacy. In this regard, the following can be mentioned:

1. Setting an Organization of Sanctioned Countries: New capacities are created in this regard based on the sanctions applied against some countries such as Venezuela, Iran, Russia, and China; these countries can facilitate multilateral economic relations between each other by creating unions.

2. Diversifying customers and adding new customers to the portfolio of old customers: for instance, the government of Indonesia has become a large economy in the leading years, and its oil and gas consumption has greatly increased; in this way, the effectiveness of sanctions can be managed (Holy shrine, 2022:242).

3. Diplomacy of resistance: In the statement of the second step of the Islamic revolution in the field of international relations, national honor, foreign relations, and demarcation with the enemy are emphasized; all these components are the foundations of honor, wisdom, and expediency in international relations. Our diplomatic system has followed its path with ups and downs since the beginning of the revolution, but resistance diplomacy is a new capital that can be used.

4. Concluding favorable contracts: A contract can be considered favorable from the point of view of energy diplomacy, which has minimal risk both in terms of executive guarantee and security of oil sales. Development contracts according to which the foreign party is required to withdraw a part of the oil in the upstream sector in return for its investment and repayment should be used; in this way, the market share of crude oil and its security are preserved in the medium term, and there is no possibility of sanctions due to the previous and long-term investment (Ibid).

5. Capacity of port docks: Iran's port docks have good capabilities that have not yet been fully utilized. Iran is ready to allocate docks to Central Asian countries to use them for free at a specific time and then conclude defined international contracts.

6. Challenges and opportunities

The general policies of the country's oil and gas industry were announced in 1999. These policies have been compiled in eight clauses, and they are one of the most advanced and coherent policies in Iran's oil and gas industry. However, one of the main current problems of the country is the expansion of energy imbalance, which is due to the higher energy demand and consumption than its supply and production.

Although the solution to solving the energy imbalance goes through both ways of increasing production capacity and managing and optimizing energy consumption, the management and optimization of consumption through lower investment cost and sustainability of reducing energy consumption should be prioritized. Examining the chain of production to energy consumption in the country shows that there is significant energy loss in each sector. Currently, the way to exit from the current situation is "increasing production capacity" and "the management and optimization of energy consumption". If each of these cases is not followed, the country's sustainable energy supply will face problems; an increase in energy imbalance will cause serious economic, social, political, and environmental damage to the country and all consumption sectors. The strategy of energy management and optimization compared to the increase of production capacity has advantages such as lower investment cost, prevention of energy waste with a high economic value, conservation of inter-generational resources, and the sustainable reduction of energy consumption. For this purpose, some measures should be done to resolve the energy imbalance. In the upstream documents of the country, including the general policies of the system in the energy sector, the general policies of reforming the consumption pattern, and the general policies of the resistance economy, energy optimization is also emphasized, and the legislator has addressed it in various laws.

Of course, the replacement of maximum natural gas with petroleum products, in most sectors, especially the domestic sector, has led to a net increase in the intensity of energy consumption to more than 70%. The dependence of the country's energy system on a more dominant fuel has also made energy security vulnerable, and access to cheap gas has become an obstacle for the development of renewable energy resources in the future.

Although the expansion of the natural gas network to the villages of the country has reduced the consumption of kerosene, liquid gas, and petroleum gas in the domestic and commercial sectors, it has affected the potential of developing renewable energy resources and utilizing scattered production in these areas; they do not have the power to compete with cheap gas. Further, the net intensity of energy consumption with gasification increases to a large level, which is due to the ease of access and low price of energy. The expansion of basic and developmental research is given in the continuation of this document, the purpose of which is to absorb and export technical and engineering knowledge and services and to upgrade technology in the fields of oil, gas, and petrochemicals. Although the level of academic knowledge in the country has been improved in this field in recent years, not much success has been achieved in the field of attraction, development, and export of applied technologies.

Exploiting the regional and geographical position of the country for buying and selling, processing, refining, exchanging, and transferring of oil and gas to the domestic and international markets is another clause of this document, in which the oil swap has been implemented. Good successes had been achieved in previous years, and the country was becoming a gateway for energy trade in the region; however, factors such as international sanctions and the order to stop swaps in previous governments have made this policy somewhat inactive.

Of course, there are efforts to revive the swap in the current government, which can revive this policy and orientation again in the direction of national interest. Optimizing consumption and reducing energy intensity are another clause of this policy, which was later completed by two general policy documents on reforming the consumption pattern and the law on reforming the energy consumption pattern.

However, excessive energy consumption has become a problem for energy policymakers. Replacing the export of petroleum products, gas, and petrochemicals instead of exporting crude oil and natural gas is another factor that has achieved favorable progress in the field of petrochemicals; however, there has not been much development in the field of exporting petroleum products and increasing production capacity. On the other hand, it can be stated that this policy leads to national benefit when natural gas and crude oil are sold at real prices to refineries and petrochemicals; a real advantage is also created, and any artificial advantage and price rent are avoided.

Moreover, the existence of a traditional approach in energy diplomacy, the lack of a flexible structure with the development of the energy market in recent years, the existence of competing corridors, The USA geopolitical activism in the energy sector, and Russia's monopoly in the energy sector are serious challenges in energy trade. In this regard, the lack of using young professionals, the lack of connection between contracts in this field and diplomacy, the lack of market diversity, using the potential of neighboring countries, and utilizing the capacity of OPEC diplomacy are among the most important challenges. On the other hand, Iran's geopolitical position in the region, multiple climates for clean energy production, significant potential in oil and gas production, increasing the added value of exports by improving the quality and productivity of refining, reviewing the governance of energy resources and consumption, serious changes in the field of diplomacy of energy, favorable contracts relying on the developments of the country's oil market, diversification and using the potential of neighboring countries, exploiting the transmission pipeline, using the new approach of diplomacy, and activating the capacity of oil embargoed countries in the form of embargo club are some of the most important opportunities in new energy diplomacy.

7. Discussion and conclusions

Iran has large reserves of energy resources, especially oil and gas, and is considered one of the richest countries in this field; attention to the vital role of this actor in the field of economy and politics, awareness of the developments of important variables, and its effectiveness seem necessary to help

advance the strategic goals of societies. This issue led to the formation of general energy policies in Imam Khamenei's intellectual system and became the main focus of the country's economic and social development programs and other economic policies.

Therefore, the field of energy is undoubtedly one of the most important fields in which the Islamic Republic of Iran can benefit from this capacity at the regional level to achieve its goals. Therefore, Iran's geopolitical geostrategic position and rich reserves of oil and gas have provided a valuable opportunity for Iran to use this huge capacity to connect its energy sources from the south, north, and northeast through pipelines. The multifaceted interaction between the decision-makers of the influential institutions, the identification of components, and the processing and drawing of strategies in the form of general energy policies can not only facilitate the achievement of the goals of the programs but also guarantee the credibility and security of the country. Therefore, the accurate and timely diagnosis of deficiencies and obstacles with the aim of eliminating damage and solving problems, along with detailed planning and continuous follow-up of the road map is inevitable in order to achieve the desired level in the energy sector. Therefore, the improvement of the country's energy situation is dependent on economic variables in different dimensions, which requires a heavy surgery.

In the last decade, general energy policies have been at the forefront of the country's economic and social development activities. Paragraph one of this document states that the first policy of the Ministry of Petroleum is to adopt appropriate measures and solutions to expand oil and gas exploration and to fully understand the country's resources. Of course, it is clear that the expansion of exploration in border areas will be preferable to the expansion of exploration in the territorial area because in the border areas, the neighbors have been exploring and exploiting oil resources using international facilities and may have allocated a part of our share to themselves. The second paragraph emphasizes the increase in protected oil production capacity in proportion to the existing reserves and country's increased economic, security, and political power. Maintenance production from the country's existing oil and gas fields to reach maximum production in the natural discharge stage is part of the upstream oil industry's priority policy, which will also be reflected in the development of scenarios. In the third paragraph, the issue of increasing gas production in proportion to the volume of the country's reserves has been discussed to provide domestic consumption and maximum substitution with petroleum products.

Although the first part of this policy is completely logical and has been the headline of the country's oil and gas industry, the increase in production capacity in the joint gas fields is especially one of the priorities of the Ministry of Oil and the National Oil Company. Transforming Iran into an energy hub also has serious requirements that should be considered for its advancement.

The development of export and import terminals and the construction of pipelines for the transfer of oil and oil products to neighboring countries are among the implementation requirements of the strategy of turning Iran into an energy hub in the region, which was discussed in this article. Finally, it should be mentioned again that, due to global developments and the consequent change in the energy equation in the region, the time frame of the next few years is very important for Iran's new positioning in the field of energy, and paying attention to this issue in the 7th development plan, along with diplomacy, must be based on dignity, wisdom, and expediency.

Nomenclature

OPEC	Organization of Petroleum Exporting Countries
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