



Dilemmas in Russia's Policy Towards Iran

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The common goal of Russia and Iran is to limit the role of the U.S. in the Middle East. At the same time, the Russian authorities are afraid to help Iran become too powerful, as this may threaten the Kremlin's own position in the region. On the other hand, the growing conflict between Iran and the United States (along with the latter's allies, including Arab states and Israel) may force Russia to choose a side and deprive it of the opportunity to act as a mediator in the Middle East.

Conditions for Political Cooperation. Cooperation with Iran is one of the most important elements of Russia's foreign policy, aimed at increasing its own importance in the Middle East and thus on the international arena. The Russian authorities project the image that they are the only the ones able to talk with all the countries of the region, and thus to act as a mediator in the numerous conflicts among these countries.

Cooperation between Russia and Iran is tactical. Both states are in favour of reducing the role of the U.S. in the international arena, and both support the concept of a multipolar world. They also cooperate in fighting against terrorism, which they define in accordance with their own interests. An example of the implementation of these declarations is the joint military operation in Syria, which allowed President Bashar al-Assad to remain in power and prevented U.S. intervention there, thus limiting U.S. influence in the Middle East.

Russia also supports Iran in its dispute with the United States. It criticised the U.S. withdrawal from the Iran nuclear deal (JCPOA) and works with the EU to maintain this agreement. Russia also condemned the sanctions imposed by the U.S. on Iran on 24 June, in connection with the shooting down of an American drone and the attack on oil tankers in the Gulf of Oman, for which the U.S. blamed Iran.

Conflicts of Interests Between Russia and Iran. At the same time, Russia and Iran are divided on many issues. Despite political and military cooperation in Syria, Russia fears that Iran will establish a military dependent satellite, as happened in Lebanon in the 1980s when the Iranian Revolutionary Guards helped to create the Shiite organisation Hezbollah. Tensions between Russia and Iran are also caused by close relations between Russia and Israel, and Arab states such as Saudi Arabia.

As long as Iran does not withdraw from the JCPOA, Russia will oppose any attempts to introduce further restrictions in the framework of the UN. If, however, the Iranian authorities decide to leave the nuclear agreement, it will put Russia (for all signatories to the agreement are required to comply) in a difficult position. It may also trigger a crisis in bilateral relations. Therefore, Russia's calls for Iran to return in fulfilling all JCPOA points (on 7 July, Iran increased the level of enrichment of uranium beyond the limit set out in the agreement). From the Russian perspective, U.S. military intervention in Iran is an even more dangerous possibility. In such an event, Russia would have to pick one side, which contradicts its current multi-vector policy and plans to increase its presence in the Middle East.

Economic and Energy Cooperation. Although Iran is one of the few countries to which Russia sells both agri-food products (almost 70% of exports) and industrial products (20%), economic cooperation between these countries is limited. In 2018, trade exchange amounted to just over \$1.7 billion, of which imports to Russia accounted for \$533 million and exports from Russia were worth \$1.2 billion. Iran was only 50th among Russia's largest trading partners with 0.25% of its total turnover. This is both the effect of international sanctions restricting trade with Iran and the associated poor condition of the country's economy. At the same time, Russia has expressed its interest in joining the EU Instex mechanism, which would allow humanitarian transactions (including agri-food trade) without exposing it to U.S. sanctions.

Russian companies are afraid of investing in Iran. In 2018, Lukoil, Russia's second-largest oil extraction company, abandoned plans to work on Iranian deposits and purchases of local natural resources due to the threat of U.S. sanctions. Despite preliminary declarations concerning investments, other energy companies such as Gazprom, Rosneft and Tatneft have also decided not to invest. The only significant state-owned company involved in Iran is Russian Railways (RZD), which implements the electrification project for the Garmsar-Incheboron railway line. Moreover, the structural barriers of the Iranian economy and the lack of friendly conditions for foreign investors remain obstacles to investment.

However, Russia and Iran cooperate in nuclear energy. In 2014, they signed documents assuming that, with Russia's cooperation, eight new blocks of nuclear power plants will be built in Iran. In 2018, Rosatom commenced work on the extension of the Bushehr power plant (built by Russia between 1995 and 2010). This plant is not associated with installations used for military purposes, and Russia provides fuel for the reactors.

Military Cooperation. Both countries cooperate militarily in Syria, and in 2019 they planned joint sea exercises off the coast of Iran. In 2016, thanks to the JCPOA agreement and related mitigation of sanctions, Iran bought the Russian S-300 missile system (NATO: SA-10 Grumble), concluding a contract signed in 2007. From time to time, the purchase of S-400 (SA-21 Growler) missile systems and Tor-M2 missiles (SA-15 Gauntlet) are also raised, but such negotiations are quickly denied by both sides. Russia hopes that the lifting of sanctions against Iran in 2020, related to the implementation of the JCPOA, will allow it to export weapons including fighters and helicopters to that country.

Despite cooperation in Syria, in 2016, the Iranians withdrew permission for the Russian Air Force to use the airport in Hamadan for transfers. The reasons were social protests and criticism in parliament, as well as fears that Russia would establish a military base there. The dispute may also be fuelled by plans to establish an Iranian military base in the Syrian port of Baniyas, located between Khmeimim and Tartus, where Russian military installations are located. According to Russia, the base will not only be an additional tool of Iranian influence in Syria but may cause further conflicts with Israel.

In the event of a conflict between the U.S. and Iran, Russia may provide intelligence to the latter. Both countries have a long tradition of cooperation of this kind (including in Syria), and for Russia, it will be a further means of opposing the United States. However, in the event of armed conflict, Russia is very unlikely to engage openly in military action on Iran's behalf.

Conclusions and Prospects. Despite declarations on the importance of cooperation with Iran, relations with this country are for Russia directly connected with its relations with the United States. The Russian authorities' primary goal (and an important element of their entire policy for the region) is to limit the U.S. presence in the Middle East. Thus, their opposition to further sanctions on Iran in the framework of the UN will serve primarily to oppose U.S. policy.

The exit of Iran from the JCPOA or the Treaty on the Non-proliferation of Nuclear Weapons would be a major challenge for Russia, as would Iran's further attempts to develop nuclear weapons. Russia would not, in either case, be willing to help the country. What is more, such a decision by the Iranian authorities would work in favour of U.S. arguments to re-impose sanctions, which would be in conflict with Russian interests.

Russia wants to maintain the current status quo in the Middle East, which allows it to conduct a multi-vector policy there. The potential for conflict between Iran and the U.S. may show that the Russians are not only unable to maintain the role of an influential player in the Middle East, but could also affect international politics by undermining the country's aspirations to regain its status as a global power.

It is not in Russia's interests to increase the role of the U.S. in the Middle East at the expense of Iran or to strengthen the position of the Iranian authorities in the region. Thus, relations between Russia and Iran will not improve, although both countries will strive to maintain the frequency of contacts, which will create the appearance of cooperation.