

Russia's Iran Gamble.

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Russia's special relationship with Iran has experienced a sudden jolt that could herald a sharp deterioration of relations between the two countries over Tehran's nuclear program.

The current setback may have been triggered by Iran's unilateral decision to halt aspects of its self-imposed moratorium on uranium enrichment-related activities, yet the root causes run deeper and cover the span of Russian foreign policy at a time of serious flux in Russia's strategic environment.

A glance at the Russian press makes it immediately evident that

Moscow's costs for maintaining a "business as usual" position with Iran are becoming intolerably high, forcing President Vladimir Putin and his foreign policy team to send strong signals that Iran can no longer count on traditional Russian support in view of the "unacceptable policy positions" of Iranian President Mahmud Ahmadinejad regarding Israel, among other things.

Keen on cultivating its ties with Israel, Moscow wasted little time in moving a critical distance from Ahmadinejad in the months after he came to power, by sending Foreign Minister Sergei Lavrov to Israel in late October. Lavrov stated unequivocally: "Russia understands the anxiety of Israel about the Iranian nuclear program and will not let Iran obtain weapons of mass destruction."

A more recent statement by the Russian Foreign Ministry regarding Iran's resumption of nuclear research reads: "The moratorium is a substantially needed measure to settle the questions which still remain within frameworks of the Iranian nuclear program."

Putin has said, however, that a Russian compromise deal with Tehran, which stipulates that uranium enrichment could be carried out on Russian territory for Iran, is still in play.

Nevertheless, the US and European Union have at least gained Russia's support in convening a special emergency meeting of the International Atomic Energy Agency (IAEA) on February 2, called by the US to discuss Iran's "non-compliance with its international obligations", to quote US Secretary of State Condoleezza Rice.

The meeting will vote on whether or not to send Iran's case to the United Nations Security Council for the possible implementation of sanctions. The 35-member IAEA board of governors will decide on Iran through a majority vote. Unconfirmed reports indicate that Russia and China will oppose the Security Council option, but there might still be sufficient support among other members to follow this route.

High-level talks in London this week brought together the five permanent members of the Security Council - the US, Russia, China, France and Britain - and Germany in an attempt to find common ground on how to deal with Iran, but they could not reach any agreement.

Russia's dilemma All this raises serious questions about the future of Russia-Iran relations, recently bolstered by a billion-dollar Russian arms sale to Iran, not to mention the official Russian pronouncements regarding the sale of five to seven nuclear power reactors to

Iran in addition to the US\$840 million reactor nearing completion at Bushehr. The latter was due to be completed five years ago and Russia is supposed to implement its agreement to supply nuclear fuel to Iran during the first half of 2006. But in light of the negative repercussions over Iran's latest nuclear moves, there is growing concern inside Iran that Russia may not keep to its obligations.

Any setback in Russia-Iran relations would impact on these lucrative commercial contracts, affecting both Russia's nuclear enterprises and its sprawling military-industrial complex.

The latter's movers and shakers have been wary of any undue Russian appeasement of Washington over Iran, which they considered an important neighbor and regional power with influence in the Persian Gulf, the Middle East and the Muslim world, including Russia's own Muslim minority.

They successfully lobbied Putin to set aside a 1995 US-Russia agreement for a five-year moratorium on arms sales to Iran and limiting Russia's nuclear cooperation to the completion of Unit 1 of Bushehr power plant and the supply of related fuel and training.

During the Mohammed Khatami presidential era, there was a substantial convergence in strategic perceptions and regional risk management between Moscow and Tehran, driven by increased cooperation and objective trans-regional factors.

Iran's small cadre of strategic analysts were almost uniformly hopeful about the future of Russia-Iran strategic cooperation in the new, post September 11, 2001, geostrategic context. One of them, Iran's special envoy on the Caspian Sea, Mehdi Safari, was also in charge of the Office of Commonwealth of Independent States at Iran's Foreign Ministry, with a unique rapport with his Russian counterparts. He was recently replaced by another diplomat, hardly a timely move by Iran's new president, who is still on the foreign-policy learning curve.

Yet, irrespective of Ahmadinejad's missteps, a legitimate question is whether the Iranian decision to resume scientific research on the enrichment process calls for such dire reactions. It is worth noting the admission of many nuclear experts, including Mike Levi of King's College of London, that "it is impossible to enrich uranium to weapons grade in bomb quantities using the pilot facilities that the Iranians have".

This aside, Putin must now weigh very seriously the short and long-term damage to Russia's national interests, both economic and geopolitical, if he opts for a major shift in Russia's Iran policy, signaling new US-Russian cooperation vis-a-vis the perceived threat of Iran's nuclear program.

Putin and his subordinates have repeatedly gone on record stating that Russia's nuclear cooperation with Iran is fully within the international obligations of Russia, and that there is no evidence of Iran's diversion to military purposes. That accent on Iran's peaceful nuclear program has now changed to a tone of concern increasingly echoing the sentiments of the US and the EU.

In one sense, this is hardly surprising in light of the evolving Western orientation of Putin's foreign policy, harking back to his acquiescence to President George W Bush's "war on terror". This despite misgivings about Washington's unilateralism and misuse and abuse of the anti-terror campaign.

With his eyes set on Russia's economic modernization through such measures as the alleviation of Russia's foreign debt by the West and increasing Russia's trade relations with its main economic partner, the EU, Putin now has the added ideological antipathy to Iran's new radicalism under Ahmadinejad to steer Russian foreign policy more organically in step with Europe and, to a lesser extent, the US.

However, what might work on a short-term basis may not endure in the long term, and Putin must also reckon with the negative implications of a policy shift on Iran that could harm economic interests and shrink Russia's Middle East influence without the benefit of equal incentives offered by the West.

The latter's "carrots", such as the US storage of spent fuel, North Atlantic Treaty Organization enlargement, and advanced nuclear reactors, may in the end prove not to be carrots at all, ie, they could come about regardless of a Moscow u-turn on Iran, considering the growing role of Russia as a premier world energy provider.

Not only that; Iran could well retaliate by trying to intensify its current energy efforts by supplanting Russia as Ukraine's or Armenia's main gas supplier, in light of the recent Russian gas cut-off to Ukraine and complaints of "uneconomical" gas to Armenia.

And then there is the issue of China, which in the early 1990s canceled its deal with Iran for the sale of two nuclear reactors as part of a mini-bargain with the US, and which might well replace Russia as Iran's main nuclear partner. China is already Iran's main energy partner, having signed huge gas and oil deals with Tehran.

Geopolitically, the cost to Russia for its imminent policy drift away from Iran may turn out to be immense, given Russia's continued desire to utilize Iran as a regional counterweight to the American leviathan, whose encroaching power, if unchecked, is bound to reverberate within the Russian federation sooner or later.

Despite recent US assurances about their benign intentions in Central Asia and the Caspian basin, Russia continues to be worried about the national security threats posed by America's military expansionism.

And the Iran nuclear issue has the potential to actually add to these worries by reducing the Iranian deterrence that operates in tandem with the Russian deterrence - which is precisely why Iran has been allowed to participate as an observer in the Shanghai Cooperation Organization.

This brings one to a consideration of the Russian proposal for a joint Iranian-Russian company to fabricate nuclear fuel on Russian territory. After giving "serious consideration" to this proposal, the Iranians have rejected it on the principle that they have the right to enrich uranium to reactor grade on their own soil. How far should Moscow insist on its proposal, backed by Washington, and should it be the cause for serious Russian disenchantment with Tehran?

The answers, logically speaking, are negative. Russia admitted it threw in that proposal as a "compromise" to alleviate international concerns over Iran's nuclear program and, in hindsight, it would be a major policy error on Moscow's part to turn it into a litmus test for future Iran-Russia cooperation. To do so, ie, to reduce or even reverse its nuclear cooperation with Iran would be tantamount to a major discontinuity in Russia's Iran policy, hardly called for by the present circumstances.

Instead, a prudent next step by Russia could be the formation of the

above-mentioned joint company to process uranium inside Iran, under full IAEA inspection, which in turn gives the international community a high degree of confidence that the low- to medium-enriched uranium is for purely peaceful purposes.

Indeed, as long as there is no "smoking gun" confirming the West's suspicion of Iran's "nuclear ambitions" and Iran continues to implement the IAEA's Additional Protocol with regard to inspections, Russia would be hard pressed to justify any profound shift of policy toward Iran, irrespective of the vitriolic announcements of Iran's president on Israel.

Russian foreign-policy experts routinely visiting Iran and speaking at Iran's think tanks have uniformly praised Iran's stabilizing role in the region, including its peace roles in Chechnya, the Nagorno Karabakh dispute between Armenia and Azerbaijan, and Tajikistan.

And the foreign policy elite of Russia is much more in tune with the outward image of Iran as a status quo power than is the case with either the US or Europe. In other words, the present stigmatization of Iran, caused by Tehran's political rhetoric rather than actual policy, is taken with a pinch of salt by the Russian elite.

Yet this elite, headed by Putin, could redesign its Iran policy, and one wonders if they have indeed thought through the short- and long-term consequences.

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