Iran and Russia in ‘strategic alliance’

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For most of the past two centuries, Russia/the Soviet Union and Persia/Iran have had uneasy, frequently turbulent, relations, often to the detriment of the latter. In fact, the threat to Iran’s national security often came from the former’s expansionist policy under both tsars and commissars. So the disintegration of the Soviet Union was, not surprisingly, received with relief in Iran. Now for the first time in nearly two centuries the potential threat to Iran from that country is removed and their relations are better balanced, or at least less disadvantageous to Iran.¹ The common 2000 kilometre border between the Soviet Union and Iran had allowed Soviet troops ready access to Iran or parts of it. With the break-up of the Soviet Union, Russia is no longer a neighbour of Iran. This measure of geographical separation has given the Iranians greater confidence in dealing with Russia. Ironic as it may sound, the Islamic Republic, though itself not a Western liberal democracy and not aspiring to become one, may hold some hope that democracy will take strong roots in Russia so that it will not again turn into the neo-imperial Russia of the past. President Boris Yeltsin’s re-election must have been welcomed by the Iranian leaders, who are hoping that Russia will take a more active role in the Third World, and in the Middle East in particular, in order to counterbalance US dominance in the region. In view of the 18-year hostility, intensified since the Clinton administration, between Iran and the USA, there are reasons to believe that the Iranian leadership was delighted to see Yevgeni Primakov replacing Andrei Kozyrev who, during his four years as Russia’s foreign minister, was essentially favourable to a close partnership with the West and who gave particular consideration to Western, especially US, priorities and interests. Primakov, a prominent actor in the Soviet policies of intervention, is taking a more independent line from the West and has a special interest in the Middle East, given the fact that he is one of the most prominent Russian experts on the Middle East and the Muslim world.²

In this environment, Russia and Iran have moved towards a much closer relationship than at any time since the Iranian revolution of 1979, based on pragmatic and strategic considerations. For example, the catalysts for the present ‘strategic alliance’ are Russia’s needs for foreign currency and the desire to have a friendly neighbour to the Muslim states in Central Asia, and Iran’s need for Russian arms, new technologies and, perhaps more importantly, for political support at both regional and international levels. In addition, both countries have common security concerns and economic interests in the development of oil and gas in the Caspian Sea. The new relations which have been developing since the end of the Persian Gulf war of 1991 exceed the Iranians’ expectations, for they

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had assumed, and greatly feared, that Moscow’s policy towards the Islamic Republic might take account of Washington’s hostility towards Iran. They must have noted with special interest and satisfaction President Yeltsin’s address to the Federal Assembly in February 1994 when he said that ‘until recently our foreign policy has lacked initiative and a creative approach’, arguing that hence ‘we have to put an end to the vicious practice of unilateral concessions’. Yeltsin’s announcements and former foreign Minister Andrei Kozyrev’s visit to Tehran in March the previous year to open new avenues of cooperation, as well as Russia’s renewed interest in the Middle East in general, have proved Iran’s fears and assumption wrong. The relations between them have become so friendly, at least for now, that President Yeltsin is expected to visit Iran, though the date of the visit has yet to be decided. Whether or not such a visit takes place is not so important to the Iranians as is the fact that he has accepted the invitation and that he warmly received Iran’s Foreign Minister Ali Akbar Velayati during his visit to Moscow in March 1996. Following his visit to Russia, Velayati announced that Iran–Russia relations ‘have never been so good in the past 500 years’. Velayati also helped Russia’s reinvigorated involvement in the Middle East when, during a visit to Damascus in April 1996 to discuss a ceasefire between Israel and Lebanon, he argued that Russia, along with France, should also be a signatory to any peace agreement between Lebanon and Israel. As the Russian Foreign Minister, Primakov, was also in Damascus at the time, Iran’s helpful diplomatic gesture could not have been lost on Moscow. All these friendly gestures are in fact a follow-up to what President Ali Akbar Hashemi Rafsanjani said in an interview in July 1995: that promotion of Iran–Russia relations serves the interests of both nations in finding political solutions to regional conflict, ie in Central Asia and the Middle East. He went on to say that the new relations between them were so strong as not to be affected by adverse international politics, an obvious reference to Russia’s refusal to accede to US pressure to cancel the sale of a nuclear power station to Iran.

In addition, economic, trade and technological cooperation between the two countries are expanding at the very time that Washington is attempting to intensify its economic sanctions against Iran and politically isolate it internationally. It is worth noting here that after the end of the Cold War it was assumed that Tehran could no longer use—as it had for decades—the Russian card as a balancing act to neutralise economic and military pressure from foreign powers, ie Great Britain and/or later the United States. It seems that the old policy is being revived again, for in June 1995 the Speaker of the Majlis (parliament) told the visiting deputy chairman of the Duma, Alexander Vengerovsky, that the ‘two strategic states of Iran and Russia’ can limit the expansion of US hegemony in the region. This time round, however, Russia could be hoping to use the Iranian card for access to the Persian Gulf and for curbing the possibility of anti-Russian action from extremist forces not only in Iran but also in Central Asia and the Caucasus.

This article will examine and analyse the reasons behind the present warm relationship between the two countries and its implications for the Middle East as a whole. It will also examine the new ties in the context of Tehran’s relations with the Central Asian Republics, and of the increased hostility, under the
Clinton administration, between Iran and the USA. Finally, the relations will be considered in the context of Moscow’s Middle East policy since 1993 and its drive to capture, in some cases to recapture, the arms bazaar, particularly in the Persian Gulf region.

**Reasons for the new relationship**

The significance of the rapprochement between Russia and Iran will be better understood if it is put in the context of the hostility between Iran and the USA. Briefly, a group of influential American analysts and US foreign policy makers believe that the US policy towards Iran is not tough enough and Washington should go farther in escalating the confrontation with Iran. They argue that, while Iran is financially under pressure and militarily in a vulnerable position, the USA must expand its anti-Iran activity, even if this means confronting it militarily. Nothing, the argument goes, short of Iran’s demise would serve Western interests. The stakes are so high, these analysts argue, as to justify even the use of military force to challenge Iran, thereby averting another Middle East crisis and possibly a new war in the Persian Gulf. The Clinton administration, more than any of the previous administrations, is prepared to use a stick without a carrot against Iran. The ‘containment’ of Iran is as vigorously pursued as was the containment of the former Soviet Union. For instance, in June 1995, President Clinton pressed (unsuccessfully though) the Group of Seven (G7) meeting in Halifax, Canada to follow the US trade embargo on Iran in response to what it called ‘Iran’s continuing support for terrorism, including support for the acts which undermine the Middle East peace process, as well as its intensified efforts to acquire weapons of mass destruction’. And in May 1996, former US Secretary of State, Warren Christopher, accused Iran of ‘training terrorists’, adding that ‘there should no longer be any debate about Iran’s involvement in terrorism against the peace process [in the Middle East]’. The question of Iran’s alleged involvement in international terrorism depends on whether one wants to believe the accuser, the USA or the accused, Iran. However, the United States has yet to produce hard evidence in support of its allegations.

Two cases which received wide media attention in the West will illustrate the dilemma of whom to believe. When in July 1995 Warren Christopher claimed that Iran was responsible (which Iran denied) for the bombing of the Argentine–Israel Mutual Association in Buenos Aires, the Argentine foreign minister immediately wrote a letter to Christopher asking him for any verification or evidence that he had, but he said to reporters at the time that he did not expect any news from Secretary Christopher. Failing to find any evidence of Iran’s involvement, the Argentine government soon after resumed normal relations with Iran. And on 2 December 1995 the *Los Angeles Times* reported that the Argentine government had arrested 12 army officers charged with planning and executing the bombing of the said building. Another case in which Iran was implicated was that of the Shah’s last Prime Minister, Shapour Bakhtiar, who was killed at his home in Paris in August 1991. A French court investigating the case acquitted in December 1994 the only one of the accused who was an administrative secretary at the Iranian embassy in Switzerland at the time of Bakhtiar’s assassination. Faced with this
kind of accusatory manner from the world’s only superpower which, by virtue of its overwhelming military presence and political dominance in the Persian Gulf can also be counted as Iran’s new neighbour, the closer ties with Russia provide Iran with an additional (additional to Western Europe and Japan) economic and technological source. As the Iranians see it, the post-cold war honeymoon between Moscow and Washington is over and has now turned into ‘cold peace’, the consequence of which is that Russia will hence follow a more independent and assertive foreign policy towards the Third World. It is worth observing here that the cold peace between Russia and the USA and the Cold War between them have had their roots in Iran.16

The new phase in the relations between the two countries developed when in May 1995 President Yeltsin refused President Clinton’s request to abandon a $1 billion sale to Iran of a light water nuclear reactor, incidentally on the same site started by West Germany in the late 1970s. Clinton’s argument was that Iran should be denied the reactor because of Tehran’s ‘…international efforts to acquire weapons of mass destruction’. Russia argued that the reactor resembled a reactor that the Americans were arranging for North Korea to obtain, and that the USA was providing Pakistan with arms of the highest technology—even though Pakistan had neither signed the Non-proliferation Treaty, nor, unlike Iran, allowed inspection by the IAEA—and that the USA was also helping China.17 Following President Clinton’s request to President Yeltsin in May, US Secretary of Defence William Perry met Russian Premier Viktor Chernomyrdin in Moscow in April and again expressed Washington’s concern about the sale of a nuclear power reactor to Iran, only to be resisted by Russia once more.18 The Russians also argued that US objectives were simply a means to deprive Russia of a market for its nuclear technology and, according to Leszek Buszynski, the selling of the water reactor to Iran was ‘a way of expressing independence and obtaining leverage over the West’.19 The Iranians, however, were jubilant because of the fact that Russia had refused to accept Washington’s pressure; and the press in Tehran was full of praise for Yeltsin. In September (1995), the Russians announced that they had signed another contract to build two more nuclear power reactors in Iran, bringing the total value of deals to $2 billion.20

To the Iranians, this was amply demonstrated when Russia resisted pressure from Washington to cancel the nuclear power reactor agreements. A casual reading of the Iranian press would show that they have taken encouragement from the fact that the Russians defied pressure from the USA despite the threat from the US Senate to cut aid to Russia if it insisted on the implementation of the project. In the end, however, the Senate did not follow through its threat. The significance of Russia’s determination with regard to these agreements was not lost on the Iranians, who must have been aware that Moscow had in another case submitted to US pressure. The story of the other case goes back to February 1993 when Boris Yeltsin visited India and publicly assured the Indian Prime Minister that the Russian agreement to provide cryogenic rocket engines to India ‘will definitely be fulfilled by us, despite pressure from other countries’.21 But in July 1993 the deal was cancelled under US pressure. However, aside from the political and commercial implications of the reactor deal, for the Iranians the offshoots of the construction of the reactors are also the scientific and techno-
logical knowledge that they bring to the country. In 1995 there were 200 Russian nuclear scientists working in Iran and, according to a press report, several hundred more were expected to participate in the project.\(^ {22}\) Russia has also agreed to train Iranian university scientists in nuclear technology.

In paving the way for rapprochement with the Russians, the Iranians, for their part, have had to cast aside, at least for the time being, their inherent suspicion and distrust of the old imperial Russia/Soviet Union. It is worth remembering that the Islamic Republic has bitter memories of Moscow’s military support for Baghdad in the Iran–Iraq war in the 1980s. It should be recalled that it was Russian missiles which the Iraqis used to hit Tehran and other major Iranian cities. The Soviets argued that the supply of missiles to Iraq was in accordance with a treaty of friendship and economic cooperation which they had signed with Iraq before it invaded Iran in September 1980. The Iranians, however, found that argument unconvincing. They expected that Russia would reward them for their anti-American stance by refraining from supplying missiles to Baghdad, or at least remaining neutral in the conflict. At the time anti-Soviet feelings in Iran were almost as intensive as the anti-American sentiments. The post-Khomeini leadership, however, appears to have overcome its old misgiving about its former superpower neighbour. What has helped the present rapprochement is that post-Soviet Russia ‘belongs to neither the East nor the West’.\(^ {23}\) Or as Yeltsin put it when he was addressing the Indian Parliament in February 1993, Russia is now a ‘dual-headed eagle’,\(^ {24}\) looking both to the West and to the East. These slogans sit very comfortably with Iran’s motto of ‘Neither the West nor the East’.

Among the driving forces behind the present rapprochement are, for the Russians, the sale of weapons to Iran and its strategic position in the Persian Gulf and the Caspian Sea region. At this stage of the relationship, however, the expansion of trade rather than the sale of arms is of greater importance. (Russia’s overall weapons strategy in the Middle East in the post-Soviet Union is a point which we will return to shortly.) Suffice it to say here that the sale of weapons to Iran, important as it is, should not be overestimated, since Iran’s ability to spend on weapons is limited. For example, with its more than 62 million people, Iran’s oil revenue in recent years has averaged $14 billion a year. So other types of trade and the geopolitical components of the new relationship will probably overshadow the weapons factor for some time yet. Although at the moment Iran is going through some serious financial problems (its foreign debt, mostly to Western Europe and Japan, stands at about $30 billion), it is nevertheless a rich country with vast natural resources. With 92.2 billion barrels of oil reserves and 20.7 trillion cubic metres of natural gas, Iran has, respectively, the fourth and second largest reserves in the world.\(^ {25}\) Also, its copper and other mineral reserves are considerable. While Iran is aiming at self-sufficiency in agricultural products and has in recent years succeeded in reducing its agricultural and food imports, it will still need to import much of its agricultural and industrial machinery and technologies from abroad. Although Russian technologies and industrial products are not as advanced and sophisticated as those of the West, they are nevertheless good enough for a developing country like Iran, particularly if that country is being denied Western technologies. Russia’s trade with Iran amounted to about $700 million in 1994, while the USA’s trade with Iran
during the same period amounted to about $4 billion.\textsuperscript{26} Since President Clinton has imposed a total trade embargo on Tehran, and since Washington is putting pressure on European and Japanese companies to discontinue trading with Iran, the Russians hope that their trade with Tehran will increase considerably. In addition to a greater potential trade with Iran, the latter’s political and cultural importance in the Persian Gulf, and especially in the Central Asian republics and the Caucasus, are of particular importance to Russia’s foreign policy. As a footnote it should be added here that Iran’s importance in Central Asia, though considerable, should not be overestimated, for Tehran is facing stiff competition in that region, particularly in trade and commerce, from other regional and international powers such as the USA, China, Turkey and Saudi Arabia.

Judging by the Iranian policy towards the Central Asian republics, the Russians have reason to believe that Iran sees its interests in the region lie more in promoting economic development than in exporting Islamic fundamentalism. For instance, Iran has been instrumental in bringing the republics into the Economic Cooperation Organisation, a developmental body whose original members were Turkey, Pakistan and Iran. Also, the visits to Iran by heads of the state of the republics and of President Rafsanjani to the republics in recent years have been conspicuous more by the many bilateral trade, transit and economic agreements which have been signed between them than by the Islamic solidarity of the visits.\textsuperscript{27}

**Tehran’s role in Central Asia**

One such example is the visit to Tehran in mid-May 1995 by the Armenian Prime Minister, Herand Bagratian, and the signing of 10 trade agreements between the two countries. The most important of these agreements is the purchase of Iran’s natural gas by Armenia and the construction of a gas pipeline and the transfer of electricity to Armenia.\textsuperscript{28} Iran’s good standing with Armenia comes from the fact that Iran mediated, though unsuccessfully, between Christian Armenia and Muslim Azerbaijan in the dispute over Nagorno-Karabakh. Another piece of evidence, and this is important to Russia, is that, in the civil conflict in Tajikistan between the government and the Islamist opposition groups, Iran not only did not tilt towards the latter but in fact tried to act as an ‘honest’ broker between the two factions. In August 1995 Tajikistan’s President, Imamali Rahmamov, and Addullah Nouri, the leader of Tajikistan’s Islamic movement, were invited to Tehran and, in the presence of Iran’s President Rafsanjani, signed an agreement to settle their differences peacefully and not through armed struggle. They agreed, among other things, to extend the ceasefire they had agreed on, again in Teheran, a year before, as well as to form a joint deliberative council to narrow their differences. The new agreement is not without its faults, however; for instance, it leaves open the questions of when the council will meet, how many will be on the council, and how and whether the members of the council will be selected or elected. In any case, the civil war in Tajikistan had for a time drawn the attention of the international community because of Russia’s military involvement there in support of the Tajik government, which led to Russia getting bad media coverage.
It should be remembered that at one time there were 15,000 Russia–CIS soldiers helping the Tajik government to guard the 1000 km Tajik–Afghanistan frontier from where the Tajik rebels crossed into Afghanistan to be trained and receive weapons. Moreover, after 11 years of experience in Afghanistan, the Russians did not wish to get involved in the fight between the neo-communist government in Dushanbe and the anti-communist alliance of Democrats and Islamists. So the Russians pressed the Tajik government to reach some kind of agreement with the opposition to resolve their differences. The Afghan government volunteered to mediate between the Tajik government and opposition, but without much success, mainly because the Afghans lacked control over the Tajik–Afghan border region, and so were in no position to pressure the Tajik opposition in the way Moscow was able to lean on the Tajik government. The Afghans’ failure to mediate successfully between the two warring factions in Tajikistan can also be attributed to the fact that the Kabul government itself was (and has been) engaged in fighting the various oppositions groups inside the country, and therefore lacked the necessary moral authority and political muscle to broker a peace agreement between the Tajik opposition parties. However, Iran’s strong cultural, linguistic and racial links (the Tajiks speak Persian) with the Tajiks, and its moral, Islamic credentials with the Tajik Islamic opposition, enabled Tehran to help bridge the gap between the Dushanbe government and the opposition. So the Tajik peace accord worked out by Iran must have come as a great relief to the Russians and thus have enhanced Iran’s standing with them as a stabilising force in the region. It also must have come as a relief to Uzbekistan, where 934,000 Tajiks live and where tension in Tajikistan could have easily split into Uzbekistan. Uzbekistan’s fear of the ripple effects of chaos in Tajikistan was an important factor in its intervention against the anti-communist opposition in the Tajik civil war. According to Rajan Menon, ‘the Tajik nationalist opposition’s emphasis on the promotion of Tajik culture and language made Uzbekistan’s president Islam Karimov fear that such ideas might find a receptive audience among Uzbekistan’s Tajik population, and that a nationalist government in neighbouring Tajikistan might support the political and cultural autonomy of Uzbekistan’s Tajiks.’ Iran’s qualified successful mediation in the Tajikistan conflict must not only have been welcomed by the Russians but also by the other republics, ie Uzbekistan, Kazakhstan and Kyrgyzstan, which were also pushing for a negotiated settlement in Tajikistan. According to Martha Olcott, all three countries in concert had urged Moscow to force Tajik President Imamali Rahmanov to change his behaviour toward the Tajik opposition. However, Iran’s brokering of a peace agreement in Tajikistan was done more in promoting its own national interests in the region than in the spirit of ‘brotherhood’. For had Iran supported the pro-Islamic opposition forces, which were already in retreat, then Tehran would have been left with little influence or goodwill, not only in Tajikistan but also in the other republics.

Furthermore, the Iranian government has not condemned, as have many Islamic groups, the Russian military intervention in Chechnia, nor has it tried to portray the war as one between Christian Russia and Muslim Chechnia. The Guardian has quoted a Russian official as saying, ‘Iran considers that Chechnia is an internal matter for Russia’. In fact, in a letter sent to the Duma in late April 1996, Russian
deputy foreign minister, Igor Ivanov, denied Iran’s alleged involvement in the war in Chechnia, as had been claimed by Izvestiya. The newspaper had reportedly said that Iranian airports were being used to send arms to Chechnia. Ivanov’s letter said that the allegations were made by ‘outsiders’ (a reference to the USA) and were intended to discourage the expanding relations between Iran and Russia, according to Kayhan Havai. However, had Iran put its Islamic ideological weight behind Chechnian independence, it could have provoked other Muslim Caucasian peoples to shake off Russia’s influence. Thus, Iran’s policy vis-à-vis the conflict in Chechnia can only be very pleasing to the Russians, considering Iran’s self-declaration as defender of the Islamic faith, and considering its cultural and religious influence and contacts which spread far and wide, from Tajikistan in Central Asia to the northern Caucasus, and even to central Russia, Bashkortostan and Tatarstan. In other words, for Moscow, Teheran’s policy towards the Central Asian states and the Caucasus since the end of the Cold War has been constructive and non-ideological. This is very much in contrast with Tehran’s position vis-à-vis Central Asia before the disintegration of the Soviet Union, when some prominent and influential members of the clerical leadership were publicly insisting that the republics of Tajikistan, Turkmenia and Uzbekistan, as well as some districts in Georgia, were originally Iran’s national territory, taken from it in the 19th century, and ought to be liberated. It could be argued that Iran’s non-ideological approach towards Central Asia is a recognition by the Iranians that, after 70 years of rule by communists in the region, the Muslims there are not as receptive to political Islam as are Muslims in the Middle East and, therefore, Tehran would not succeed in promoting Islamic radicalism here even if it tried. That may be true, but it is also equally true that Iran’s moral and cultural influence in these republics is sufficient, for example, to inflame anti-Russian sentiments among the populations, ie in Chechnia or Azerbaijan. In other words, Iran had (and has) the capability of ‘spoilings’ things for Russia in the region. Whatever the case, Iran’s non-ideological approach towards Central Asia has made Moscow less concerned than Europe and the USA about the ‘Islamic threat’ so closely associated with Iran. For instance, no high-ranking Russian official has publicly spoken out about Russia’s national security being under threat from fundamentalism. Among the strongest accusations levelled against Iran by the Russian media has been that Iran is spreading ‘unhealthy’ and ‘nationalistic’ Islam in Central Asia. Contrast that with the statement made by the former Nato secretary general, Willy Claes, who warned of the danger posed by religious fundamentalists to the security of Europe. Claes is on the record as saying that ‘Islamic fundamentalism is at least as dangerous [to the security of Europe] as communism was. Please do not underestimate this risk arising from fundamentalism.

The legal status of the Caspian Sea

The disintegration of the Soviet Union and the subsequent division of that country into a number of independent states has tripled the number of Iran’s northern neighbours and has increased the number of Caspian Sea littoral states from two to five. When the two countries were the only two littoral states of the Caspian Sea, they enjoyed secure borders, no small thanks to the bipolar system.

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During the Cold War a move by either side to change the borders would probably have sparked an international crisis. Even as early as the mid-1980s, when Iran was no longer seen by Moscow as a satellite of the USA, a proposal by the Iranian oil ministry for a joint Soviet–Iranian exploration of offshore natural gas reserves in the Caspian was received with little enthusiasm by the Kremlin. Thus, both before and after the establishment of the Islamic Republic neither side had reason to pay detailed attention to such issues as the region’s exact legal status. The history of Persia–Tsarist Russia relations concerning the Caspian Sea goes back to the early 19th century and the conclusion of the Golestan Treaty in 1813, following Iran’s defeat in the Russo-Persian War. Under that treaty, Iran was barred from the deployment of its naval forces in that sea. The second war between the two countries again ended in defeat for Iran and resulted in the conclusion of the Turkomanchai Treaty of 1828. The latter treaty did not change the limitation put on Iran in the first treaty. After the Bolsheviks took over in Russia, Iran and the Soviet Union signed the 1921 Friendship Treaty, which recognised the two countries’ borders in the Caspian Sea, though it did not lead to a different situation in regard to Iran’s navigation rights. The latter treaty continued to provide the legal status of the Caspian Sea until the break-up of the Soviet Union. However, when Azerbaijan, Turkmenistan and Kazakhstan joined the littoral states fold, and when they began independent activities in the fields of fishing, shipping, exploitation of gas and oil reserves, it became apparent that the establishment of a legal status for the Caspian Sea was not only necessary but a matter of priority. Mohammad-Reza Dabiri argues that, given the significant changes in the region’s political geography and the rising importance of geoeconomic considerations at the expense of geopolitical ones, the previous legal status of the region requires a new approach to the issues of the use of the Caspian Sea, the largest lake in the world and the third area in terms of hydrocarbon resources after the Persian Gulf region and Siberia.

As new oil reserves are discovered, for both Iran and Russia, and more so for the former, the question of the legal status of the said sea calls for urgent attention. It is believed that the western, eastern, and northeastern parts have about 150 billion barrels of oil and 75 trillion cubic metres of gas reserves, or 16% of the oil and about 53% of the natural gas reserves of the globe. By the beginning of the next century, the littoral states are expected to produce 12 million bpd of oil, roughly half of it for export. For several decades the Soviet Union exploited oil from the Baku oilfield in Azerbaijan but, faced with a not too friendly superpower, Iran had little choice but to keep political silence in order to maintain the peace. Objections or even complaints from Iran about the situation were likely, at best, to be ignored; at worst Moscow could have attempted to create troubles along the Soviet–Iranian borders, or encourage the Tudeh (communist) Party to create internal disturbances for the government. Now that that superpower has disintegrated, and Iran is no longer constrained by the considerations of the old global rivalry between the superpowers, it can push for new arrangements and provisions concerning the optimal use of the sea’s resources. Some Iranian writers specialising in Iran/Russia/Central Asia affairs have argued that the exploitation of the Caspian Sea resources should by
administered by a ‘condominium’ under an international authority comprising the littoral states involved, and that the sea should be declared a demilitarised zone.\textsuperscript{40}

With better relations between Moscow and Tehran, the establishment of such a condominium is now not only a possibility but perhaps a necessity in view of the fact that Azerbaijan has now concluded contracts with a consortium composed of Western and non-Western oil companies for the exploration of oil in the Caspian Sea.\textsuperscript{41} The project is a $7.4 billion deal to develop reserves estimated at 4.4 billion barrels. Iran was also to be a partner in the consortium with a five percent stake in it, and the Iranians congratulated themselves for having managed to become a partner in an international oil consortium. But in April 1995 Azerbaijan cancelled the agreement with Iran, reportedly under pressure from the USA. As if intending to add insult to injury, Azerbaijan at the same time increased the Turkish stake in the consortium to 6.75 percent. The apparent favouring of Turkey over Iran was a double blow to the Iranians. For one thing, it has given an extra edge to Turkey, which has been Iran’s traditional rival for influence in Azerbaijan, indeed in all Central Asia; for another, Iran had thought it had secured a favourable position with the government in Baku. After all, Tehran had taken Azerbaijan’s side in its war with Armenia, and the Iranian Foreign Ministry had in a statement ‘warned’ the Armenian government of the consequences of their ‘aggression’.\textsuperscript{42} And Iran’s spiritual leader, Ayatollah Ali Khamenei, told the Azerbaijani President, Heidar Aliev, who visited Iran in July 1994, that the people of Azerbaijan were the victims of an aggression by the Armenian government. In addition, Iran had provided shelter, with little financial contribution from either Baku or international agencies, to over 100,000 Azeri refugees who had fled to Iran during the war between Azerbaijan and Armenia. Azerbaijan’s cancellation of the oil agreement triggered an angry response from the Iranians, who described the new arrangement as a ‘hostile’ act and threatened to question the legality of the consortium. A bulletin broadcast on Iran radio said that ‘Iran reserved its rights to the Caspian Sea’ and warned that ‘Caspian coastal states cannot unilaterally exploit its resources’ because the oilfields are in a ‘lake’ and not in the sea (more on this distinction below). An Iranian newspaper has quoted the Deputy of the Russian Foreign Ministry as saying that his country supports Iran’s position concerning the establishment of a legal regime for the use of Caspian resources.\textsuperscript{44} And in October 1994 the Russian Foreign Ministry spokesman reiterated a similar point, saying that ‘Russia and Iran share very close views on the issues relevant to the Caspian Sea...Its resources belong to the states bordering the lake.’ Finally, Russia and Iran signed a joint declaration in early November 1995 saying that they opposed unilateral action by the littoral states to exploit the resources of the Caspian Sea. It said, ‘All issues concerning the exploitation of the lake and its resources should be settled and handled within the framework of international contracts and with the participation of all the Caspian Sea littoral states.’ Turkmenistan’s President, Saparmurad Niyazov, said during his state visit to Tehran in July 1996 that he shared Iran’s and Russia’s views on the status of the Caspian Sea. The argument advanced by both Tehran and Moscow is that the Caspian Sea is not a ‘sea’ per se and therefore not subject
to standard international practice and laws with regard to delimitation of offshore areas closed. Rather, the Caspian is a ‘lake’ and as such the property of all the states bordering it, and so agreements on oil or gas production have to be agreed by all the littoral states.

Excluded from the deal, Iran is now pressing ahead with a strategy to import oil from the nearby Caspian basin states. Connecting Iran’s Caspian Sea port of Bandar-e-Anzali to Iran’s own transport network would require the building of only 100 km of pipeline. Iran can then feed the oil via an east–west pipeline to refineries in Tehran, Tabriz, Arak and Isfahan, which are currently supplied from Iranian oilfields in the Persian Gulf. Iranian crude oil would then be sold on behalf of the Caspian exporters. 48 Iran has also signed trade agreements with Kazakhstan, one calling for building a pipeline from Kazakhstan’s Tengiz oilfield to the Caspian port of Aktau. The 10-year old agreement calls for oil exchange of up to 120 000 bpd a year. 49 Up to two million tons a year of crude oil from the Tengiz field could be shipped to north Iran. Iran and Turkmenistan have also reached an agreement for Iran to construct a $190 million gas pipeline (4 000 km) to transfer Turkmen natural gas to Europe via Iran and Turkey. In the first phase, the pipeline will allow the delivery of 15 billion cubic metres of gas to Europe, while in the second phase of the project, expected to be completed by the year 2000, up to 28 billion cubic metres will be exported to Europe. 50

Again, the US government, supported by Turkey, has opposed the Iran–Turkmenistan agreement, arguing that oil and natural gas from Turkmenistan could reach Europe via the Caspian Sea and on through Georgia and via Chechnia. Oil and gas pipelines already exist in Chechnia that carry oil and gas from Azerbaijan and Chechnia to points in Russia. However, Turkmenistan’s president, Saparmurad Niyazov, has favoured the Iranian route, which he considers to be more stable. Apparently Russia has also favoured the Iranian route, indicating that both Russia and Iran have a common interest in weakening relations between Turkey and the Central Asian republics and thus indirectly reducing America’s influence in the region. As Robert Olson has pointed out, ‘Russia’s approval for the building of a gas pipeline from Turkmenistan across Iran is at odds with US policy on Iran’. 51 Iran’s worry is that, just as the Arab states in the Persian Gulf have become so close to the USA, the oil rich Central Asian republics might adopt a similar policy. In other words, there is a suspicion that the republics, like some of the Arab states, could be persuaded to keep Iran at arm’s length. Since the economies of Central Asia are very much tied to Russia, and since Russia is also a partner in the oil consortium, Iran is hoping to benefit from the new phase of friendship with the Russians, who could go further than their hitherto verbal support for Iran’s position and press Azerbaijan and Turkmenistan to enter into serious negotiations for the establishment of a legal status for the Caspian Sea. In other words, the Iranians hope that Russia will try to counterbalance the USA’s increasing influence in Central Asia where Iran has much at stake both from the point of view of trade and national security. As a footnote it should be added that Iran’s relations with the Central Asian republics appear to be more encouraging than its relations with the Arab states of the Persian Gulf. Witness the frequent visits to Iran by the heads of the
republics, and contrast that with the long intended visit to Iran by the king of Saudi Arabia and the Sheikh of Kuwait.

**Iran, Russia and the Middle East**

As pointed out at the beginning of this article, the new relations between Iran and Russia should also be looked at from the perspective of the latter’s overall policy towards the Middle East since the disintegration of the Soviet Union. The subsequent internal problems faced by the new government, and the priority that its foreign policy elites gave to Russia’s relations with the West in order to bring that country into the family of ‘civilised’ nations, put a brake on Moscow’s previous active role in the Middle East. In other words, the Middle East, which was a very important part of the global rivalry between the two superpowers, lost its previous geopolitical pre-eminence in the thinking of Russia’s foreign policy makers. The Soviet Union’s last grand posturings in the Middle East were its unsuccessful attempts to persuade Saddam Hussein to withdraw his troops from Kuwait and avoid a war with the US-led coalition forces, and its secondary role as a co-sponsor of the middle East peace conference in Madrid in 1991. The end of the Persian Gulf war of 1991 and the collapse of the Soviet Union firmly established the USA as the dominant power in the region, a position unlikely to change for years to come. For a while the Russian leadership, consumed by its own internal crises (ie the conflict between President Yeltsun and the previous Parliament) gave relatively low priority to the Middle East. However, it did not take long for the government to seek a new space for itself in the region; the tragic events in Hebron, when an Israeli settler killed 25 Palestinian worshippers in a mosque in February 1994 provided Russian diplomacy with an opportunity to step up its activity by offering a new set of proposals, principally the convocation of a second international conference on the Middle East in Madrid, and the sending of international observers to the West Bank and Gaza Strip for the protection of the civilian population. Not unexpectedly, these proposals were rejected by both Israel and the United States. Also, as part of Moscow’s renewed interest in the region, one should mention the visit to Tehran in March 1993 by Kozyrev to look for new avenues of cooperation with Iran at a time when Washington had called the former an ‘outlaw’ state which must be contained. We should also mention the official visits to Russia by the PLO chairman, Yasser Arafat, and later by Israel’s Prime Minister Yitzhak Rabin in April 1994 and their meetings with Boris Yeltsin. These showed that, far from the early days of the post-Soviet Union, Russia now intended to regain some of the ground it had left to other great powers (ie the USA, UK and France) and make the Middle East one of its foreign policy priorities. However, while attempting to regain some of its pre-Cold War political influence in the Middle East, the new attempts are commercially and not ideologically oriented. The sale of weapons by any country makes up a very important component of the attempt and it is used as an instrument of influence. This is as true during the Cold War as it is true in the post-cold war era.

According to Anatoly Kasatkin of the Moscow State Institute of International Relations, since 1993 there have been noticeably greater contacts between high
ranking members of the Russian government and the Middle East states, particularly the Persian Gulf states. Russia’s primary objective, he argues, is that these countries help Russia’s disintegrating economy. Russia’s major interest in the Third World, particularly in the reasonably rich countries, is related to resources, financial capital and new markets, ie the Middle East. Also at stake is the national security factor, which makes it necessary for Russia to cooperate with moderate regimes in the region who can help maintain peace and security close to the Russian boundaries, ie Iran.

For 30–40 years the Soviet Union was the main supplier of weapons to the Warsaw Treaty Organisation member states and many Third World countries. Now that that treaty no longer exists, and the East European states have lessened their dependence on the former Soviet Union’s arms and want to buy their weapons from the West, the Third World is just about the only arms bazaar left to the Russians. Also, while during the Cold War most of the Soviet weapons went to socialist or anti-Western states of the Third World, at present the political orientation and the ideology of the recipient countries are no longer a consideration for the Kremlin when it comes to exporting weapons to another state. As Leonid Friedman points out, ‘the only restriction in trading military equipment and technology are treaties on the non-proliferation of mass extermination (sic) weapons and the desire not to inflame the “hot spots” of the planet...’ The world-wide reduction in Russia’s share of arms exports prompted Russia to set up a new state company responsible for the promotion of the arms trade in January 1994. The company, Rosvooruzhenie, is headed by a Marshal of the Air Force, Yevgeny Shaposhnikov, as the President’s representative supervising its work. The risk, as the Russians see it, is to lose their already weakened position on the world arms market, as Russia’s foreign currency earnings had dropped from 10 billion rubles in 1989 to 3.4 billion rubles in 1993. According to Pyotr Litavrin, ‘things had come to a pass where the President said that he would personally supervise this important foreign economic activity’. The delivery of three submarines to Iran and the agreement to build a nuclear power plant in Bushehr are part of that economic activity, and of Russia’s demonstration to the Iranians that Moscow intends to enter into a new phase of relationships with them, despite objections from the USA. In fact, in a meeting with Mehdi Safari, Iran’s ambassador to Moscow, the Russian Defence-Minister, Pavel Grachev, assured Iran that Russia was determined to continue cooperating with it on defence matters and that ‘no country’ would be allowed to dictate Russia’s policy. The ‘no country’ was an oblique reference to the USA, which has consistently urged Russia not to sell arms to Iran. In other words, as arms exports remain a major source of foreign currency for Russia, sales of weapons to Iran should be considered as part of Moscow’s push for increasing its share of arms to the Middle East, and in particular to the oil producing states. It is perhaps with this in mind that Grachev has accepted Iran’s invitation to visit Tehran to discuss defence matters with the Iranians.

The sale of arms is facilitated by three factors. First, the legacies of the Cold War, the Arab–Israeli wars, the Iran–Iraq war and the Persian Gulf war of 1991 have all helped develop a great sense of insecurity in the Middle East. This in turn has created what one can call a ‘weapons culture’ which, it seems, is
nourished and satisfied by acquiring ever more quantities of weapons which are beyond any internal security needs and defence purposes, but are important more for international prestige and the actualisation of national pride. For how else can the purchase of billions of dollars-worth of weapons be justified when it will be cheaper for the Arab states to seek outside assistance, as in the case of Saudi Arabia and Kuwait, who paid for much of the costs of Operation Desert Storm. Second, whatever changes the end of the Cold War might have brought to the nature of relationships between the West and the East, their competition in the sale of weapons to the Third World has remained almost unaffected. Arms exports to Third World countries have increased since the end of 1990 because the countries manufacturing weapons have reduced their own arms defence budgets, thanks to the agreement reached between the USA and the former Soviet Union. The Third World markets are thus not only the best option but the only ones left to the weapons manufacturing states. Despite the fact that, beginning in 1986 to the present time (1997), oil prices have been much lower than in the preceding period, and that, if inflation is taken into account, oil prices at 1995 were barely higher than they were during the Arab oil embargo in 1973, the oil producing states in the Persian Gulf are still by far the most lucrative arms bazaar for both the West and Russia. Third, Russia, as the main successor state to the Soviet Union, is no newcomer to the Middle East arms bazaar, as it had a large share of the market during the Cold War. For example, as the result of the international arms embargo on Iran and Libya, Russia’s loss in arms sales is estimated at $16 billion. Whereas in 1984–89 the Soviet Union’s share in world arms exports to the near and Middle East was 27.3% (first place), in 1989–93 it dropped to 10% (fourth place after the USA, Britain and France). Thus Russia feels that, for the health of its own economy, if not for political influence, some of the Middle East arms markets should be recaptured. Iran is one such market. However, as pointed out earlier, this aspect of the new relationship should not be overemphasised for, compared with the much richer Arab states of the Persian Gulf, Iran cannot be a major market for arms. For instance, while Iran’s military expenditure for 1991 was only $4.27 billion, that of Saudi Arabia for the same year was $35.5 billion. To highlight this comparison is not to argue that Iran has a particular aversion to acquiring more weapons; after all, in the 1960s and the 1970s Iran under the Shah was among the biggest buyers of weapons among Third World countries. What is being argued here is that, although at present Iran is unable to spend lavishly on arms, it nevertheless has great potential to do so in the future, increased oil revenues and improved economic conditions at home permitting.

**Conclusion**

The Iran–Russia rapprochement has several important advantages for both countries. For the Russians perhaps the most important ones are the economic benefits which it brings to the Russian economy, and the access to the Persian Gulf through Iran. For the Iranians, the most important are (a) Russia’s political support at both the international and the regional levels (ie in Central Asia) at a time when the USA is attempting to isolate Iran internationally and pressing
its Western allies to do likewise; and (b) Russia’s sale of weapons, building nuclear power stations, and assisting Iran with new technologies which are denied to it by other countries. At this stage it is too early to say to what extent the present rapprochement between the two countries will remain, or even expand. But it is safe to assume that it will continue as long as relations between Tehran and Washington remain hostile, and as long as Moscow and Tehran can find common grounds for cooperation in Central Asia.

The grounds for cooperation in the establishment of a new legal status for the Caspian Sea already exist. With the new gas and oil discoveries in the Caspian Sea, and the recent signing of agreements between the republic of Azerbaijan and a consortium of oil companies, plus the exclusion of Iran from the consortium, Iran is now pressing for the establishment of a new legal status for the above-mentioned sea. While some of the new littoral states have as yet to show interest in Iran’s proposal, Russia and Turkmenistan have supported Iran’s stated position on the issue. Russia has also supported the Iran–Turkmenistan agreement which calls for the construction of a pipeline to carry Turkmenistan’s oil and gas to the international markets through Iran.

What has also greatly helped the two countries move towards the present rapprochement is Iran’s policy towards the Central Asian republics. That policy is based less on religious ideology and more on trade and cultural links between it and the republics. Iran’s role in mediating, unsuccessfully, between Armenia and the Republic of Azerbaijan in their war over Nagorno-Karabakh, its mediating, successfully at least for the present time, between the pro-Moscow Tajik government and the nationalist and Islamist opposition groups, and its neutral stance vis-à-vis the conflict between Russia and Muslim Chechnia—all these have apparently given a positive image of Iran in Russia. For the Iranians, Russian’s resistance to the USA’s pressure to cancel their agreement to build a nuclear power station in and expand trade with Iran has opened a new era in Tehran–Moscow relations. Considering the two centuries of turbulent relationships between them, for the Iranians to deal with a Russia which is neither ruled by tsars nor by commissars is refreshing. In short, both countries have found obvious common grounds for closer economic, political, trade and military cooperation. The Iranians appear to be particularly elated about the new chapter in relations with Moscow.

Notes


10 Writers who take a hard line position against Iran include Jack Anderson, a syndicated columnist in the USA; Michael Collins Dunn, senior analyst at the International Estimate, Inc; Charles Krauthammer, syndicated columnist in the USA; Daniel Pipes, editor of the Middle East Quarterly; and Fuad Ajami, academic and writer on Middle Eastern affairs; among the US policy makers one can include Martin Indyk, currently US ambassador to Israel; Robert H Pelletreau, US assistant secretary of state for Near Eastern Affairs; former CIA Director James Woolsey, as well as the present one, John Deutch; Anthony Lake and Warren Christopher.
16 The beginning of the Cold War was never formally declared, but it was in Iran that the policies of the superpowers vis-à-vis one another took shape when a pro-Moscow party, the Azerbaijan Democratic Party, tried to create an autonomous state which would then be detached from Iran and incorporated into the Soviet Union. After much manoeuvring by the USA at the UN, Soviet troops left Iran and the aforesaid party disintegrated. It is also worth mentioning that not only the first ‘political’ but also the first ‘economic’ rivalry between the superpowers in the Third World occurred in Iran. In 1944 the Soviets demanded that Iran give them an oil concession for a period of 75 years in an area in northern Iran, near the Soviet border. Iran refused, and it was strongly supported by the USA. For this important and interesting early period of the superpowers’ rivalry in the Third World see Sicker, The Bear and the Lion, especially ch 4. It could be argued that the ‘cold peace’ also started in Iran when the Russians refused to cancel, at the USA urging, the construction of two nuclear power plants in Iran.
18 Leszek Buszynski, ‘Russia and the West: towards renewed geopolitical rivalry?’, Survival, Vol 37, No 3, 1995, p 120.
19 Ibid.
21 The quotes here are cited in Herrmann, ‘Russian policy in the Middle East’, p 45.
23 The quotations used here are from the title of an article by Natalya Narochnitskaya, Vice-Chairperson of the Constitutional Democratic Party of Russia. See International Affairs (Moscow), Nos 1–2, 1994, p 33.
24 Herrmann, ‘Russia policy in the Middle East’, p 456.
27 For a discussion about the relations between Iran and the Central Asian republics see my article, ‘Iran’s foreign policy since the Gulf War’, Australian Journal of International Affairs, Vol 48, No 2, 1994, pp 267–280.
33 Kayhan Havai, 1 May 1996, p 23.
34 Sicker, The Bear and the Lion, p 129.
35 Herrmann, ‘Russian policy in the Middle East’, p 456.
38 Ibid., p 29.
41 The consortium, led by an alliance between British Petroleum and Norway’s Statoil, includes Amoco, Pennzoil, Unicocal, McDermont International, Exxon, Ramco Energy, Russia Lukoi, Saudi Arabia’s Delta Nimir and Turkish Petroleum Corp.
Islam and Christian-Muslim Relations

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Islam and Christian Muslim Relations (ICMR) was launched in June 1990 and has been hailed by scholars of Islam, Christianity and religion in general, as well as by social scientists, educationists, community and religious leaders.

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