

Iran's regional quagmire

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>> Over the past couple of years, Iran's position in the region stretching from the Middle East to Afghanistan has changed significantly. Tehran has been placed in a critical position by the effects of the Arab Spring, the stalemated conflict in Syria and the U.S./NATO withdrawal from Afghanistan, together with the renewed tensions over its nuclear programme and the revival of a proxy war with Israel. All these factors undermine Iran's traditional regional leadership role. Moreover, tensions between conservatives and the younger generation which calls for liberalisation suggest that the possibility still exists of more clashes along the lines of the 'Green Revolution' of 2009. The interplay of various regional factors can be expected to evolve and ultimately weaken Iran's regional position in the coming years.

IRAN AND THE ARAB SPRING

The 2011-12 popular uprisings in the Arab world have contributed to undermining Iran's position in the Middle East. Moderate spill-overs of popular frustration toward authoritarian regimes took place in Iran against the political system. These actions refreshed, but failed to fully revive, the revolutionary 'Green Movement' that followed the disputed victory of Mahmoud Ahmadinejad against liberal opposition candidates Mir-Hossein Mousavi and Mehdi Karroubi in 2009. In 2011, Tehran's initial welcoming of an 'Islamic awakening' in the Arab world as a means to strengthen a pan-Islamic, anti-American axis in the region quickly faded. Emerging Arab Islamist governments sought to strengthen the Sunni axis rather than the pan-Islamic one. The resumption of formal ties between Iran and Egypt after three decades of rupture was very significant

HIGHLIGHTS

- Tehran has been placed in a critical position by the effects of the Arab Spring, the stalemated conflict in Syria and the U.S./NATO withdrawal from Afghanistan.
- Iran could suddenly find itself isolated to an extent that is unprecedented in its recent history, and is running out of options.
- The Iranian authorities are planning for a major reinforcement of Iran's role in Afghanistan after the withdrawal of ISAF.

»»»»» in symbolic terms, but it is not likely to do much to prevent the overall drop in support for Iran in the region. On his first visit to Tehran, Egyptian President Mohamed Morsi unequivocally stated Egypt's support for the Syrian revolutionaries, not the Assad regime. Although Riyadh initially interpreted the uprisings as a threat to its own rule, victories at the polls for Arab Islamists may in the end turn out to be a win for conservative Sunni powers like Saudi Arabia. The political stakes of regime changes in the Middle East thus overlap in part with Sunni-Shia competition patterns, especially in the Gulf region. Iran's perception of being threatened by Sunni advances has been strengthened by the demonstrations that rocked Bahrain, where a Shiite majority is essentially governed by a Sunni minority, as well as by the ambiguous position of the United Arab Emirates, which has a large Iranian expatriate population and extensive economic ties with Iran.

With the Assad regime set to fall in Syria, Iran looks likely to lose its most faithful ally in the region. In the meantime, a pattern of balkanisation is emerging in Syria, as the different actors rapidly fragment into multiple groups. The country now faces a potential split of its territory between Sunnis opposed to the regime and Alawites loyal to Bashar al-Assad. This presents a danger of tangible sectarian divisions as well as their potential instrumentalisation to advance political agendas. The loss of the Assad regime, politically and militarily backed by Tehran, would contribute to further isolating Iran in the region. Even if Assad can hold onto power for years to come, Syria will no longer be the strong state that it had been for decades. For Tehran, the Syrian uncertainty requires a rethinking of its strategy toward Israel and could drastically impact its support to both Hezbollah and Hamas.

REFRAMING THE TURKEY-RUSSIA-IRAN NEXUS

The evolution of Turkey's position in the Middle East is contributing to the drastic shifts in the regional environment for Iran. The Justice and

Development Party of Prime Minister Recep Tayyip Erdoğan has fundamentally altered Turkish political life and created a new identity for Turkish politics, including in foreign policy. Turkey's 'no problems with neighbours' doctrine has been eroding since before the beginning of the Arab uprisings. But the popular movements have also provided Turkey with new popularity and support in the region. Importantly for Iran, Ankara has distanced itself from NATO positions. Its role as a venue for debate on Afghanistan has grown, as a crossroad where Western powers and Afghan actors, including insurgents, have met. Turkey's economic success is also enhancing the appeal of its development model. Already complex Turkish-Iranian relations are further complicated by various new factors. They must take into account the implications of the changes of government in the region, especially in Egypt. They have to deal with the upheaval caused by the civil war in Syria, where Ankara and Tehran have openly conflicting interests. And they must address Turkish concerns over Iran's advancing nuclear programme, which has affected the bilateral energy relationship ever since Ankara agreed to comply with international sanctions against Iranian oil imports and to host radars for the NATO missile defence system. As seen from Tehran, the rise of Turkey raises concerns because Ankara has long-term capabilities that could change the region's equilibrium. At the same time, Turkey is not seen as an enemy. It has repeatedly backed Iran's right to develop peaceful nuclear technology and fosters pragmatic patterns of economic cooperation and mutual non-interference. However, the rising level of tensions between Damascus and Ankara is a new cause for concern.

Iran's relationship with Russia has also undergone changes. In recent years, Moscow seemed to become a more reluctant ally of Tehran. Russia voted in favour of the fourth series of UN Security Council sanctions in 2010. And more importantly, it cancelled a \$1 billion contract to deliver S-300 air defence systems, which would have enhanced Iran's defence of its nuclear facilities against attack from the air. However, the two countries began growing closer again in 2011 and

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have continued the trend more strongly in 2012. Moscow has opposed new sanctions and criticised the possibility of strikes against Iran, and it continues to finance the Bushehr nuclear power station. In geopolitical terms, the interests of both countries have suddenly begun to overlap. The Kremlin's discontent following NATO operations in Libya and the unwavering support Moscow is currently offering to Bashar al-Assad has exposed Russia and Iran's shared agendas in the Middle East. The Iranian regime hopes for a more positive reassessment of the strategic alliance by President Vladimir Putin during his third term in office. The Kavkaz 2012 joint military exercise

in southern Russia, which exhibited the full spectrum of Russia's military capabilities, was seen as a show of force directed at Georgia, including a scenario for tactical response in the case of a U.S.-Israeli joint attack on Iran with Tbilisi's support.

Because of its increasing international isolation, Tehran needs the support of both Turkey and Russia, as well as that of China. At the very least, it needs them to maintain a conciliatory position, so as to prevent the aggravation of the crisis with the United States and Europe. Hence, in Tehran's recent foreign policy assessment, relations with Turkey and with Russia have been upgraded in importance.

PROXY WAR IN THE SOUTH CAUCASUS

The Burgas suicide bombing, which killed Israeli tourists at the seaside resort of Burgas, Bulgaria, on 18 July 2012, revived debates on the international proxy war between Iranian and Israeli intelligence. This bombing, for which the unknown group Qaedat al-Johad claimed responsibility, is seen as Iranian retaliation for the

killing of several of its nuclear scientists, in particular Ahmadi Roshan, allegedly by Israeli services. This proxy war knows no borders. Cyprus and Greece have been targeted, as have Thailand and India, where an explosion wounded several Israeli diplomats.

South Caucasus is also on Tehran's radar, in part because of Iran's heavy economic involvement in the region. The bulk of the Iranian presence in Azerbaijan is in the oil and gas sector. Baku supplies Iran with 5 million cubic meters of gas per year through the 1,475-km long Kazi Magomed-Astara-Abadan pipeline. Tehran also provides gas to Azerbaijan's autonomous republic of Nakhchivan. Iran's national oil and gas company holds a 10 per cent share in the Shah Deniz gas field in the Caspian Sea. It has pledged to acquire another 10 per cent stake in the second phase of exploitation, which is scheduled for completion in 2014. Iran is also one of the main economic partners of Armenia, which is isolated by Turkish and Azerbaijani blockades. Energy cooperation accounts for 80 per cent of the total trade exchange between Iran and Armenia, with a reciprocal deal on gas and electricity at the heart of their commitments.

In view of these involvements, Tehran considers the South Caucasus as a part of its 'near abroad'. It is worried about the possibility of Georgia hosting U.S. troops if Israel needs military support against Iran. And it is alarmed by the good relations between Baku and Tel Aviv, evidenced by a \$1.6 billion arms deal providing Israeli military equipment to Azerbaijan, including drones and missile defence systems. Mutual accusations (and related denials) have escalated over the last year. The Iranian press denounced the permissiveness of Baku, which supposedly allowed Mossad to use Azerbaijani territory as a 'corridor' to help in the assassinations of Iranian nuclear scientists. There have been reports that in early 2012, Iran carried out retaliatory attacks. The government in Baku thwarted what seemed to be an attempt by Iranian secret services to assassinate the Israeli ambassador and arrested about 20 Azerbaijani

»»»»» citizens for allegedly working for Iran's Revolutionary Guards Corps. In Tbilisi, the police reportedly defused an explosive device placed under the car of a Georgian driver for the Israeli embassy. All these incidents seem to suggest that the South Caucasus is gaining importance in Tehran's threat assessment and calculations.

IRAN'S CHANGING STRATEGY IN CENTRAL ASIA AND AFGHANISTAN

The many uncertainties of the new Middle East are causing the Iranian regime to look further east. Iran's Asian (as opposed to Middle Eastern) identity, long overlooked and little noticed by international observers, re-emerged in the 2000s. Threatened by containment, Iran seeks to build stability on its eastern borders with Afghanistan and Central Asia, and to increase its growing economic ties with China. The enthusiasm that Mahmoud Ahmadinejad regularly demonstrates for the Shanghai Cooperation Organisation (SCO) illustrates Tehran's wish to break out of its international isolation. However, the country's hopes of becoming a full member of the SCO are limited, as the Central Asian governments, Moscow and Beijing are against it. Similarly, Tehran's attempts to foster a new Persian-speaking regional configuration comprised of Iran, Tajikistan and Afghanistan has little chance of success.

Iran's relations with Central Asia are driven by pragmatism and 'good neighbourhood' policy. The Central Asian governments, which advocate authoritarian secularism, worry about the ideological nature of the Iranian government, and cultural relations remain limited. Only in Tajikistan are pro-Iranian sympathies displayed openly. However, all the Central Asian governments see Iran as a reliable long-term economic partner that could potentially offer great opportunities in the transportation of Central Asian energy to South Asia and the Gulf. They all call for a diplomatic settlement of the conflict on the Iranian nuclear issue. They believe

that Tehran is not yet capable of making operational nuclear weapons, and that if it did acquire the capability, it would not use it against them. They also think Iran could be convinced to abandon its weapons programme if a relationship of trust with the United States was created and if Iran saw a geostrategic rebalancing in its favour with regard to Israel and Pakistan.

Tehran remains concerned about the evolution of the situation in Central Asia, both domestically and internationally. Iranian experts note the rise of Salafist Islamist movements in the region. They denounce proselytising movements from the Indian subcontinent, the Gulf and Turkey, which they see as detrimental to Iran's long-term interests. Geo-strategically, the Western withdrawal from Afghanistan, the SCO's stagnation on security issues and Russia's declining involvement leaves the United States room for manoeuvre. Iran's interests in the region are therefore not served by the prospect of the transformation of the northern ground line of communication to Afghanistan – the Northern Distribution Network – into a long-term security partnership between Washington and some Central Asian states, in particular Uzbekistan.

Iran's strategies in Afghanistan are bound up with even more complex agendas. Various Iranian state actors have contradictory interests and priorities, and their competition is particularly visible in relation to Afghanistan. The civilian part of the government sees the Taliban and their Pakistani and Saudi allies as an enemy. But the Revolutionary Guards allegedly continue to provide some aid, such as bullets, components for improvised explosive devices, and rocket-propelled grenades, to Afghan insurgents. The rationale behind their help is that of ideological war with the United States. However, they also aim at pressurising the Afghan government on some bilateral issues, for instance the water dispute over the Helmand River. Iran can rely on several influence networks in Afghanistan, including the Hazara minority, and former warlords such as Gulbuddin Hekmatyar and Ismail Khan. Its

trade with Afghanistan is growing and reached the historically high figure of \$1.3 billion in 2010. Tehran is clearly hoping to transform the Heart region into an autonomous buffer zone that would help Iran protect itself in the case of new instability in Kabul.

The Iranian authorities view the ISAF withdrawal positively and are planning for a major reinforcement of their role in Afghanistan after 2014. But they are also preparing for the collapse of the government in Kabul, the Taliban acquiring more power, the marginalisation of the Hazara and new refugee inflows. Tehran worries about both the maintenance of an American presence in Afghan territory until 2024, as stipulated in the strategic partnership signed between Kabul and Washington, and the return to instability such as that which marked the years of civil war in the early 1990s. The positive aspects of the ISAF withdrawal are therefore largely downplayed, and Tehran is concerned instead with losing on two counts.

CONCLUSIONS

Iranian decision-making circles are faced with multiple challenges, both domestically and on the international front. The stakes are complicated by the overlap between international issues – the nuclear programme and relations with the United States – and regional ones – the Syrian crisis and the withdrawal from Afghanistan. The country is at a crossroads. It could see its position significantly diminished in the coming months and years, but it could also benefit from new spaces for projecting its power both in the Middle East and in wider Central Asia. In Syria, Tehran wants to have a say in any solution that emerges. It is trying to initiate some low profile contacts with parts of the Syrian opposition, and could probably be prevailed upon to agree to Bashar's departure, provided the Baath security organs remain in power. However, Iran's economy is also suffering from the new sanctions, and Israel has threatened to launch an attack, with or without U.S. support. Iran's regional status is therefore

under threat, as is the regime itself, which could face renewed domestic unrest.

Tehran could suddenly find itself isolated to an extent that is unprecedented in its recent history. And it is running out of options. Locking Iran out of talks on the future of Libya and Afghanistan would further escalate its feeling of encirclement. In this uncertain environment, a military attack on Iran would have devastating effects for regional stability. It could force the regime into adopting a 'nothing-to-lose' approach, acting as the region's spoiler and engaging in tactics of retaliation in Afghanistan, Central Asia and the South Caucasus. An attack would also weaken the domestic opposition to the regime in the name of nationalism. Iran's regional weakness adds therefore a new important dimension to the ongoing nuclear impasse.

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