

Iran – Russia Handclasp: Compulsion and Necessity

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Introduction

The contemporary world seems to be heading towards “strategic polarization and a re-emergence of the politics of spheres of influence in the Middle East”. The US, Russia and China are inching toward a new strategic alignment. While Russia is wooing Tehran for direct or indirect cooperation, the US has put its stake in the Middle East and, of course, Ukraine. China is expecting to drag Saudi Arabia and the Gulf countries into its sphere of influence.

For a long time, Iran has been in the eye of the storm; more recently because of her ambition to attain nuclear capability against the wishes of the US and her European allies. For eight years the former Iranian President Hassan Rouhani made a strenuous effort to forge a nuclear deal with the US and the EU to bring an end to the Iran-US estrangement. But on May 8, 2018, then US President Trump announced the withdrawal of his country from the Joint Comprehensive Plan of Action (JCPOA). Tehran hardened its attitude and reiterated its determination to attain nuclear capability. The Trump administration re-imposed sanctions on Iran.¹

With the outbreak of the Russia – Ukraine conflict and America's imposition of sanctions on Russia, Iran and Russia both have come closer to meeting the challenge of the culture of imposing sanctions when countries do not abide by the wishes of Washington. Carving of spheres of influence is fraught with a serious threat to the world peace. Where will this process of action and reaction take the world is the issue we are seriously concerned with.

Iran – Russia Bonhomie

Iran-Russia bonhomie is not of recent origin but has been growing ever since Iran announced its intention of developing nuclear capability. Iran and Israel are known enemies and Iran has seldom seen a period of smooth sailing with the Saudi Monarchy on account of the factional divide. Conscious of the fact that Israel was enjoying the full support of the US and was improving its arsenal of lethal weapons with the passing of each day, Iran began to perceive redemption in making a nuclear bomb. She often argued that Israel was capable of managing nuclear deterrence via the US.

In May 2018, the Trump administration announced the withdrawal of the USA from the Joint Comprehensive Plan of Action (JCPO). The EU did not see eye to eye with Trump's withdrawal from the deal calling it lop-sided. The then European Union's foreign policy chief Federica Mogherini said the

JCPOA was a firm decision and that no single country could break it and suggested a collective process to preserve the deal. French President scorned the withdrawal and told German *Der Spiegel*, that there could be war.² European countries decided to negotiate with Iran and repair the damage. That story falls within Vienna dialogue which we may safely eschew.

On the eve of his first ever 2-day visit to Moscow, President Ebrahim Raisi of Iran said his visit could mark “a turning point in bilateral relations. Iran-Russia two strong independent and influential nations in the region could boost their security and trade through maintaining close dialogue.”³ This short statement gives a subtle hint to the nature of the relationship Iran wants to develop with Russia in future.

The *Business Standard* has recently quoted President Raisi stating in a press conference, “ Nuclear industry and nuclear capability are the right of the Islamic Republic and the people of Iran, and we have repeatedly said that nuclear weapons have no place in the doctrine of the Islamic Republic.”⁴

On July 19, Russian President Vladimir arrived in Tehran for a tripartite convention with his Iranian and Turkish counterparts. He also met with the Iranian Supreme Leader Ayatollah Khamenei. Turkey's presence in the convention was essentially limited to calibrating a new strategy on war-ravaged Syria.

Notwithstanding the critics of Iran's pro-Russian circles saying that the country has been colonised by its northern neighbour, the Iranian government has not relented because in given circumstances Iran has no other option of collating with some other international ally.

Dimensions of Iran – Russia Alliance

(a) Economic

President Putin's July 16 meeting with his Iranian counterpart in Tehran essentially aimed at countering the influence of the US in the Middle East and the Gulf region. The talks also included a search for the mechanism of making the sanctions regime ineffective. Trade and security were the two main areas under focus.

Iran has suffered enormously from the sanctions. The trade between Iran and Russia has been almost inconsequential. In 2021 the volume of trade amounted to \$ 3.3 billion.⁵ There are plans to elevate this to \$ 40 billion annually.

The deepening of ties with Russia is likely to bring other dividends to Iran as well. Iran is determined to carry forward her quest for attaining nuclear capability. But as we know, this programme is hamstrung by years of grinding sanctions. Competitors are unwilling to invest in the Iranian enterprise because of the consequences of sanctions. Russian cooperation is the only option to bring the project to completion. In

one instance, the Bushehr nuclear power plant that was to be completed with an investment of \$800 million has cost Iran \$11 billion so far, and Russia's Minatom is its primary shareholder.⁶

Taking into view Iran's enormous potential in the cash-starved gas and petroleum sector, the July announcement of an agreement for cooperation between the Iranian Ministry of Petroleum and Gazprom valued at \$40 billion, fits a broader pattern of partnership considered long-term and strategic.⁷ Indeed, the Iran-Russian alliance should not expect to replace the vast size of the US economy that soon. However, in the words of Kourosh Ziabari, "they can ensure that in the aggravated climate after the JCPOA collapse and now the crisis in Ukraine, they are on the same side of the battle."⁸

Iran and Russia have announced several initiatives to boost economic ties. The two countries have pledged to increase trade volume in the coming years. In January 2022 visit to Moscow, resident Raisi of Iran said that he aimed to increase trade to \$10 billion a year. In July 2022 Iranian oil minister said that Iran planned to boost annual trade volume to \$40 billion in the next year and a half.

The two countries expressed interest in streamlining their banking and commercial relations, with a special focus on eliminating dollars from their mutual trade and establishing an alternative to the SWIFT inter-bank payment system. The ruble-rial pair trading was listed by the Iran Currency Exchange on the day of Putin's arrival in Tehran.

In June 2022, Iran applied to join the BRICS group, which includes Brazil, Russia, India, China and South Africa. Iran hopes to weaken the sanctions regime against it by joining BRICS. More importantly, Iran hopes by joining BRICS that this will be an important step in giving life to its ailing economy. To this end, Raisi emphasized that Iran could place itself at the crossroads of trade for BRICS, and share capacities in transit, energy reserves and scientific achievements with other countries in the group. Iran is working with at least two BRICS member countries (Russia and India) to develop the North-South Corridor linking the Indian Ocean via the Sea of Oman and the Gulf waterway to the Caspian Sea, and from there to Europe and back to the Indian Ocean via the Mediterranean Sea and the Red Sea. (Rasanah, July 2022> footnote #10) However, prospects for increased Iranian cooperation with the BRICS financial architecture may be limited given US sanctions on Tehran. Nevertheless, it is a step towards multilateralism

(b) Strategic

Putin's July 16 trip to Tehran came on the heels of US President Joe Biden's tour of the Middle East. There is the element of strategic polarization and a re-emergence of the politics of spheres of influence in

the Middle East. The Iran-Russia alliance naturally is an expression of the will of the two states to frustrate the attempts of the US to retain its leadership role in the region. In an interview, the Russian Ambassador to Tehran suggested that Iran and Russia have nearly identical views on several important strategic and normative issues, ranging from the ongoing conflicts in Ukraine and Syria to the legality of Western-led sanctions.⁹

Both sides are very clear about the long-term nature of their struggle against the West. June 22 Doha talks on the Iranian nuclear programme have remained inconclusive making it uncertain for the revival of the JCPOA and dropping of sanctions against Iran. What does the US signing of a strategic agreement with Israel mean? Iran reads the writing on the wall. In such a situation Iran is justified in thinking of deterrence against any potential threat from the US or Israel.

At a time when western countries are reluctant to trade with Iran and Russia for known reasons, the multi-modal north-south inter-regional transit corridor will become a catalyst for stronger and long-term economic and trade relations among the countries of the region. It is to be noted that the first rail transit cargo from Russia to India entered Iran on July 12, a week before the arrival of Putin in Tehran.

The two countries also agreed to expand their maritime cooperation in the Caspian Sea which will shorten the transit route from Russia to India. Iran Shipping Lines has allocated 300 containers to transport goods between streamlining their banking to contain the growing influence and presence of Turkey in Central Asia and the South Caucasus region. Turkey is a country of concern to both Iran and Russia because of its membership in NATO. Turkey is collaborating with Turkmenistan in transmitting Turkmen gas via Azerbaijan. Commentators emphasize the presence of pan-Turkic sentiment inside the Russian Federation and in Central Asia.

Tehran continues showing interest in purchasing Russian military hardware. Recent reports indicate that Russia has shown interest in purchasing Iran's combat drones in its war against Ukraine. The US is aware of it and quite obviously a new dimension has been given to the defence cooperation between Iran and Russia. Observers are of the view that Iran may be encouraged to establish a drone-producing factory in the nearby country of Tajikistan where Moscow enjoys considerable influence.

Iran signed memorandum to join Shanghai Cooperation Organisation (SCO) at the Samarkand Summit which was held on September 15-16, 2022. Iran's accession to the SCO is an achievement. In his maiden address to the SCO Samarkand Summit Ebrahim Raisi emphasized the importance of maintaining close ties and interaction with all of the regional nations, including SCO states. He said Iran's policy is focused on having an effective presence in regional and global orders. Joining the group means willingness to pursue stronger relations with China and Russia, the organizations two most powerful members. Iranian

leadership has often said that the nation must look to the East to find strategic allies who can assist it in reaching a new nuclear agreement, resolving the banking and trade issues created by sanctions imposed by the US. Partnership in SCO will enhance its position in the Middle East and Asia.

Conclusion

Both Russia and Iran are disadvantaged by the US-sanction regime. Both want to frustrate the US' self-acclaimed leadership of the part of the Asian Continent and the Gulf area. Both want to streamline their trade and commerce and throw up a ruble-rial currency mechanism and both want to be close collaborators in strategic and security areas. The two countries appear to be edging closer to the signing of a new and wide-ranging strategic partnership agreement to regulate their commercial, financial, diplomatic, and defence and security cooperation in Iran's immediate neighbourhood. Iran is worried about the growing understanding and relationship between Israel and the Arab States which has remained an irritant for Iran for a long.

Iranian President Ebrahim Raisi and his inner circle are reported to be close to the pro-Russian faction in Tehran. This gives strength to the regime of the Ayatollahs in Tehran to extend their approval to the policy of the Raisi government to forge agreements with Russia in several areas of economic and strategic importance. For Russia, the alliance with Tehran is of vital importance because of strengthening the sphere of influence on land and at sea. The Iran-Russia alliance has an impact on the Middle East, Central Asia and the Indian subcontinent. Commentators may call it carving out the spheres of influence, yet the fact is that there are compulsions for both and both are guided by unavoidable necessity.

Footnotes

¹"Trump Withdraws US From 'One-Sided' Iran Nuclear 18-05-08". *The New York Times* of May 8, 2018

² Kourosh Ziabari in -----GUST 2022, GATEWAY HOUSE

³Maziar Motamedi in *Aljazeera* of 19 June 2, 2022.

⁴"Iran does not seek to develop nuclear weapons...., *Economic Standard*, August 30, 2022

⁵Mark N Katz, "Iran's new president just met with Vladimir Putin in Russia. What to make of it?" Atlantic Council, January 24, 2022. <https://www.atlanticcouncil.org/blogs/iransource/irans-new-president-just-met-with-vladimir-putin-in-russia-what-to-make-of-it/>

⁶Cristina Chen, "Russian Nuclear Exports to Iran: US Policy Needed", Middlebury Institute of International Studies at Monterey: James Martin Centre for Non-proliferation Studies, December 21, 2021. Also see Ali Vaez and Karim Sadjadpour, "Iran's Nuclear Odyssey: Costs and Risks", Carnegie Endowment for International Peace, April 2, 2013.

⁷Nima Khorrami, "Putin's visit to the Islamic Republic: Bringing Iran closer to Russia while building long-term leverage over Tehran", Middle East Institute, August 1, 2022

⁸outreach@gatewayhouse.in

⁹Nima Khorrami, *Ibid*

¹⁰ Iran's BRICS Application: Prospects and Challenges by Rasanah (July 25, 2022) <https://rasanah-iiis.org/english/monitoring-and-translation/reports/irans-brics-application-prospects-and-challenges/>