

REGIONAL POLITICS

ON THE EVOLUTION OF IRANIAN POLICIES IN THE SOUTHERN CAUCASUS

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It is a well-known fact that the events of 9/11 and the subsequent antiterrorist operation in Afghanistan, as well as the situation in Iraq have influenced Iranian foreign policy strategies. They produced, in particular, a gradual transformation of the foreign policy concepts Tehran was applying in the region. The ambitious concept of the regional leadership, which has been developed since the time of the Shahs, has undergone a profound change. At present, when the U.S. is successfully establishing their presence in Afghanistan and Iraq, and penetrating into the Southern Caucasus and Central Asia, Iranian leadership does not declare any longer that it aims for military superiority over the neighboring countries. Instead, Tehran is adopting a stance of “positive neutrality” with its neighbors.¹ On the other hand, Mr. A. Shamkhani, the Iranian Defense Minister, keeps emphasizing that Iranian military capacity is “sufficient to rebuff any military aggression.”² At the same time, Iranian leaders pay utmost attention to the increase of their political role and influence in the region. In particular, they are keen to take part in the reconstruction of Iraq and Afghanistan, while at the same time boosting up their own economy for the sake of a stronger role in the Middle East. Another dimension of Tehran’s new foreign policy is presenting itself as “an Islamic democracy,” a synthesis of Islamic and democratic traditions, and distancing itself from terrorist organizations, such as al-Qa’eda and the Taliban.

The Southern Caucasus has always been in the sphere of Iran’s foreign policy interests, taking into account their historical links and geographic proximity. Since the collapse of the U.S.S.R. Tehran has been trying to establish equal relations based on trust with the three South Caucasian countries, despite the disagreements among them. Iranian analysts believe that this constructive approach brought positive results in the early 1990s. In this way Iran’s policy was different from that of Turkey’s, which adopted an anti-Armenian stance on the Karabakh issue. As a result, it cannot establish normal relationships with Erevan to this day, which limits Ankara’s opportunities in the region.³

¹ Speech by the leader of the Islamic Republic of Iran A. Khamenei at the Friday service in Tehran, 31 October, 2003.

² Interview of Defense Minister A. Shamkhani to an Iranian newspaper *Khamshakhri*, 21 May, 2003.

³ See: *International Developments Review* (collection of analytical materials published by Tehran International Studies and Research Institute), Issue 15, 2001.

After 9/11 Tehran's foreign policy strategy in the Southern Caucasus acquired two new aspects. First, Tehran views with growing alarm the increasing presence of extra-regional powers, mainly the U.S. wielding antiterrorist slogans. Tehran is worried about Western plans to include the region in the Euroatlantic security zone. In this context, it is alarmed by the developments around the Baku-Tbilisi-Ceyhan pipeline, which, as Tehran suspects, can be used to form a regional block between Turkey, Azerbaijan and Georgia.⁴ The 2002 agreement on fighting terrorism, signed during the Trabzon summit between the three countries, can be seen as an indirect confirmation of these suspicions. Second, Iran is trying to increase its economic presence in the region, in particular, by establishing its presence in the financial and the trade markets of the three countries.

In order to achieve these aims, Tehran is hoping to help these countries establish institutional structures to counter pressure from abroad, promote integration of the regional players and coordinate their trade and economic cooperation. Admittedly, these goals are hard to achieve in middle-term perspective, under the present conditions. However, Tehran's current strategy should not be ignored.

It follows that Tehran's priority is to promote cooperation in the spheres of security and foreign policy on a permanent basis. Iran would like to establish closer and more constructive cooperation with Russia in the Southern Caucasus. It is possible that other regional powers, mainly Turkey, can be invited to join in this dialog. Tehran has been promoting the idea of a permanent regional forum. The first step would be to arrange a meeting of the heads of the Security Councils of all interested states.

In this context Iran would accept a structure of any format, as long as Tehran is viewed as equal partner within it. As to the participating countries, Iran would be most interested in the 3+2 format (the three South Caucasian states, plus Russia and Iran), or the 3+3 format (the three South Caucasian states, plus Russia, Iran and Turkey). It would be possible, although less agreeable, to have the 4+1 format (the three South Caucasian states and Russia, that form the so-called the Caucasian Four, plus Iran).

Having repeatedly failed to establish a structure of the 3+2 format, Iran has been actively promoting a regional security system, of the 3+3 format, that would include Turkey. Tehran hopes that Turkey's presence will make the project more realistic, it will create a power balance and stimulate Georgia and Azerbaijan to join in. Recently Iranian officials have been publicly discussing this idea, and Mr. K. Kharrazi, the Iranian foreign minister, is its most loyal supporter. On 29 April, 2003, during his tour of the Southern Caucasus, he even suggested regional security forces should be set up. So far the South Caucasian governments offered no official reaction.

Iranian political elite is totally opposed to the idea of including extra-regional powers, such as the U.S. and the European Union, in the South Caucasian security system. This position is to a large extent identical to the point of view of the Russian leadership. Tehran has been repeatedly stating its serious concerns regarding the growing U.S. influence in Georgia and Azerbaijan, in particular. Tehran is insisting that the three countries should be developing their foreign and domestic policies without any external pressure. Iranian diplomats believe that the lack of real cooperation between Iran and Russia allows the Americans to "feel at home" in the region.⁵

However, any objective observer should note that it was neither Iran nor the South Caucasian states themselves that were the first to promote the idea of the regional security system after the collapse of the Soviet Union. It was the United States that proclaimed the idea in 1995, hoping to secure its positions and promote its national interests in this key region. Russia took up this initiative in 1996, and proceeded to establish a permanent regional structure of the four states (Russia and the three South Caucasian states). The Caucasian Four Organization held its first summit in Kislovodsk in 1996.

The idea of a new security system had a mixed reception in the South Caucasian states. Georgia was the most positive, as it developed a doctrine of the "common Caucasian home," later transformed into the "peaceful Caucasus" concept (Shevardnadze, 1996). The concept implied integration of the three Caucasian states into European architecture. Tbilisi changed its position lately and is now actively establishing

⁴ See article by A. Ansari in *Aftab-e Yazd*, 18 June, 2003.

⁵ See: Weekly press conferences of Foreign Ministry spokesman Hamid Reza Asefi.

itself as the conduit for the U.S. policies in the region. The joint NATO-Georgian military exercises, and the Georgian attempts to join the North Atlantic Treaty Organization at the first opportunity can be viewed in this light.

Azerbaijan was initially against any cooperation with Armenia within a regional organization, insisting that the solution to the conflict around Karabakh should take priority. However, its position changed at a later stage, which allowed the Caucasian Four to appear and to develop rapidly. At the same time, during the OSCE summit in Istanbul in November 1999, Heydar Aliev, the then president of Azerbaijan, suggested that the Treaty on Security and Cooperation in the Southern Caucasus should be signed.

Azerbaijan is also aiming at an integration into the Euroatlantic structures; this allows NATO members to participate in security measures on its territory, and therefore, in the region. This is unacceptable for Iran, which is against any extra-regional powers helping to set up a security system in the Southern Caucasus. Armenia's response to the idea was more restrained than that of Georgia's. On the whole, however, Erevan welcomed and still welcomes the idea of a permanent mechanism for regional cooperation. At the same time, Erevan emphasizes cooperation in the socioeconomic spheres, such as transport, energy supply, and drug trafficking issues. Erevan, as much as Tehran, is dead set against any involvement of extra-regional structures and powers, such as NATO and the U.S., in regional developments. Armenian President Robert Kocharian voiced a practical initiative at the OSCE summit in Istanbul. It involved a regional security system based on the 3+3+2 formula (Azerbaijan, Armenia and Georgia, plus Russia, Iran and Turkey, plus the U.S. and the EU). Later Armenia agreed to the Russian suggestion to change the formula to 4+2+2, to allow the Caucasian Four to play the central role.

Iranian foreign policy pays special attention to trade and economic relations with the South Caucasian countries. Tehran favors fast economic development in these countries, which would allow Iran to expand its economic and cultural links with the region. It is in this context that one should regard the Iranian initiative of 2002 of calling a meeting of the economy ministers of the six regional states (the South Caucasian countries plus Russia, Iran and Turkey).

Economic cooperation between Iran and the Southern Caucasus remains limited. Trade and economic links with Georgia are weak, though cooperation with Armenia is more productive. But even here, many important joint projects remain unrealized. These are, for instance, transportation of Iranian gas to Armenia, construction of Kajaran automobile tunnel, Tehran's participation in construction of hydroelectric power stations in Armenia, and others. The last years have seen an active political lobbying of the most promising projects, a constructive dialog on the high and the highest levels is going ahead. These developments make one look forward to more active economic cooperation. As far as economic relations between Iran and Azerbaijan are concerned, the favorable geographical and geo-economic conditions are counterbalanced by the complications in the political relations between the two countries. Among these complicating issues are: the legal status of the Caspian Sea, the position of Azeris living in Iran, and the Islamic factor. These were partly cleared during Heydar Aliev's visit to Iran in May 2002. The future of the Azeri-Iranian relations depends on the relationship between the new Azeri president, Ilkham Aliev, and the Iranian leadership. It is worth noting that Iranian President Khatami congratulated Ilkham Aliev on his victory in the presidential elections.

In general, the situation is complicated by a number of factors. First, there is a definite leaning in the Georgian and Azeri foreign policy toward the U.S., which helps strengthening American business interests in these countries. As a result, their weak financial and economic structures have fallen under the influence of Washington. Second, there are a number of unresolved conflicts in the region, such as Nagorno-Karabakh, Abkhazia and South Ossetia, and these have an adverse effect on the economy and the well-being of the local people. Third, after the collapse of the Soviet Union the established economic links between the local states were ruptured, transport and communications infrastructure fell into decay, and the fixed assets were eroded.

Iran does not actively seek a possible role of a mediator in the regional conflicts, including those in Nagorno-Karabakh, South Ossetia or Abkhazia. It is prepared to take part in conflict negotiations only

with the agreement of all interested parties. It means that Iranian representatives, if invited, can serve as intermediaries or observers during negotiations. Iran has some experience of this kind, as, together with Russia, it has helped resolving conflicts in Tajikistan and Afghanistan.

To conclude, following 9/11 and the subsequent changes on the international arena, Iran's foreign policy in relation to the three South Caucasian countries became more measured and pragmatic. Iranian leaders are aware of their political, economic and financial limitations and instead of exaggerated ambitions, concentrate on their geopolitical and geo-economic potential. As a result, Tehran does not see itself as a "big brother" to its South Caucasian neighbors. On the contrary, it aims at joining the regional security and economic systems as an "equal partner," together with the other regional powers, such as Russia. President Khatami is actively promoting "the dialog of civilizations" as his foreign policy principle, and Iran is pursuing its national interests in the Caucasus by trying to stay involved in the multilateral regional mechanisms. This will help the country to overcome its international isolation, which in the recent years has become the priority for Iranian diplomats and politicians. At the same time, their main goal, which is to bar the U.S. and the European influence from the Southern Caucasus, remains remote for a number of reasons; consequently in the middle-term perspective Tehran will obviously have to find some points of contact with the U.S. and the EU in the region. On the other hand, Iran's active involvement, along with Russia, Turkey and other neighboring countries, in the South Caucasian developments will help to counterbalance the growing Western influence in Azerbaijan, Armenia and Georgia.