

## 8. Russia's Strategy Toward Iran and the Gulf

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Russian influence in the Gulf area has historically been limited, despite the old ambition to open up a “sea outlet” to the Indian Ocean. Iran has always been the great bulwark hindering Russian penetration in the region, despite a period of sharp Iranian decline between the XIX and XX centuries. This decline occurred within a context characterized by increasing domestic and regional conflicts. The rivalry between Russia and Iran has especially occurred in the northern provinces of Iran in the Caucasus region. The progressive annexation of these provinces by Russia transformed the Caucasus into the main sphere of common interest between Russia and Iran. The special relevance of this region has survived the collapse of the Soviet Union (USSR) into the contemporary era.

The relationship between Iran and the USSR and then Russia needs to be understood in the context of the Anglo-Russian military occupation of Iran in World War II, the territorial annexation by Russia of the province of Azerbaijan, the beginning of Iran's special relationship with the United States during the Cold War, and especially the *coup d'état* of 1953 that overthrew the government of Iranian Prime Minister Mosaddeq.

After 1963, the USSR succeeded in establishing a friendly relationship with Baathist Iraq, which gradually deteriorated at the turn of the Islamic Revolution in Iran and the subsequent war between Iran and Iraq in 1980-88. The USSR criticized the

1990 Iraqi invasion of Kuwait and supported the UN resolution that led to the country's liberation.

The Soviet invasion of Afghanistan at the end of December 1979 led almost all of the Gulf monarchies to finance or support the Islamist resistance of the mujahadeen, jeopardizing relations between the USSR and the regional countries. The aftermath of that painful war – especially Saudi Arabia's role in supporting the regional Islamist forces – had a strong influence on Russian security even after the fall of the USSR. This is exemplified by the long crises in the Caucasus and, above all, in Chechnya.

Russia's role in the Gulf region continued to be modest throughout the 1990s, suffering further marginalization in the aftermath of the September 11, 2001 attacks on the United States and the subsequent US invasion of Iraq in 2003. The Russian relationship with Iran improved slightly during the 1990s, leading to technical and economic collaboration in many areas, first among them the Iranian nuclear program. Thanks to Russian collaboration beginning in 1995, Iran would eventually complete construction of the Bushehr nuclear power plant.

The relationship between Moscow and Tehran, however, will never grow in proportion, remaining modest both on the level of the bilateral trade balance and on the political level, treated by both countries as more of an instrument of policy toward the United States than a real bilateral relationship. The civil war in Syria triggered by the Arab Spring of 2011 clearly established the limits and scope of the Russia and Iran's divergent interests in the region, despite the military cooperation between Moscow and Tehran on the ground.

After decades of Russia's historically modest political and military influence in the Gulf region, the possibility now seems to emerge of increasing economic relevance, especially in the energy sector. Thanks to the establishment of the so-called OPEC+, in fact, Russia and Saudi Arabia have defined a new alliance built on the common desire to exercise joint control

over oil production, in order to stabilize the prices of hydrocarbons within margins suitable to meet the economic development strategies of the regional countries.

## **The Caucasus and Relations between Iran and the USSR**

The relationship between Iran and the Caucasus has always been intense and problematic. The vast region between the Black Sea and the Caspian Sea represents for Iran not only the natural geographical offshoot of the Alborz and Zagros mountain ranges, but also a strip of Iranian land arbitrarily removed from the integrity of the vast former Persian empire. Deep historical roots therefore bind Iran to the Caucasus, and in particular to Azerbaijan, which, despite the fact that Iran has long ceased to claim it as part of its territory, has always been considered by Tehran as a sort of lost province.

In the modern era, Iran's relations with the Caucasus were traumatic during World War II, when the USSR invaded Iranian Azerbaijan in 1941 with the intent – later failed – to create an autonomous satellite state for Moscow<sup>1</sup>. Although the parenthesis of the occupation was resolved with the withdrawal of Soviet troops from Iranian territory, the perception of an existential threat on the “northern front” (including the border to the east of the Caspian Sea) determined Iranian foreign and defense policy for more than forty years. This benefited the long and intense alliance of Iran's Shah Mohammad Reza Pahlavi with the United States, and facilitated the transformation of Iran into a pillar of defense for Western interests in the region.

The Caucasus, originally of almost exclusively geographical interest to Iran (linked to the possibility of representing a natural corridor for connection with the Anatolian peninsula and the European continent), has over time assumed a strategic and

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<sup>1</sup> E. Koolae and M. Hafezian, “The Islamic Republic of Iran and the South Caucasus Republics”, *Iranian Studies*, vol. 43, no. 3, June 2010, pp. 392-393.

economic interest, representing not only the border between two competing and increasingly cumbersome empires, but also the outlet and crossroads of goods and peoples of the region.

Starting from the beginning of the XX century, the hydrocarbon market became a key regional issue, assuming an increasingly important role over time. For over forty years Iran feared that the USSR could have the same expansionist ambitions as Tsarist Russia, which considered the Caucasus and the eastern borders of the provinces of Mazandaran and Khorasan to be potential points of access for the notorious “outlet to the sea”<sup>2</sup>.

The USSR, however, had already abandoned any ambition in that direction, defining a policy of good neighborly relations that, in fact, would never provide any real threat to Iran before or after the revolution. The Cold War, therefore, saw the interests of the United States and the USSR essentially opposed on Iranian soil without ever really involving Iran. This enabled Tehran to practice a particular form of “non-alignment” that was in reality very unbalanced ideologically to the West and collaborative with Moscow.

Iran’s relationship with the Caucasus changed again between the end of the 1980s and the early 1990s with the collapse of the USSR and the birth of the independent states with whom today’s Islamic Republic of Iran shares its northern borders.

The effects of the collapse of the USSR and the end of the Cold War were eventually replaced by tensions generated by the establishment of new regional balances, as in the case of the conflict between Armenia and Azerbaijan over the Nagorno Karabakh, which forced Tehran to define a new line of regional policy. This progressively led Iran to share most of its prerogatives with Russia, while at the same time strengthening relations with Azerbaijan and Georgia.

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<sup>2</sup> R. Ibrahimov, “[A Battle of Influence in the Caucasus](#)”, Tony Blair Institute for Global Change, 22 June 2017.

## **Relations between Russia and Iran Represent a Temporary and Selective Convergence of Interests**

The chronicle of events in Syria and the evolution of synergies that have allowed Bashar al-Assad's regime to advance its offensive since the first months of 2016 illustrates the real nature of the relationship between Russia and Iran. The support provided by Russia and Iran to Syria has been read by many as part of a reformulated alliance that would see Moscow and Tehran fully share not only the tactical but also the strategic objectives of their intervention alongside Bashar al-Assad.

Despite appearances, however, the history of Russian-Iranian relations has never been particularly constructive or peaceful, neither in the Tsarist era nor in the Soviet and post-Soviet periods. Both in the monarchic and revolutionary epoch, therefore, the general Iranian attitude toward the USSR has been characterized by fear of further territorial and political ambitions, leading to the adoption of a cautious neighborhood policy which has never resulted in concrete political and commercial cooperation<sup>3</sup>. Particularly traumatic was Tehran's interpretation of the Soviet invasion of Afghanistan in 1980, perceived for a long time as a preliminary maneuver of the Soviets for an expansion toward Iran, aimed at the historically important southern outlet to the sea, which the Russians had always included in the definition of their own ambitions of projection.

With the collapse of the former USSR and the disappearance of the direct threat represented by shared borders, relations between Iran and Russia evolved toward a certainly better and more constructive standing, but never rose to the level of a real alliance or shared strategic visions. A key determinant in Iran-Russia relations in the modern era has been both country's conflictual relationship with the United States.

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<sup>3</sup> M.A. Pier, "Russia and Iran: Strategic Partners or Competing Regional Hegemons? A Critical Analysis of Russian-Iranian Relations in the Post-Soviet Space", *Inquiries*, vol. 4, no. 4, 2012, p. 1.

At the economic level, the cooperation between Moscow and Tehran is characterized by marginal values in terms of investments and joint ventures. Thanks to the technological support of Russia, Iran has been able to complete and make operational the first and only nuclear power plant in the country, in Bushehr, although the general level of industrial cooperation between Russia and Iran has not increased significantly. Cooperation on the nuclear program brought Russia to the Joint Comprehensive Plan of Action (JCPOA) negotiating table in 2015 in strong support of the Iranian cause. However, as the crisis generated by the United States' unilateral exit from the agreement emerged, Russia took on a marginal role in defending Iran and securing the international commitments connected to the agreement<sup>4</sup>.

Military cooperation between Russia and Iran has never resulted in real synergy, as demonstrated by the absence of substantive military relations and very limited trade in defense technology and armaments. The case of Russia's supply of the S-300 anti-aircraft system to Iran, with its long delays in doing so, is in fact more of an example of Moscow's reluctance to establish a real policy of alliance with Iran than one of military cooperation.

The most recent case of the crisis in Syria also provides a lens through which to view relations between Iran and Russia. What has often been described as a strategic alliance in favor of victory by Syrian government forces is, on the contrary, the product of two divergent regional political visions and a complex formulation of military cooperation on the ground.

The defense of Syrian territorial integrity and the survival of the Assad regime is an absolute priority for the Iranians. For the Russians, the war in Syria represents an opportunity – for negotiation with the international community, to mark the limits of Western influence in the Middle East, and, above all, to exploit

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<sup>4</sup> B. Aras and F. Ozbay, "The limits of the Russian-Iranian strategic alliance: its history and geopolitics, and the nuclear issue", *The Korean Journal of Defence Analysis*, vol. 20, no. 1, March 2008, p. 51.

the conflict in order to soften the position of the international community on Ukraine and the sanctions imposed on Russia<sup>5</sup>. To Russia, a potential resolution for Syria represents a variable with fewer factors of rigidity and a high negotiating potential with the United States and Europe.

Military cooperation on Syrian soil between government forces, Russians, Iranians and militias affiliated with Hezbollah is therefore regulated by a temporary agreement on the tactical level – it is necessary for all to win the conflict and restore the dominance of the role of Damascus – but at the same time is marked by an increasingly evident divergence on the strategic level, where the interests of each single actor tend to reveal themselves<sup>6</sup>.

In this context, the political friction between Iran and Russia created by the use of the Hamadan air base by Russian bombers engaged in on the offensive on the Syrian city of Aleppo is not surprising<sup>7</sup>. Iran's refusal to grant the Russians the prolonged use of the base, which Russia would have liked to transform into an advanced attack base for Syria (and potentially a deterrent in the Gulf area) increased tensions between the countries.

The Russian bombers' mission ended only six days in, when Iran abruptly revoked Russia's use of the base. The move followed a wave of parliamentary protests in Tehran denouncing the violation of the Constitution, which prevents the government from granting the use of Iran's bases to foreign forces. In addition to the protests, the about-face was motivated by accusations that Russia had released classified information by publicly acknowledging its extraordinary access to the base, an affront the strict discipline of Iranian military secrecy<sup>8</sup>.

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<sup>5</sup> N. Glebova, "Russia's Real Reasons for Partnering with Iran", *The National Interest*, 13 July 2019.

<sup>6</sup> M. Segall, *The Rocky Marriage of Convenience between Russia and Iran in Syria*, Jerusalem Center for Public Affairs, 29 January 2019.

<sup>7</sup> M. Khalaji and F. Nadimi, *Russia Uses an Iranian Air Base: Two Essays*, The Washington Institute, 17 August 2016.

<sup>8</sup> A. Barnard and A.E. Kramer, "[Iran Revokes Russia's Use of Air Base, Saying](#)

The relationship between Russia and Iran, in summation, has always been influenced by the countries' different perceptions of strategic and political regional priorities, and the most recent episodes of military cooperation in Syria represent no more than a pragmatic and temporary approach in pursuit of common tactical interests. At the strategic level, Russia and Iran demonstrate deep differences in their respective visions for Syria, and as such the relationship between the countries cannot be defined as a real alliance.

## **Russia, Iraq and the Gulf Monarchies**

Relations between Russia and the Gulf states – with the exception of Iran – have their roots in the not too distant past; in most cases, after the end of World War II. The Cold War period in particular shaped the USSR's role in the region, mainly in relation to Iran, a great ally of the United States and a dominant player in regional politics and security.

From 1963, with the rise to power of the Baath party in Iraq and the consolidation of an elite government of pan-Arabist tradition, the USSR began to invest heavily in the supply of arms to the country, turning it into the axis of its regional interests. Frightened by the support offered by the USSR to Iraq and, above all, by Moscow's endorsement of the annexationist policies repeatedly pronounced by the political leaders of Baghdad, Kuwait officially established diplomatic relations with the USSR in 1963, maintaining since then a particular link with Moscow completely different from that of the other regional monarchies<sup>9</sup>.

The persistent Iraqi threat led Kuwait to establish a political and military relationship of increasing intensity with the USSR, which, although in the framework of a special relationship with

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Moscow 'Betrayed Trust'", *The New York Times*, 22 August 2016.

<sup>9</sup> E. Melkumyan, *A Political History of Relations between Russia and Gulf States*, Arab Center for Research and Policy Studies, December 2015, p. 2.



Iraq, led the two countries to sign a bilateral agreement in 1975 for the supply of Russian weapons and training to the military forces of the kingdom. Within this framework, Kuwait agreed to provide funding to Iraq over the eight years of war that divided Baghdad and Tehran in an effort to strengthen ties with the USSR by funding its main regional ally, which paradoxically represented the main strategic threat to Kuwait.

With the evolution of the conflict and the systematic attack of oil tankers from third countries, including both Iraq and Iran, Kuwait had no choice but to look toward the United States, re-launching a relationship that had been in crisis for some time.

The Soviet invasion of Afghanistan led to a sharp deterioration in the USSR's relations with the countries of the Gulf region. Saudi Arabia in particular, began to financially support rebel groups that opposed the Soviet presence in Afghanistan, providing the impetus for a first wave of global jihadists and that long and painful period of violence that led to the events of September 11, 2001 in the United States. The Soviet defeat in Afghanistan also amplified problems within the USSR's republics, especially among local Muslim communities, where tensions over Russia's activities in the region ignited conflicts of large proportion (as in the case of Chechnya).

The profound political changes that led to the rise of Mikhail Gorbachev and the end of the USSR clearly had an impact on the Gulf region. Just before the dissolution of the USSR, Russia hastened to establish or firm up diplomatic relations with most countries in the region, with the exception of Iraq. Russia decreased its historical relation with Baghdad in the aftermath of the 1990 invasion of Kuwait and supported the UN Security Council Resolution to reverse Iraq's offensive on the country, although Moscow stopped short of participating in the military operation against its former ally. Diplomatic relationships with Oman, the United Arab Emirates and Qatar, which were initiated around the mid-1980s, rounded out Russia's framework of regional relations.

The end of the Cold War and the fall of the USSR drastically reduced the relevance of the Gulf region for the Russian interests, which in turn decreased Russia's relationship with the Gulf Cooperation Council for some years. Russia, engaged in conflict with Chechen separatists in the mid-1990s, suspected many Middle Eastern countries of providing financial support and arms to the Chechens, further limiting Russia's diplomatic relations in the region to the bare minimum<sup>10</sup>.

Russia's relationship with the Gulf region changed with the appointment of Vladimir Putin as President, when a clear shift in the federation's foreign policy was marked by the start intense contacts with each of the Gulf countries. Russia, in Putin's vision, returned to play an active role throughout the Middle East by pursuing a stabilizing policy in contrast with that of the United States and Europe. Thus defining its own priorities and policy projects, Moscow aimed at reclaiming a role in the region<sup>11</sup>. In this same period, Russia reinvigorated the relationship with Iran – especially in terms of collaboration on the controversial nuclear program – thus adopting a posture of challenge to the United States.

Relations with Qatar and the United Arab Emirates were also intensified, by way of promoting the defense industry and consolidating a small but significant local market for the production of Russian arms after years of serious crisis<sup>12</sup>. Between 2000 and 2003, the relationship with Saudi Arabia was revitalized, closing the painful page of the Chechen conflict and intensifying relations with Kuwait and Qatar, which were also bolstered by partnerships in the energy sector.

The US interventions in first Afghanistan in 2001 and then Iraq in 2003 did not change the direction of Russian policy in the region. On the contrary, Russia's role in the region was

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<sup>10</sup> Ibid., p. 9.

<sup>11</sup> "Russian Federation Foreign Policy Concept 2000" [in Russian], *Diplomaticheskii Vestnik* 8, 2000, p. 4.

<sup>12</sup> A.V. Kozhemiakin and R.E. Kanet, *The Foreign Policy of the Russian Federation*, London, Palgrave MacMillan, 1997, pp. 171-172.

reinvigorated by the growing difficulties the United States encountered in the local conflicts. The first decade of the XXI century saw a steady increase in the intensity and breadth of relations between Russia and the Gulf countries, with whom Moscow has signed numerous cooperation agreements initiating a profitable series of both bilateral and multilateral commercial actions through the GCC.

The general framework of relations between Russia and the Gulf, however, went into crisis in 2011, with the rise of the regional phenomenon known as the Arab Spring. Russia initially remained neutral with respect to the crises that emerged in Tunisia, Egypt, and Bahrain, defining them as “internal problems” of the states. When Syria’s stability began to falter, however, Russia openly accused the GCC countries of fomenting protests and providing support to the opposition.

The defense of Bashar al-Assad – and Russian naval bases at Tartous and Latakia – became a priority for Moscow, and the Syrian crisis marked a new watershed in regional relations. Moscow began to blame both Saudi Arabia and Qatar for supporting Wahhabi militants within the Syrian opposition, and in September 2015 decided to intervene militarily alongside the Syrian, Iranian, and Lebanese forces in support of the Assad regime. Participation in the long Syrian civil war drastically cooled Russia’s relations with Qatar, while those with Saudi Arabia and the United Arab Emirates retained a dimension of moderate normality.

The second decade of the XXI century has, in this way, marked a new change in Russia’s capacity to manage its relations with the Gulf region, moving from the expansive and clearly positive phase of the previous decade to a dangerous standstill built around the support of Bashar al-Assad and the alliance with Iran.

## **The Revitalization of Energy Relations through OPEC+**

The most recent development in relations between Russia and the Gulf region was marked in 2019 by the signing of the Charter of Cooperation within OPEC+, which established the launch of a large-scale oil partnership with the aim of linking production strategies to the achievement of common economic objectives. This agreement was reached through a long and complex political negotiation initiated by the historical visit of King Salman bin Abdulaziz al-Saud to Russia in September 2017<sup>13</sup>.

The agreement was signed in Vienna on 2 July 2019 by the fourteen countries that make up OPEC – Algeria, Angola, Ecuador, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Republic of the Congo, Saudi Arabia, United Arab Emirates, and Venezuela – as well as the new partner countries that make up the Non-OPEC Joint Ministerial Monitoring Committee (JMMC) – Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, Sudan, and South Sudan.

OPEC+, established in December 2016 as a partnership between the OPEC and JMMC countries, aims to link global oil production strategies and define agreed-upon price ranges for crude oil, and its operation has so far been regulated by a biannual declaration of cooperation.

After more than two years of positive and continuous cooperation, the OPEC+ countries decided to institutionalize the association by making it permanent, leading to the unanimous vote in favor of the Charter of Cooperation.

OPEC Secretary General Mohammed Barkindo stressed that the Charter is not and cannot in any way be equated with an international treaty, although its effectiveness has been deliberately indicated as having no expiry date by the signatories<sup>14</sup>. This is

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<sup>13</sup> M. Bennets, “Saudi King to Make Historic Visit to Russia”, *The National*, 30 September 2017.

<sup>14</sup> H. Ellyatt, “OPEC+ deal can last ‘until death do us part,’ Saudi energy minister

an important clarification, especially from the point of view of international law, suggesting the delicate context in which the agreement was reached<sup>15</sup>.

Although the Charter was signed with the unanimous vote of the representatives of OPEC+, there was no lack of divergence over the drafting of the agreement. Iran in particular objected many issues it considered potentially controversial. Tehran was not so much opposed to the general approach aimed more at defining a policy of curbing oil production until at least 2020, but rather the operating mechanism of the paper itself.

In the opinion of Iran, which signed the document only after a long and laborious negotiation, the agreement reached within OPEC+ risks transforming the association into a duopoly led by Russia and Saudi Arabia. In particular, Iranian leaders emphasized, the common interest in production cuts that today allows for peaceful cooperation by the association could change in a short time as a result of unpredictable variables, which therefore requires a mechanism of adjustment and compensation to ensure the continuity of the agreement, as Tehran has requested since the beginning of the negotiation<sup>16</sup>.

Iran submitted its own specific case to the debate preceding the signing of the Charter, pointing out how the sanctions imposed against it by the international community differentiates Iran's situation from those of the other members of the consortium. Iran signed the agreement only at the end of a long discussion behind closed doors, the terms of which are still confidential but have clearly reassured Tehran about the operating mechanism of the agreement, and above all, compensation.

According to rumors leaked on the sidelines of the signing ceremony of the Charter, the conditions imposed by Iran for its concession concern the inclusion in the final document of

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says", *CNBC*, 9 September 2019.

<sup>15</sup> S. Reed, "Russia and Opec Draw Closer on Oil, Joining Other Producers to Manage Market", *The New York Times*, 2 July 2019.

<sup>16</sup> G. Sharma, "Idea of a Saudi-Russian Led Mega Oil Cartel Appears Fanciful", *Forbes*, 30 July 2018.

explicit clauses guaranteeing the internal decision-making process of OPEC, with the clear commitment not to make its role secondary within the wider structure of OPEC+.

The signing of the OPEC+ Charter of Cooperation has thus been welcomed with moderate optimism by its signatories, at least until it is possible to concretely assess its real capacity to hold the delicate balances that it intends to regulate, especially those of Iran but also those within the GCC, which has long been affected by a deep crisis.

## Conclusion

Russia, and the USSR before it, has never been able to define a substantial strategy for penetrating the Gulf region, bearing from the beginning the weight of its historical responsibilities and errors in the conceptualization of its regional role. Long preoccupied by managing the relationship with Iraq, which served as a mechanism for deterrence against both Iran and the United States, by the 1980s the USSR had to face the heavy consequences of its involvement in Afghanistan, hindering Moscow's regional relations for a long time.

Despite the resurgence of its role in the aftermath of the collapse of the USSR – which for a decade allowed Russia to build a promising framework of political, economic, and strategic relations in the Gulf region – the outbreak of war in Syria changed the dynamics again, freezing much of the progress achieved in the previous decade.

In 2019, with the signature of the OPEC+ initiative, Russia returned to play a central role in regional cooperation, defining above all with Saudi Arabia the margins for a new framework of collaboration that, although technically limited to the energy sector, could evolve in competition to the United States' regional interests<sup>17</sup>.

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<sup>17</sup> R. Mammadov, *Growing ties with Russia could strain Saudi-US relations*, Middle East Institute, 5 February 2019.