Russia and Iran in Greater Eurasia

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Series Introduction

With Europe and Asia growing closer, particularly through economic integration, it is no longer sufficient to see Iran as a Middle Eastern nation. This series of Insights will examine Iran’s bilateral relations from a Eurasian perspective, drawing out the understudied and underappreciated economic and political considerations that increasingly shape the Islamic Republic’s conception of its place in the international system and the power it is able to exercise in that system. This research project is a collaboration between MEI and Bourse & Bazaar, a London-based think tank focused on the economies of the Middle East and Central Asia, especially Iran.

Abstract

This paper examines the Eurasian dimension of Russia–Iran relations and, in particular, Iran’s place in Russia’s endeavour to establish its centrality as an order-builder in the macro-regional system of Eurasia. The Russia–Iran relationship in Eurasia illustrates the complex interplay between geo-economic ambitions, security imperatives and wider normative projects.

Introduction

At the St. Petersburg Economic Forum in June 2016, Russian President Vladimir Putin articulated Moscow’s intention to initiate a “Great Eurasian partnership” — a framework for macro-regional political, security and economic integration encompassing the states of the Eurasian Economic Union (EAEU) and the Commonwealth of Independent States (CIS) as well as China, India, Pakistan and Iran.¹ The Great Eurasian partnership, more commonly known as “Greater Eurasia”, represents Moscow’s attempt to position itself as a central order-builder in the macro-regional system of Eurasia. Although vague and ill defined, the notion of Greater Eurasia in the Russian foreign policy discourse generally denotes the concurrent geopolitical, geo-economic and normative processes that “would unite Russia, China and the post-Soviet Central Asian states — together potentially with Mongolia, Iran, Pakistan and India — into a powerful new geopolitical space that could pose a fundamental challenge to the US-led liberal international order”.² Rather than representing a novel approach to foreign policy, Greater Eurasia draws upon extant ideas and orientations that have historically shaped Russia’s foreign policy towards the region.

Within the context of Moscow’s Eurasia foreign policy, Iran occupies a privileged position as a bulwark against Western encroachment and a like-minded security partner against the imposition of liberal norms and

legitimacy. During periods of increasing discontent with US policy within Russia, Iran has factored in mainstream Russian foreign policy discussions on the creation of a geopolitical union with the major power centres on the Eurasian landmass, including the idea of a “Eurasian quadrangle” consisting of China, Russia, India and Iran — a union that broadens Foreign Minister Yevgeny Primakov’s 1998 proposal for a Moscow—Beijing—Delhi “strategic triangle”. From Moscow’s perspective, Iran is not just a country in the “Middle East”; rather, Iran occupies a geographically, politically and economically important position as a country located on the southern borders of Russia’s “near abroad” (bliuzhne Zarubezh’e), a region that Moscow has historically viewed as its zone of preferential interest. The Eurasian dimension of Russia–Iran relations illustrates the continuities in Russia’s foreign policy towards Iran, which has been focused on maintaining relations with its influential southern neighbour and engaging in a dialogue on regional issues ranging from the Caspian Sea to Afghanistan. Notwithstanding the changing regional order and the emergence of new actors seeking to assume greater influence in the political and economic processes in Eurasia, the factors inherent in Moscow’s approach to the region will invariably continue to shape Russian foreign policy towards Iran.

For Iran, Russia has been central to its ongoing efforts to overcome international isolation and the constraints of American preeminence through participation in non-Western regional projects in Eurasia. Iran takes a cautiously pragmatic approach to Eurasia, one which is “heavily conditioned by the strategic impact of Iran’s relations with Russia”, that is, the ability to obtain some degree of international legitimacy through bilateral and multilateral engagement with Moscow on economic and security issues. Tehran’s implicit recognition of Moscow’s sphere of privileged interests in Russia’s “near abroad” reflects Iran’s Russia-centric regional policy in post-Soviet Eurasia, whereby, “Iran acknowledges Russia’s leadership … as a guarantor of the balance of interests” against US hegemonic ambitions. As a frame for understanding the continuities and changes in Russia–Iran relations, the notion of Eurasia demonstrates the complex interplay between geo-economic ambitions, security imperatives and wider normative projects that have shaped and sustained Moscow’s relations with Tehran at the regional level.

Geo-economic Connectivity

The Russian discourse on Greater Eurasia stresses Iran’s potential to assume a pivotal role as a regional centre of power and a geographic bridge connecting Eurasia to the Middle East and South Asia that could broaden the opportunities for transcontinental trade. One of the leading architects of Greater Eurasia, Sergei Karaganov, argues: “Iran is almost destined to become a dynamic centre of the new supercontinent, unless it falls victim to

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3 In Russia, the importance of “Eurasia” and “Eurasian civilisation” in the formation of the country’s unique identity is associated with Eurasianism (Evraziizmo), a school of thought consisting of figures like Nikolai Trubetzkoy, Pyotr Savitsky, Vadim Tsembursky, Lev Gumilyov and Aleksandr Dugin. Although often on the fringes of the Russian political discourse, the ideas articulated by the Eurasianists have, at times, been integrated and re-adapted into official policy. In the post-Soviet period, Eurasianists have been the strongest advocates of a closer alignment with Iran for various reasons typically relating to geopolitics and culture.

4 For example, during the 1997 US–Russia summit in Helsinki, President Boris Yeltsin warned President Bill Clinton that in the event of NATO expansion in Europe, Russia would be forced to pay more attention to its policy in the east, and in particular to its relations with China, India and Iran, Mikhail Karpov and Dmitrii Gornostayev, “Rossiya i SShA Seygaslini: Chto Ne Seygasliny Drug s Drugom Na Rasbihnoi Severoatlanticheskogo Soyuza Meshka Otnosit Tsvoim Prednizheniyu Na Vestok” [Moscow and the USA agreed to disagree on the enlargement of the North Atlantic Alliance, Moscow will respond with its advance to the east], Nezavisimaya Gazeta, 22 March 1997.


7 Mehdil Sanaei, Ottoseniya Iran-yi Tsentral’noaziatskiyymi Stranami SNG: Sotsial’no-Politicheskie i Ekonomicheskie Aspekty [Iran’s Relations with Central Asian CIS Countries: Sociopolitical and Economic Aspects] (Moscow: Muravei, 2002), 128.
Iran can connect the Persian Gulf and India with the north of the continent. Although heavily conditioned by geographic determinism, the Russian narrative corresponds to Iran’s view of its historical role and its potential to re-emerge as a formidable power in the region. Iran tends to portray its involvement in regional initiatives as a testament to its centrality in promoting regional connectivity and shaping the emerging “multipolar” world order.

Russia and Iran’s discursive embellishment on the extent of regional connectivity and economic cooperation belies the paucity of infra-regional trade and the absence of tangible development in fostering regionalism. Macro-regional initiatives remain unfulfilled. There have been numerous delays in building transcontinental corridors such as the International North–South Transport Corridor (NSTC), and international sanctions have led to setbacks in infrastructural projects. The Russia–Iran bilateral economic relationship is marred by historical distrust, domestic economic weaknesses and the absence of complementary trade structures. Thus, beyond co-operating on civilian nuclear energy and arms sales, the two countries continue to face challenges in cultivating a broader and durable economic relationship despite the ostensible interest in doing so.

For Moscow and Tehran, the Caspian Sea comprises a mosaic of overlapping and conflicting interests, which have been deeply affected by regional economic ambitions, domestic political imperatives and centuries-long historical grievances over territorial disputes. The collapse of the Soviet Union effectively terminated the Soviet–Iranian condominium in the Caspian Sea, prompting a two-decade struggle among the five littoral states — Iran, Russia, Kazakhstan, Turkmenistan and Azerbaijan — over the legal status of the Caspian. Throughout the 2000s, Iran’s insistence on the “equal” division of the sea impeded negotiations and served as a source of tension between Russia and Iran. Yet, compared to Baku, Ashgabat and Nur-Sultan, Moscow and Tehran have displayed closer proximity on issues concerning the prohibition of non-Caspian military forces from the region and have been thwarting the construction of international pipelines such as the Trans-Caspian Pipeline. The August 2018 Convention on the Legal Status of the Caspian Sea settled outstanding questions on navigation rights, environmental protection, presence of non-Caspian forces and the construction of pipelines. The delimitation of the seabed and subsoil, however, was postponed for future deliberation. Within Iran, Tehran’s perceived acquiescence to the demands of Russia and the other littoral powers over the future division of the Caspian was viewed through the prism of the country’s fragile international situation, reviving memories of the Qajar territorial concessions to imperial Russia and prompting a domestic backlash. Notwithstanding this public sentiment in Iran, the official discourse in Moscow and Tehran accentuated the economic benefits that could arise from developing land and sea transit connecting the Caspian littoral powers to each other and to the wider global market.

10 For a historical and contemporary overview of the division of the Caspian Sea, see Lyudmila Kulagina, Granitia Rossii i Iranom: Istoriya formirovaniya [Russia’s Border with Iran: the History of Formation] (Moscow: Institut Vostokovedeniya RAN, 1998); Elena Dunaeva and Lyudmila Kulagina, Rossija i Iran: Istoriya Formirovaniya Granit [Russia and Iran: The History of the Formation of Borders], 2nd edition (Moscow: Institut Vostokovedeniya RAN, 2007); Elena Dunaeva, “IRI i Kaspiiskaya Problema” [Iran and the Caspian Problem], in Rot i mesto Irana v regione, edited by Nina Mamedova and Mahdi Imanipur (Moscow: Institut Vostokovedeniya RAN, 2007), 89–98; Stanislav Pritchin, “Stratudniostro Rossii I Iranu V Regione Kaspiiskogo Moria: Naye Tendentsii I Perspektivy” [Russia and Iran in the Caspian Region: Trends and Prospects], in Rossiisko-Iranskie Otnosheniya Problemy i Perspektivy, edited by Vladimir Sazhin and Elena Dunaeva (Moscow: Institut Vostokovedeniya RAN, 2015), 75–82.
11 At the First Caspian Economic Forum in Turkmenistan, both Russia and Iran expressed their longstanding opposition to the construction of the Trans-Caspian Pipeline by invoking ecological concerns. Bruce Pannier, “Russia, Iran cite ‘ecological concerns’ in opposing Trans-Caspian pipeline”, Radio Free Europe/ Radio Liberty, 15 August 2019, https://www.rferl.org/a/russia-iran-trans-caspian-pipeline-turkmenistan/30111805.html.
Sea occupies an integral role in Moscow and Tehran’s ambitions to develop the NSTC, which aims to connect Eurasia to the Persian Gulf and South Asia through a multi-modal network of railways, roads and shipping routes. Although Russia, India and Iran formalised an agreement on the NSTC in 2002, the development corridor faced substantial setbacks in its first decade owing to domestic economic weaknesses, lack of political will and international constraints. The subsequent expansion of the NSTC to countries beyond Russia, Iran and India, combined with the growth of investment and diplomatic ties between its participants, has allowed the NSTC to progress at a modest rate. In conjunction with the NSTC, Russia’s Caspian Development Strategy relies on Iran’s port infrastructure and inland road and rail networks to expand Russian exports into the Persian Gulf and South Asian markets. In terms of overland routes, the inauguration of the Qazvin–Rasht section of the Qazvin–Rasht–Astara railway in March 2019 was a noteworthy development in connecting Iran to Russia through Azerbaijan. Over the next two to three years, the railroad line will be expanded to connect Rasht to the Caspian port city of Anzali and to Astara on the Iran–Azerbaijan border with a US$500 million loan from Baku. The NSTC boasts the potential to enhance Iran’s centrality in the emerging geopolitical and geo-economic processes shaping Eurasia. However, the imperative to modernise and expand infrastructure has been stalled by a lack of financing and international sanctions on both Iran and Russia.

Although lacking China’s economic largesse, Russia has contributed to the Iranian economy through investment in infrastructure and transportation projects. In late 2019, amid the economic downturn in Iran, Energy Minister Alexander Novak re-articulated Russia’s proposed US$5 billion export loan to Tehran for infrastructure projects, including railway and power plants. Novak’s announcement appeared to constitute a mere symbolic gesture as it is unclear whether Russian Railways will resume its flagship project for the electrification of Iran’s Garmsar–Inche Burun railway, a project it had abandoned in late February 2019 in the face of US sanctions on Iran.

The EAEU’s free trade agreement (FTA) with Iran has been portrayed as an opportunity that could help mitigate Iran’s isolation in the light of US sanctions. In reality, the FTA with Iran is “a very limited preferential trade agreement in terms of scope and liberalization commitments” compared with a similar agreement concluded with Vietnam. Even so, since coming into force in October 2019, the FTA has led to an increase in Iran’s non-oil trade with Russia, Kazakhstan and Armenia — the three countries that dominate Iran’s trade with the EAEU. Moreover, Armenia’s Meghri Free Economic Zone on the border with Iran has the potential to serve as a re-export zone for Iranian goods into the EAEU. For Russia, the intensification of Iran’s relations with the EAEU countries, despite the former’s quandary in terms of US sanctions and the latter’s restriction on Russian investments, can be regarded as a crucial step towards mitigating Iran’s isolation and promoting the NSTC’s role as a regional economic corridor.

16 “Iran napravil rusisskiy kredit v razmere $5 mrd na izbors’ energeticheskikh i transportnykh proektov” [Iran will direct a $5 billion Russian loan to six energy and transport projects], vestifinance.ru, 12 December 2019, https://www.vestifinance.ru/articles/129452.
17 “RZhD vyidut iz proekta na €1,2 mlrd v Irane iz-za sanktsii SShA” [Russian Railways to leave a €1.2 billion project in Iran due to US sanctions], RBC, 25 February 2019, https://www.rbc.ru/business/25/02/2020/5c55495e9a794730172b5ad9.
18 Nina Mamedova, Aleksandr Danil’tsev and Marina Glazatova, “Iran: perspektiva tergoego sotrudnichestvo so stranami EAEU” [Iran: the prospect of trade co-operation with the EAEU countries], Torgovaya Politika, no. 3 (7) (2016): 9–32.
with its own plans to use Iran as a potential hub through which its agricultural products would reach global markets, as demonstrated by the February 2019 memorandum of understanding between Iran, Russia and Kazakhstan.21 Notwithstanding its limited scope, the EAEU’s FTA with Iran is symbolically significant as a demonstration of its solidarity with Iran against US sanctions on Tehran, especially as Russia seeks to elevate the EAEU as an alternative to Western-led integration.22

Regional Security Co-operation

Across Eurasia, converging security interests and concerns about instability in Central Asia, the Caspian, the Caucasus and Afghanistan have provided a fairly durable basis for Russia–Iran co-operation. Broadly, Iran and Russia share the dual security objectives of maintaining regional stability and limiting the presence of extra-regional or, specifically, North Atlantic Treaty Organisation (NATO) forces in and around the region. Russia also envisages Iran as a stabilising force against common challenges and threats such as narco-trafficking, terrorism and transnational crime. This perception chimes with Tehran’s discourse that accentuates its stabilising role in the region and its important experiences in combating common regional challengesemanating from Afghanistan, including terrorism and narco-trafficking.23

Following the collapse of the Soviet Union, Iran initially featured in Russian foreign policy thinking as a potential source of instability in Eurasia owing to early concerns over Iranian proselytisation in the Muslim republics of the former Soviet Union. By the mid-1990s, the experience of Russia–Iran co-operation during the civil war in Tajikistan, combined with Tehran’s constructive position on the Nagorno-Karabakh conflict and recognition of Chechnya as Russia’s internal affair, precipitated a shift in Russia’s understanding of Iranian foreign policy in Eurasia. In particular, Tehran’s implicit recognition of Moscow’s privileged interests in Central Asia and the South Caucasus shaped the view that Iran serves as a stabilising actor and bulwark against Western encroachment. The onset of NATO’s campaign in Afghanistan significantly transformed the regional security environment, prompting Russia and Iran to eventually coalesce around a common posture focused on preventing the spread of instability and the influence of extra-regional forces.24 During the initial stages of the war on terror, Russia demonstrated its support for the global campaign by acquiescing to the use of Central Asian bases by coalition forces while Iran played a critical role in the Bonn agreement on Afghanistan of December 2001 by garnering support for the post-Taliban government.25 Although Russia and Iran welcomed

Taliban, their growing discontent over Washington’s unrestrained unilateralism and perceived efforts at democracy promotion engendered a common narrative between them that stressed intra-regional co-operation and the exclusion of non-regional actors.

Tehran’s effort to position itself as a co-operative security partner in Eurasia has remained a persistent theme in its relations with Russia and the wider region, which far predates the inception of the Great Eurasian partnership. Since obtaining observer status in the Shanghai Cooperation Organisation (SCO) in 2004, Iran has viewed the organisation as a vehicle to promote the expansion of its bilateral relations with Russia, China and the Central Asian states as well as an important forum for intra-regional co-operation on security issues. In addition to collaborating with the SCO’s Regional Anti-Terrorist Structure, Tehran has been involved in the SCO–Afghanistan contact group and has participated as an observer in the “Kanal” joint anti-narcotics operations under the auspices of the Russian-led Collective Security Treaty Organization (CSTO) since 2004. In the Caspian Sea, Iran supported Russia’s various proposals for a common regional security alliance among littoral states to deal with the movement of terrorists and narcotics from Afghanistan, including the proposal for the KASFOR rapid reaction force. Overlapping concerns over the need to stabilise Afghanistan and shared security imperatives have provided a relatively consistent domain for Russia–Iran co-operation in Eurasia, which has allowed the two countries to not only securitise domestic state order, but to also seek greater leverage and legitimacy through diplomatic initiatives and normative projects.

**Ideational and Normative Convergence**

The convergence in Russian and Iranian understandings of Eurasia manifests not only in the shared emphasis on stability and aversion to the presence of extra-regional powers but also in a commitment to state sovereignty, non-interference and respect for the internal diversity of states. Russia and Iran’s grandiloquent statements about economic and security co-operation within Eurasia co-exist with a fairly consistent narrative directed towards achieving a wider, multipolar global order emphasising the role of non-Western countries and respect for values revolving around state sovereignty.

For Iran, the idea of state sovereignty and non-interference in the internal affairs of Eurasian states rose to prominence following the colour revolutions, during which Iran adopted a nearly identical position to that of Russia, China and the states of Central Asia. From Russia’s perspective, the elevation of sovereignty and

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non-interference as “the only basis for future stability and security against the destabilization” was “engendered by Western support for regime change”. Iran’s experience with domestic protests during the Green Movement further entrenched this normative convergence with Russia as a challenge to the imposition of external standards of legitimacy and efforts to induce internal political change in states.

For Russia, the notion of Greater Eurasia is consistent with its promotion of multipolarity and the transition towards an international order centred on non-Western regional security and economic institutions such as the SCO and the EAEU. Drawing from this Russian discourse on multipolarity, Iran envisages a world order where countries like India, Brazil, China and Russia can assume greater roles as regional power centres, thereby diluting the centralisation of power in the West and limiting America’s ability to restrain Iran. Consequently, Tehran’s bilateral and multilateral engagement with Russia in Eurasia aims to promote an alternative set of norms and values in the region and beyond that appear to challenge the basis of the Western-led international order.

Proponents of the notion of Greater Eurasia contend that both Russia and Iran, as well as China and India, have similar geopolitical challenges and goals, including the creation of a multipolar world and opposition to American hegemony. Yet, the very notion of “Eurasia” itself is not only geographically porous but also historically, culturally and civilisationally amorphous. This ambiguity offers Russian and Iranian elites with a broad political, economic and cultural frame to construct their respective grand narratives that assert each country’s centrality in regional processes for both domestic and international consumption.

**Conclusion**

The relative stability of the Russia–Iran relationship in Eurasia over the past 30 years has been predicated on adherence to an implicit code of conduct where both Moscow and Tehran have respected each other’s vital interests in the macro-regional system to mitigate competition and to co-operate on common security challenges. Converging normative perspectives also provide Iran and Russia with a basis for co-operation. Yet, their shared economic ambitions and visions for regional connectivity have not fully materialised, due in part to historical distrust and the nature of their domestic trade structures. As power transitions and structural change further transform Eurasia into a formidable power centre, Moscow and Tehran will continue to face the inevitable challenge of realising their shared security and economic goals in the region.

**About the Author**

Ms Nicole Grajewski is a DPhil candidate in international relations at the University of Oxford, where her doctoral dissertation focuses on the place of Iran within Russian discourses on international order, as well as the divergences and convergences in Russia and Iran’s approaches to international relations. She holds an MPhil in Russian and East European studies from the University of Oxford and a BA in international affairs, security policy and Middle East studies from George Washington University’s Elliott School of International Affairs.