

Conflict Studies Research Centre



**The Russian Eagle &
The Persian Peacock:
Russo-Iranian Cooperation
1995-2005**

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Key Points

In the contemporary relationship between Russia and Iran the following factors are important:

- * Pragmatism is the order of the day. Russia has no problems dealing with Iran on a number of geopolitical issues, both regionally and on a wider scale.
- * Economically, Iran is important to Russia, especially in the area of arms sales: Russia is a major supplier of military equipment and services, for which Iran pays cash.
- * The experience of the USSR in the 1920s-1930s as a pariah state and the current international position of Iran lends a commonality to the relationship.
- * In terms of energy security, Russia is earning hard currency and retaining the services of a skilled workforce; Iran needs Russia to supply it with the skills, the equipment and the fuel necessary to develop its own civilian nuclear power programme.
- * Russia needs a quiescent partner in the south, not another nuclear-armed power which could strike deep into the heart of Russian territory.

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In general, Russia's policy towards its southern "strategic partner" is very different from that of the USA, preferring one of engagement rather than confrontation, never mind regime change. This attitude combines pragmatism with a desire to obtain a share of Iran's oil and gas revenues. Russia's policy towards Iran is not guided – as it was when Yeltsin and Chernomyrdin were in control – by its desire to placate the USA.¹ But nor is it guided by an inherent desire to antagonise the USA. There are a number of issues – most notably surrounding the division of the natural wealth of the Caspian Sea – which cause both Moscow and Tehran significant headaches, but it is in the interests of both states not to run the risk of antagonising the other too much: Russia needs Iran, both in terms of arms sales, as well as helping to maintain the security of Russia's southern borders; Iran needs Russia for military equipment and energy security. Thus, when it came to the question of nuclear energy co-operation, once the Chinese pulled out of assisting Iran in the mid-1990s, the next best partner for Iran was Russia. As a signatory to the non-proliferation treaty (NPT), Iran does have the right to develop nuclear power for peaceful purposes and other NPT signatories can, if they so desire, assist Iran in its peaceful pursuit of nuclear energy co-operation. This is a practical, commercial proposition; as will be shown below, Russia has no wish to create another nuclear-armed power in a very sensitive part of the world.

The visit by a senior Russian politician to the Islamic Republic of Iran in December 2004 testified to the close nature of the two countries' relationship over the last decade: Sergei Mironov, Chairman of the Russian Federation Council, stated that, "Throughout recent years, Iran has steadfastly expressed solidarity with Russia and has spoken together with us on many global and regional issues, including inter-Tajik, Afghan and Iraqi settlements, as well as strengthening the UN's role in international affairs". Further proof of the bond between the two countries was given by the announcement during Mironov's visit of Iran's decision to become part of the CIS electrical grid system from 2006, thereby ensuring continuity of supply should the local network fail.²

Iran values its relationship with Russia, in terms of energy, defence and regional security issues, dubbing Russia a "strategic neighbour".³ Their relationship over the centuries – the first diplomatic envoy of the Shah of Persia first visited Moscow as early as 1521⁴ - has usually been driven by a large degree of pragmatism: they have never professed the same national or religious ideology but, as a result of their geographical proximity they have always let the practical business of "neighbourly", if not "good neighbourly", relations be the order of the day. As both countries have been convulsed by violent internal change, they have been mindful not to interfere, not too much at least, in the domestic troubles of one another. Iran's concept of its foreign policy as being a series of inter-connected loops places the CIS in the first of

the three loops, in which “we are neither a threat to their security nor do we see them as intending to adopt a hostile attitude towards us”.⁵

Similarly, from the Russian point of view, in the Caucasus and Central Asia: “Iran for Russia is a strategic ally in two highly explosive and very vulnerable zones, in which there are also many inter-ethnic and inter-state conflicts and where the whole geopolitical situation can be radically altered and transport corridors and the flow of goods can be organised differently... The Iranian factor is very important in achieving stability in the region.”⁶ Thus, although in the past the regime in Moscow may have been dubbed “Little Satan” (“Big Satan” being the USA) by the revolutionary authorities in Tehran, both states have needed and still need one another for reasons of regional stability. So the rhetoric has always quickly given way to the more pressing concerns of the moment: minds triumphing over hearts.⁷

Although unwittingly, George W Bush’s characterisation, in January 2002, of a number of states as constituting an “axis of evil” highlighted another similarity in the relationship between the two states: that of being treated as a “pariah state”. Had not the USSR itself been forced into diplomatic isolation throughout most of the 1920s-1930s by many of the world’s leading states (the USA not formally recognising the USSR until 1934, for instance) and treated as an outcast from the international community? Iran, as a constituent member of the “axis of evil”, was now in a similar position. History may have dealt them very different hands in some respects, but both countries have had to contend with being treated as a hostile state by the world’s most powerful military and economic power.

One important factor in understanding the importance of Iran to Russia and *vice versa* is that, after China and India, Iran is the third largest buyer of Russian arms: between 1991-2002, Iran bought some \$3.6 billion worth of Russian military equipment, some 54% of Iran’s total arms imports during the period.⁸ On top of that, Iran has announced a massive rearmament programme, spending \$1 billion per year over the next 20-25 years. Russian specialists reckon that at the current rate of expenditure, this could mean \$300 million per year which, spread over 25 years, would mean Iran importing Russian weaponry at current prices worth \$7.5-\$8 billion. With Russia’s arms exports running at around \$5bn a year, this is a market which the Russian government, and its military industry, would not want to lose.⁹ In addition, it is also one of the few countries which pays largely in cash: according to one specialist, Iran pays for two thirds of its imports of Russian military goods and services in money.¹⁰

In relation to co-operation with Iran in the area of nuclear energy, Russia is quick to stress that, in completing the work on the Bushehr nuclear plant (initially begun by the Germans in the 1970s) in southern Iran, everything is carried out under strict observance of IAEA (International Atomic Energy Authority) guidelines. If it believed that Iran was working outside the control of the IAEA, there can be little doubt that Russia would pull the plug. In an article written by one of Russia’s leading experts on Iran, R Safarov, as far back as 1997, this was made clear:

- “1. Iran cannot build a nuclear bomb, using the plutonium, being used at ... the nuclear power station [at Bushehr]: by its very nature, it cannot be used to make a bomb and Iran does not possess the necessary radiological-chemical technology to re-work it;
2. all activities using nuclear material in the country will be under the control of the IAEA;

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3. Russia reserves the right to freeze its contract with Iran if, after beginning work on the nuclear-power station, any activity of Tehran forces Moscow to doubt Tehran's peaceful intentions."¹¹

Russia would have much to lose globally, but especially in terms of influence in the Caucasus and Central Asia, were it to allow, never mind assist, Iran in the manufacture and development of a nuclear capability, especially one that was also potentially deliverable against targets inside Russian territory.

A critical analysis of the development of Iran's missile and nuclear programmes, published by the respected PIR (Centre of Political Research in Russia) organisation, was pessimistic in its views on Russia's future relationship with Iran but came to a similar conclusion concerning Iran's potential nuclear capability:

"Russia cannot view Iran as an ally and must take into consideration the possibility of a deterioration in relations ... not excluding the possibility of military confrontation ... This means that the Russian Federation is not interested in Iran acquiring weapons of mass destruction, let alone nuclear weapons, with a means of striking at the territory of the Russian Federation."¹²

The main reason why Russia has been involved in Iran's civilian nuclear programme – in the same way as it has no problems in supplying the country with military hardware – an issue which seems to attract very little attention from the US authorities or the Western media – is pure and simple economics. It has very little, if anything, to do with trying to antagonise the USA, or anyone else for that matter. The work at Bushehr is worth a lot of money to Russia and provides profitable and useful employment. The construction project at Bushehr is worth \$800 million to Russia; it employs approximately 1,500 CIS citizens on site – the majority of them are Russian – with a further 20,000 employed inside Russia itself, keeping 300 Russian firms ticking over.¹³ At the time the contract was signed, in January 1995, when the Russian economy was not as robust as it is now, its importance cannot be over-exaggerated: it ensured that many well-trained and highly competent technicians, specialists, engineers and the like could stay in the country and did not have to seek employment outside Russia. At least this part of the Russian economy retained a sufficiently strong pool of skilled labour to ensure its own future development.

Bushehr is fundamental to the future development of Iran's civilian nuclear power infrastructure. If the work goes well, then there is every likelihood that there will be further contracts for Russia. This is a commercial undertaking and, in general, should be approached in the same way as any other similar project in the developing world: it is designed to earn valuable hard currency for one country and alleviate the future energy needs of another. But rarely has such a commercial project produced so much ire and hostility. It involves two countries operating quite legitimately within the confines of both international law and business practice: Russia's involvement in the energy system of Iran in itself is no bad thing, as it assists in reducing Iran's international isolation. Helping such states address bread and butter issues, like meeting future energy needs, by using less threatening, "more carrot, less stick" approaches could play a huge role in combating the threat posed by international terrorists, by reducing the number of potential states friendly to their cause.

Energy politics is one of the key determinants in the future direction of the planet: with the exception of nuclear power, there are no readily available seemingly limitless sources of power. Governments, over the decades to come, will have to decide this key issue by means other than military. Iran's reserves of oil and gas rank it as one of the world's top potential producers – in terms of its oil reserves, Iran occupies third place in the world, in gas, second place.¹⁴ At the beginning of the 1990s, the country took the decision that 20% of its domestic energy requirements would be met by nuclear power stations by 2005,¹⁵ preserving its oil and gas reserves for export, and better matching the national geography of supply and demand. Obviously, Iran has failed to meet these targets, but it has stuck firm to its intention.

However, many in the USA and Israel in particular remain unconvinced that Iran's continuing development of its nuclear power programme does not have a covert military purpose, pointing to both the development of its missile programme and its untapped resources of oil and gas.¹⁶ This is neither the time nor the place to recount the precise nature of the deeply-held hostility felt towards Iran by the USA and Israel and *vice versa*. But Russia's nuclear co-operation with Iran does bother the USA and the success of the steps taken by both Iran and Russia to assuage US concerns about the Iranian nuclear power programme has been limited. Even so, following the November 2004 mission by the EU3, which resulted in Iran agreeing to voluntarily relinquish its right to enrich uranium – vital in the process to create a nuclear device – hopes have been raised that the USA may come round to the Europeans' way of thinking as regards how best to approach Iran on this particular issue.¹⁷ At a press conference in Moscow in late November 2004 given by H Musavian, chairman of the Foreign Policy Committee of Iran's Supreme Council for National Security, and I Ivanov, Secretary to the Russian Security Council, Ivanov publicly welcomed the EU-Iran negotiations, stating that they were "right" and "serious".¹⁸

Even better news has been the recent announcement that Iran will allow IAEA inspectors to visit a site – Parchin - long suspected by Washington of covert military nuclear activity.¹⁹ Even so, though, there are fears that, before the nuclear power plant at Bushehr receives its first consignment of nuclear fuel and begins operating, scheduled to happen in 2006, the US or Israel may take preventive military action to ensure that the plant does not acquire operational status.²⁰ After all, there is a precedent for this: on 7th June 1981, 8 Israeli F-16s and 6 F-15s launched a strike against the nuclear power plant at Osirak, near Baghdad, using satellite information from the US. This was the first time a civilian nuclear power plant had been subject to a military strike.²¹

One can only guess at the consequences of such direct military action against Bushehr. Few would openly applaud, never mind approve, further military activity in the Middle East. In advance of such direct military action, the perpetrator would have to answer a number of important questions: could it be justified in terms of international law and public opinion?; would the reaction of Muslim states be as muted as in the latest war against Iraq?; how would Iran react militarily to such an attack?; if foreign personnel were killed, what would be the reaction of their governments, particularly Russia and Ukraine?

The reaction of Russia will be critical. The threat of any such action is likely to herald a new freeze in relations between the two states. This, for instance, could result in a lessening in co-operation between the two countries in the global war against terrorism; reducing Russian oil exports to the USA; increasing the amount

of sophisticated weaponry being sold to Iran, etc. Russia could easily become the focus of worldwide condemnation and, as one of the five Permanent members of the UN Security Council, could increase further the diplomatic discomfort felt by the USA in the immediate aftermath of such a move. Even the former National Security Adviser, E Brzezinski, an ally of neither the USSR nor Iran when he served in the Carter Administration, has publicly warned against the use of force against Iran: “force will unify the mullahs with the democratic opposition and derail political change in Iran. [It] may not stop Iran from acquiring nuclear weapons and will have adverse consequences in Iraq and Afghanistan.”²²

In short, any military action against Iran could easily produce the opposite effect to that intended by the USA and its allies in the Middle East. Specifically on the issue of air strikes against Iran’s civilian nuclear power infrastructure, even its staunchest European ally, Great Britain, has expressed its opposition to such a step. Jack Straw, British Foreign Secretary, has claimed that such an attack “was not only inconceivable, but I think that the prospect of it happening is inconceivable”.²³

If logic dictates the actions of states on the international arena, then how would it serve Russia’s national interests to assist Iran in acquiring a nuclear weapons capability? Time and again, Russian experts on Iran and Russian policy in the Middle East state that “Russia is not interested in the appearance in Iran of WMD, or the means to deliver them against the territory of the Russian Federation.”²⁴ The Russian Minister for Atomic Energy, E Adamov, highlighted the folly in Russia pursuing a policy which would undermine Russia’s strategic interests:

“We are much closer to Iran than the USA. The current missile weaponry of Iran can already reach our territory. God grant America a lot of time to pass before she faces such a threat...The work of the Ministry of Atomic Energy at Bushehr is no more than assisting the development of the national energy strategy of Iran...I repeat: we do not want to commit suicide. Helping anyone, let alone a state situated very close to us, create a nuclear weapon – we will never do that.”²⁵

Russia is not a turkey voting for an early Christmas! Like all nation states, it is working in its own short-, medium- and long-term interests. Given the nature of the agreements signed between the two states, under strict observation and inspection of the IAEA, if at any time Russia feels that Iran is developing a covert nuclear weapons capability, then it has reserved the right to freeze all further co-operation and bring the whole national nuclear strategy to a halt. Russia has no need or desire to create another nuclear-armed power in the region. A nuclear-armed Iran would further undermine Russia’s traditional hegemonic role, already under severe threat from the USA. Russia, under Putin, does not seem to be keen on pursuing a risky foreign policy: giving Iran the technology and the know-how to develop a nuclear weapons capability would involve too much risk and very little gain for Russia.

ENDNOTES

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- ¹⁴ Safarov, *ibid*.
- ¹⁵ Ibid.
- ¹⁶ This has been most recently summed up in an article in the Financial Times, by A Shlaes: "Providing nuclear fuel to Iran is a crazy idea. Iran does not need a fuel source in the way North Korea does. It has oil and natural gas. The only reason Iran would want to build its nuclear capabilities is to create a weapons programme, or at least the potential for one," (A Shlaes, "Bush has it right on nuclear proliferation", *The Financial Times*, 4 October 2004). See also R Cornwall, "Iran is working on nuclear missile, warns Powell", *The Independent*, 19 November 2004.
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Want to Know More ...?

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