

Khatami in Moscow Boosts Russian-Iranian Arms Cooperation

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Brief Analysis

Iranian president Mohammed Khatami will conduct an official visit to Russia on March 11 through March 15. This constitutes the highest-level visit of an Iranian official to Russia since 1989. There could be an intensification of cooperation between Russia and Iran during Khatami's visit — including on arms sales. In addition to military issues, the delineation of borders along the Caspian Sea will be a focus of discussion. Following talks in Moscow, Khatami will visit St. Petersburg and Kazan, the capital of the autonomous Russian republic of Tatarstan.

Khatami's trip to Russia comes parallel to intense consultations on military matters. Russian defense minister Igor Sergeev visited Iran in December 2000, the first visit of a Russian defense minister to the Islamic Republic of Iran. Sergeev visited missile factories and institutes in Iran; while at one plant, he said Russia is assessing Iran's needs in the area of ballistic missiles, suggesting the two are cooperating. A senior Iranian arms delegation visited Moscow in late February, reportedly following up on discussions with Sergeev. Iranian defense minister 'Ali Shamkhani will conduct an extensive visit in Russia at the same time as Khatami's trip. Russia and Iran may soon conclude a Military-Technical Agreement, which would establish a formal framework for further cooperation.

This flurry of high-level visits of Russian and Iranian officials follows the November 2000 Russian announcement that Moscow is canceling its "Gore-Chernomyrdin Agreement" commitment not to conclude new arms agreements with Iran. Moreover, Russian officials announced in January that Russia will begin construction on a second civil nuclear reactor in Bushehr.

The Strategic Basis for Russian-Iranian Relations Russia and Iran enjoy strong and cooperative relations that they both term "strategic." They share a number of compatible interests in the broad area between and near them — Central Asia, Caucasus, Afghanistan, and the Middle East — and a mutual perception of a need to combat what they have termed a unipolar international system, meaning U.S. hegemony.

Moscow's vulnerability in Chechnya is pivotal to understanding its commitment to cooperation with Iran in a variety of fields, including military and nuclear cooperation. Overall, official Iranian statements and the Iranian media were quite mild in their criticism of Russia in the Chechen wars, considering the Muslim background of the Chechen rebels. While serving as chair of the Islamic Conference Organization, Iran ensured that Chechnya stayed off the agenda of many Islamic forums. The Iranian criticisms of Russia were confined to the rhetorical level and the concrete cooperation between Moscow and Tehran was never interrupted by disagreements over Chechnya. Iran's

discouragement of a Muslim backlash against Russia over the Chechen issue was often rewarded by Moscow with public reaffirmations of its commitment to supply Tehran with its strongly sought-after civil nuclear reactors.

With the termination of Russia's commitment to the United States not to conclude new arms agreements with Iran, and with Iran's increased ability to pay due to recent high oil prices and revenues, there will probably be a significant increase in the extent of arms sales between the sides in 2001. In an interview to the Russian newspaper Rossiiskaya Gazeta in February, Iranian Ambassador to Russia Mehdi Safari stated that Iran intends to purchase approximately \$7 billion in arms from Russia in the next few years.

Reaffirming strategic ties with Russia could also help Khatami at home. Iranian presidential elections will be on June 8. In the past year, Khatami has suffered many setbacks on the domestic policy front, with hardliners reversing many of the modest reforms since Khatami's election in 1997. In the past year, Khatami has made a number of foreign visits, in contrast to the first years of his presidency when he did not engage much in external affairs. The intensified foreign visits are one way for Khatami to carve out a more active role for himself.

Differences about the Caspian To be sure, Russia and Iran have some differences. In particular, recognizing that their common position on the delineation of borders in the Caspian Sea had run into the firm opposition of the other littoral states (Kazakhstan, Turkmenistan, and Azerbaijan), Russia has changed its stance to the position advocated by the other littoral states, while Iran continues to hold out. It seems that Russia wants to reassert itself in the Caspian region, and realizes that flexibility may endow it with more influence than hard-line positions. Iran, and previously Russia, wanted joint control by the five littoral states of both the surface of the Caspian and the oil produced from the seabed. The three countries other than Russia and Iran that actually have significant amounts of confirmed oil and gas in the part of the Caspian near their shores want the sea water and seabed divided into separate areas. According to this principle, Iran would be left with the smallest proportion of the sea (13 percent). Moscow is now prepared to accept division of the seabed — meaning the oil income — while retaining its position that the Caspian water surface should be held in common by all the states. Common control of the waters could allow Moscow to continue to deploy its navy throughout the Caspian Sea and to retain a large lever over the policies of the states of the region. In contrast to Russia's stance, Iran propounds that the Caspian Sea should be demilitarized and that no forces should be deployed there.

Khatami — who has generally concentrated more on domestic policy than foreign affairs — has become involved in the Caspian issue, meeting to discuss the matter with Kazakhstan's foreign minister and speaking with Turkmenistan's president. A planned Russian-led summit of the leaders of the Caspian littoral states to resolve the borders in the Caspian was recently postponed at Khatami's request, in order to allow Moscow and Tehran to coordinate their positions during Khatami's Moscow visit.

From 1994, Russia and Iran cooperated intensively in efforts to thwart the development of U.S.-sponsored East-West corridor pipelines for transport of Caspian energy sources — especially the "Baku-Ceyhan" oil pipeline — and obstructing expansion of U.S. presence in the Caspian region. Iran and Russia want the bulk of the resources of the region to flow on north or south routes through their territories, thus giving them control over the energy flow. Russia and Iran have often tactically used legal rhetoric concerning the formal status of the borders in the sea to hinder the development of the Caspian pipelines. However, when opportunities have arisen for their respective involvement in certain oil and gas exploitation projects, a change has generally emerged in each of their legal stances and they have often been willing to forsake their legal position and abandon one another on this issue.

U.S. Influence on Russian-Iranian Relations It is not likely that the United States will convince Russia to drop its overall strategic cooperation with Iran. Russia is unlikely to jeopardize its relations with Iran for promised short-term material incentives or out of fear of U.S. condemnation, if for no other reason than that neither are particularly credible. However, the United States has been successful in averting specific Russian transfers of materials,

technology, and equipment most directly applicable to nuclear weapons. This suggests that Washington's efforts to minimize Russian-Iranian military cooperation can be most successful when concentrated narrowly on the most disturbing elements of Russia's activities. In this regard, it is worth bearing in mind that conventional arms sales to Iran are less of a threat to the interests of the United States and its allies in the region than are transfers of WMD or missile technology.

Brenda Shaffer is research director of Harvard University's Caspian Studies Program and the author of *Partners in Need: The Strategic Relationship of Russia and Iran* (The Washington Institute).

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