

IRAN AND RUSSIA: BUILDING A STRATEGIC PARTNERSHIP

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INTRODUCTION

Iran's relations with Russia have fluctuated between mistrust and forging a strategic partnership. For sure, the relations between the two countries have never been simple. The geopolitical reality, since the disintegration of the Soviet Union, led both countries to find mutually reasonable grounds for cooperation. The current intensity in Iran-Russia relations is definitely unprecedented and, therefore, requires a detailed analysis for a better understanding of international relations. During the most dramatic times in history, both Iran and Russia have maintained diplomatic and bilateral relations for mutual benefit. Iran-Russia relations have reached unprecedented heights in the recent times, stimulated by military cooperation in Syria, and in criticising the Western policies in the West Asian region. The recent hostility of US President Trump towards the Iranian nuclear deal has pushed Iran to look towards Russia and China.

Currently, Tehran is important for Moscow's grand plans in the unstable Persian Gulf region, which definitely requires careful handling and balancing. Moscow can provide Tehran a critical means of protecting its regional security interests. It is in this context that Iran-Russia relations have been often referred to as a "strategic alliance" by scholars all around the world. A strategic alliance may be defined as one that is based on cooperation against

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a threat from a specific state and has a long-term institutional base. In contrast, strategic cooperation is not aimed at another state and has a short-term and case-by-case character. In the case of Iran and Russia, despite the significant differences related to regional issues in the post-Soviet phase, both believe that cooperation on various fronts can help both countries strategically in the long run. However, strictly speaking, Iran is not in any formal alliance with Russia. At the same time, it is also correct to say that both Iran and Russia have a mutual ally in Syria. The

relations between Russia and Iran are deepening, based on their determination to achieve their geopolitical interests in the region. This ongoing process of alliance formation between the two nations is important and has the ability to reverberate throughout the West Asian region. Iran and Russia view their cooperative relationship as an important tool for preventing the spread of the US influence in the region. Undoubtedly, Russia considers Tehran to be of strategic importance for increasing its own influence. However, currently, Russia needs Iran in its Syrian venture as much as Iran needs Russia to maintain its influence in the country by keeping Syrian President Bashar al-Assad in power.

In this respect, the aim of this paper is to understand the current contours of the bilateral relations between Iran and Russia. The signing of the Iranian nuclear deal in 2015 opened up new horizons for Iran in terms of engaging with other countries. Russia plays an important role in Iran's geopolitical strategy in the larger Eurasian region. The paper is divided into four sections: the section on the historical background discusses the beginning of mistrust between the two nations since World War I. This happened due to Russia's expansionist policies at that time, and Iran joining the US camp to contain the Communist threat. However, the shift in policies began after Russian President Vladimir Putin returned to power in 2012, which is covered in the second section. The third section deals with the present state of relations

between Iran and Russia. Both Iran and Russia have a mutual ally in Syria which becomes a convergence point for them. Not only that, the military trade between Iran and Russia is also growing steadily. The fourth section discusses the challenges that this relationship is facing, with the North Atlantic Treaty Organisation (NATO) being the tool of the US. The paper concludes that though the relationship between Iran and Russia is a strategic one, based on various points of convergence, the current scenario, with the US withdrawing from the Iranian nuclear deal, can affect this burgeoning relationship.

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HISTORICAL BACKGROUND

There is a lot of mistrust in Iran-Russia relations that runs deep in the history of both nations. After World War I, Iran and the Soviet Union signed the Russo-Persian Treaty of Friendship in 1921. This treaty granted the newly established Soviet government—at that time—the authority to enter Iran to deal with anti-Soviet activities or threats. However, the Soviets used this treaty to compel the Iranians to declare their friendship with the Soviet Union and later cited the treaty as justification for their refusal to withdraw their troops from Iran.¹ By the early 1940s, the relationship between the Soviet Union and Iran was strained. During World War II, the Soviet Union and Great Britain jointly occupied Iranian territories to prevent Germany from using Iran as a platform against the Soviet Union.

After World War II, the Soviet Union kept its troops in Iran with the purpose of bringing Azerbaijan under the Soviet domination through its support of Iran's pro-Soviet party, the Tudeh. Even after the withdrawal of Soviet troops in 1946, the Anglo-Iranian Oil Company held a monopoly on Iranian oil, thereby compelling Iran to share its oil resources with the Soviets. This was also the time when the political system was in turmoil in Iran

1. Jay Sekulow, *Unholy Alliance: The Agenda Iran, Russia and Jihadists Share for Conquering the World* (New York: Howard Books, 2016), p. 163.

with the newly appointed Iranian Prime Minister Mohammad Mossadegh nationalising the oil company to take control of Iranian natural resources.² The US sought to curtail this growing influence of the Soviet Union in Iran, and it accomplished this by its assistance, along with Great Britain, in a coup, and working with Mohammad Reza Shah Pahlavi to remove Mossadegh from power,³ as the US feared that the nationalisation of the oil company was the first step towards Iran's alignment with the Soviet Union.

Relations between Iran and the Soviet Union deteriorated in the mid-1950s, with Iran forming the Baghdad Pact in 1955 along with Iraq, Pakistan, Turkey and the United Kingdom, designed to prevent Communist incursions and to foster peace in West Asia. This pact was also referred to as the 'Northern Tier' to prevent Soviet expansion. During the Cold War, Moscow still hoped to establish ties with the Iranian regime, fuelled by the latter's fervent anti-American rhetoric. Under the Shah's regime, Iran was an ally of the US; and both the US and Iran viewed the Soviet Union as a threat. In Iran, the Islamic revolution gave rise to a radical clerical regime that was based on the agenda of "neither West nor East". Soviet support to Iraq during the Iran-Iraq War also pushed Iran to take an anti-Soviet stance. Many analysts believe that Iran's victimisation at the hands of the stronger Soviet Union created widespread hostility among the Iranians against the Soviet Union. In the same period, Moscow invaded Afghanistan, Iran's immediate neighbour, which further fuelled the Iranians' suspicions against the Soviets. Slowly, the trend in Iran changed to pragmatic voices asking for economic and military cooperation with the Soviet Union but the religious fundamentalists did not consider collaboration with the atheistic Communists an acceptable option.⁴ The late 1980s was the time when Iran was grappling with its war-torn economy and the Soviet Union was on the verge of disintegrating. The collapse of the Soviet Union in 1991 constituted a window of opportunity for a restart in Russo-Iranian relations. However,

2. Ibid.

3. Ibid.

4. Moritz A. Pieper, "Russia and Iran: Strategic Partners or Competing Regional Hegemons?", *Inquiries Journal*, vol. 4, no. 4, 2012, <http://www.inquiriesjournal.com/articles/631/russia-and-iran-strategic-partners-or-competing-regional-hegemons-a-critical-analysis-of-russian-iranian-relations-in-the-post-soviet-space>. Accessed on January 1, 2017.

this 'new great game' was related more to the sphere of influence in Central Asia between Iran and Russia. Here, applying the concept of a 'Regional Security Complex,' it is revealed how Russo-Iranian relations have a significant impact on Central Asia, the Caucasus and the wider West Asia.⁵ The concept of a Regional Security Complex was a theory advanced by Barry Buzan and Ole Weaver.⁶ The concept demonstrates how security is clustered in a geographically shaped region. It is based on the common understanding of threat perceptions and security interdependence of states within a region. This theoretical concept explains the increasing demand for regional security arrangements (both indigenous and great power sponsored) emerging as a key feature of the post Arab Spring security order in West Asia.⁷ In view of this, the regional security analysis of West Asia requires a major reorientation towards patterns of security interdependence. In this context, Russia plays an important role in Iran's development of its security infrastructure.

Since 1989, however, the cooperation between Moscow and Tehran has increased. Russia agreed to complete the nuclear reactor at Bushehr, which was started by the German company Siemens during the Shah's regime but was stopped after the Iranian Revolution in 1979. Russia began selling weapons, including missiles, to Iran. Along with China, Russia tried to weaken and delay the US and European efforts to impose UN sanctions on Iran over its nuclear programme.⁸ This effort continued into the next decade, and although Iran and Russia engaged in some geopolitical rivalry throughout the 1990s, particularly in Central Asia, this did not hinder their cooperation, especially when faced with external threats. After the disintegration of the USSR, bilateral relations between Russia and Iran deepened. As Russia abandoned its Soviet atheistic ideology and adopted a more pragmatic approach to foreign affairs, it was no longer seen as a potential threat, especially to Iranian territorial integrity. This was because of two reasons: firstly, because Russia was

5. Ibid.

6. Barry Buzan and Ole Weaver, "Regional Security Complex: The Theoretical Concept Developed", 2003.

7. Barry Buzan, "Regional Security Complex Theory in the Post-Cold War World", in F. Soderbaum and T.M. Shaw, eds., *Theories of New Regionalism. International Political Economy Series* (London: Palgrave Macmillan, 2003), pp. 140-159.

8. Mark N. Katz, "Iran and Russia", *Iran Primer*, August 2015, <http://iranprimer.usip.org/resource/iran-and-russia>. Accessed on February 18, 2017.

During the period 1989-91, the Kremlin signed arms supply deals with Tehran worth \$5.1 billion, and Iran emerged as the biggest client of the Soviet arms industry. Tehran, however, opted not to side with Moscow in its war with the Chechen rebels in 1994-96.

preoccupied with its own internal problems; and, secondly, because the two countries no longer shared common territorial borders. For these reasons, the friendly relations between Iran and Russia seemed less critical and, therefore, easier for Russia to cultivate. Russia, without the Soviet Union's vast bands of "buffer territory" and also without its influence, found itself in need of allies to help maintain stability along the borders.⁹

This was also the time when Iran and Russia developed military cooperation, stemming from their respective isolation from the Western countries. Iran purchased several billion dollars of weaponry from Russia. However, the intricate relations between Iran and Russia slowly began to change following the end of the Iran-Iraq War (1988), the death of Iranian Supreme Leader Ayatollah Khomeini (1989) and the Soviet withdrawal from Afghanistan in 1989. During the period 1989-91, the Kremlin signed arms supply deals with Tehran worth \$5.1 billion, and Iran emerged as the biggest client of the Soviet arms industry. Tehran, however, opted not to side with Moscow in its war with the Chechen rebels in 1994-96. But both Moscow and Tehran supported the Afghan forces in opposing the Taliban. However, the uneasiness remained over the Russians signing an agreement with the US, in which Russia agreed to limit the amount of weaponry and nuclear knowhow it provided to Iran.¹⁰

9. Lana Ravandi-Fadai, "Russo-Iranian Relations and the Vienna Nuclear Agreement", November 2015, <http://english.dohainstitute.org/file/get/5989e726-f6ba-4a30-9a03-264648225104.pdf>. Accessed on March 2, 2017.

10. Ibid. The Gore-Chernomyrdin Agreement or US-Russian Joint Commission. In June 1995, US Vice President Al Gore signed a secret agreement with Viktor S. Chernomyrdin, the then Russian prime minister, calling for an end to all Russian sales of conventional weapons to Iran by the end of 1999. In exchange for the Russian promises, the US pledged not to seek penalties against Russia under a 1992 law that requires sanctions against countries that sell advanced weaponry to countries the State Department classifies as state sponsors of terrorism. Iran is on that list. The law was rooted in concerns about Russian sales to Iran of some of the same weapons that the Gore-Chernomyrdin agreement expressly allowed. Read more: <http://www.nytimes.com/2000/10/13/world/despite-a-secret-pact-by-gore-in-95-russian-arms-sales-to-iran-go-on.html>. Accessed on March 1, 2017.

It is important to know that even during the sanctions, Russia did not break economic ties with Iran. However, the barrier remained in the difficulty of converting the Iranian Rial into other currencies, during the financial sanctions.

When Putin came to power in August 1999, he endorsed improving relations with Iran and participation in major arms sales.¹¹ By 2001, Iran became the third largest foreign buyer of Russian weaponry. In December 2005, Tehran signed a billion-dollar arms deal that included 29 Tor-M1 air-defence missile systems to protect the Bushehr nuclear power plant. In early 2006, Russia also invested \$750 million in energy projects in Iran.¹²

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SHIFT IN IRAN-RUSSIA RELATIONS

There occurred a visible shift in relations between Iran and Russia after Vladimir Putin's return to the presidential office in 2012. A rapprochement between Russia and Iran at that time led to substantive bilateral and qualitative changes in the bilateral relations. The visit of Russian Foreign Minister Sergey Lavrov to Tehran in June 2012 demonstrated a political agenda which involved increased cooperation between the two in Syria and Afghanistan.¹³ Eventually, the bilateral dialogues between the two nations increased significantly. In fact, the Kremlin started advocating Iran's involvement in international discussions on Afghanistan, Iraq and Syria.¹⁴

11. Anna Borshchevskaya, "The Tactical Side of Russia's Arms Sales to the Middle East", December 20, 2017, https://jamestown.org/program/tactical-side-russias-arms-sales-middle-east/#_edn21. Accessed on May 8, 2018.

12. Ibid.

13. Nikolay Kozhanov, "Understanding the Revitalization of Russian-Iranian Relations", *Carnegie Moscow*, May 2015, https://carnegieendowment.org/files/CP_Kozhanov_web_Eng.pdf. Accessed on May 3, 2018.

14. Thomas Erdbrink, Sewell Chan and David E. Sanger, "After a U.S. Shift, Iran Has a Seat at Talks on War in Syria", *The New York Times*, October 28, 2015, <https://www.nytimes.com/2015/10/29/world/middleeast/syria-talks-vienna-iran.html>. Accessed on May 3, 2018.

Post 2012, the Russian authorities had also started pushing an unofficial diplomatic strategy which involved a balancing act between Iran and its political opponents such as the US, Israel and other Gulf Cooperation Council (GCC) members. Another factor attributed to this increased engagement between the two was the lack of a decisive reaction from other international players. Russia believed that the Western involvement in the West Asian region had reached a plateau and was exhausted by its involvement in the wars in Iraq and Afghanistan. Therefore, the Western alliances seemed unwilling to intervene militarily in Syria, Yemen, etc., thereby giving Russia a chance to reassert itself in the region through its support to Iran.¹⁵

However, despite the complicated situation of Russian acceptance of the sanctions against Iran, Moscow and Tehran adopted a common position on a number of regional issues in 2012. First and foremost, both sought to maintain peace and stability in the former Soviet states or Central Asian states, the Caucasus and Afghanistan. Asserting Russia's presence in West Asia, including through the strengthened alliance with Iran, was one of the ways to do so. Not only did Russia reinforce its objections to any proposals of sanctions on Iran, it also invited Tehran to join the Shanghai Cooperation Organisation (SCO) as an observer state. It was during the first two years of the Obama Administration that the Russian government reversed its stand on Iran's sanctions, despite extensive concessions made by the US to eliminate the sources of a perceived threat to Russia. President Barack Obama made certain changes in the Strategic Arms Reduction Treaty (START) agreement favouring the Russian neighbours—Ukraine and Georgia—that had comprised the bone of contention with Russia during President Bush Jr.'s terms.¹⁶ It is important to note that Russia competes with Iran as an energy provider in the natural gas market. The Arab uprisings that began in 2011, left Moscow with a shrinking political and economic presence in West Asia. This outcome demanded that Moscow be more active in maintaining contacts with Tehran. Since 2012, the Russians have been actively

15. Ekaterina Stepanova, "Russia in the Middle East: Back to a "Grand Strategy" – or Enforcing Multilateralism?", *Politique étrangère*, 2016, https://www.cairn-int.info/article-E_PE_162_0023--russia-in-the-middle-east.htm. Accessed on May 8, 2018.

16. Nikolay Kozhanov, "Understanding the Revitalization of Russian-Iranian Relations", May 5, 2015, *Carnegie Paper*, <http://carnegie.ru/2015/05/05/understanding-revitalization-of-russian-iranian-relations-pub-59983>. Accessed on March 7, 2017.

involved in the negotiations related to the Iranian nuclear programme. Russian diplomats were actively engaged in the November 2014 talks between Iran and the P5+1 countries. The agreement between Russia and Iran in November 2014 to construct up to eight new power plant units in Iran is considered by some analysts as part of Moscow's efforts to settle the nuclear issue.¹⁷ The first two reactors were expected to be built at the Bushehr power plant, in addition to the power-generating block that was built by Russian engineers and handed over to the Iranians in 2013. In May 2018, Russia had started work on Phase 2 of the Bushehr nuclear power plant. The construction of the power plant's second and third phases began in November 2017. It was reported at the time that the two phases would begin supplying electricity to Iran's power grid in the next ten years.¹⁸

Since 2012, Russia's relations with Iran have improved significantly and this improvement is visible in the cooperation and coordination of military activities in Syria and plans for a substantial increase in the weapons trade, nuclear infrastructure, economic ventures and bilateral trade.

Iran and Russia in Syria: The Syrian conflict has provided the opportunity for Russia and Iran to put their newly aligned world outlook to the test. This also happened with the aim of preserving their respective interests at a time when Damascus was at its weakest. But while they have forged a broadly effective military coalition, their strategies in Syria may ultimately diverge on some fundamental issues. One of them refers to the position of Russia in the international system. Russia, as a great power, has a variety of relations with other actors, including the US, Israel, Turkey and Arabian countries in the region and these relations have influenced Russia's approach toward the Syrian crisis.¹⁹ Russia's engagement in Syria is also inspired by its desire to preserve its position in the region.

The joint goal of Iran and Russia is to preserve the Assad regime as a means to guarantee their respective core interests in the region. On the military front,

17. Sekulow, n.1.

18. "Rosatom Begins Work at Phase 2 of Bushehr Power Plant", *Press TV*, May 4, 2018, <http://www.presstv.com/DetailFr/2018/05/04/560578/Iran-Russia-nuclear-power-plant-Bushehr-United-States>. Accessed on May 8, 2018.

19. Ibid.

Syria is vital for Iran, as any adverse scenario would shrink Iran's influence in the region, leaving Tehran with only Iraq and Hezbollah. For Russia, Syria provides vital access to the Mediterranean, through the naval facility in Tartus.

Moscow's intervention in September 2015 was critical for supporting Assad's position and Iran's Revolutionary Guard Corps (IRGC) involvement in Syria. Similarly, in August 2016, Russia and Iran increased their military cooperation through an intensified bombing and ground offensive in Aleppo after rebel groups pushed back advances made by the pro-regime forces.²⁰ The military cooperation between Iran and Russia in Syria has also targeted perceived extremist opposition forces and the Islamic State (ISIS). The longevity of the Assad regime in Syria

will determine what its strategic objective is in the Russia-Iran convergence over this issue.

Syria is vital for Iran, as any adverse scenario would shrink Iran's influence in the region, leaving Tehran with only Iraq and Hezbollah. For Russia, Syria provides vital access to the Mediterranean, through the naval facility in Tartus. Russian President Putin's decision to side with Assad is two-fold: the prevention of possible Western expansion in Syria; and, secondly, it can become an opportunity for Russia to reclaim its role in international politics as a great power.²¹ But in Syria, the cooperation between Iran and Russia has been strengthened significantly. The Iranian armed forces have allowed Russian aircraft to use not only the Iranian air space but also the Iranian air base in Syria.²² This demonstrates Russian dependence on Iran in Syria. This cooperation may result in cementing the relationship between Iran and Russia in the future with the mutual interest being Syria.

Economic Relations: On the economic front, opposition to the sanctions on Iran served the economic interests of cash-starved Russia,

20. Ellie Geranmayeh and Kadri Liik, "The New Power Couple: Russia and Iran in the Middle East", September 13, 2016, http://www.ecfr.eu/publications/summary/iran_and_russia_middle_east_power_couple_7113. Accessed on March 10, 2017.

21. Zakia Aqra, "Russo-Iranian Relations: A Friendship Found between Tactic and Strategic Partnership", no. 75, February 24, 2016, https://cemmis.edu.gr/files/russo_iranian_relations_friendship.pdf. Accessed on February 18, 2017.

22. Ibid.

whose domestic procurement of nuclear and military technologies, equipment and machinery was too low to keep its defence and nuclear industries afloat. Russia had benefitted from its military ties with Iran and the construction of the reactor at Bushehr. Furthermore, in the subsequent years, Iran became Russia's third largest weapons' customer. In 2005, Russia was the seventh largest trade partner of Iran, with 5.55 percent of all exports to Iran originating from Russia.²³ Trade relations between the two increased from \$1 billion in 2005 to \$3.7

billion in 2008.²⁴ Motor vehicles, fruits, vegetables, glass, textiles, plastics, chemicals, hand-woven products, stone and plaster products were among the main Iranian non-oil goods exported to Russia.²⁵ According to Reuters, in 2014, Iran and Russia had made progress in the oil for goods deal, worth up to \$20 billion.²⁶ Relations between Russia and Iran had strengthened as both countries were under the US sanctions and were seeking new trade partners.

Therefore, by supporting the sanctions on Iran, Russia had risked losing a solvent international customer in Iran. This acceptance of the sanctions on Iran by Russia remains inexplicable. Also, economic pragmatism fails to explain why Russia supported the UN Security Council Resolution of sanctions against Iran in 2006-08 and again in 2010. One explanation can be that the conflict between the US and Iran was beneficial to Moscow, which capitalised on the Russian antagonism for pursuing its broad political, economic and ideological agendas. The relationship soured further when

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23. Nader Habibi, "The Cost of Economic Sanctions on Major Exporters to Iran", May 5, 2006, <http://www.payvand.com/news/06/may/1046.html>. Accessed on March 1, 2017.

24. Ibid.

25. "Moscow Urged to Do More to Facilitate Trade", *Financial Tribune*, September 15, 2015, <https://financialtribune.com/articles/domestic-economy/25856/moscow-urged-to-do-more-to-facilitate-trade>. Accessed on January 26, 2018.

26. Jonathan Saul and Parisa Hafezi, "Iran-Russia Working to Seal \$20 Billion Oil for Goods Deal-Sources", *Reuters*, April 2, 2014, <http://www.reuters.com/article/us-iran-russia-oil-idUSBREA311K520140402>. Accessed on March 8, 2017.

Russian President Dmitry Medvedev cancelled the agreement to sell S-300 air defence missile systems to Iran in 2010.²⁷

On the trade front, post-the Joint Comprehensive Plan of Action (JCPOA) Russia had nothing much to lose. Moreover, when the European companies pulled out of Iran post-the 2010 sanctions, the Russian companies failed to make an impact or substantial economic gains. In 2011-14, Iran's share of Russian foreign trade decreased from 0.5 percent to 0.2 percent. By 2014, total Russian investments in Iran were also unimpressive: they amounted to less than \$50 million.²⁸ At the same time, the areas in which Russian companies have managed to achieve certain successes (such as nuclear energy) are traditional Russian strengths, and there are chances that Western competition may stimulate Russian activities in these fields.

PRESENT STATE OF AFFAIRS

In 2016, Russia's use of Iranian air bases to bomb targets across Syria marked a new development in Iran-Russia relations. Moscow had reentered West Asia after a break of almost a quarter century; Russia understands the importance of Iran as an important country on the periphery of its southern borders. Also, Russia is fully ready to engage with Iran on a wide range of bilateral, regional, and international issues involving trade, energy, and security. Yet, even as the two countries share many goals and the cooperation looks promising, the relationship is still relatively fragile, and there are policy disagreements between them which must be handled deftly.²⁹ One such suspicion stems from the fact that Russia is involved in the strong ongoing dialogue with the US, Israel and the Arab states of the Persian Gulf on the future of Syria. This makes Iran wary and resentful

27. Anu Sharma, "BAVAR 373: Boosting Iranian Air Defence", *CAPS In focus*, August 30, 2016, http://capsindia.org/files/documents/CAPS_Infocus_ANS_07.pdf. Accessed on March 3, 2017.

28. Ibid.

29. Dmitri Trenin, "Russia and Iran: Historic Mistrust and Contemporary Partnership", *Carnegie Moscow*, August 18, 2016, <http://carnegie.ru/2016/08/18/russia-and-iran-historic-mistrust-and-contemporary-partnership-pub-64365>. Accessed on May 3, 2018.

of Russian intentions vis-à-vis Syria.³⁰ Also the relationship between Iran and Russia has its own complexities and mutual distrust arising out of its turbulent history. Hence, under the present circumstances, the relationship can only be termed as complicated.

In 2016, Iran and Russia signed an agreement for the supply of around \$10 billion worth of Russian arms and military hardware to Iran.³¹ In the same year, Russia began construction of new nuclear plants in Iran. The project was conducted jointly by the Atomic Energy

Organisation of Iran and Russia's Rosatom. The new power plants will triple Iran's nuclear-generated electricity production to about 3.3 thousand megawatts a year.³² This explains the increased level of engagement between Russia and Iran. The largest example was the supply of the S-300 anti-aircraft missile systems. The first batch of the S-300 was delivered in April 2016. The executor of the \$900 million contract was the Almaz-Antey Company.³³ According to RBC, the total volume of supply of products under the "secret code" to the Islamic Republic in 2016 was worth more than \$300 million. Under the sanctions, this figure did not exceed a few million dollars.³⁴ Removal of banking hurdles and sanctions has led to the expansion of financial ties between Iran and Russia. In the financial year 2017, Iran exported \$400 million worth of commodities to Russia while the value of imports exceeded

One of the issues which still affects the trade relations is that Iranian traders cannot transfer money to Russia through the normal banking channels and the exchange rate of the rial against the ruble is not stable.

30. Alex Vatanka, "Iran and Russia: Growing Apart", *Foreign Affairs*, November 2017, <https://www.foreignaffairs.com/articles/syria/2017-11-29/iran-and-russia-growing-apart>. Accessed on May 4, 2018.

31. Franz-Stefan Gady, "Iran and Russia Negotiating \$10 Billion Arms Deal", *The Diplomat*, November 15, 2016, <https://thediplomat.com/2016/11/iran-and-russia-negotiating-10-billion-arms-deal/>. Accessed on May 8, 2018.

32. "Iran, Russia Building 2 Nuclear Power Plants in Bushehr", *Press TV*, November 1, 2017, <http://www.presstv.com/Detail/2017/11/01/540566/Iran-Russia-power-plants-Bushehr>. Accessed on December 28, 2017.

33. Nikita Smagin, "How Russia Managed to Double Its Exports to Iran in 2016", February 17, 2017, <https://www.rbth.com/business/2017/02/17/russia-exports-iran-704108>. Accessed on December 28, 2017.

34. Ibid.

\$1.5 billion.³⁵ However, one of the issues which still affects the trade relations is that Iranian traders cannot transfer money to Russia through the normal banking channels and the exchange rate of the *rial* against the *ruble* is not stable. Trade between Iran and Russia has always left much to be desired.³⁶ Low trade turnover indicators have remained as such for quite some time now. However, it is necessary to note that Russia's exports to Iran were always far bigger than those from Iran to Russia.

In January 2018, Iranian Foreign Minister Mohammad Javad Zarif met with his Russian counterpart Sergey Lavrov in Moscow to discuss the resolution of the Syrian civil war and US President Donald Trump's threats to suspend the nuclear deal with Iran.³⁷ After their meeting, Iranian Minister Zarif praised Russia's resolute support for the implementation of the Iran nuclear deal, and reiterated both countries' shared willingness to preserve the territorial integrity of Syria.³⁸ When Iranian President Hassan Rouhani visited Moscow in 2017, it was widely interpreted by the media and scholars as strengthening of the relationship between the two regional powers. Trade and economics, along with Russian investment in the Iranian energy sector, its involvement in Syria and the wider regional issues were undoubtedly high on the agenda.³⁹ Most of the Western scholars were describing the relationship between Iran and Russia as a strategic alliance.⁴⁰ At first glance, Russia's and Iran's close political relationship appears to be precipitated by the supportive role Moscow played in the Iranian nuclear negotiations. However, Iran's recent flexing of muscles in Syria and Yemen as an assertive regional power pursuing a nuclear programme was not acceptable to the

35. "Iran-Russia Ties Set To Expand", *Financial Tribune*, November 2, 2017, <http://financial.tribune.com/articles/economy-business-and-markets/75451/iran-russia-ties-set-to-expand>. Accessed on May 10, 2018.

36. "What is Behind Iran-Russia Weak Trade Ties?", *Azer News*, December 2, 2017, <https://www.azernews.az/region/123305.html>. Accessed on December 28, 2017.

37. Samuel Ramani, "How Strong is the Iran-Russia 'Alliance'?", *The Diplomat*, February 9, 2018, <https://thediplomat.com/2018/02/how-strong-is-the-iran-russia-alliance/>. Accessed on May 3, 2018.

38. *Ibid.*

39. "Russia, Iran Sign Economic Cooperation Deals", *Xinhua*, March 29, 2017, http://www.xinhuanet.com/english/2017-03/29/c_136165513.htm. Accessed on May 4, 2018.

40. Sekulow, n.1; Patrick Savage, "Russia and Iran's Alliance: Underestimated and Deepening" September 6, 2017, <https://www.americansecurityproject.org/russia-iran-alliance/>. Accessed on May 8, 2018.

Western policy-makers. It is to be seen as to what extent Iran is becoming, or already is, a regional hegemon that might strain the Russo-Iranian relations and challenge Russia's geopolitical power status. Therefore, it can be said that Iran's relations with Russia have fluctuated between the tactical and strategic which can be attributed to the regime in power in Iran and Russia's relations with the West. The conservative leader in power in Iran had leaned towards Russia for building a strategic partnership. Also, Iran's strained relations with the West have played a crucial role in this inclination.

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CHALLENGES TO THE RELATIONSHIP

Despite the avenues of cooperation, relations between Iran and Russia had been cautious also because of the Iranian rapprochement with the US. Additionally, there is always a hint of distrust between Iran and Russia, with Iran being wary of Russian dominance of power because of various historical instances between the two nations. The relations stand on clear limitations and, in certain circumstances, there has been tactical cooperation. Yet the increasing alignment between Moscow and Tehran on strategic issues seems to have nurtured the relations enough to withstand minor regressions, at least for the near future.

Despite cooperation in Syria and a boost in trade relations, the relationship between Russia and Iran remains more a marriage of convenience than a strategic alliance. Their relationship rests on a deep foundation of common strategic objectives and interests. The two countries are building a military coalition that can operate across the region—including a potential anti-access/area-denial zone stretching from the Mediterranean Sea to the Persian Gulf. Meaningful divisions between Moscow and Tehran will only materialise under extreme conditions when either or both are on the verge

of victory or collapse, forcing the other to make hard choices about its long-term regional interests. The foreseeable future offers little prospect of any such development. The increase of minor disagreements in Syria into opportunities that can split Russia-Iran ties seems like a distant futuristic possibility. This can also bring up a strategic surprise by a rising coalition—Iran and Russia—that is already altering the rules of the game in West Asia.

Strategic Convergence?: Russia and Iran view the European Union (EU) and NATO as tools of the US domination in Europe. Russia pressures NATO through continuous military exercises and violations of air space or territorial waters as well as occurrences against pro-Western governments, with Ukraine being the most notable example.⁴¹ Russia supports extremist political parties in Europe that seek to devolve power from the EU to national governments.⁴² Russia and Iran both seek to eliminate the US military presence in Iraq and Afghanistan. Iran also wants to maintain its influence in the region and, for the same reason, Tehran aims to prevent Iraq from becoming a hostile base of attack, remembering its eight-year-long war with Iraq under former Iraqi President Saddam Hussein. Tehran uses political parties and militias to pressure the weak government of Iraq periodically, meddling in its affairs by attempts at replacing it with a pro-Iranian leader who might order the US out of Iraq. Meanwhile, the Russian outreach in Iraq has been opportunistic.⁴³ Iran and Russia both also desire a stable buffer state in Afghanistan that excludes the US and NATO. Both countries prefer to work with the same set of allies on the ground within the Northern Alliance as well as the Afghan Taliban.⁴⁴ However, this seems like a difficult task due to the US presence and influence in the region.

Russia and Iran also have major economic interests in Turkey as a transit route for natural gas pipelines and a buyer of energy resources. Moscow and

41. Michael R. Gordon and Eric Schmitt, "Russia's Military Drills Near NATO Border Raise Fears of Aggression", *New York Times*, July 31, 2017, <https://www.nytimes.com/2017/07/31/world/europe/russia-military-exercise-zapad-west.html>. Accessed on May 10, 2018.

42. Matt Bradley, "Europe's Far Right Enjoys Backing from Russia's Putin", *NBC News*, February 12, 2017, <https://www.nbcnews.com/news/world/europe-s-far-right-enjoys-backing-russia-s-putin-n718926>. Accessed on May 10, 2018.

43. Stepanova, n.15.

44. Chris Kozak, "The Strategic Convergence of Russia and Iran", February 24, 2017, <http://www.understandingwar.org/background/strategic-convergence-russia-and-iran>. Accessed on December 28, 2017.

Tehran have chosen Turkey for diplomatic initiatives to end the Syrian civil war that exclude the US.⁴⁵ Both countries jointly took benefit of the tensions between the US and Turkey over coalition support for the Syrian Kurdish YPG, which Turkey considers to be an extension of the PKK (Kurdistan Workers' Party) (People's Protection Units). President Erdogan has expressed willingness to pursue membership of the Shanghai Cooperation Organisation (SCO), the rival to NATO, and led by Russia and China.⁴⁶

CONCLUSION

Relations between Iran and Russia converge on a number of issues related to the expansion of NATO, the spread of terrorism, destabilisation of the Central Asian and South Caucasian nations and rebuilding and stabilisation of Afghanistan. In all of this, the cooperation of the two nations on the Syrian issue is important. Though Iran and Russia have different perceptions about Syria and the West Asian region as a whole, they are clear on one thing: both do not want to see the region in chaos, torn apart by extremist groups of varying degrees of radicalism.

A promising area of cooperation emerging between Iran and Russia is oil and gas exploration, apart from military and technical cooperation. Russian military and civilian technology matters hugely to Iran. At the same time, Iranian markets can help the Russian industries. Both countries have been working together closely. Russian use of the Iranian Nojeh air base is the most significant example of cooperation between the two nations.

However, the situation can turn drastic if Tehran and Moscow are unable to work jointly. The instability and changing balance of power would sweep the region which can be disadvantageous to both Iran and Russia. Despite the fact that Tehran and Moscow have the same ideas on regional stability, combating terrorism, maintaining the regional balance of power and safeguarding territorial integrity, it seems that the Syrian crisis and the

45. Erin Cunningham, "Iran, Russia and Turkey Plan Syria's Future as Trump Seeks an Exit", *The Washington Post*, April 4, 2018, https://www.washingtonpost.com/world/iran-russia-and-turkey-meet-over-syrias-future-as-trump-mulls-troop-withdrawal/2018/04/04/c607e27c-3770-11e8-af3c-2123715f78df_story.html?noredirect=on&utm_term=.754fc3103b94. Accessed on May 10, 2018.

46. Kozak, n.44.

security collaboration between Iran and Russia would be the foundation to make strategic cooperation between the two states feasible. Definitely, Tehran-Moscow regional cooperation could be termed as strategic, due to the fact that both governments have been operationally and militarily cooperating in the fight against the Taliban in Afghanistan and the recent Syrian crisis in the name of confronting insecurity, establishing stability, and maintaining status quo in the region. There is no doubt that Russia and Iran, as a global and regional power, respectively, play a key role in forming and shaping the international system. For the time being, the military cooperation agreement focusses on deeper cooperation in the field of counter-terrorism, exchanges of military personnel for training purposes, and increase in the number of reciprocal visits by the Iranian and Russian leaders. Russia's stance *vis-à-vis* Iran is inherently connected to its relations with the Western world. Therefore, any change in NATO-Russia relations can lead to Moscow making an even stronger effort to improve ties with Tehran.

On the other hand, whether Iran will decide to overlook the minor obstacles in its relations with Russia and opt for a strategic partnership with Russia during the remaining three years of Hassan Rouhani's presidency largely depends on the policy that the US adopts in the region and, more specifically, towards Iran. For instance, the US decision to militarily intervene in Syria is likely to strengthen the Tehran-Moscow axis. This will also reinforce their partnership. At the same time, the reimposition of the sanctions by the US and its withdrawal from the Iranian nuclear deal will eventually drive Iran to look towards both Russia and China. The months ahead may mark a significant moment in the formation of the Iranian policy towards Russia for years to come.