

Has Moscow Come to Terms with Iran?

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In strictly geographic terms, Iran is not Russia's immediate neighbor: Azerbaijan on the western side of the Caspian Sea, and Turkmenistan and Kazakhstan on the eastern side form wide buffer zones. In geopolitics, however, politics always matters more than geography. Indeed, Russian policymaking toward Iran is shaped by historical traditions and economic contacts in such a way that the two countries do seem to remain neighbors. The real and perceived exposure of Russia from this state of affairs does not translate into any alarming risk assessments – Russia does not identify any direct threats to its vital interests emanating from Iran and generally recognizes the latter as a legitimate and untroublesome player in the Caucasus and Central Asia. It also finds few reasons to question the rationality of Tehran's foreign policy course.

What makes Iran a really interesting neighbor for Russia is its high-profile, protracted, and emotionally-charged confrontation with the United States, which creates opportunities for a diplomatic game with high stakes and tangible rewards. Moscow has accumulated valuable experience in this game, but it is still prone to making mistakes, especially as the rules change in light of Iran's progressing nuclear program and, secondarily, the chain of uprisings in North Africa and the Middle East. These have added new dimensions to Russia's balancing act, as Iran deals with increasingly complex situations in its extended neighborhood that create pressures for Tehran but also gives it room to maneuver. This memo acknowledges these evolving complexities and focuses on the ways in which the stream of new developments could cause changes in Russia's policy toward Iran.

Sanctions, *Schmanctions*

More than any other member, Russia values its privileges as one of the five legitimate nuclear-armed states. It thus places a strong emphasis on upholding the non-proliferation regime and dissuading the few potential proliferators from developing nuclear weapons. At the same time, the realist nature of Russia's prevalent multipolar thinking convinces its resolutely non-idealist political elites that a state facing an

irrevocable threat to its vital interests will build the “absolute weapon,” no matter what counter-arguments or reassurances the international community puts forward. Iran constitutes a perfect case for such conceptualizing, which leads to the tacit conclusion that Tehran will develop and test usable nuclear capabilities in the near future.

Taking this undesirable – but by no means unacceptable – outcome to be certain, Moscow engages in quasi-cooperation with the United States in order to score tactical points and boost its international prestige. Russia sees sanctions as symbolic expressions of disapproval of proliferation and as a means to gain more time until the critical first test, but not as a serious instrument that could dissuade Iran from its objective. At the same time, Moscow makes decisions on sanctions in a rather haphazard way because neither the FSB (Federal Security Service) nor Rosatom, the state nuclear agency, is able to provide solid information about Iranian nuclear or missile programs. Meanwhile, the assessments that the United States share, including its recent National Intelligence Estimate, are regarded as serving political purposes and completely unreliable.

Russia has no problem in supporting peaceful aspects of Iran’s nuclear ambitions and was disappointed in the failure of its initiative to build an international center for uranium enrichment and research. In May 2010, it was ready to back the Turkish-Brazilian proposal for safekeeping Iranian low-enriched uranium (LEU) and supplying fuel rods for reactors; Moscow saw the United States’ non-negotiable dismissal of that idea as counter-productive. It was particularly upset by the introduction of unilateral sanctions by the United States and European Union in summer 2010, unexpectedly neglecting Moscow’s opinion. A tightening of UN sanctions, despite the breakdown of international talks with Iran, is thus out of the question. However, Russia may be open to partaking in non-Western initiatives, like supplying Iran with nuclear fuel in exchange for evacuating a corresponding amount of LEU to Turkey (providing somebody else covers the costs).

Russia also insists on further international talks with Iran and warns vehemently against any option that could pave the way for the use of force. Moscow is not intentionally sheltering Iran’s nuclearization, but it is far more worried about a military confrontation that could create a vast zone of overlapping civil wars from Kirkuk to Kandahar. It is also pursuing the greater goal of denying any international organization the capacity to enforce its decision upon a sovereign state. Following the same course, Russia raised objections against the UN resolution on the violently contested election in Cote d’Ivoire in December 2010 and delayed the deployment of additional troops to the embattled peacekeeping operation (UNOCI) there. Such an incapacitation of global governance (which also happens to respond to China’s vision) involves the risk of encouraging proactive unilateralism by the United States and its allies. However, Moscow assumes that the combined Afghanistan-Iraq syndrome will be a lasting handicap.

Tea Parties in the Caspian Wonderland

Any connotations this subtitle might have with U.S. domestic political vicissitudes are entirely unintentional; the point is that every meeting of “enlightened” despots who rule the states of the Caspian region involves such an amount of silly nonsense that each of them can justifiably call it the stupidest tea party he has ever attended. Promises are given with no intention to deliver, and friendships are sworn between deeply mistrustful neighbors. Both Russia and Iran find it opportune to preserve this pattern of “cooperation.” Moscow has successfully blocked Tehran’s ambition to join the Shanghai Cooperation Organization (SCO), but it is also playing on Azerbaijan’s fears of a “brotherly” takeover. Meanwhile, Iran is expanding its ties with Turkmenistan and Tajikistan, where Russian influence is on the wane.

It is remarkable, and even counter-intuitive, that economic interests have little (and diminishing) import in Russian-Iranian relations. Their bilateral trade is not very significant, and Russia has seen fit to restrict its arms exports. Projects like the North-South rail corridor remain in the proverbial pipeline and Gazprom-Neft is still negotiating investments in a couple of minor oilfields. Indeed, Russia is more interested in keeping Iran’s colossal energy potential underdeveloped. This pushes world oil prices towards an “optimal” price (in the producers’ view) of \$100-120 per barrel. More importantly, even with its second largest reserves, Iran remains a net importer of natural gas. This is a market of pivotal importance to Russia but one which is undergoing a deep transformation caused by the exponential growth of shale gas production in the United States. The arrival of Iran as a major exporter, which remains a possibility, would have a severe impact on Russian revenues. Russian-Iranian cooperation in the Gas Exporting Countries Forum (GECF, also known as the “Gas OPEC”) thus remains a public relations exercise. The only energy issue on which Russia and Iran see eye-to-eye is the imperative to torpedo plans for a Transcaspian gas pipeline connecting Turkmenistan and Azerbaijan. The dispute about maritime borders in the southern part of the Caspian Sea will thus remain deadlocked, as a November 2010 summit of the five littoral states demonstrated yet again.

The Caspian Region

The challenge that has acquired great urgency in Russia’s relations with Iran (as with Turkey) is that of preserving stability in the wider Caspian region, which is by no means sheltered from the spectacular chain reaction of revolutions that has spread across the Arab world. For many years, Iran has refrained from any involvement in the ever-evolving crisis in the North Caucasus and provided no support to the growth of clandestine Islamic networks. For its part, Russia expressed no reservations against the suppression of opposition to President Mahmoud Ahmadinejad. Moscow and Tehran cooperated closely to terminate the civil war in Tajikistan in the mid-1990s, but they were unable to check the violent unrest in Kyrgyzstan in 2010. The place where they would have to intervene jointly in case of an escalation of violence is Turkmenistan, which unexpectedly survived the political crisis caused by the sudden death of its despotic leader in December 2006 with ease, but it still remains prone to implosion.

There are few reasons to expect a revolution in Azerbaijan, which experienced much turmoil in the early 1990s, unless a fall in oil revenues precipitates a rise of discontent against the Aliyev dynasty; such a development, however, could enervate Russia and Iran as well.

Worm-Eaten Cyber-Security

One new twist in the long tale of Russia's back-and-forth with Iran involves the computer worm *Stuxnet*'s sensational summer 2010 breach of security of Iran's nuclear program, as well as of the Bushehr nuclear power station. The scale of damage from this extraordinary cyberattack remains unknown, as does its origin, though the prime suspect has been described as a joint U.S.-Israeli project ([NYTimes](#)). What is clear is that the state-of-the-art worm, identified by a security company based in Belarus ([VirusBlockAda](#)), was targeting the centrifuge cascades at the Natanz fuel enrichment plant. However, it was not necessarily tailor-made for this task, since there are no centrifuges at Bushehr and none among Siemens' industrial customers, which also use the software the worm attacks.

While the uranium enrichment industry in Iran has so far suffered only a minor setback, Russia has found itself in a rather difficult position. One problem involves the Bushehr reactor, which has experienced many technical and political delays in construction but was loaded with fuel in August 2010 under IAEA supervision. The fuel was unloaded in February 2011, but re-loaded in April, causing only a minor delay in the schedule for making the plant fully operational in summer 2011. The *Stuxnet* attack caught Bushehr's Russian specialists unprepared, as they had no experience in dealing with this kind of problem and typically rely on not sophisticated firewalls but total isolation of a reactor's control systems from the internet. There are many good cyber-defense companies in Russia, including Kaspersky Labs, but engaging them for exterminating the worm would mean enhancing the cybersecurity of the Iranian nuclear program as well. *Stuxnet* was allegedly designed not only for sabotage but also for gathering intelligence (used to target several Iranian physicists). Russia would much prefer not to engage in this virtual war on the wrong side. Bushehr, therefore, is not properly secured and runs the risk of turning into a new Chernobyl.

A potentially greater problem concerns Russia's own vast nuclear complex, which now looks vulnerable to untraditional challenges. Russian authorities assumed that the low level of computerization of key structures of government made them invulnerable to cyberattacks like the one that discombobulated Estonia in spring 2007. The issue now is not that the gradual development of "e-government" involves the risk of disruption, but that crucial sub-systems that are invulnerable to hacker "swarming" due to total isolation can nonetheless be infected by viruses and worms carefully planted into their often outdated control systems.

Conclusion

Maintaining the status quo in the development of protracted international crises around Iran is the best possible solution from Moscow's perspective. Iranian oil and gas production remains severely hampered, which helps keep prices high. Russia's voice remains important in international debates surrounding Iran, which boosts its prestige. Russia can also benefit from Iran's interest in cultivating their partnership, one of the few openings available to Tehran during this period of international isolation. Safeguarding the status quo against an "irresponsible" application of force, and particularly a military strike, has been Russia's main guideline for the last decade. Sustaining Iran's ostracism, however, is becoming highly problematic. Tehran has greeted the revolutions shaking the Arab world as delayed aftershocks of its 1979 Islamic revolution. Changes in the Middle East are expected to facilitate new Iranian ties with, for instance, Bahrain or post-occupation Iraq (or its fragments). It is possible that Ahmadinejad will be replaced by a moderate figure in the run-up to or after the spring 2012 parliamentary elections. In Russia's view, however, any Iranian government will consider the continued development its nuclear program a vital security interest. The first Iranian nuclear test is set to happen within the coming decade. Moscow interprets Turkey's recent moves to upgrade ties with Iran as a readiness to accept the latter's de facto nuclear status. India and China can be expected to do the same.

Russia cannot afford to go against this trend. That means that the limits to its cooperation with the West, the United States in particular, on punishing Iran for building more uranium enrichment capabilities have likely already been reached. In debates with NATO and the United States on missile defense systems, Moscow could be expected to argue that the emphasis on building such "shields" in itself testifies to an unannounced shift to a strategy of containment of a nuclear-armed Iran. Russia may also quietly advance the idea of a BRICs/SCO initiative (taking Turkey on board as well) to reject and defy unilateral U.S.-EU sanctions against Iran. Unless some new tangible rewards are offered, which is unlikely, Moscow will attempt to revive its former "good-neighborly" ties with Iran, which have been damaged by a no-longer rewarding conformity to the Western course.