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# The Strategic Partnership of Russia and Iran

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Russian-Iranian relations have come under increased international attention since Moscow's announcement in the fall of 2000 to resume arms sale to Iran and expand technological cooperation with the Islamic Republic. This decision ended the 1995 Gore-Chernomyrdin pact, which committed Moscow not to sell military equipment to Iran. The Moscow-Tehran alliance gained a new momentum following the official visit by Iranian President Hojatoleslam Sayed Mohammad Khatami to Russia in March 2001, an event Khatami hoped would mark "a new spring" in the two countries' cooperation. Most recently, Russia signed an agreement on 2 October 2001 to sell Iran up to \$300 million a year in conventional arms.[1]

Iran's need to rebuild its conventional forces following the end of its war with Iraq (1989) drove the Islamic Republic to closer military ties with Russia. The relationship developed into a wider strategic partnership during the closing decade of the last century as international competition for influence in the region intensified. Inspired by similar geostrategic perspectives, Tehran and Moscow worked together on a number of issues despite their conflict of interests in some other areas.

The new arms deal is widely seen as a means to consolidate the evolving partnership between Russia and Iran at a time of strategic congruence of the two countries' national interests. Prompted mostly by transnational factors, the alliance places strong emphasis on political and security issues. This involves a concerted response to common challenges ranging from US penetration of the region to proliferation of religious extremism and instability from the Taliban-ruled Afghanistan. The partnership is based on a near-term strategic need that surpasses latent bilateral differences, many of them long-standing. Therefore it is subject to change with new strategic shifts in the region as well as changes in the two nations' interactions with third parties. Iran's possible reconciliation with the United States could bring a dramatic shift in the nature of the Tehran-Moscow relationship, as could a mutually beneficial deal between Moscow and Washington.

This article looks at different aspects of the Russo-Iranian strategic partnership and its impact on the two countries' short-term and long-term political and economic interests. It also examines the intensity of the factors that drive the two nations into a strategic alliance and those that could put them on opposite sides of future issues.

## Background

Historical ties between Iran and Russia have often been contentious. For many centuries their competing drives for influence on a volatile frontier and the southward projection of Russian-based dynasties have troubled relations between the two countries. Iran lost significant swaths of territory to imperial Russia in the 19th century and suffered from Russian competition with other foreign powers to carve spheres of influence in Iran in the first half of the last century. During the Cold War, Russian-Iranian relations were influenced by the worldwide alignment of forces in a bipolar geopolitical setting. Iran, allied with the West, faced its Soviet neighbor across the East-West ideological standoff.

Iran's Islamic Revolution of 1979 sharpened the ideological split in a new way. The United States and the Soviet Union were both vilified in Iran's "neither East nor West" revolutionary worldview. However, Tehran's confrontational foreign policy transformed into a more pragmatic approach as the realities of international relations and domestic challenges blunted the country's militant mood. Iran finally decided to improve relations with the "lesser Satan" by

signing a wide-ranging economic protocol with Moscow in 1986, hoping that the move would discourage the Kremlin from aiding Iraq, which was then locked in a devastating war with the Islamic Republic. Moscow expected better relations with Tehran would encourage the clerical regime to turn a blind eye on the Soviet military intervention in Afghanistan. This agreement was followed by the 1989 visit to Moscow by Iran's speaker of the parliament, Ali Akbar Hashemi Rafsanjani, which resulted in a major arms deal that cemented bilateral ties and mutual confidence.

The post-Cold War geopolitical shifts provided political ground and strategic motives for a much wider Iranian-Russian relationship. The emerging views in both Tehran and Moscow were influenced by the clashes between global integration and nationalism, shifting the focus from global to regional geopolitical visions. The move is often portrayed by both as the quest for a multipolar international order to challenge the perceived hegemonic influence of an evolving monopolarity--i.e., US supremacy.[2]

## **Changing Geopolitics**

Russia has viewed the post-Cold War transformation of NATO with suspicion. Originally a security alliance against the communist bloc, NATO not only survived the dissolution of the rival Warsaw Pact but also expanded its political and military role and enlarged its membership. NATO's eastward expansion, along with its revised mission, commits it to undertake military action in unstable "peripheral areas" that could extend the alliance's area of operation to Russian territory. Key Russian analysts and politicians view this as a new geostrategic competition between an insular and a continental power in a bipolar geopolitical setting. One Russian analyst terms NATO's "eastward and south-eastward expansion" into Eurasia's "heartland" a new tool of US expansion.[3] Similar concerns have been voiced by the so-called "Eurasianists," nationalists and communist factions in the Russian parliament--the parties that dominate the Duma and support President Vladimir Putin's independent foreign policy.

Russia's superpower nostalgia and its truncated geopolitical space have given rise to an introverted geostrategic perception that links Russia's viability as a unified and a major power to its influence within the Commonwealth of Independent States (CIS), an area encompassing Halford Mackinder's Eurasian "heartland." [4] Students of classic geopolitical theories might find this an interesting theoretical turnaround from the last century's "containment" notion based on Nicholas Spykman's "rimland" [5] theory. The strategic concept called for containment of the centrifugal push to the peripheries by the continental power (USSR) centered in the Eurasian "heartland."

Theories envisioning the Eurasian heartland as "the geographic launching pad for a global anti-Western movement" aimed at an ultimate expulsion of "Atlantic influence from Eurasia" have recently captured the imagination of many Russian intellectuals.[6] A recent joint collegium of Russian and Belarus military leaders posited a Eurasian joint response to threats to the region from the periphery, including those emanating from NATO's eastward expansion in Europe, interstate and ethnic conflicts in the Caucasus, and the threats of religious extremism, the drug trade, and terrorism in Central Asia.[7] The same threat areas were identified in October 2000 by members of the Moscow-led CIS collective security pact as regions for joint action under Russian leadership.[8] Fostering the integration process in the CIS has been listed as one of Russia's first priorities in its national strategy.[9] This explains Russia's aggressive foreign policy aimed at reestablishing its influence in Central Asia and the Caucasus and its attempts to play a greater role in the Middle East. Moscow currently sees Iran as a valuable ally in responding to regional security challenges and a partner in wider political and strategic ventures. Both countries have opposed NATO's eastward expansion and denounced its military intervention in the world's hot-spots without a clear UN mandate. Russia's new military doctrine looks at NATO's assertiveness as a source of international instability.[10]

On the other hand, Iran's geopolitical outlook is affected by its central location amidst areas of intense competition by regional and outside powers for political and economic influence. Iran's area of immediate concern, stretching from Central Asia and Afghanistan to the Arab-Israeli confrontation, is riddled with instability. Iran finds itself exposed to security threats from Iraq and Afghanistan and the possible spillover of instability from the Caucasus. The specter of Azerbaijani irredentism and an Israeli preemptive attack, coupled with the presence of the US Navy in the Persian Gulf, hinders Iran's political ambitions. Consequently, Tehran favors a pragmatic approach in its foreign policy. However, given the diversity of the challenges it faces, Iran is remarkably selective in applying ideological, economic, strategic, or nationalistic trends in its dealings with different countries and different issues. Tehran finds it politically convenient to join Russia in containing the Islamic fundamentalist movement of the Taliban and maintaining closer

ties with non-Muslim Armenia that is at odds with Iran's fellow Muslim-Shia neighbor, Azerbaijan. On the other hand, Iran's anti-Israeli stance and support of radical Islamist groups remains ideological, Islamic, and revolutionary. Its stance is aimed at legitimizing the Islamic Republic's claim on leadership in the region where US policy is increasingly unpopular.

Iran is at the center of a region that holds enormous energy resources and controls export routes to outside markets. Controlling the region between the Persian Gulf and the Caspian Sea, Iran has the potential to become a major political force, a power broker, and an economic power in the area. But Iran's geographic appeal is marred by geopolitical impediments. Its political-economic potential is currently mired in the complexities of its domestic politics and its international isolation due to its poor relations with the West.

Iran views its partnership with Russia as a way to outgrow the US-imposed isolation and diversify its political and economic options in the region and beyond. For its part, Moscow does not share Washington's concerns that Iran is opposed to peace in the Middle East and supports terrorism. Nor does Russia subscribe to US-Israeli fears of Iran's active development of weapons of mass destruction.

### **Shared Concerns and Conflicts of Interests**

The current relationship between Iran and Russia is influenced by three sets of factors: shared security concerns, bilateral business incentives and political dividends, and potential conflict of interests. The first set of factors is strategic in nature and prone to change with shifts in strategic realities. The second set facilitates a cooperative relationship. A marked increase in bilateral business ties will contribute to a more stable and durable partnership. But the third set of factors is expected to trouble the Iranian-Russian partnership.

Russia and Iran have joined efforts to limit the influence of the United States and its allies (Turkey and Israel) in Central Asia and the Caucasus and to contain the religious extremism of the Taliban in Afghanistan. Iran's partnership with Russia and Armenia is seen by both Iran and Russia as a strategic response to US efforts to develop influence in the area through its ties with Turkey, Georgia, Azerbaijan, and Uzbekistan. This polarized alignment of forces is also part of pipeline politics, which pits the north-south axis against the east-west corridor. The Russian-Iranian association also serves as bilateral security insurance, warding off Iran's support of Islamist agitation in Russia (including Chechnya and Dagestan) and discouraging Moscow's dealings with Washington at Tehran's expense.

The two countries also look at political and economic dividends of the partnership. The sale of arms and nuclear reactors to Iran helps Russia's cash-strapped military-industrial complex, while Iran gets needed modern technology that no other sources can supply. Moreover, Russia's partnership with Iran facilitates Moscow's ambition to play a greater role in the Middle East, while Tehran's friendship with Moscow eases the way for a steady expansion of Iran's commercial, political, and cultural ties with Central Asia.

Iran joined the great international rush for political and economic gains in the newly independent states of Central Asia following the breakup of the Soviet Union. After an initial euphoria, however, Tehran found the region infested with potential security problems and far less attractive for large-scale economic and cultural partnership. So, unable to fill the vacuum itself, Iran promoted Russia's presence as a balance in a potentially chaotic environment and cooperated with Moscow. The partnership paved the way for ending a five-year civil war in Tajikistan in 1997 through a settlement between the Moscow-backed government and the Iranian-influenced, Islamic-led, United Tajik Opposition (UTO). Iran has recently made major strides in expanding relations with the Moscow-backed government in Tajikistan, including defensive cooperation and the transfer of Iranian military equipment to Tajikistan.[11]

But Iran and Russia do not see eye-to-eye on issues related to the legal status of the Caspian Sea, division of its energy resources, and available pipeline routes, and that could inhibit their long-term relations. The dimensional disparity of the two partners' sphere of geopolitical engagement is also a potential source of a conflict of interests. Russia is a major power with wider international commitments, while Iran is a regional power. The former looks at regional issues through the lens of its trans-regional and global objectives, and the latter filters its worldwide perspective through its regional interests. The contrast sets the limits and degree of cooperation.

This has been recently reflected in the differing reactions by Moscow and Tehran to the US call for creation of an

international coalition against terrorism following the devastating terrorist attacks in New York and Washington on 11 September 2001. Russia and Iran look at the situation from different perspectives. Faced by insurgency in Chechnya and the Taliban-inspired security threats in Central Asia, Moscow cooperates with the US-led anti-terrorism offensive against Osama bin Ladin and his Taliban hosts in Afghanistan. On the other hand, Iran views the US involvement in the region with suspicion and has condemned the US-led military action in Afghanistan despite its opposition to the Taliban rule.

In the long run, geo-economic realities are expected to have a significant influence on bilateral and multilateral relations in the region. These define the qualitative and quantitative limits of the Russian-Iranian arms trade, technological cooperation, and economic ties.

### **Military and Technological Cooperation**

Russia has been Iran's main source of arms since 1989, when the Islamic Republic launched a major effort to rebuild its military forces crippled by the eight-year (1980-88) war with Iraq and an international arms embargo. Iran's quest for enhanced military capability has been inspired both by real threats and by Tehran's political ambitions to emerge as a major power in the region. This quest required the development of effective armed forces to counter any aggression and the capacity to deter potential threats from Iraq, the United States, Israel, and Afghanistan. Iran's ambitions to emerge as a leader of the Islamic world and a major regional power motivated its efforts to invigorate its naval presence in the Persian Gulf and acquire weapons of mass destruction. To meet these requirements Iran had to import advanced weapons and military technology and build up its domestic military-industrial base to reduce its reliance on foreign arms suppliers. Moscow helped Iran modernize its conventional forces and allegedly provided Iran with the know-how and technology for its ballistic missile, chemical, and biological warfare programs as well as civilian nuclear technology.[12]

Russia also helped the Islamic Republic enhance its domestic arms production through building up its military-industrial base. The struggle for self-reliance (*Jahad-e Khodkefayee*) has been a hallmark of Iran's revolutionary strategy. Iran's Defense Minister, Ali Shamkhani, referred to it as a manifestation of the "Imam's self-reliant spirit." [13] The move is apparently in response to Iran's isolation and an effort to gain major-power status. One of the main missions of the Iranian Ministry of Defense and Procurement has been the promotion of self-reliance. On the basis of a 1991 contract, Russia helped Iran build a capability for the production of 1,000 T-72S tanks and 1,500 BMP-2 infantry fighting vehicles. A similar license for assembling MiG-29 fighters fell through because of pressure from Washington.

In spite of the announcements of the resumption of the Russian-Iranian arms trade, no details have been reported about the types of weapons to be supplied. Iran's wish list gives higher priority to equipment that will boost its anti-aircraft and anti-missile defense systems, increase the operational and strategic capability of its air force, and upgrade its naval forces for effective maneuver in the Persian Gulf.

Fearing air raids and missile attacks by the United States and Israel on its key installations, including ballistic missile bases, nuclear energy plants, and installations associated with chemical and biological weapons, Iran considers its air defense of vital importance. Tehran is also concerned with missile attacks from neighboring Iraq and Afghanistan. Therefore, Iran is very interested in getting Russian S-300 MPU [14] and Tor-1 [15] air defense and anti-missile systems and a wide range of other mobile surface-to-air missiles (SAMs). Other items on Iran's wish list include 25 Mi-17 medium-lift helicopters, 1,000 Igla-1E shoulder-launched air defense missiles, several battalions of SA-10 and SA-12 surface-to-air missiles, and air-surveillance radar. [16] Iran is reportedly interested in acquiring the license to make Mig-29s and *Kilo* submarines (where domestic capability is lacking), modern naval mines, torpedoes, and the latest versions of T-90 and T-72 tanks (where there is a current domestic capability). During President Khatami's visit to Russia earlier this year, the Iranian delegation was shown a demonstration of the Tor-1 SAMs. Iran is also interested in the Russian Su-27 interceptor fighter for upgrading its air defense cover and wants more MiG-29 fighter and Su-25 ground-attack aircraft to enhance the striking power of its tactical and operational air force.

Modernization of the navy is another top priority in Iran's defense policy. Its Persian Gulf fleet could play an effective part in implementing Tehran's goal to control the Strait of Hormuz. The Iranian navy has been showing a higher

profile since the Gulf War, in part as a response to the stationing of US forces in the region. Iran conducts about 40 naval exercises and maneuvers annually in the Persian Gulf. However, the Iranian navy is probably the least developed element of the country's regular armed forces. The vessels are 30 to 50 years old, and some are not operational. According to *Jane's Intelligence Review*, only ten Chinese-made *Thodor*-class craft are operationally reliable. The navy suffers from the lack of adequate air cover and air reconnaissance capability.[17] Although Iran is the only submarine-owning country of the Persian Gulf, the mission of its three Russian-made *Kilo*-class submarines is limited to laying mines in undefended waters. During President Khatami's March 2001 visit to Moscow, Russian officials said Moscow might sell more diesel-powered submarines[18] to Iran despite objections by the United States.[19]

While Washington might not mind Iran's upgrading its conventional military equipment for ground forces, it would strongly object to any enhancement of Iran's missile force and naval capabilities that could help Tehran project power well beyond its borders. Russia has said that it will provide only "defensive" weapons that would not violate international agreements and would abide by treaties banning the proliferation of nuclear and missile technologies. But even some of the "defensive" weapons can cause concerns among Iran's neighbors in the Gulf since defense in certain operational contexts might encourage a "protected" power to engage in offensive action. For example, the deployment of the S-300 surface-to-air missile system around the Strait of Hormuz will enhance Iran's interdiction capabilities.

It is notable that Moscow's concern about the US intention to build a national missile shield, which is also a defensive system, is based on fears that the shield might encourage US missile attacks. The anti-missile defense shield is considered a departure from the Anti-Ballistic Missile (ABM) Treaty of 1972. The pact discourages missile attacks by reducing protection against retaliatory attacks.[20]

The actual transfer of arms will depend on the extent Russia heeds US concerns and those of its allies in the region, plus Iran's buying power. Washington has warned Moscow not to risk its long-term interest by investing in a short-term alliance with Iran. Washington has warned that sales of advanced weapons to Iran would be a bad step for Russia and would end up costing Moscow more than it would earn in supplying Tehran with such arms.[21] Sources in Iran suggest that the arms deal will be far smaller than Iran's wish list. They say it is not likely that Russia will agree to give Iran those systems which could threaten US allies and US interests in the Persian Gulf and which would anger Washington.[22] Instead, Russia will sell the shorter-range Tor-1 SAMs. A member of the Iranian delegation reportedly acknowledged that Russian willingness to supply fell short of Iranian demands, which focus on the technology for advanced missiles and the transfer of modern systems rather than the outdated equipment reportedly envisaged by Moscow.[23]

Another controversial area of Russian-Iranian cooperation is Moscow's assistance in building Iran's civilian nuclear power plant in Bushehr. Spurred by the nuclear ambition of the revolutionary regime, Tehran revived the suspended nuclear program initiated by the Shah in the 1970s with German assistance. However Iran's continuous efforts to acquire material and equipment for its nuclear program met obstacles, and Iran failed to construct its civilian nuclear power system. The program received a boost in 1995 when Russia signed an \$800 million contract to install a 1,000-megawatt reactor in Bushehr. But US pressure caused repeated delays in the project. Russia recently pledged to help Iran complete the long-stalled nuclear power plant by the end of 2003.[24] Some 780 Russian specialists are currently at work on the project.[25]

The United States argues that energy-rich Iran has little need for nuclear generation capacity and that the reactor could be used for Iran's clandestine nuclear weapons program. But Moscow claims that the project is of a non-military nature and controlled by the International Atomic Energy Agency (IAEA). The Russian Atomic Energy Ministry says the deal is part of Russian-Iranian long-term commercial business.[26] Russia predicts that it will sell at least three nuclear power plants for the Bushehr site and two coal-fired power plants for installation elsewhere.[27] Installation of more reactors would make it increasingly difficult for the United States and international supervision to determine whether the facilities are used for weapon development. Washington could impose sanctions on Russian firms or even on the Russian government for nuclear cooperation with Iran. In 1999 it took punitive actions against seven Russian companies and three institutes for allegedly helping Iran develop nuclear technology. Russian President Putin recently admitted that not all state structures and institutes were doing their best to maintain strict export controls.[28]

Although Iran is a signatory of the Nonproliferation Treaty, it continues to seek military nuclear capability because of

its fierce competition with Iraq and its anti-Israeli hostility. The Russian government or its subsidiaries will always be potential sources of nuclear material and technology for Iran as long as the money is there and Moscow does not see the deal as too risky politically. Russian firms and individuals have reportedly assisted Iran in its chemical and biological warfare program. This program was launched in the mid-1980s in response to the Iraqi use of chemical weapons during the war with Iran. Similar Russian help has been extended to Tehran's missile development and production ventures.

Iran maintains a variety of imported and indigenous ballistic missiles. Its missile program was also spurred by the war with Iraq. The missile warfare between the two neighbors culminated in the so-called "war of the cities" in 1988.[29] As a key element of deterrence, Iran expanded its missile program after the war with assistance from North Korea, China, and Russia. Iran now produces a variety of short- to intermediate-range missiles. Tehran uses its ballistic missiles to enhance its political status as well as a deterrent and force multiplier. Iran's April 2001 massive missile attack on bases of the Baghdad-backed Iranian armed opposition (*Mojahedin-e Khalq*) in Iraq surprised its Gulf neighbors. The number of missiles launched were nearly half the number used by Tehran during the entire course of the Iran-Iraq War. Iran reportedly used 17 launchers to fire up to 66 short- and medium-range missiles in a short time--an indication of its edge in missile production over its Iraqi rival.[30]

On 31 May 2001, Iran test-fired its first locally built, solid-fueled, surface-to-surface missile (Fateh 110), in a weapons program that has raised concern from the United States and Israel.[31] This follows last year's test of the Shahab-3 missile with a range of 1,300 kilometers. Although Iranian Defense Minister Shamkhani has stressed that Iran does not seek to upgrade its missile capabilities beyond the existing Shahab-3 and will not pursue a longer-range missile,[32] there are reports that Tehran is working on a Shahab-4 missile, based on the Russian SS-4 with a range of 2,000 kilometers, which it claims is a satellite-launch vehicle. It is also believed that Iran may also develop the Shahab-5, an ICBM with an estimated range of 5,000 to 10,000 kilometers. Iran's missiles can reach major population centers in Israel, Turkey, Iraq, and Saudi Arabia, as well as the smaller Arab Gulf states.[33]

Russia is party to a 33-state Missile Technology Control Regime (MTCR), an informal export control arrangement aimed at stemming the spread of ballistic and cruise missiles capable of delivering a 500-kilogram payload 300 kilometers or more.[34] There are no sanctions mandated by the agreement, but US laws permit imposition of sanctions against violators. In 1998-99 the United States imposed sanctions on eight Russian entities that had allegedly aided Iran's missile program. Although Moscow's international commitment will significantly curb its aid to Iran's missile programs, it is likely that smaller firms will continue assisting Iran.

## **Caspian Sea Energy Resources**

The legal status of the Caspian Sea and the energy resources beneath it have long been a contentious matter in Iranian-Russian relations. The two countries disagree on a number of issues, though without being in a hurry to resolve them. The Soviet-Iranian treaties of 1921 and 1940 that provide for free transport and fishing in the Caspian Sea have been outdated by new realities. The emergence of three new independent states--Kazakhstan, Turkmenistan, and Azerbaijan--that share the sea with Iran and Russia, discovery and production of major energy reserves in the seabed, and environmental issues require a redefinition of the Caspian's legal status. International competition in transporting oil and gas from the producing landlocked countries to international markets and the changing geopolitics in the region have contributed to the complexity of the situation.

Iran and Russia hold less than one third of the Caspian coast[35] and control the least explored sectors of the sea. The other three littoral states are actively producing and exporting oil and gas from their segments. However, Iran and Russia are the only members of the group that can provide direct energy transportation routes to international markets. Their interest in export routes and competition with ultra-region pipeline entrepreneurs have been key factors in their Caspian policies. On the other hand, Moscow and Tehran gradually took diverging views on the future of the sea as economic gains from two export pipelines running through Russian territory changed Moscow's perspective. Currently Iran and Russia disagree on two major issues: the standard for distribution of the Caspian seabed resources, and the legal status of the sea water and its surface. Moscow believes that the seabed should be divided between the five littoral states according to the median line. It has adhered to this arrangement in its agreements with Kazakhstan in June 1998 and with Azerbaijan in January 2001 on distribution of the seabed assets. On the other hand, Iran favors an

equal 20 percent share for each of the shoreline states. Further, the two countries disagree on the status of the Caspian water. While Russia is pushing for the surface water to be treated as a condominium, Iran insists that in case of division both the seabed and surface water should be apportioned. Iran's opposition to common use of the surface is rooted in its concerns for free movement of Russian warships up to the Iranian coast. Iran favors demilitarization of the sea. The differences took a dramatic turn in July 2001 when, to Moscow's dismay, an Iranian gunboat forced an Azerbaijan-affiliated oil development vessel to withdraw from waters claimed by both Tehran and Baku. This was the first time Iran resorted to the threat of using force in support of its territorial claims in the Caspian Sea.

Meanwhile, Iran and Russia are strongly opposed to the US-backed Baku-Ceyhan pipeline that would carry oil from Azerbaijan to Turkey's Mediterranean port of Ceyhan through Georgia's territory. Construction of a trans-Caspian pipeline is intended to link the export route with Turkmenistan and Kazakhstan energy reserves. The project is aimed at breaking Russia's monopoly on export routes and bypassing Iran as an alternative path. Meanwhile, Iran and Russia compete with each other, albeit quietly, in certain matters related to export routes. Moscow opposes the US-backed east-west export corridor but does not favor an Iranian route as an alternative. Iran hopes that changed market demands will override political restrictions imposed on pipeline routes. While Iran sees itself as politically disadvantaged in the Caspian pipeline competition, it focuses on the economic appeal of its position, assuming that in the long run economic efficiency will determine the main pipeline routes.

Russia and Iran failed to resolve their differences during President Khatami's visit to Russia. Their joint opposition, on ecological grounds, to laying any oil and gas pipelines in the Caspian Sea was clearly intended to undermine the US-backed trans-Caspian link to the Baku-Ceyhan pipeline. However, their joint statement, which also denied official recognition of Caspian boundaries until final agreement on the Caspian is reached, caused alarm in Baku and Astana as it added uncertainty to Russia's existing bilateral agreements with Azerbaijan and Kazakhstan.

Despite Moscow's diplomatic efforts to clear the confusion, a March 2001 summit of the Caspian littoral states was postponed indefinitely. The delay is seen by some in the region as a stalling tactic by Iran and Russia in order to shut out US influence over the region.

## **The Outlook**

Russia and Iran should continue their strategic partnership in the foreseeable future. The association not only contributes to the two countries' foreign policy goals but also promotes their internal security and enhances stability in the region. Given its importance to Russia and Iran, the relationship is unlikely to be impaired by the threat of sanctions from Washington. The two countries will make sure that their differences do not affect the continuity of their strategic alliance. Moscow and Tehran recently avoided a potentially damaging row over the legal status of the Caspian Sea and sharing its energy resources by putting off the summit of the littoral states. Similarly, Iran has been conspicuously silent about Russia's much-criticized war in Chechnya.

However, the partnership might not survive major political and strategic shifts in the region and beyond. Several factors could contribute to the change, including domestic politics, regional geopolitical shifts, Russia's and Iran's relations with the United States, and economic issues.

Domestic politics have clearly influenced the development of the Russo-Iranian strategic partnership. Supporters of an assertive foreign policy that currently dominate Russian politics count on closer ties with Iran, India, and China to challenge US influence and promote a multipolar world order. This was underscored by a Russian parliamentary delegation led by Yevginey Primakov that visited Iran in April 2001.[36] An identical message was voiced during an earlier Duma visit headed by the Russian ultranationalist Vladimir Zhirinovskiy in February.

Meanwhile, there have been notable concerns inside Russia about certain aspects of Moscow's partnership with Iran that could jeopardize Russia's vital interests in relations with the United States. Concerns also have been voiced about the possible Iranian use of Russian-provided technology against Russia itself in the future.[37] Similarly in Iran, foreign policy choices are closely linked to the ongoing power struggle between conservative and reformist movements. The former views opposition to the United States as a guiding principle of the Iranian revolution, while the latter favors opening up to the West to diversify Iran's foreign policy objectives. There are also those who fear that Moscow might exploit its Iranian "card" to garner concessions from Washington as it did in the past.[38]



Geopolitical shifts in the region, especially those connected to the Israeli-Palestinian conflict, could influence the Russian-Iranian partnership. Iran's opposition to the US-backed Middle East peace process is both the cause and consequence of its hostility with the United States. Iran also exploits the anti-Israeli sentiments and unpopularity of the US support of the Jewish state to polish its credential for Islamic leadership in the region. Its "spoiler" stance is inspired by both opportunistic and ideological reasons. A breakthrough in the peace process, or domestic pressure forcing the regime to moderate its position, could lead to changes in Iran's relationship with Washington and Moscow. Restoration of peace and stability in Afghanistan also could lead to changes in the Tehran-Moscow strategic cooperation. As security threats emanating from Afghanistan to the neighboring countries dissipate, latent Russian-Iranian conflict of interests could lead to political and economic competition between them.

Major changes in Iran's and Russia's relations with the United States might bring dramatic alterations in Moscow-Tehran ties. A US-Iran rapprochement could make Iran's strategic partnership with Russia unattractive. The alliance might also lose luster as a result of a wider collaboration between Moscow and Washington. As the geographic and conceptual scopes of the war on terrorism widen, Moscow and Tehran might take divergent approaches to defining terrorism and fighting it. This could seriously affect Russian-Iranian strategic ties.

Finally, domestic and international economic issues are expected to influence the Russian-Iranian partnership. Currently there is no substantial commercial interchange between the two countries. The value of Iranian-Russian trade last year amounted to less than \$1 billion,[39] far less than the trade with the European Union and lower even than Iran's commercial exchange with Turkey.[40] Unless bilateral dealings significantly expand in the future, the Russian-Iranian strategic alliance would fail to stand in the face of changed external conditions. The key factor is how Iran and Russia transform their economies and recast their political orientations under the pressure of increasing globalization and economic interdependence. Regional partnerships might be influenced more by geo-economic than geopolitical interests. The Tehran-Moscow competition in transporting Caspian energy resources could become a major source of conflict once other "strategic" reasons for alliance weaken. This is particularly noteworthy since both countries have a shared dependence on the energy market.

Globalization will continue to be the most important driving force in international politics. Russia's quest for supremacy may have to be tempered by its reduced resources. Faced by enormous economic challenges, an over-ambitious Russia will not have the potential for imperial reassertion, while a reformed Russia will not have the passion for it. On the other hand, Iran's current disconnect with the world economy, which fosters its political schism with the West, may change, and its bear-hug intimacy with an assertive Russia could prove to be too close for comfort. Economic stagnation is probably the most serious challenge facing Iran today. The push for economic shifts will force the country to change politically to move out of isolation and to attract foreign investment. This will require that the country build its future policy for national growth based on positive interests rather than the negative ones that currently constitute the backbone of its strategic partnership with Russia.

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## NOTES

1. Sharon LaFraniere, "Russia, Iran Reach Deal on Conventional Arms Sale," *The Washington Post*, 3 October 2001, p. A28.
2. The Russian Military Doctrine signed by President Vladimir Putin on 21 April 2000 says "attempts to ignore Russia's interests in resolving international security problems and to oppose its strengthening as one influential center in a multipolar world" are considered a main external threat to Russia. Russian Military Doctrine, published by *Nezavisimaya Gazeta*, 22 April 2000, and translated by the US Foreign Broadcasting Information Service (FBIS).
3. Vlademir Maximenko, *The Battle Against Eurasia: One Century of the US Geo-Strategy in the Old World*, Transcaspian Project, 24 April 2001. Mr. Maximenko is identified as senior scientific officer of the Institute of Oriental Studies of the Russian Academy of Sciences.
4. British geographer Sir Halford Mackinder (1861-1947) originated the geopolitical theory of land-based supremacy. He stressed that a power with an improved land transport network that controlled the Eurasian "heartland" of Russia

could have a dominant position, allowing its supremacy on the "World Island" which encompassed Eurasia and Africa. The theory influenced the strategic outlook of the West during World War II.

5. In contrast to Halford Mackinder, American professor Nicholas Spykman (1893-1943) offered the concept of the "Rimland," which was a large buffer zone between sea and land power where the continental superpower could be contained by an insular power. The theory inspired strategic containment of the USSR through military alliances ringing the "heartland."

6. Gelad Robbin, "The Post Soviet Heartland: Reconsidering Mackinder," *Global Affairs*, 8 (Fall 1993), cited in Christopher J. Fettweis, "Sir Halford Mackinder, Geopolitics, and Policymaking in the 21st Century," *Parameters*, 30 (Summer 2000), 58-71.

7. Mikhail Khodarnok, *Nezavisimaya Gazeta*, 18 April 2001, BBC Monitoring Service, UK, 20 April 2001.

8. The plan was announced at the end of a summit of the CIS collective security pact on 11 October 2000 in Bishkek, Kyrgyzstan. Jointly appearing at a press conference, the presidents of the six member states (Russia, Belarus, Kazakhstan, Kyrgyzstan, Armenia, and Tajikistan) revealed that the group has set up three regional security systems, each operated by the regional members of the pact plus Russia. These included Russian-Belarus, Russian-Armenian, and Russian-Central Asian (Kazakhstan, Kyrgyzstan, and Tajikistan) regions. *Slova Kyrgyzstana*, in Russian, Bishkek, 13 October 2000, p. 2.

9. Russian President Vladimir Putin's annual address to Federal Assembly. BBC Monitoring Service, UK, 3 April 2001.

10. The Russian Military Doctrine says "attempts to weaken [ignore] the existing mechanism for safeguarding international security [primarily the United Nations and the Organization for Security and Cooperation in Europe]" exert a destabilizing impact on the military-political situation.

11. Islamic Republic News Agency (IRNA), Tehran, in Farsi, 9 March 2001. Iran and Tajikistan reaffirmed their defensive cooperation during a visit to Dushanbe (March 2001) by Iranian Defense Minister Admiral Ali Shamkhani. Iran has reportedly increased the export of its domestically produced or adapted arms to foreign countries. See Middle East News Live (MENL), Nicosia, 23 April, citing IRNA.

12. In the last decade, Russia delivered, under several contracts, 12 Su-24 strike aircraft and 24 MiG-29 fighters, two S-300 low- to high-altitude surface-to-air missile systems, three *Kilo*-class diesel-electric submarines (Type 877 EKM) along with advanced torpedoes and mines, 422 T-72 main battle tanks, 413 BMP-2, and SA-5 and SA-6 surface-to-air missiles.

13. Newsline USA, 13 February 2001, internet, <http://www.nmnews.net>.

14. S-300 MPU (SA-10B Grumble) is a low- to high-altitude, long-range system. It serves to protect cities and industrial installations from air raids. The system is capable of tracking and destroying as many as six low-flying cruise missiles or aircraft at a time.

15. The Tor-1 (SA-15 Guntlet) is a shorter-range, low- to medium-altitude, mobile system that can destroy enemy aircraft, cruise missiles, remotely piloted vehicles, and precision-guided missiles. It has a capability of simultaneous tracking ten targets and guiding two SAMs.

16. Michael Eisenstadt, "Russian Arms and Technology Transfers to Iran: Policy Challenges for the United States," *Arms Control Today*, March 2001. Also see *Jane's Defence Weekly*, 21 March 2001.

17. Cited in RFE/RL Iran Report, 19 March 2001.

18. The export version of the *Kilo*-class submarine (877 E and 877 EKM) that Iran purchased is equipped with newly developed equipment. It is known to have good maneuverability in shallow waters, straits, and narrow passages. The single-shaft, double-hull vessel accommodates 52 sailors. It is fitted with six 533mm torpedo tubes carrying 18

torpedoes.

19. Reuters, 13 March 2001.

20. Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems. The treaty restricts the anti-ballistic missile defense of each side, leaving unchallenged the penetration capability of the other side's retaliatory missile forces.

21. Agence France Press (AFP), Washington, 14 March 2001, citing Secretary of State Colin Powell's testimony in Congress.

22. *Hambastagi*, Tehran, 13 March 2001, p. 4, BBC Monitoring Service, UK, 28 March 2001.

23. Deutsche Presse-Agentur, Moscow, 14 March 2001.

24. Interfax, 15 March 2001.

25. Itar Tass, BBC Monitoring Service, 21 February 2001.

26. Interfax via BBC Monitoring Service, 4 April 2001.

27. Patrick E. Taylor, "Russia Looks for New Roles in Diplomacy and Trade," *The New York Times*, 6 April 2001.

28. AFP, Moscow, 22 February 2001.

29. Iran fired 77 Scud missiles at Iraq during a 52-day period in 1988, and fired about 40 missiles at Iraq during the previous three years. See Anthony H. Cordesman, *Military Trends in Iran* (Washington: Center for Strategic and International Studies, 1998), p. 40.

30. MENL, Nicosia, 24 April 2001.

31. IRNA, Tehran, in English, 31 May 2001.

32. AFP, Tehran, 21 February 2001. Also MENL, Nicosia, 22 February 2001.

33. Eisenstadt. See also Cordesman, p. 40.

34. Missile Technology Control Regime, adopted 16 April 1987 and updated on 7 January 1993.

35. Iran commands 14 and Russia 16 percent of the Caspian coastline. Kazakhstan's share is 29 percent, while Azerbaijan and Turkmenistan own 21 and 20 percent of the seashore respectively.

36. IRNA, "Iran-Russia Relations," Tehran, in English, 29 April 2001.

37. For example, Alexi Arbatov, Deputy Chairman of the Duma's Defense Committee, recently issued such a warning. MENL, Moscow, 14 March 2001.

38. The fears were expressed in a commentary aired by the official Voice of the Islamic Republic of Iran (IRIB). IRIB, "Moscow Uses Tehran as 'Ace' to Obtain Concession from USA," in English, 1100 GMT, 29 April 2001, BBC Monitoring Service.

39. It was reported to be about \$900 million in the year 2000. Deuche Presse-Agentur, Moscow, 14 March 2001.

40. Iran's bilateral trade with the European Union was reported to have reached nearly \$12 billion in the year 2000. The value of Iran-Turkey trade was \$1.04 billion in the same year. IRNA, Tehran, 28 March 2001, and Asiapulse news service, Ankara, 6 March 2001.

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