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THE NEW POWER COUPLE: RUSSIA AND IRAN IN THE MIDDLE EAST

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SUMMARY

- Iran-Russia relations have reached an unprecedented peak, fueled by military cooperation in Syria, a shared vision of the global order, and mutual criticism of Western policy in the Middle East.
- Tehran is a useful ally to Moscow in a highly unstable region, but it is just one thread in Moscow's patchwork of important relationships that need careful balancing.
- Moscow offers Tehran a critical means of protecting its regional security interests. However, Iran's leadership is divided on how best to hedge bets between Eastern and Western powers to achieve the country's strategic objectives.
- Despite their differences, the war in Syria looks set to be the crucible of Moscow-Tehran cooperation for some time to come, given its centrality to the strategic ambitions of both parties.
- Instead of pursuing policies that attempt to exploit divisions between Iran and Russia, Europe should use its limited leverage to reduce violence in Syria and, if possible, pave road for political transition later down the road. This can only happen with better understanding of the drivers of Iran and Russia's policy in the region.

September 2016

Over the past year, Russia and Iran have entered a new phase of military cooperation unprecedented in their relations since the end of World War II. As a result of Russian intervention in Syria, their armed forces are planning operations and fighting together in support of Bashar al-Assad's government. In August, Russia began sending a wave of strategic bombers into Syria from an Iranian airbase. As intended, this caught the world's attention. It sent a bold signal to the West that both were committed to safeguarding their interests in Syria despite the costs, and was a rare instance of the Islamic Republic authorising action by a foreign power on its soil. This latest cooperation represents a substantial deepening of the political and defence ties between the two countries ushered in by Vladimir Putin on his return to the Russian presidency, and of links marked by an expanding arms trade over the past three decades.

The new closeness between Moscow and Tehran in Syria has already had serious consequences for Europe. It has strengthened Assad's hand, increased violence, resulted in more refugees flowing into European countries, and further marginalised Europe on the diplomatic track. Yet question marks remain about the durability of the relationship. Does it signify a sustainable strategic alliance that will reshape the geopolitics of the wider Middle East? Or are we merely experiencing a high point in the seesaw saga of Russian-Iranian relations – a saga where cooperation will always be limited and tarnished by mutual distrust?

Europe needs to understand the nature of this new Russian-Iranian dynamic in Syria because it will affect its policies and freedom of action in multiple fields: obviously in the

Middle East, but potentially in the wider theatre of Russian-European relations too. “We cannot isolate Russia on matter X, because we need its support on Iran and Syria”, is a sentence anyone dealing with Russia has heard from multiple European – and American – officials. The reality, however, does not back this up. Russia remained cooperative with the West on the Iran nuclear negotiations even at the peak of the Ukraine crisis, while refusing to subscribe to Europe’s view on Syria even during the calmest of times. If Europe wants to cooperate with Russia, it needs to know what drives Russia’s view on these regional hotspots.

Likewise, the nature of the new Russian-Iranian relationship deserves a deeper look. What binds Russia and Iran, and what divides them? What limitations does this set for European policy on Iran, the wider MENA region, or Russia? It looks set to reduce European influence in the Middle East and challenge the West’s capacity to curtail Russian intervention and Iranian ambitions in the region. But is this inevitable, or are there silver linings for Europe?

This paper will explore the drivers of the current Russian-Iranian relationship as well as the factors limiting their strategic cooperation. The first section examines the broad question of what brings Russia and Iran together, and in the second we look specifically at the case of Syria. The following two sections look at how Russia understands its relationship with Iran and the discourse among the Iranian leadership regarding connections to Russia. Finally, we peer into the future of Moscow–Tehran relations. Although we conclude that their new-found military alliance in Syria has structural limits, Western policymakers need to understand the anatomy of their relations and the extent of their ability to cooperate on specific issues such as Syria. We conclude therefore with some recommendations on how the European Union and its member states should manage the possibility of increased Russian-Iranian cooperation in the Middle East.

Reading international relations in Tehran and Moscow

Many argue that Russian-Iranian cooperation in Syria is purely opportunistic, based on short-term interests that temporarily overshadow equally prominent differences.¹ While this is true, the alliance is nonetheless underpinned by some deep-seated commonalities in their wider vision of international relations.

Iran and Russia share an aspiration to create and maintain a “multipolar” world order that would treat both of them as important decision-makers. Russia views this goal more globally and sees itself among the key decision-makers in determining that international order. Iran, on the other hand, is more focused on implementing its reading of international order in its immediate region. Importantly,

their mutual opposition to what they see as US unilateralism unites them. As Iran’s Supreme Leader, Ayatollah Ali Khamenei, noted during his November 2015 meeting with Russian President Vladimir Putin, the “long-term plan of the United States is against the interests of all nations, particularly our two nations, which can be thwarted by closer cooperation”.²

Moscow and Tehran are comfortable with each other’s ideological outlook. Russia does not find the ideological underpinning of the Iranian leadership to be alien or threatening, as the West does, but instead sees it as something vaguely familiar. As one expert put it, “Iran is an ideological state. Like the Soviet Union.”³ The Russians recognise an ageing ideological dogma when they see one; they are not inclined to over-interpret it, and they know how to find ways around ideology.

In turn, Iran views the Kremlin’s position as an indication of Moscow’s foreign policy pragmatism and avoidance of the type of strategic blindness that has tainted a highly politicised Western outlook on the Islamic Republic.⁴ Although Tehran is far from placing absolute trust in Moscow, and indeed their history is plagued by mutual wariness, the precedent of relative continuity in their relations has left powerful factions within Iran’s security establishment with the impression that Russia is more predictable than the West.⁵

Nevertheless, relations between Russia and Iran have fluctuated. They have certainly been unhappy with each other’s decision-making on the Iranian nuclear programme. A case in point was Moscow’s support for UN Security Council (UNSC) resolutions in 2006 imposing economic sanctions against Iran for its nuclear programme. While many within the Iranian leadership felt betrayed by the move, they could nevertheless understand the rationale behind the decision and to a large degree saw Moscow as the main obstacle to a Western or Israeli-led military strike on its nuclear facilities.⁶ Such understanding has been largely absent in Iran’s relations with the West, for example on the “axis of evil” label after a relatively constructive period of cooperation with the US in Afghanistan during and after the 2001 invasion. Western countries have also periodically frozen all relations with the Islamic Republic, something that Moscow has never done.⁷

Another overarching outlook common to both countries is their opposition to Western-led – or simply pro-Western – regime change, pursued either by military means or in the guise of so-called “colour revolutions”. Russia remains attached to the concept of the international system of 1945, which emphasised state supremacy over internal issues.⁸

¹ See, for example, Nikolay Kozhanov, “The Limits of Russian-Iranian Cooperation”, Carnegie Moscow Center, 27 November 2016, available at <http://carnegie.ru/2015/11/27/limits-of-russian-iranian-co-operation/imis5>; and Nikolay Kozhanov, “Marriage of Convenience”, Russia in Global Affairs, 17 June 2016, available at <http://eng.globalaffairs.ru/number/Marriage-of-Convenience-18245> (hereafter, Kozhanov, “Marriage of Convenience”).

² “Meeting between the Supreme Leader and President of Russia”, Khamenei.ir, 23 November 2015, available at <http://farsi.khamenei.ir/news-content?id=31470>.

³ Interview with Russian Iran-watcher in Moscow, June 2016.

⁴ Interview with senior Iranian official, January 2016.

⁵ Interview with former senior Iranian official, May 2016.

⁶ Interview with former senior Iranian official, May 2016.

⁷ Interview with former senior Iranian official, May 2016.

⁸ For a more elaborate discussion on Russia’s view of international law, see Lauri Mälksoo, “Russian Approaches to International Law” (Oxford: Oxford University Press, 2015).

Newer and “softer” concepts such as the “Responsibility to Protect” go down badly in Moscow. Hence, Russia views US-approved regime change as illegal, irresponsible, and potentially targeting Russia.

Iran – a country that has at times been seen as a potential object of such regime change – does not need to be persuaded on this point. Iranian officials often refer to the Western-orchestrated 1953 coup in Iran as a prime example. Furthermore, Iran’s tendency to view Russia itself – during its incarnation as the Soviet Union – as a victim of Western-inspired regime change is derived from the same interpretation of history that is shared by at least some members of Putin’s inner circle.⁹ Iranian leaders recognise that if regime change could happen to the Soviet superpower, it could also happen to them. After Mohammad Khatami became Iran’s first president from the reformist faction in 1997, Iran’s Supreme Leader repeatedly warned privately and publicly that, at a time of socio-economic weakness, the US might similarly use civil society and the media to cause the collapse of the Islamic Republic.

Consequently, as pushback against Western regime change policies, both countries remain firmly committed to opposing US and NATO military operations in the Middle East. This is the one area that is a priority for both countries, and where they have always been able to rely on each other’s understanding. While their traditional geographical sensitivities differ, they have overlapped in Syria.

Syria – The crucible of cooperation

The commonalities in their approach to international relations have informed both the Russian and the Iranian approach to the Syrian crisis. Iran has sought to secure its pan-regional interests, which it feels have been undermined by US actions across the Middle East, most recently in Syria. Tehran also has a sense of pride regarding its military cooperation with Moscow, which a senior Iranian security expert pointed out is the first example of its kind since the Shah’s rule and which “has emboldened Iran’s sense of confidence in its regional foreign policy”.¹⁰

For Russia, the perceived mistakes of the West in Iraq and Libya and the regional disorder that overshadowed the Arab Spring contributed to its military response against Western actions in Syria. Putin made Russia’s view clear in his speech to the UN General Assembly in 2015: “Instead of learning from other people’s mistakes, some prefer to repeat them and continue to export revolutions, only now these are ‘democratic’ revolutions. Just look at the situation in the [Middle East] . . . Instead of democracy and progress, there is now violence, poverty, social disasters and total disregard for human rights, including even the right to life.”¹¹

⁹ See, for example, the *Guardian*’s interview with Nikolai Patrushev, the head of Russia’s Security Council, available at <https://www.theguardian.com/world/2014/oct/24/sp-ukraine-russia-cold-war>.

¹⁰ Interview with senior Iranian security expert, May 2016.

¹¹ See, for example, “70th session of the UN General Assembly”, President of Russia’s official website, 28 September 2015, available at <http://en.kremlin.ru/events/president/news/50385>.

Russia’s engagement in Syria is inspired also by its desire to prevent the collapse of another state and secondarily to preserve its position in the region. The measures in Syria are intended to prevent Western-backed regime change and possibly also to teach the US a lesson by showing how one “really needs to fix such situations” – by supporting a strongman, not “democracy”.

In Syria, Russia views Iran as an example as well as an ally. While the traditional Arab leaders, Egypt, Iraq, and Syria, have struggled to cope with internal crises and regional disorder, Iran is relatively strong both domestically (having contained the 2009 “Green Movement” uprisings) and regionally. This makes Iran appear as an attractive and stable actor, a functioning state that can advance Russian interests on the ground in Syria. While Saudi Arabia shares these qualities, it aligned itself with the Syrian opposition, unequivocally calling for regime change in ways that Russia cannot endorse. Moreover, despite a recent downturn in US–Saudi relations, Riyadh is a traditional US ally which Moscow realises it has far less influence over than Tehran.

The Syrian conflict has provided the opportunity for Russia and Iran to put their newly aligned world outlook to the test with the aim of preserving their respective interests at a time when Damascus is at its weakest. But while they have forged a broadly effective military coalition, their strategies in Syria may ultimately diverge on some fundamental issues.

Areas of convergence

Iran and Russia’s joint goal is to preserve the Assad regime, at least for now, as a means of guaranteeing their respective core interests. Assad himself is seen as the guarantor of these interests, and the need to strengthen his position in advance of any potential political negotiations forms an important basis for cooperation. For Iran, as a senior adviser to the government explained, Syria – and importantly the regime – “has instrumental value as a conduit” for supply highways to Hezbollah, Iran’s only ally in achieving strategic security depth vis-à-vis Israel and the US.¹² In recent years, Iran and Hezbollah have become increasingly interdependent on the issue of security, and the loss of Syria would significantly weaken their regional position.

For Russia, Syria also has instrumental value as its only real outpost in the Middle East. However, Moscow is particularly concerned about the potential for state collapse in Syria, the implications this would have on the chaos already brewing in parts of the Middle East, and the spill-over of extremism. Syria is also about Moscow’s relations with Washington. By engaging militarily in Syria, Russia effectively strong-armed itself back into talking terms with the US after the annexation of Crimea. In Syria, Russia also intends to set an example by showing that the best way of dealing with internal turbulence is to support the “legitimate leader”. This approach is perceived to have previously worked for

¹² Interview with senior adviser to the Iranian government, June 2016.

Russia's military presence for Syria operations (2015-2016)



engage in negotiations.²⁵ It may also have been meant to indicate to the West that Russia did not “own” the conflict and could not “deliver” Assad, but at the same time emphasised that Russia remained committed to a diplomatic solution, albeit on its own terms.²⁶

In conjunction with the withdrawal announcement, the Russian-US brokered ceasefire agreements in Syria in February and May raised questions in Tehran regarding Russia's political wisdom.²⁷ While Iran originally welcomed

the cessation of hostilities in January, it soon came to view the cessation as an opportunity for the opposition to rearm and consolidate their fighting forces.²⁸ This was followed by the Aleppo ceasefire in May shortly after which Iran suffered one of its biggest military setbacks in Syria – the Jabhat al-Nusra siege in Khan Tuman.²⁹ Senior Iranian military officials indirectly blamed Russia for contributing

25 See for example Nikolay Kozhanov, “Russia's ‘Withdrawal’ from Syria is Nothing of the Kind”, Carnegie Endowment for International Peace, 21 March 2016, available at <http://carnegieendowment.org/2016/03/21/russia-s-withdrawal-from-syria-is-nothing-of-kind-pub-63137>.

26 Interview with senior Russian security expert, March 2015.

27 Interview with senior Iranian security expert, May 2016.

28 Interview with former senior Iranian official, May 2016.

29 “Iran says 13 IRGC forces killed in Syria”, PressTV, 7 May 2016, available at <http://presstv.com/Detail/2016/05/07/464455/Iran-Syria-IRGC-Khan-Tuman-Aleppo>.

to the siege due to its lack of air support.³⁰ Besides the Khan Tuman incident, there have been other reports about the lack of Russian air cover for Assad and Iranian-backed forces on the ground – a development that has been interpreted as a message from Moscow to both countries that they need to play ball on the political track.³¹

But facts on the ground in Syria change rapidly and, since the Khan Tuman incident, Russia has significantly upped its air support for IRGC operations in Aleppo, restoring a degree of certainty in Iran that Russia once again sees the conflict through the same lens. In June, Iran called for a trilateral meeting in Tehran with the Russian and Syrian defence ministers to push for more effective military collaboration.³² Iran also created a new official posting dedicated to military coordination between the three countries, led by Ali Shamkhani, the secretary of Iran's Supreme National Security Council. This coordination resulted in the wave of Russian bombings launched from Iran's Hamedan airbase during heavy fighting in Aleppo in August. Nevertheless, the scope of Iran's alignment with Russia could be tested again by the latest US-Russian deal in September over the cessation of hostilities depending on how narrowly the net is cast over the "terrorist groups" that will be excluded from the agreement.

Another area of potential dispute between Russia and Iran is the future of the Syrian Kurds. Iran is closely watching Russian and American military relations with the Syrian Kurdish nationalist Democratic Union Party (PYD) and the Kurdish People's Protection Units (YPG). While Iran has worked with the PYD and Russia to back Assad's forces, given its own increasingly volatile problems with Kurdish separatist groups, Tehran has rejected Rojava-style federalism in northern Syria.

Russia, on the other hand, has a more nuanced position on federalism as the ultimate solution in Syria. Despite patching up the rift with Turkey, Russia's relations with the Kurds serve as useful leverage over Ankara and may be similarly useful in future relations with Damascus. In this light, in May 2016, Moscow prepared a draft text for a new Syrian constitution that endorses decentralisation and local administrations with broader powers.³³ But Russia is also aware that federalism in Syria would worsen Moscow's relations with Tehran, Ankara, and Baghdad, and could have incalculable transformative impacts on regional order.

³⁰ See, for example, comments by Major General Mohsen Rezaei in "Soon the Takfiris in Khan Tuman will pay heavy price for martyr", *Tasnim News Agency*, 5 May 2016, available at <http://www.tasnimnews.com/fa/news/1395/02/20/1070137/حداقوت-ی-دور-حجب-نشد-خداو-خ-ج-تغیر-گ-ن-امو-طن-را-خ-ی-الدش-ط-خ-ح-ب-ا-د-ی-و-ف-ک-ت-ز-ا-ی-ت-خ-س>, "Iranian officials blame Aleppo ceasefire violations for military casualties", *Al-Monitor*, 10 May 2016, available at <http://www.al-monitor.com/pulse/originals/2016/05/iran-syria-heavy-losses-khan-tuman.html>.

³¹ For example, between March and May 2016, when opposition forces were able to make advances against the Syrian government in southern Aleppo province and Idlib, during a time when the US–Russia-brokered ceasefire was collapsing. See Aron Lund, "Assad's Broken Base: The Case of Idlib", the Century Foundation, 14 July 2016, available at <https://tcf.org/content/report/assads-broken-base-case-idlib/>; and Tom Perry and Suleiman Al-Khalidi, "Jihadists mobilize in Syria as peacemaking unravels", *Reuters*, 19 May 2016, available at <http://www.reuters.com/article/us-mideast-crisis-syria-alqaeda-insight-idUSKCN0YA19A>.

³² Interview with senior Iranian security expert, June 2016.

³³ See extract published in Arabic by *Al-Akhbar*, a pro-regime Lebanese daily newspaper, "Russian constitution for Syria: the powers of the Council of Ministers and the president", available at <http://www.al-akhbar.com/node/258466>.

Another longer-term issue will be Russia's uneasy relationship with non-state actors, including Iranian-backed militias in Syria. Iran has operationalised several pro-regime paramilitary groups, including a unit of Afghans known as the Fatemioun Brigade and the National Defence Forces (NDF). Russia, on the other hand, has traditionally favoured strong central state structures with firm army control over security and is wary of the permanent militia forces in Syria. Iran and Russia are reported to have differed on this issue, with Russia calling for the NDF to be brought under army control as part of the International Syria Support Group (ISSG) negotiations.³⁴

Whether these potential differences over Syria are manageable in the long-term depends largely on the trajectory of the conflict and the broader nature of the Russian-Iranian relationship. Here, it is important to understand that the relationship is not symmetrical. Russia and Iran play very different roles in each other's larger foreign policies.

Moscow's lens on Tehran

For Russia, its policy towards Iran is not an end in itself, but rather one piece of a larger puzzle involving multiple actors. Moscow's policy on Iran is defined by a list of factors, such as the state of its relations with the US, national security, the regional situation in the Caucasus and Central Asia, the nuclear issue, economic interests, and now also the situation in the Middle East.³⁵ Moscow's attitude to Tehran has always shifted according to the changing prominence of these issues.

Perhaps the biggest influence on Russian policy towards Iran is the state of its engagement with the West. Until 2012 in particular, Moscow's relations with Tehran tended to move in the opposite direction to Russian-US relations, with Russia leveraging its links with Iran to shape its relations with America. A key episode, for example, was the 1995 Gore–Chernomyrdin agreement in which Russia agreed to end military exports to the Islamic Republic by 1999 and to refrain from cutting any new deals.³⁶ Once the agreement became public, it produced a lose-lose outcome for Moscow: causing a downturn in Russian-Iranian relations, and still failing to persuade the US of Russia's good faith. The US, disagreeing on the interpretation of some clauses of the agreement, still accused Russia of non-compliance.

The souring of Russian-American relations during the last years of George W. Bush's presidency saw a new upswing in Russian-Iranian cooperation that was again abruptly halted in 2010. Former Russian President Dmitry Medvedev – engaged by Obama's reset policy and possibly also offended by Iran's development of the secret Fordow nuclear facility

³⁴ Based on discussions with European officials attending ISSG meetings, January 2016.

³⁵ Nikolay Kozhanov, "Russia's Relations With Iran: Dialogue without Commitments", the Washington Institute, June 2012, available at <http://www.washingtoninstitute.org/policy-analysis/view/russian-relations-with-iran-dialogue-without-commitments> (hereafter, Kozhanov, "Russia's Relations With Iran").

³⁶ Nikolay Kozhanov, "Understanding the Revitalization of Russian-Iranian Relations", Carnegie Moscow Center, 5 May 2015, p. 5, available at <http://carnegie.ru/2015/05/05/understanding-revitalisation-of-russian-iranian-relations/i86n> (hereafter, Kozhanov, "Understanding the Revitalization").

– supported UNSC Resolution 1929, paving the way for harsh international sanctions. As an extra gesture, Russia unilaterally halted the export of S-300 surface-to-air missiles to Iran – something that had been agreed in 2007.

Today, Russia’s Iran-watchers readily admit that the Kremlin used its defence and political links with Tehran to gain leverage in Washington.³⁷ However, when it comes to the nuclear file, it would be a mistake to view Russia’s position as having been solely defined by relations with the US. As one Russian expert put it: “Both we and the US are concerned at the prospect of a nuclear Iran – but we are concerned in different ways.”³⁸

Unlike the US, Russia does not view a nuclear-armed Iran as a direct military threat to itself, although Russia would be well within the range of Iranian missiles. A nuclear Iran might cost Russia some freedom of manoeuvre in regional disputes, such as the still-unresolved question of jurisdiction over the Caspian Sea, but Russia’s primary concerns about Iran’s nuclear programme relate to how it might change the balance of power in the region, potentially triggering a nuclear arms race among other regional powers.³⁹

Despite these concerns, Moscow has never fully trusted the US assessment of how far Iran has progressed on the nuclear path, and in any case it has always believed the issue could be managed or addressed by non-military means.⁴⁰ Moscow has been categorically against any military or regime-change-related courses of action. Instead, it favours forcing the US down a diplomatic path in which Russia has a role. In that context, the E3+3 model of negotiations is highly praised in Moscow as an example of how global security issues ought to be resolved.⁴¹

Russia’s insistence on arms sales to Iran, which surely has some roots in the business interests of arms exporters, also stems from its profound opposition to any use of unilateral force by the US or Israel against Iranian nuclear facilities, the risk of which was heightened in the mid-2000s. Events have sometimes caused this stance to fluctuate. For example, Medvedev’s cancellation of the sale of the S-300 missiles was overturned by Putin in 2015, and Russia began delivering the missiles in April 2016, with full deployment expected next year. Thanks to the long delay, Russia actually upgraded the initial agreement with Iran to a more powerful S-300PMU-2 model (the older version having gone out of production) that further enhances Iran’s defensive shield against air attack.⁴²

During the nuclear negotiations, Russia also insisted on a loosely worded paragraph in UNSC Resolution 2231 (2015) regarding future arms sales to Iran. According to the US reading, this resolution prohibits the transfer of conventional weapons to Iran until 2020 unless explicitly

³⁷ Interviews with Russia’s Iran-watchers in Moscow in June and July 2016. See also Kozhanov, “Understanding the Revitalization”.

³⁸ Interview with Russian military expert in Moscow, July 2016.

³⁹ Interviews with Russia’s Iran-watchers in Moscow, June and July 2016.

⁴⁰ Interviews with Russia’s Iran-watchers in Moscow, June and July 2016.

⁴¹ Interviews with Russia’s Iran-watchers in Moscow, June and July 2016.

⁴² Interviews with Moscow arms expert, July 2016.

approved by the UNSC. Moscow contends, however, that the resolution actually lifts the prior ban on the sale of some non-nuclear-related weapons and transfers it to “permissive mode”.⁴³ As a former Iranian nuclear negotiator pointed out, Moscow’s position on this during the final stretch of the nuclear talks to some extent mitigated the unease in Tehran regarding Russian support for sanctions.⁴⁴

The 2012 shift

After Putin’s re-election in 2012, Russia’s relations with Iran were upgraded. It is sometimes suggested that Ukraine-related Western sanctions against Russia created a new affinity between Moscow and another “victim” of Western sanctions – Iran.⁴⁵ In fact, the policy shift came about due to wider issues. It pre-dated events in Ukraine and is likely to outlast them. Rather, Moscow was trying to shake off the entire burden of “Western rules and domination”.⁴⁶

Putin’s return to power escalated this shift, but it had been a long time coming. Moscow felt increasingly out of place in a Western-dominated international order despite attempting to fit in. Russia expert Dmitri Trenin suggests that the entire Medvedev presidency was Putin’s gesture of goodwill towards the West, an attempt to see what, in principle, could be achieved by greater cooperation.⁴⁷ The verdict, as far as Moscow was concerned, was negative. Russia felt let down by Western military intervention in Libya, and Western sympathy for anti-Putin protests in 2011 and 2012 left Putin very disappointed.⁴⁸ So in 2012, Russia redefined itself as a non-Western power, after feeling like it was mistreated by Western powers. It set out in search of new opportunities and a new world order, expending its links with other non-Western countries.⁴⁹ As a result, it began to upgrade its relationship with China and invested heavily in the Eurasian Economic Union. It also started to brush up its ties in the Middle East – leading Putin to call Iran Russia’s “old traditional partner”, language that had rarely been used in the past.⁵⁰

For these reasons, Western sanctions are not the main factor drawing Russia and Iran together. Russia is certainly displeased with the sanctions against it. But, seeing itself as a global power, it is unlikely to enter into a one-issue alliance with Tehran, especially given that Russia was

⁴³ See “Lavrov: Russia May Consider Iran’s Request on Buying Tanks, Military Jets”, *Sputnik*, 4 May 2016, available at <http://sputniknews.com/military/20160504/1039075377/russia-iran-arms-supplies.html#ixzz48LWBxPcE>.

⁴⁴ Interview with former Iranian nuclear negotiator, May 2016.

⁴⁵ See, for example, comments by Hassan Beheshti Pour, former chairman of Iran’s Al-Alam TV: “The West’s sanctions against Moscow over the annexation of Crimea to Russia is one of the main reasons for [President Vladimir] Putin approaching Tehran.”, in Rohollah Faghihi, “Why did Velayati meet with Putin?”, *Al-Monitor*, 11 February 2015, available at <http://www.al-monitor.com/pulse/originals/2015/02/iran-russia-nuclear-deal-velayati.html>.

⁴⁶ Piotr Dutkiewicz and Nikolay Kozhanov, “Civil War in Syria and the Evolution of Russian–Iranian Relations”, Emirates Policy Center, 26 May 2016, available at <http://epc.ae/publication/465>.

⁴⁷ Note this statement dates back to 2013, cleared for quotation in July 2016.

⁴⁸ Confirmed by a former US ambassador to Moscow in an interview for this publication.

⁴⁹ Dmitri Trenin, “Russia’s Missile Moves Explained: The S-300 Challenge”, the National Interest, 15 April 2015, available at <http://nationalinterest.org/feature/russias-missile-moves-explained-the-s-300-challenge-12635>.

⁵⁰ Kozhanov, “Understanding the Revitalization”.

among the countries that imposed sanctions on Iran, and that this policy continued under Putin.

Nor is Russia likely to support Iran in any extremely anti-Western endeavours. On the contrary, its view is that any such action would diminish Tehran's usefulness to Moscow. In 2005, for example, Moscow expected the newly elected Mahmoud Ahmadinejad to adopt an anti-Western line but to be receptive to Moscow's offers of mediation on the nuclear issue. That this did not happen left Moscow disappointed.⁵¹ By contrast, in 2013, Moscow was cautious about President Hassan Rouhani's election, fearing that he would prioritise the West over Moscow. In fact, the opposite happened: Iran's interest in reaching a nuclear deal opened space for Moscow's diplomatic efforts – which, it should not be forgotten, were Moscow's only meaningful avenue of cooperation with the West after its annexation of Crimea.

The same attitude is evident in Russia's approach to Iran's membership of the Shanghai Cooperation Organisation (SCO), where Iran participates as an observer. While Russia officially wants Iran to become a full member of the organisation, experts nonetheless see Russia's hand in some of the decisions by Central Asian SCO members to block Tehran's bid to become a full member – the first time in 2009, when Iran was mired in civil unrest, and the second time in 2010, when there were grounds to worry that Ahmadinejad's rhetoric about Israel and the West could have damaged the SCO's ties to Western countries.⁵²

Interestingly, this shows that Russia's intentions towards Iran are somewhat similar to those in its closer neighbourhood, such as the Eurasian Economic Union countries. Russia wants to be instrumental in handling their relations with the West. It is displeased when members of this grouping are either too friendly towards the West or too anti-Western, because both extremes diminish Moscow's leverage.⁵³

Balancing regional actors

Even though Iran may currently be Russia's most prominent partner in the Middle East, it is only one of many prospective and actual partners. Russia is keen to preserve a positive relationship with Iran's regional rivals too, such as Israel, Saudi Arabia, and Egypt, some of whom have considerable leverage vis-à-vis Moscow. Saudi Arabia is an important player when it comes to setting oil prices, while Israel could resume the arms sales to Georgia, which it halted at Russia's request after the Russia–Georgia war in 2008.⁵⁴

Iran's deep enmity towards Israel requires Russia to maintain a tricky balancing act between the two. Israel wants to ensure that Russian weapons sold to Iran do not

⁵¹ See, Mark N. Katz, "Iran and Russia", United States Institute of Peace, August 2015, available at <http://iranprimer.usip.org/resource/iran-and-russia>.

⁵² Kozhanov, "Russia's Relations With Iran".

⁵³ For evidence, see Putin's conceptual article on the Eurasian Economic Union, "A new integration project for Eurasia: The future in the making", *Izvestia*, 4 October 2011, available at http://www.europarl.europa.eu/meetdocs/2009_2014/documents/d-ru/dv/dru_2013_0320_06/dru_2013_0320_06_en.pdf.

⁵⁴ Michael Eisenstadt and Brenda Shaffer, "Russian S-300 Missiles to Iran: Groundhog Day or Game-Changer?", the Washington Institute, 4 September 2015, available at <http://www.washingtoninstitute.org/policy-analysis/view/russian-s-300-missiles-to-iran-groundhog-day-or-game-changer>.

end up with Hezbollah and that Russian air cover does not give Iran opportunities to use Syria as a base against it.⁵⁵ Moscow takes Israel's concerns seriously, and so this situation demands constant attention that Iran has no choice but to accept.

Russia has also deepened its engagement with Iran's other regional foe, Saudi Arabia, whose main objective in Syria is countering Iranian interests. Despite fighting alongside Iranian-backed forces in Syria, Moscow has sought to sell its intervention to the House of Saud as a means of reducing Iranian influence in Damascus.⁵⁶ In the past year, Putin hosted Deputy Crown Prince Mohammad bin Salman in Moscow and met King Salman bin Abdulaziz Al Saud on several occasions, backing Saudi policies in Bahrain and Yemen. This sort of cosy up to Saudi Arabia may become a real source of tension between Iran and Russia, although for now they have marginalised the issue.

Reaching out to Saudi Arabia is both an attempt by Russia to boost its economic relations with Riyadh (particularly in relation to arms sales) and to mollify the concerns of the new Saudi leadership about Russian military intervention in Syria. Russia also needs to prevent its role in Syria from being perceived as support for Shia Iran in a sectarian battle with the Sunni world, as this could have serious consequences at home.⁵⁷ If Russia wants to be a meaningful actor in the Middle East, it needs a working relationship with all the significant local actors, not just Iran.

Iran's hedging debate on Russia

There is a general consensus among Iran's leadership that relations with Moscow are extremely valuable to Iran's geopolitical position, defence architecture, and manoeuvring space during negotiations with the West. However, Tehran increasingly sees those ties as part of an overarching strategy to enhance its economic power and security framework in the Middle East. This goal was outlined in 2005 when the Supreme Leader endorsed a 20-year national trajectory.⁵⁸ A debate has since followed about how best to achieve these aims, and, in achieving them, how Iran should hedge its bets between East and West, while respecting one of the founding slogans of the Islamic Republic, ensuring "neither East nor West" control its foreign policies. Tehran's debate about Russia specifically, which has been re-energised by both the Syrian conflict and the Joint Comprehensive Plan of Action (JCPOA) – more commonly referred to as the Iran nuclear deal – can generally be divided into three camps.

⁵⁵ See Kozhanov, "Marriage of Convenience".

⁵⁶ Statements made by two senior Saudi Arabian security advisers during roundtable held under the Chatham House rule, April 2016.

⁵⁷ Statement made by senior Russian security adviser during roundtable held under the Chatham House rule, January 2016.

⁵⁸ A summary of the document known as Iran's 20-Year Economic Perspective, or 20 Year Vision, is available at <http://www.csr.ir/departments.aspx?lng=en&abtid=06&&depid=74&semid=1679>.

The “Russia-leaners”

The Russia-leaners assert that a more intensive and structured relationship with Moscow is the best way to preserve Iranian interests at home and abroad. They see Tehran as having far more common ground with Moscow than the West. As one Iranian official put it: “Despite all the challenges, they have proved to be more reliable than any other global power at delivering on sensitive security commitments to Iran.”⁵⁹ In this light, the Russia-leaners have pushed for a strategic alliance with Moscow, while aware that reservations on the Russian side could hinder this.

The Russia-leaners are found mostly (albeit not exclusively) in the Iranian defence and security establishment, which has so far exercised the greatest influence over Iran’s policies on Syria. For example, in his capacity as the Supreme Leader’s chief foreign policy adviser, Ali Akbar Velayati, has long called for closer relations with Moscow akin to a strategic partnership, and has described Russia as “Iran’s only partner on regional issues”.⁶⁰ Iran’s military also places great importance on defence links with Moscow, and the IRGC’s Quds Force Commander, General Qasem Soleimani, who leads Iranian operations on the Syria file, is widely believed to have travelled to Moscow to meet with Putin and to coordinate greater Russian military support in Syria.⁶¹

The Russia-leaners argue that one of the most fundamental aspects of relations with Moscow is defence and arms trade, not only because the West has an arms embargo on Iran, but also because of rising threats to Iranian interests. Since the 1979 revolution, Russia has overtaken the US as the leading exporter of military technology and has become indispensable to Iranian defence architecture. The Stockholm International Peace Research Institute (SIPRI) estimates that publicly recorded Russian arms sales to Iran from 2005 to 2010 were almost double the value of Chinese exports to Iran.⁶² The easing of sanctions after the nuclear deal and intensified military operations in Syria have increased Iranian demand, so that Tehran now has a shopping list for Russian goods reportedly worth \$8 billion.⁶³

The Russia-leaners are also cautious about opening up economically and politically to the West after sanctions. In part, this is a continuation of the anti-Western ideological position inherent in Iran’s security architecture. The Russia-leaners also oppose the type of outreach to the West that could damage Iran’s military arrangements with Moscow that have effectively supported IRGC operations in Syria.

59 Interview with former senior Iranian official, May 2016.

60 “Velayati calls for closer Iran–Russia ties”, *Mehr News Agency*, 29 September 2015, available at <http://en.mehrnews.com/news/110583/Velayati-calls-for-closer-Iran-Russia-ties>.

61 See Bozorgmehr Sharafedin, “Report and denial that Iranian commander met Putin in Moscow”, *Reuters*, 16 December 2015, available at <http://www.reuters.com/article/us-mideast-crisis-iran-russia-idUSKBN0TZ1NW20151216>.

62 For the period 2005–2010, see SIPRI Trend Indicator Values (TIVs), available at <https://www.sipri.org/databases/armstransfers>.

63 See Alexey Ermenko “Russia Plans to Sell Iran Up to \$8B Worth of Weapons: Reports”, *NBC News*, 18 February 2016, available at <http://www.nbcnews.com/news/world/russia-plans-sell-iran-8b-worth-weapons-reports-n519991>. Ranking high are Russia’s latest S-400 anti-aircraft missiles, T-90S tanks, and the procurement (and potential co-production) of Russian Sukhoi Su-30 fighter jets (which Iran’s defence minister has stated have been the subject of serious negotiation).

The argument put forward by the Russia-leaners is strengthened by a growing domestic perception that Europe attaches preconditions to its economic engagement with Tehran, even after the nuclear deal, in the hope of ultimately changing the Iranian regime. Although China and Russia bargain fiercely with Iran, they have never been viewed as attempting to target the ideological basis of the Islamic Republic. Given this backdrop, the Russia-leaners favour closer relations with Eastern powers and rally behind the concept of an economy of resistance, even if this results in greater isolation and settling for second-tier goods.⁶⁴

The “Re-balancers”

The re-balancers hold that the nuclear deal provides Iran with an opportunity for a more balanced relationship with world powers instead of risking over-dependency on Russia. As a senior economic adviser to the Iranian government explained, those advocating this position maintain that after the lifting of UN sanctions, “Iran has more cards to play in the international economic and political arena and should capitalise on this opening”.⁶⁵ This view is held by segments of Iran’s executive branch, technocrats and political elites who believe that competitive trade and international partnerships (inclusive of the West) can best serve the Iranian economy and strengthen its longer-term regional footing.

In making this case, the re-balancers point to areas of distrust, where Russia’s historic expansionism and more recent behaviour against Iranian interests (such as its agreement to UN sanctions, delayed delivery of S-300s, and conduct in Syria) should caution against a tilt towards Moscow. This is particularly true in the energy sector, where Iran and Russia are economic competitors. Post the Iranian nuclear deal, there is unease about allowing too big a role for Russian companies such as Gazprom, which effectively blocked Iranian gas supplies into Armenia recently by purchasing and controlling the Armenian segment of the distribution after Iran spent years financing and constructing the project.⁶⁶ Since sanctions have eased against Iran, Gazprom has started fresh negotiations to increase its presence as an investor in Iran’s energy sector, but the experience in Armenia has made many Iranian experts assess Russian moves “as a bid to limit future Iranian gas distribution to Europe”.⁶⁷

As the S-300 example implies, both the Kremlin and Russian companies have a well-deserved reputation for dragging their feet on contractual obligations with Iran, usually in a bid to gain concessions from the West. This has left re-balancers resistant to allowing Russia a dominant role in its post-sanctions economy. They argue that Iran is re-emerging as an international actor and ought to avoid being boxed into deal-making with a small pool of countries under unfavourable terms and for lower-tier goods. While they are open to doing business with Russia, they see limited

64 Series of interviews with Iranian officials and experts, April–June 2016.

65 Interview with senior Iranian economic adviser, June 2016.

66 “Gazprom to take over Iranian–Armenian pipeline”, *Eurasianet*, 4 June 2015, available at <http://www.eurasianet.org/node/73731>.

67 Interviews with senior Iranian expert on Russia, April 2016, and senior Iranian energy adviser, May 2016.

opportunity given their economic mismatch, limits on Russian technology, goods, and investment capacity, and longer-term competition in gas-distribution markets.

The deals Iran has agreed provisionally with Russia since the easing of sanctions in January are dwarfed by those negotiated with EU countries and China. As of February 2016, Iranian media reported that Russia and Iran had agreed deals worth an estimated \$40 billion.⁶⁸ Meanwhile, during his visit to Iran in January 2016, President Xi Jinping and Rouhani agreed on a 25-year roadmap for developing relations that aim to boost bilateral trade to \$600 billion in the next decade.⁶⁹ In the same month, Iran signalled it was back in business with Europe when Rouhani made a high-profile visit to Europe, signing deals estimated to be worth \$18.4 billion with Italy and \$27 billion with France's Airbus alone, with many more deals following.⁷⁰

The re-balancers' position has some limited backing from those in security circles who believe Iran can only realistically increase its defensive capabilities and regional security depth by importing first-tier Western technology. They also seriously doubt whether Russia will provide Iran with all of its wish-list of arms and defence technology given its commitments to Israel. In fact, some Iranian security experts view "the drip-drip delivery of the S-300s as a source of humiliation" that should serve as a lesson to Iran to diversify its suppliers.⁷¹

Additionally, the re-balancers point out that the volume of first-tier Western technology purchased by Israel and the GCC countries far surpasses Russian exports to Iran.⁷² According to SIPRI figures, Iran does not feature as a top importing destination for Russian military goods, with countries such as Algeria, Azerbaijan, Venezuela, and Vietnam having received substantially more arms from Moscow in the past decade.⁷³ In this light, to boost Iran's military standing, the Rouhani government has increased its defence budget and outlined a vision for diversification of weapons and military technology imports which also gives greater prominence to China.⁷⁴

68 See "Iran Signs \$40bn in Trade Deals With Russia During Moscow Visit", *Fars News Agency*, 5 February 2016, available at <http://en.farsnews.com/newstext.aspx?nn=13941115001157>.

69 See Golnar Motevalli, "China, Iran Agree to Expand Trade to \$600 Billion in a Decade", *Bloomberg*, 23 January 2016, available at <http://www.bloomberg.com/news/articles/2016-01-23/china-iran-agree-to-expand-trade-to-600-billion-in-a-decade>; and Gregory Viscusi and Andrea Rothman, "Iran Buys Airbus A380s, Seals Peugeot Deal at Paris Signing", *Bloomberg*, 28 January 2016, available at <http://www.bloomberg.com/news/articles/2016-01-28/iran-seals-airbus-peugeot-deals-as-rouhani-roadshow-hits-paris>.

70 See Antonella Cinelli and Crispian Balmer, "Deals and warm words flow as Iran president visits Europe", *Reuters*, 26 January 2016, available at <http://www.reuters.com/article/us-iran-europe-rouhani-idUSKCN0V31Dj>.

71 Iran sued Russia's state arms supplier for non-delivery of the 2007 contract and claimed \$4 billion for non-performance. As part of the 2016 delivery, Iran agreed to withdraw its legal claim.

72 See SIPRI figures, available at http://armstrade.sipri.org/armstrade/html/export_values.php.

73 See SIPRI figures, available at http://armstrade.sipri.org/armstrade/html/export_values.php.

74 Interview with Iranian military expert, May 2016. See also "Proposed defence budget of Iran increases by 32.5 percent", *Tasnim News Agency*, 12 April 2014, available at <http://www.tasnimnews.com/fa/news/1393/09/16/580885>; www.tasnimnews.com/fa/news/1393/09/16/580885 (in Persian).
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On geopolitical issues too, the re-balancers are cautious about the possibility that Russia may use its military role in Syria to mend relations with the West after the Ukraine fallout and rejoin the world powers' decision-making club at Iran's expense.⁷⁵ The re-balancers argue that Russia has never acted as a true ally and will continue to treat Iran as a subordinate actor on the Syrian political track. One way of limiting such damage, they say, is for Tehran to actively engage other world powers. This concern is partly rooted in Russia's expansionist history.⁷⁶ There is also some concern about Moscow's future ambition in the Levant, particularly after the Khan Tuman episode undermined IRGC operations.⁷⁷

The middle way

Others within the Iranian leadership seem to be introducing a middle way between the Russia-leaners and the re-balancers. A senior Iranian expert explained that this middle way recognises that despite Russia's limitations and areas for distrust, "it has advanced Iranian interests in the most sensitive areas" and accordingly "Iran ought to give prominence to relations with Moscow when calculating its economic and foreign policies" – but that this should not equate to ignoring or derailing opportunities with the West that can advance Iran's interests.⁷⁸

For example, Iran's parliamentary speaker, Ali Larijani, who has an influential role in shaping national security policy, led Iran's "Russian tilt" campaign in 2005 and continues to be a firm believer that Iran has an "eastern orientation, first of all towards Russia . . . [as] the country's strategic choice".⁷⁹ However, in recent years, Larijani has also consolidated support for Rouhani's nuclear negotiations among the conservative political faction, and has backed the government's bid for an economic opening to Europe post the nuclear deal.

As usual in Iran, the Supreme Leader is the target of these arguments. He has long admired Vladimir Putin, viewing him as a bold actor who confronts the West while accepting the ideological lynchpin of the Islamic Republic. This view was amplified during a meeting with Putin in November 2015 that was later described by Ali Akbar Velayati as "unprecedented in the history of both countries".⁸⁰ Since the nuclear deal, Khamenei has enthusiastically backed initiatives for deepening relations with Moscow while remaining cautious about the West. On the other hand, the Iranian leadership, through its consent to the nuclear deal,

75 Statement from off-the-record meeting with senior Iranian official, February 2016, and interview with former senior Iranian official, April 2016.

76 Interview with senior Iranian security adviser, May 2016.

77 See Abbas Qaidaari, "Why Iran still doesn't trust Russia on Syria", *Al-Monitor*, 15 June 2016, available at <http://www.al-monitor.com/pulse/originals/2016/06/iran-russia-syria-defense-ministers-tehran-meeting.html>.

78 Interview with senior Iranian security adviser to the government, May 2016.

79 Gareth Smyth, "The tricky triangle of Iran, Russia and Israel", *The Guardian*, 25 April 2016, available at <https://www.theguardian.com/world/iran-blog/2016/apr/25/iran-russia-israel-tehranbureau>.

80 Bozorgmehr Sharafedin, "Iran leader hosts Putin, says U.S. policies a threat to both", *Reuters*, 23 November 2015, available at <http://uk.reuters.com/article/uk-mideast-crisis-iran-russia-idUKKBN0TC1MG20151123>.

signalled that its overriding strategic priority was to boost its economy, and accordingly relations between Russia and the West should be considered against this backdrop.

To gain greater support, the re-balancers are likely to move towards the middle position, particularly in light of recent military cooperation on Syria. Indeed, in the aftermath of the nuclear deal, the government has supported the expansion of relations with Russia, particularly in terms of boosting defence capabilities. This has been necessary to counter the perception among the domestic opposition that Rouhani is drifting too close to the West, while the West has offered Iran too little by way of tangible economic benefits after the nuclear deal.⁸¹ This position may provide the re-balancers with a convenient bargaining chip when dealing with Europe, arguing that neglect on the Europeans' part will drive Iran into the arms of Russia. This is particularly the case in advance of Iran's presidential elections in spring 2017 – when the economic impact of the nuclear deal will provide a domestic litmus test for Iran's hedging debate.

The future of Tehran–Moscow relations

The multiple crises in the Middle East and a mutual desire to push back the US presence in the region are likely to provide a platform for more intensified cooperation between Moscow and Tehran. In the near term, Syria will remain the crucible of their relations. Even if longer-term concerns in Syria diverge, their immediate shared goals when it comes to strategic territorial gains are likely to prolong the life of joint military operations until the ultimate balance of power in Syria is determined. All the more so if international diplomacy on Syria fails or if Russia and Iran feel under greater pressure in the conflict, as was the case in Aleppo during the summer. This also suggests that their temporary alliance in Syria may well last longer than Russia and the West initially envisaged.

We may also see the consolidation of an anti-IS coalition in the coming years – spearheaded by Moscow and Tehran – that spills over from Syria into Iraq. The move to use Iranian airbases to launch Russian strikes in Syria could be repeated elsewhere. Russia and Iran have already joined Syria, Iraq, and Hezbollah to create the “4+1 coalition” as an information-sharing unit in Baghdad – although neither side has so far moved towards anything more substantial.⁸² Iraq has not, at least yet, asked Russia to conduct air strikes against IS, preferring to rely instead on the US-led air coalition in cooperation with Iranian support on the ground. The Khan Tuman incident in Syria could also make Iran more hesitant about carving out a bigger military role for Russia in Iraq.⁸³ Moreover, Russia has a complicated relationship with non-state actors such as Hezbollah and other Iranian-backed militias. While it might be willing to hold its nose and work with such groups in Syria, it is unlikely to actively build coalitions with them. Indeed, a Russian official described talk of a new regional coalition as

⁸¹ Interview with senior European official, 15 March 2016.

⁸² Interview with senior adviser to the Iranian government on Russia, April 2016.

⁸³ Interview with former senior Iranian official, May 2016.

“speculative” and said that they “could not really talk about a new paradigm” in their relations with Iran and Hezbollah.⁸⁴

A deep pan-regional strategic alliance between Iran and Russia is doubtful given the restraints on their relations. What is more likely is that in some areas, where they are moving forward towards similar goals, they will find it useful to act “within the contours of strategic friendship, but this will not be akin to strategic partnership”.⁸⁵ Without a strategic alliance, Russia and Iran will not necessarily act in ways that benefit one another's interests generally or their military operations across the Middle East.

Tehran is likely to continue pursuing its regional interests through what many Iranian analysts term as “strategic loneliness” – namely a policy rooted in the knowledge that Tehran does not have an alliance relationship with any regional or global state actor.⁸⁶ However, Iran will continue to utilise its ties to Russia to help boost its military defence structure, better implement its regional policies, and protect its interests on the international stage. Russia's UNSC veto power will remain significant for shielding Iran against Western-led international sanctions. Tehran will also seek to influence Moscow's position as a member of the Joint Commission established under the JCPOA to address differences with the West over the nuclear programme.⁸⁷

For Russia, future closeness with Iran will depend on a variety of factors that sometimes indicate contradictory policies. But Tehran's concerns that Russia will once again re-orient its relations with the West at Iran's expense are likely to remain unfounded. As outlined, Russia's turn away from the West was not a result of any single issue, or even the sum of a number of issues. It was something that had been coming for a long time. Cooler relations with the West are probably here to stay unless the West itself profoundly changes its foreign policy – for example, under a Donald Trump presidency in the US.

In this context, despite intensifying military cooperation in Syria, Russia's relationship with Iran is likely to remain a “watchful partnership” – a term coined by Russia's Iran-watcher Vladimir Sazhin and often used in Moscow to characterise the relationship with Iran. The US-inspired fluctuations of the past may diminish, but other potential wedge-drivers will remain: regional issues such as the unresolved question of the Caspian basin, the arms trade, and energy politics. Moscow is also watching Iran's forthcoming elections and future political direction. This, in turn, will influence Russia's action in other spheres.

While Russia acknowledges the need to have Iran as a partner in the Middle East, in order to be a meaningful actor in the region it also needs to cultivate relations with other significant players. This will naturally limit how close Russia and Iran can become as partners. Furthermore, in

⁸⁴ Statement from Dmitry Peskov, March 2016.

⁸⁵ Interview with senior adviser to Iranian government, April 2016.

⁸⁶ Interview with senior Iranian security expert, April 2016.

⁸⁷ Interview with former Iranian official familiar with the nuclear negotiations, May 2016.

view of its own Sunni Muslim population, Russia does not wish to be seen as too closely allied to Shia Iran. This is already providing ammunition for extremists aiming to bring jihad to Russia, and Moscow will want to ensure that these tendencies do not get out of control.

When it comes to Russia's relations with Iran's regional adversaries, such as Israel and Saudi Arabia, Tehran is likely to be patient.⁸⁸ Iran is not blind to the fact that the Syrian conflict has created new openings for Russia and Saudi Arabia in ways that could be harmful to Iranian interests, and it remains alert to this possibility. But overall, Tehran is confident that it remains Moscow's preferred partner on the ground in Syria relative to the Saudi-backed opposition groups who want a fundamentally different political and security order in Damascus.⁸⁹

Moreover, Iran understands the economic and geopolitical necessity for a country like Russia to maintain ties with the region's powerful countries. Indeed, Iran's own relations with Moscow have been checked against various geopolitical calculations. For example, when Europe and Russia fell out over Ukraine and Crimea, Iran's speaker of parliament suggested that Iran would take a neutral stance on the issue.⁹⁰ Tehran was purposefully cautious about its stance, preferring not to take sides at a time of détente with Europe or in ways that could undermine the nuclear negotiations.⁹¹

Similarly, when Russia–Turkey relations deteriorated over the downing of a Russian military aircraft in Syria, Iran was diplomatic in voicing its criticism of Ankara's actions, with Rouhani stating that while the Turkish move was “dangerous” and “provocative”, both sides should show restraint. He went on to encourage a speedy settlement.⁹² Despite its differences with Turkey over Assad, Iran has nevertheless been keen to insulate its economic relations with Turkey, one of its top trading partners. Iran has also wanted to keep the door open with Ankara on a potential deal over Syria, and it was therefore viewed as prudent for Iran not to overly side with Moscow in response to this incident.⁹³

Future economic cooperation between Russia and Iran is unlikely to be considered as significant by either side and will predominantly be driven by arms deals. Iran is a lucrative market for Russia's arms industry, but Russia is forced to operate there with multiple caveats, some of which have to do with internal Middle East tensions (such

88 Interview with senior adviser to Iranian government on Russia–Iran relations, April 2016.

89 Interview with senior adviser to Iranian government on Russia–Iran relations, April 2016.

90 See “Larjani: We are not pessimistic about the direction of nuclear negotiations/the Ukraine issue will not be resolved easily”, *Khabar Online*, 24 March 2014, available at <http://www.khabaronline.ir/detail/346134>. Also note that Iran was absent from voting on UN Resolution A.68/L.39 declaring the March 2014 referendum in Crimea regarding annexation to Russia invalid. See <http://www.un.org/press/en/2014/ga11493.doc.htm>.

91 Assessment provided during meeting with senior Iranian official, May 2014.

92 See “Rouhani invites Russia, Turkey to exercise self-restraint”, *Mehr News Agency*, 25 November 2015, available at <http://en.mehrnews.com/news/112310/Rouhani-invites-Russia-Turkey-to-exercise-self-restraint> and “President Rouhani urges Russia, Turkey restraint over downing of plane”, *Press TV*, 25 November 2015, available at <http://www.presstv.com/Detail/2015/11/25/439126/Iran-Rouhani-Turkey-Russia-plane-Sukhoi-Su24>.

93 Interview with senior Iranian security expert, January 2016.

as Israel's fear of Iran providing weapons to Hezbollah) while others have to do with the Iranian way of doing business. “Iran never simply wants to buy a product or products”, says a Russian military expert. “It always wants to acquire the technology behind the product, or the production process, or have it assembled on Iranian soil, and so forth.”⁹⁴ Iran aspires to become self-reliant, and this causes some concerns for Moscow.

Similar tensions exist in the energy sphere, where Iran's re-balancers are hesitant to allow Russia dominant access to its market. Meanwhile, Russian energy experts acknowledge that Iran needs time and investment to realise its full potential.⁹⁵ So, for now, competition is not an acute problem. Russian companies have settled for establishing themselves in Iran as investors, and field depletion and tax changes at home have given them plenty of incentive to do that. However, some business insiders complain that while Russia has managed to cut profitable deals in Iraq, they are given a lot less freedom in Iran, and local companies want a big share of any deal.⁹⁶

Another constraint on Russia–Iran relations is Moscow's sense of superiority and Tehran's sensitivity to it. As a major power, Russia instinctively expects smaller powers to respect its interests and give way. The Russia–Turkey relationship is a good example. Moscow and Ankara used to have a pragmatic relationship where disagreements were neatly compartmentalised, until Russia overlooked Turkey's sensitivities in ways that led to a clash. In the Russian–Iranian context, while the conditions for such a clash are absent for the moment, this does not mean they cannot emerge in the future, perhaps as suddenly as with Turkey.

For example, this August, the Kremlin got its timing wrong when it announced the use of Iran's Hamedan airbase to fly fighter jets into Syria, and this caused a momentary diplomatic rift. Some security experts assess that Tehran would have preferred to be first to publicly disclose this information, and ideally only after the initial operations ended, given the sensitivity of the Iranian population to foreign military presence and to avoid the domestic backlash which ensued.⁹⁷ Iran's Defence Minister chided Russia for being “inconsiderate” and eager to “show off” as a superpower.⁹⁸ Although this incident did not constitute a clash between the two countries, and indeed both sides have indicated that future similar operations are possible, it did reveal a lack of coordination and suggests that Moscow can easily misinterpret Tehran's wishes.

94 Interview with Russian military expert in Moscow, 12 July 2016.

95 Interviews with Russia's Iran-watchers in June and July 2016.

96 Interview with Russian energy policy insider in Moscow, 12 July 2016.

97 Interview with senior Iranian security expert, August 2016.

98 Golnar Motevalli, “Russia Ends Air Raids From Iran Amid Criticism for ‘Showing Off’”, *Bloomberg*, 22 August 2016, available at <http://www.bloomberg.com/news/articles/2016-08-22/iran-says-russia-has-stopped-using-its-airbase-for-now>.

What should Europe do?

As the European Union and its member states enter a new chapter of political and economic engagement with Iran, their relations with Russia are likely to be clouded for some time by the Ukraine crisis and by deeply ingrained differences in their world views. Simultaneously, Russia and Iran have upped their military cooperation in the Middle East in ways that increasingly affect Europe's security. The EU and its member states need to find the best way of managing both of these policy concerns as well as the wider range of issues to which they give rise – from specific regulation of the conflicts in Syria and Ukraine to broader questions of international order.

Engage Russia and Iran together to end the violence in Syria

The developments in Russia–Iran relations that are most urgent for Europe are in the Syrian theatre. If Europe wants to become a more relevant stakeholder in the ISSG, it ought to begin with a more realistic reading of what is possible given Russia and Iran's committed presence on the ground. Recognising the reality of the situation, and wishing to avoid a wider conflict, including a possible great power clash with Russia, Europe's ISSG members should intensify diplomatic efforts to persuade Tehran and Moscow to rein in violence and forge a middle political track forward, as opposed to focusing solely on efforts to remove Assad.

If ever there was an opportunity to achieve a full transfer of power away from Assad to the “moderate opposition” that time has now passed. Acting together, Russia and Iran have managed to solidify Assad's position. A sudden and swift end to his regime now would probably indeed lead to state collapse and greater control being handed over to extremist factions in Syria.

Europe should therefore try to influence the diplomatic process in ways that focus on achievable evolutionary change and facilitate an initial power-sharing agreement. While stepping back from the unattainable near-term focus on regime change, European states should impress on Iran and Russia that for a political deal to be sustainable it must ultimately transfer enough power away from Assad to have a chance of drawing in opposition elements. It must also include an end to the indiscriminate violence perpetrated by the regime and its external backers. Here, Europe can leverage Russia's wish to achieve a final settlement that is sustainable and not actively disputed by the West.

By contrast, continuing to push for an immediate transition or intensifying the battle on the ground is only likely to force Russia and Iran closer together, generate more violence, and increase the cost to Europe as much as to Syrians. The battle for Aleppo in recent months has underscored this point: when the regime and its supporters are on the back foot, Iran and Russia are bound closer together and counter-escalate in turn, thereby increasing overall levels of violence.

As Europe thinks about the diplomatic track, it would also do well to avoid the instinctive response of trying to drive a wedge between Iran and Russia by getting Moscow on board for a transition at Tehran's expense. While such a split was possible during the nuclear negotiations, it is unlikely to succeed now given immediate shared interests. Moreover, neither Russia nor Iran seem able or willing to individually deliver Assad. Consequently, even if Moscow could be persuaded to take a different road to Tehran, Iran's continuing backing for Assad would make it very difficult for Moscow to deliver unilaterally. Both states need to be on board if any deal is to be sustainable. Russia may be able to pressure Iran on broader elements of a possible power-sharing agreement, but not on the core Assad question given his centrality to Iranian interests.

If there are any differences between Russia and Iran that can be exploited, these are only likely to come into play once violence has diminished and the regime is no longer regarded as under such existential threat. At that point, Europe could potentially look at tapping into strategic differences on the longer-term questions of Assad, the Kurds, and the future role of Iranian-backed militia groups in a manner that could loosen the tight alliance the two currently have.

In the coming months, Europe has a window in which to actively engage Iran and Russia, given that in the run-up to the US presidential elections Washington and Tehran will be limited by their own domestic sensitivities surrounding diplomacy beyond the nuclear deal. Russia's desire to see a political settlement legitimised by the West offers Europe some influence. Iran, on the other hand, should also be interested in active European participation in the diplomatic process. This worked to its benefit during the nuclear talks when it pushed for the diplomatic path. At the same time, it would not wish to see the US in a position to dictate terms.

Develop a more constructive relationship with Iran

When it comes to advancing its security objectives in the Middle East, the EU and its member states should be more willing to actively engage with Iran to benefit from the new opening since the nuclear deal. As Iran and Russia do, it should seek advantage by having effective, if not always close, relations with all actors in the region including Iran and Russia as well as its traditional allies.

This is particularly important now, at a time when there is uncertainty over the direction of US policy – and its implications for Europe – on Iran, Russia, Syrian refugees, and the terrorism risks associated with IS. Europe also has its own concerns and divisions regarding future relations with Russia, the Gulf Cooperation Council states, and Turkey. In the end, to mitigate the multitude of threats it now faces, and the fast shifts in alliance structures in the region, Europe will need partnerships with all these regional actors, including Iran.

Given such a backdrop and the openings created by the nuclear deal, Europe would be particularly wise to take advantage of this more positive, or at least engaged, phase in relations with Iran post the nuclear deal, to address concerns over Iran's regional behaviour. As Iran's relations with Russia demonstrate, there are areas where Europe can make itself a useful ally. With respect to Iran, Europe's advantage over Russia and the US will be its economic power, the promise of investment, and cutting-edge technology. A more constructive relationship with Iran could perhaps help Europe to defuse future tensions between the US and the Islamic Republic or achieve a degree of mediation involving other regional actors. In other instances, this might give some leverage to Europe vis-à-vis Russia and even regional allies.

Understand Russia's approach to MENA

Working with Russia on Syria and MENA will require a better understanding of what drives Russia's policy there, and, consequently, a more nuanced European policy. Simply because Russia could be brought around on the Iran nuclear issue does not mean it will be possible to convince Moscow to adopt Europe's position when it comes to Syria.⁹⁹ Russia's positions on Iranian nuclear issues and Syria have been driven by an entirely different logic. On Iran, Russia wanted the nuclear issue dealt with diplomatically. On Syria, Russia's vision of a sustainable solution, and the philosophy that underpins that vision, has always been drastically different from the West's. That is why it was never possible to persuade Russia to support regime change and a government formed from "moderate opposition".

As a result of its earlier policy fluctuations on Iran, Russia may itself have created the impression that the West can dictate its policy direction. If that ever really was the case, it certainly is not now.

However, Russia's approach can still be shaped in marginal ways. Paradoxically, while Russia is blind to the power of society in a European context (the Kremlin genuinely thinks that Ukraine's President Viktor Yanukovich was toppled by outside powers, not by the Ukrainian people), it understands the concept better in a Middle Eastern context, where societal pressure comes from national or religious minorities. Russia may see that a future Syrian regime, if it is not accepted by wide strata of society, including opposition groups, will simply not be sustainable. This might be leveraged by Europe to influence Russia's position with a view to establishing power-sharing arrangements that could pave the way for some future democratic transition: Europe may be able to lay ground for a process that leads to more universally accepted government in the future.

The EU and its member states should also compartmentalise its relations with Russia. It should refrain from linking Syria and Ukraine, for instance, by assuming that Russia's cooperation in Syria will have a price tag in Ukraine, or that talking to Russia will somehow legitimise its annexation of

Crimea. Furthermore, if Europe's view on Syria has arguably been unrealistic, then a case can be made that Russia's view on Ukraine has been at least equally unrealistic: the sort of leverage Russia wants to gain over Ukraine is impossible in principle. So there is no reason for Europe to change its approach towards the Ukrainian conflict. It is fully entitled – and should – work with Russia on Syria as needed, but stick to its principles and red lines on Ukraine.

Use sanctions policy wisely

In assessing the prominent role of sanctions as part of the EU's foreign policy toolbox, member states should carefully consider how this may influence the Moscow–Tehran axis. However, in doing so, the EU should avoid excessive generalisations that sanctions will automatically push Russia into the embrace of Iran because of Moscow's own recent experience with Western sanctions. Psychologically, Russia does not see itself as equivalent to Iran. It regards itself as a great power and views the E3+3 format as an appropriate way to handle the nuclear file. But Russia's sensitivity to Western-led sanctions against Iran will ultimately depend on the intent driving such measures.

If the EU has to consider future sanctions against Iran, either because of the so-called "snap back" mechanism in the nuclear deal or because of non-nuclear related issues raised by the US, Russia will be hard to persuade. Moscow will not take Western evidence at face value. On the other hand, if it sees a legitimate case it may well cooperate, particularly on the nuclear front as part of the Joint Commission. Yet Russia has always taken a much more lenient view on Iran's defensive capabilities, so it is unlikely to side with the US or the EU if they take a hard-line on issues such as Iran's missiles or the relationship with Hezbollah and attempt to push through future sanctions at the UNSC.

Finding opportunity in the Russian-Iranian axis

The new dynamic between Moscow and Tehran is likely to shape the Middle East for some time to come. While it is premature to talk of an alliance or coalition between them across the region, it is feasible that their military relations could have wider consequences beyond the Syrian theatre, and a greater ripple effect on European security interests. At this point, there is little Europe can do by way of preventing these developments or trying to split up the Iran–Russia coupling. Instead, Europe should utilise the opportunities it has within the current environment to become a more relevant foreign policy actor. It should also seek to advance its own interests in the region by actively engaging both Moscow and Tehran in ways that are more constructive and conducive to ending the conflict in Syria.

⁹⁹ Such hopes figured prominently in Europe's Russia policy in 2012–13, as confirmed by interviewees at the EU delegation in Moscow at the time.

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Acknowledgements

The authors would like to thank Julien Barnes-Dacey, Jeremy Shapiro and a number of interlocutors and officials in Iran, Russia and Europe, for their thoughtful analysis and engagement with the ideas laid out in this paper. The editorial team also deserve special thanks for their guidance and support.

ECFR would also like to extend its ongoing thanks to the governments of Norway and Sweden for their support of both ECFR's Middle East and North Africa, and Wider Europe programmes.

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© ECFR September 2016

ISBN: 978-1-910118-86-3

Published by the European Council on Foreign Relations (ECFR),
7th Floor, Kings Buildings,
16 Smith Square, London,
SW1p 3HQ, United Kingdom

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