

*Viewpoints*  
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# Elusive as Ever: The State of Iranian- Russian Cooperation

**Mark N. Katz**

Professor of Government and Politics, George Mason University;  
author of *Leaving without Losing: The War on Terror after Iraq and  
Afghanistan*; and former scholar, Woodrow Wilson Center

With relations between Russia and the West having deteriorated sharply over Ukraine, Moscow has stepped up its efforts to improve Russian-Iranian relations. While some progress has been made on this front, the many longstanding differences in their relations serve to limit the extent to which Iran and Russia can cooperate.

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As Russian relations with the United States and the West have deteriorated sharply since the onset of the Ukraine crisis in 2014, Moscow has stepped up its efforts to increase Russian-Iranian cooperation. Iran, of course, has had difficult relations with the United States, particularly since the 1979 revolution, and so common opposition toward U.S. foreign policy has provided a basis for cooperation between Iran and Russia. Indeed, Tehran and Moscow have long pursued similar policies on several foreign policy issues, including their joint support for the Bashar al-Assad regime in Syria.

Yet relations between Moscow and the Islamic Republic have frequently been contentious despite their shared animosity toward the United States. And now that there is a real prospect that U.S.-Iranian relations will improve if the ongoing negotiations over the Iranian nuclear issue are successful, Moscow appears wary that such a rapprochement could have negative implications for Russia.

If anything, this prospect of improved relations between Iran and the West has increased President Vladimir Putin's motivation to improve once more Russian-Iranian relations. But while some progress has been made in this regard since the beginning of 2014, obstacles remain in several fields:

### **Defense**

Russian Defense Minister Sergey Shoigu visited Tehran and signed a military cooperation agreement with Iran in January 2015. The terms of this agreement, though, are unclear. It seems to pertain mainly to military personnel training exchanges, counterterrorism cooperation, and naval visits. There have been reports about Russia resuming the sale of air defense missile systems to Iran, but Iranian commentators are doubtful that Moscow will actually do so. Russia curtailed its arms sales to Iran twice in the recent past: first as a result of the "secret" 1995 Gore-Chernomyrdin agreement between the United States and Russia, and in 2010 when President Dmitry Medvedev canceled the contract Tehran had signed with Moscow to buy Russian S-300 air defense missile systems. Reports (such as one appearing in *The Moscow Times* on January 19, 2015) of a "secret" agreement between Russia and Israel whereby Moscow promised not to sell S-300s to Iran or Syria do not reassure Tehran on this score.

### **Trade**

Moscow has been pushing for a Russian-Iranian barter agreement worth \$1.5 billion per month in which Iran would provide up to 500,000 barrels per day of oil to Russia in exchange for Russian equipment and goods. At present, though, Russia mainly exports metals and metal products (as well as some timber products, cereals, and minerals) to Iran while Iran mainly sells food and agricultural products to Russia. Tehran would prefer to sell its petroleum for dollars instead of Russian goods, especially machinery inferior to what is available from the West. Russian tariffs and other irritants (such as the notorious Russian food safety inspection regime with which the U.S. poultry industry is familiar) also continue to inhibit Russian-Iranian trade. Moscow and Tehran have also been talking about abandoning the U.S. dollar and using their

own national currencies in their bilateral trade. But while there may some “feel good” benefit to this, the weakness of both the Russian and the Iranian currencies opens up the possibility of endless contention over how to value barter exchanges.

### **Atomic Energy**

Russia has recently agreed to build two more atomic power reactors for Iran, and hopes to build even more. Iran, though, is not happy about how it took Moscow about 20 years to complete the one reactor at Bushehr it had been working on. Similar delays and cost overruns on these two additional reactors will not serve to improve Russian-Iranian relations.

### **Shanghai Cooperation Organization**

It has been widely reported that Iran is set to be promoted from observer status to full membership in the Shanghai Cooperation Organization (SCO) at its upcoming summit in July 2015. This grouping – which currently consists of Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – ostensibly exists not only to combat secessionism, extremism, and terrorism, but also seeks to limit Western influence in the region. Tehran has long sought to become a full member of the SCO, but has previously been rebuffed. The current members of the SCO may now see coordination with Iran on Afghanistan as increasingly important in that U.S. and coalition forces are being drawn down from there. The SCO, though, is not an actual defense agreement. The other members are not bound to defend Iran in any confrontation it might have with another country. Indeed, it is not clear that it will be able to do anything effective to combat a resurgent Taliban or the jihadist movements aimed at neighboring states that it might provide sanctuary and support for.

### **Nuclear Negotiations**

Moscow has frequently claimed that it has acted to delay and soften UN Security Council sanctions against Iran over the nuclear issue. Tehran, though, is unhappy that Russia joined in approving any UNSC sanctions against Iran at all when Moscow could have vetoed them instead. Iranian commentators also complain that Russia has played an inactive role in the ongoing P5+1 negotiations. Moscow’s interests regarding this effort, though, seem genuinely contradictory.

On one hand, Moscow does not want Iran acquire nuclear weapons, and Russia would benefit economically if a settlement of the Iranian nuclear issue involves (as expected) Russian reprocessing of spent fuel from Iranian nuclear reactors. On the other hand, if a resolution of the Iranian nuclear issue leads to a broader rapprochement between Iran on the one hand and the United States and the West on the other, Tehran’s economic ties to the West can be expected to expand rapidly and Russian influence in Iran could decline. And if an U.S.-Iranian rapprochement fosters cooperation between them on regional issues such as Syria, Moscow may have little choice but to acquiesce to whatever Washington and Tehran agree upon. Perhaps worse still, if the settlement of the Iranian nuclear issue brings about an end to Western restrictions on buying Iranian oil and gas as well as investment in the Iranian petroleum sector, Russia faces the prospect of greatly increased Iranian competition in the petroleum market – not

a welcome prospect at a time when Europe is actively seeking ways to reduce its dependence on Russian gas.

The problem for Moscow is that while it would not welcome the increased Western influence in Iran that a settlement of the Iranian nuclear issue would bring, the many differences that exist between Tehran and Moscow will limit the extent to which Iran and Russia can cooperate even if the nuclear issue is not resolved.



*The opinions expressed herein are those of the author and do not reflect those of the Wilson Center.*

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