

## Russian-Iranian Relations in the Putin Era

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**D**uring the first year and a half of the Putin presidency, Russian-Iranian relations appeared to be improving steadily, and it seemed that the two countries were pursuing a common set of anti-American interests. There was some degree of disagreement between them, but it appeared minor and easily resolvable. Overall, Russian-Iranian relations had become so close that some Russian and Iranian (as well as Western) observers saw Moscow and Tehran as being "strategic partners." Since mid-2001, however, Russian and Iranian interests have diverged to such an extent that they now appear to disagree far more often than they agree.

In this article I will explore the rise and fall of the Russian-Iranian "partnership" that has taken place since Vladimir Putin became president. I argue that the convergence of Russian and Iranian interests, culminating in the state visit that Iranian president Mohammad Khatami paid to Russia in March 2001, was revealed to be more illusory than real in the aftermath of the events that took place first on 23 July and then on 11 September 2001. I then discuss the future prospects of Russian-Iranian relations. Something must first be said, though, about Russian-Iranian relations prior to Putin.

### **Before the Putin Era**

Although Iran under the rule of the shah was allied with the United States, Moscow and Tehran maintained generally cordial, if not friendly, relations during most of his rule. Moscow seemed to expect that the rise of the virulently anti-American Islamic Republic of Iran following that country's 1979 revolution would lead to close Soviet-Iranian cooperation, but its hopes were dashed when the Iranian revolutionary leader Ayatollah Khomeini proved to be as anti-Soviet as he was anti-American. With Soviet troops occupying Afghanistan on Iran's eastern border and Moscow supplying the bulk of the weapons used by Iraq in its 1980-88 war with Iran, it is hardly surprising that Khomeini viewed the USSR as an enemy.<sup>1</sup>

Following the end of the Iran-Iraq war in 1988 and both the Soviet withdrawal from Afghanistan and the death of Khomeini in 1989, Soviet-Iranian relations suddenly grew warm. The Gorbachev administration began selling arms to Iran,

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and Moscow also agreed to complete the nuclear reactor at Bushehr, which a West German firm had begun building in the 1970s but ceased work on at the time of the Iranian revolution. After the collapse of the USSR in 1991, Moscow and Tehran found that they both favored Armenia in its ongoing conflict with Azerbaijan and that they both wanted to prevent the growth of American and Turkish influence in the Caucasus and Central Asia. After some initial disagreements over the civil war that erupted in Tajikistan in 1992, Moscow and Tehran cooperated to bring about a power-sharing agreement in 1997 among the antagonists there. Moscow and Tehran also cooperated against the Sunni-fundamentalist Taliban regime that seized most of Afghanistan in 1996 and that proved to be virulently

anti-Russian as well as anti-Shia and anti-Iranian<sup>2</sup>

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***American tone.***

In response to the desire of Western oil firms to exploit the significant oil reserves discovered off the coasts of Azerbaijan

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and Kazakhstan, Moscow and Tehran both initially claimed that the Caspian was not a sea to be divided territorially but a lake whose resources were to be shared by all the littoral states.

An important factor motivating their common view on this matter was the belief that there were no significant oil deposits off either Russia's or Iran's Caspian coasts. In addition, Moscow and Tehran were both opposed to the American-proposed Baku-Ceyhan pipeline route that would bring Caspian Basin oil to the world market without going through either Russia or Iran (thus depriving both those countries of the transit fees that would accrue to them otherwise).<sup>3</sup>

Yet despite those common interests, Russian-Iranian relations were not particularly close during the Yeltsin era. Even though serious differences emerged between Washington and Moscow, cooperation with the United States was Yeltsin's main foreign policy priority. In the 1995 Gore-Chernomyrdin agreement (named for the American vice president and the Russian prime minister who signed it), Moscow agreed to sharply limit Russian arms sales to Iran. Moscow also slowed work on the Bushehr nuclear reactor, whose completion Washington feared would enable Tehran to divert fissionable material to fabricate nuclear devices.<sup>4</sup>

By the end of the Yeltsin era, though, Russian-American relations became increasingly testy over several issues, including American ballistic missile defense plans, NATO expansion, and the American-led NATO bombardment of Moscow's ally, Serbia, during the Kosovo crisis. There was a growing sense in Moscow that either America had become hostile toward Russia, or if not, that it saw Russia as so unimportant that it could ignore what Moscow regarded as vital Russian interests. As a result, the Yeltsin administration adopted a less-cooperative attitude toward the United States. With regard to Iran, however, Moscow continued to adhere (at least outwardly) to the 1995 Gore-Chernomyrdin agreement,

thus signaling that, despite its differences with the United States, Moscow was not willing to antagonize Washington by improving relations with Tehran.

### **Putin and the Rise of the Russian-Iranian Partnership**

In Putin's first year and a half as president, Russian foreign policy took on an even more nationalist, anti-American tone. In response to Washington's refusal to abandon its plans for ballistic missile defense, President Putin in November 2000 publicly renounced the hitherto secret Gore-Chernomyrdin agreement and indicated his willingness to step up Russian arms sales to Iran. Moscow and Tehran also announced that Russia would resume work on the nuclear reactor at Bushehr and that it might even build more for Iran.<sup>5</sup>

A flurry of high-level exchanges between Moscow and Tehran quickly ensued, culminating in a state visit made by Iranian president Khatami to Russia in March 2001. Both the Russian and the Iranian sides appeared to take great delight in American discomfiture over the emergence of this new Russian-Iranian partnership. In response to American claims that Iran sought to develop nuclear weapons, both Russian and Iranian officials declared that Iran was a signatory to the Non-Proliferation Treaty and that it was in full compliance with all International Atomic Energy Agency safeguards. They further declared that American concerns about Russian arms sales were misguided, as Tehran was only buying "defensive" weapons from Moscow. In any event, as spokesmen from both sides frequently reiterated, Russia and Iran were sovereign nations, and Washington had no right to tell them how they should conduct their bilateral relations.<sup>6</sup>

In the midst of all this bilateral bonhomie, however, there had been an important change in Moscow's policy toward the Caspian that Tehran was unhappy about. Not only were sizable oil discoveries made off Russia's Caspian coastline, which Moscow did not want to have to share with four other states, but the Russian petroleum industry (especially Lukoil) reportedly convinced the Putin administration that Russia would benefit from participation in Western-led exploitation of the Caspian if its seabed was divided along national-territorial lines, since America was likely to block any project in which Tehran shared the proceeds so long as Iranian-American relations remained hostile. They also reportedly persuaded the Russian government to back off from its opposition to the proposed Baku-Ceyhan pipeline since there appeared to be more than enough Caspian oil to fill both it and the existing Soviet-era pipeline from Azerbaijan to Novorossiysk on Russia's Black Sea coastline (which was inoperable part of the year anyway due to bad weather). Moscow then dropped its previous position, which it had shared with Tehran, that the Caspian's resources belonged equally to all five littoral states, and adopted the position that although the sea itself was their common property, the seabed and everything beneath it should be divided along national territorial lines. Further, the exact division should be determined by the "modified median line" so that each of the littoral states controlled roughly the same percentage of the seabed as its percentage of the Caspian Sea's total coastline. Indeed, Moscow went ahead and signed agreements with both Azerbaijan and Kazakhstan—its two immediate neigh-

bors on the Caspian—defining Russia's Caspian Sea boundaries with each of them on this basis.<sup>7</sup>

Under this formula, Iran would be assigned a 13 percent share of the Caspian. This is up from the 11 percent share it held in the Soviet era, but is significantly less than the 20 percent share that Tehran believes itself entitled to. Tehran also modified its position on the Caspian: although it would prefer that the resources beneath the entire seabed be shared equally by the five littoral states, Tehran would settle for a territorial division provided that it receive 20 percent of the seabed. This would clearly mean that Iran would be assigned territory off the coasts of its immediate neighbors, Azerbaijan and Turkmenistan, that the Soviets had previously controlled. Tehran has declared that the Soviet delimitation of the maritime boundary between them in the Stalin era was invalid since Iran had never agreed to it. Tehran bases its claims that the Caspian should be divided equally on language to that effect in the 1921 and 1940 Soviet-Iranian treaties—even though those treaties do not discuss the division of resources beneath the seabed.<sup>8</sup> And unlike Moscow, Tehran insists that the waters of the Caspian not be shared but delimited. Tehran advocates this, authoritative Iranian commentators have noted, in the hope of preventing gunboats from Russia's large Caspian Sea flotilla from entering Iranian waters.

The division of the Caspian was discussed at the Putin-Khatami summit. The two sides even signed a joint statement declaring that no agreement regarding the division of the Caspian or the exploitation of its oil resources would be considered valid unless all five littoral governments agreed to it. But after the Azeri and Kazakh governments protested to Moscow about this (since it called into question the legitimacy of the maritime boundaries they had agreed to with Moscow), Putin's Caspian envoy, Viktor Kalyuzhny, reportedly undertook to explain to the Kazakh and Azeri governments that the joint Iranian-Russian statement did not actually mean what it said.<sup>9</sup>

Despite those differences over the division of the Caspian, however, it did not seem—at least in Moscow—to pose a serious problem in Russian-Iranian relations. Tehran continued to claim a 20 percent share of the sea, but its claim appeared to be directed primarily at Azerbaijan, with which Moscow itself had long been upset for seeking to cooperate closely with Western governments and petroleum firms—whose presence in Azerbaijan Moscow saw as coming at the expense of Russian influence there. While noting Iranian claims to 20 percent of the Caspian, in March 2001 one Russian observer commented on how "it can already be sensed that our Iranian colleagues are starting to heed Russia's arguments."<sup>10</sup>

Prior to the July 2001 incident, it must be acknowledged, both Russian and Iranian observers raised doubts about how beneficial the emerging Moscow-Tehran partnership was to their respective countries. Some Iranian reformers saw the growing Russian-Iranian partnership as an obstacle to the resumption of the Iranian-American relationship, which they saw as ultimately more beneficial to Tehran. On the other hand, many of the Iranian conservatives opposed to an Iranian-American rapprochement bluntly stated that they regarded Russia as untrustworthy and unreliable, as its good relations with Israel and Iraq as

well as its shifting Caspian policy all demonstrated. On the Russian side, several observers expressed the fear that the arms Russia sold to Iran would one day be used against Russian interests. Several also expressed doubt about Iran's usefulness and reliability as an ally, conjecturing that if and when an Iranian-American rapprochement did occur, Tehran would have little further need or use for Russia.<sup>11</sup> These doubts, however, did not appear to affect either the Iranian or Russian governments, both of which appeared to regard their growing partnership as highly beneficial (especially vis-a-vis the United States) and their differences as manageable.

### The Impact of 23 July

How mutually beneficial the Russian-Iranian partnership actually is, however, would be increasingly questioned in both Moscow and Tehran as a result of a naval incident in the Caspian occurring on 23 July 2001. On that date, an Iranian gunboat ordered two Azeri survey vessels chartered by British Petroleum to withdraw from an

area of the Caspian where a major oil deposit is believed to exist (referred to as the Alov field by the Azeris and as the Alborz field by the Iranians).<sup>12</sup> According to Abbas Maleki, chairman of the Tehran-based International Institute for Caspian Studies (and one of Iran's foremost experts on this subject), the Alov-Alborz field lies within Iranian waters if the Caspian is divided on an equal 20 percent basis, but well outside of them according to the Astará-Husseingoli line (the old Soviet-Iranian maritime border that gave Iran an 11 percent share) and just outside of them if it is divided on the basis of the Moscow-proposed median line, which would give Iran a 13 percent share.<sup>13</sup>

The immediate result of this Iranian action was that British Petroleum (which operates in Iran) announced it would cease all activity in the "disputed area" until the governments concerned settled their differences over it. The government of Azerbaijan issued several strong protests condemning Iranian use of force in waters that Baku claimed to be indisputably its own based on previous Soviet-Iranian agreements, as well as the fact that Azerbaijan and the USSR had been operating in them for more than fifty years.<sup>14</sup>

Other governments also reacted to the incident. The U.S. Department of State criticized Iranian action, though in somewhat muted terms.<sup>15</sup> The Turkish government was much more harshly critical of Iran. It went ahead with a previously scheduled Turkish Air Force aerial demonstration over Baku a few weeks later, which both the Azeri and the Turkish press hailed as a sign that Ankara would act to protect Baku from Tehran.<sup>16</sup> The government of Kazakhstan criticized Tehran for its use of force as well as its plan to divide the Caspian equally among the

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five littoral states. With 28 percent of the Caspian coastline, Kazakhstan stands to lose the most from the Iranian proposal to give each littoral state a 20 percent share. The government of Turkmenistan, by contrast, reasserted its own claim to a portion of the Alov-Alborz field, joined Tehran in condemning Baku for its "unilateral" effort to exploit the Caspian's oil resources, and declared that it too would use force if Baku undertook similar efforts in waters claimed by Asqabat.<sup>17</sup>

Although the reactions of these governments (except that of Turkmenistan) were not welcome in Tehran, they were not unexpected there either. Russia's reaction, however, was much more disturbing to the Iranian government. For whereas the Russian government repeatedly called on Baku and Tehran to resolve their dispute peacefully, a series of actions and statements emanated from Moscow after the 23 July incident that were decidedly unfriendly toward Iran.

In a statement about the Caspian crisis made at the beginning of August 2001, President Putin himself said, "It is impermissible to resort to military means."<sup>18</sup> Shortly thereafter, Putin signed a decree restricting the export of missiles with a range of at least three hundred kilometers and a payload of more than five hundred kilograms, as well as "unmanned aircraft, missile engines, fuel and components, and to various materials used in missiles."<sup>19</sup> Virtually all of these are in the range of items that Russia had been selling to Iran. A report from Tehran appeared to confirm that Russian missile technology transfer to Iran has recently declined or even ceased.<sup>20</sup>

In addition, on 31 August, Moscow's Caspian envoy, Viktor Kalyuzhny, criticized the Turkmen government for demanding that work authorized by Azerbaijan be halted on Caspian oil fields that Turkmenistan also claims.<sup>21</sup> Because Turkmenistan's position on this issue is virtually the same as Iran's, Kalyuzhny's criticism was seen as being directed at Tehran too.<sup>22</sup>

Furthermore, despite Tehran's complaints about Iranian defense minister Ali Shamkhani's upcoming visit to Moscow being scheduled to coincide with that of Israeli prime minister Ariel Sharon,<sup>23</sup> the Russian government apparently refused to reschedule the latter to accommodate the former. Consequently, Shamkhani postponed his visit until after Sharon's departure.<sup>24</sup> Just as Moscow has sought to demonstrate that it is not subordinate to the United States by pursuing close relations with Tehran despite Washington's objections, Moscow may also have been seeking to demonstrate that it is not subordinate to Iran through pursuing close relations with Tel Aviv despite Tehran's objections.

On the other hand, Russian officials also made a number of positive statements about the Russian-Iranian relationship during the period between 23 July and 11 September, defending it against American criticism. It was reported that Moscow would increase its arms sales to Tehran from \$100 million to \$300 million per year.<sup>25</sup> The Russian defense minister, Sergey Ivanov, announced that he and his Iranian counterpart would sign a "framework agreement on military-technical cooperation."<sup>26</sup> The Iranian ambassador to Moscow publicly proclaimed that President Putin would visit Tehran in May 2002, where he and Iranian president Khatami would sign "a fundamental treaty on friendship and good-neighborly relations" as well as a "communiqué on the Caspian Sea."<sup>27</sup>

This combination of unfriendly and friendly Russian actions and statements vis-a-vis Iran resulted in uncertainty on the part of others—including the Iranians—about what Moscow's policy preferences actually are. One Tehran-based analyst, Asghar Kabiri, said so quite bluntly just before 11 September:

**The Caspian Sea legal regime is without genuine consensus among the five littoral states and its finalization seems more diplomatic chitchat than a fact about to happen.**

**If we have to point fingers for the impasse, much of the confusion lies squarely on Moscow's broad shoulders. Despite the more-or-less clear attitude of other littoral states, Russia is apparently seeking to squeeze the most out of the situation by saying different things to different people. . . . Moscow's position is a Swiss cheese of contradictions.**

**Moscow's peculiar attitude, which contains both a cooperative tone and "other" signals, can create mistrust in the long run. Moscow is expected to understand that its standpoints should be transparent and realistic.**

Moscow should also concede that its future would not be that meaningful without Iran.<sup>28</sup>

The Iranians, for their part, put forward a fairly consistent line after the 23 July incident. Statements of Iranian officials and commentators sought to persuade Moscow that Tehran really acted in their joint interests, not just its own. The Iranians sought to win Russian sympathy by accusing Azerbaijan of seeking to admit not only Western oil companies but also American, Turkish, and Israeli military forces into the Caspian, which would threaten Russian as well as Iranian interests. Tehran, then, was fully justified in acting to defend its interests as well as those of the other littoral states against repeated Azeri provocations that hurt them all. Tehran portrayed itself as wanting more than anything to peacefully resolve the issue of dividing the Caspian. On the other hand, Tehran has indicated that it will accept nothing less than the 20 percent share it sees itself as entitled to (indeed, some Iranian observers believe Tehran is entitled to 50 percent, or in one case, 100 percent of the Caspian). Further, Tehran hinted that it will not hesitate to use force again to prevent any further attempts to unilaterally exploit the area of the Caspian claimed by Iran.<sup>29</sup>

### **The Impact of 11 September**

The attacks by followers of Osama bin Laden on the World Trade Center and the Pentagon, and the American military intervention in Afghanistan that has overthrown the Taliban regime that had sheltered him, have had many consequences for international relations. Among the most important of these has been a remarkable rapprochement between Moscow and Washington. President Putin himself appears to have decided that the United States is not really a threat to Russian interests, that other forces—including Islamic extremism—are far more of one, and that Russia can combat them far more readily with American support than without it.

Putin's thinking had begun to move in this direction prior to 11 September, but the resistance to it among much of the Russian foreign policy and military elite as well as the Bush administration's apparent assessment of Russia as being relatively unimportant posed significant obstacles to his implementing it. The events of 11

September, however, allowed Putin to overcome (though not completely eliminate) those obstacles. The very first foreign leader to call President Bush on that day, Putin immediately offered him Russia's support in the "war on terrorism." The Bush administration, for its part, quickly realized Russia's value as an ally. Putin was also able to capitalize on the Russian public's sympathy for the United States after the attacks, as well as a heightened sense of an "Islamic threat" to Russia among both the public and the foreign policy and defense establishment, to overcome domestic opposition to close cooperation with the United States.<sup>30</sup>

And the extent of that cooperation has been remarkable. Despite the publicly stated objections of his own defense minister, President Putin gave his blessing

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to the stationing of American forces in two former Soviet republics—Uzbekistan and Tajikistan—to prosecute the war in Afghanistan.<sup>31</sup> Putin himself announced that Russia would provide intelligence and other forms of assistance to the United States in this endeavor.<sup>32</sup> In return for an agreement that NATO would consult with Moscow more fully, Moscow

appears to have softened its opposition to the three Baltic states joining it.<sup>33</sup> In addition, although unhappy that the Bush administration has decided to push forward with its ballistic missile defense program despite Russian objections, the Putin administration's response to this has been generally muted.<sup>34</sup>

For its part, the Bush administration has toned down its criticism of Russian actions in Chechnya, appearing to accept in some measure the Russian argument that Moscow is conducting a war on terrorism there similar to the one waged by the United States in Afghanistan.<sup>35</sup> Although Washington was initially unhappy about Moscow's initial deployment of "peace-keeping" troops to Kabul without first consulting the United States, the two governments have reportedly been coordinating their actions since then.<sup>36</sup> Moscow was pleased that, despite the objections of America's long-time ally Pakistan, Washington accepted the fact that the Russian-backed Northern Alliance seized control of Kabul after the defeat of the Taliban.<sup>37</sup>

In sum, Russia's cooperation with the United States in the post-11 September conflict has led Washington to value Moscow as an ally. The two governments do not agree on everything, but Washington now appears to have a far greater interest in accommodating Moscow than it had before.

It appeared that Iranian-American relations might also improve in the aftermath of 11 September. Iranian government officials condemned the terrorist attacks against the United States. Although unwilling to host American troops, Tehran indicated that it would return to the United States any American pilots forced down in Iranian territory. Iranian reformers saw 11 September as provid-

ing an opportunity to overcome the obstacles in the way of an Iranian-American rapprochement.<sup>38</sup>

That opportunity, however, did not last. Iranian conservatives, fearing that it would weaken their own internal political position and strengthen that of their reformist opponents, worked to block rapprochement with the United States. Furthermore, although both Tehran and Washington regarded the Taliban as enemies, there was no consensus between them (or even any attempt to find one) on what should replace them. Thus, once the Taliban fell, Iranian and American interests in Afghanistan diverged. American officials claimed that Tehran was providing military assistance to an anti-Karzai warlord in Herat (whom Tehran had previously supported before he was ousted by the Taliban). President Bush himself warned the Iranian government not to provide haven to fleeing members of Al Qaeda, thus raising the possibility that the United States might attack Iran if Washington decided that this was what Tehran was doing. In his January 2002 State of the Union address, President Bush described Iran, along with Iraq and North Korea, as being part of an "axis of evil."<sup>39</sup>

With its own relations with the United States as problematic as ever after 11 September, Tehran is hardly pleased that Moscow has moved so much closer to Washington since then. Nor has Moscow forgotten what happened on 23 July in the Caspian. Since 11 September, it has taken several more steps to bolster its position there vis-a-vis Iran. In November, Moscow put forth a new formula for resolving the Caspian dispute, altering its plan for partition along the "modified median line" to allow disputed fields to be shared between countries on the basis of how much each side invested in them.<sup>40</sup> This was actually a concession to Iran, but only a very slight one. In December, Azerbaijan and Kazakhstan—with Moscow's blessing—agreed to divide their sea border along the modified median line, just as Russia and Kazakhstan and Russia and Azerbaijan did earlier.<sup>41</sup> This left Turkmenistan and Iran as the only Caspian countries that had not accepted this principle of division.

Furthermore, the Putin administration reportedly increased its pressure on Turkmenistan to accept the Russian position on dividing the Caspian. Moscow appears to have some important levers in this regard. First, Turkmenistan is dependent on Russia to purchase Turkmen natural gas as well as allow its export to countries to the west via pipelines that run through Russia. Second, Moscow's decision to play host to the former Turkmen foreign minister, who has become a virulent critic of President Saparmurat Niyazov, appears to be a pointed indication to the "Turkmenbashi" that the Putin administration could support his overthrow and replacement if he remains uncooperative.<sup>42</sup> Third, Moscow's call for disputed Caspian fields to be shared between countries holds out the prospect that Russia might pressure Azerbaijan to make some concession to Turkmenistan in this regard. If Turkmenistan could achieve this, it may well abandon its quasi-alliance with Iran and return to the Russian fold, since the Iranian demand for a 20 percent share of the Caspian impinges directly on it as well as Azerbaijan.

What is more, if Iran's gunboat diplomacy of 23 July and military overflights of the disputed region and beyond since then have achieved nothing else, they

have induced Azerbaijan to patch up its hitherto poor relations with Russia. Previously, Azerbaijan had been angry with Moscow for its support of Armenia in their ongoing territorial dispute and for its efforts to block the construction of the Baku-Ceyhan pipeline. Although Azerbaijan had refused to join the Commonwealth of Independent States earlier, discussions about its doing so have taken place since 23 July.<sup>43</sup> If it did join, Russia would be obliged to defend Azerbaijan's borders. Although this has not yet come about, Moscow and Baku have settled their long-standing dispute over the Gabala missile-tracking station—the one remaining Russian military facility in Azerbaijan.<sup>44</sup> Finally, another leading Russian oil company—Yukos—has joined Lukoil in seeking a role in the Baku-Ceyhan pipeline, thus signaling increased Russian interest in supporting Azerbaijani security and challenging any Iranian effort to undermine it.<sup>45</sup>

### Conclusion

The actions that Russia has taken vis-a-vis Iran in response to 23 July have shown that the much vaunted (or feared) Russian-Iranian partnership was more illusory than real. Further, that Putin's aggressive response to Iran in the Caspian occurred just as Russian-American relations improved considerably and Iranian-American ties remained poor, in the aftermath of 11 September, has demonstrated that Moscow values its relationship with Washington far more than the one it has with Tehran.

In light of all this, it would appear that future prospects for a Russian-Iranian partnership are relatively limited. But even if Russian-American relations remain close, Russian-Iranian cooperation is unlikely to end altogether. Iran is an important customer for both the Russian arms and atomic energy industries. So long as Tehran is willing to buy from them, they will be willing to sell to it. Many Russian politicians reportedly benefit from these sales and thus have a vested interest in seeing them continue as well.<sup>46</sup>

On the other hand, even if relations between the Russian and American governments cool off again, the Russian petroleum sector now sees its interests as best being served through cooperating with Western oil firms in developing Caspian oil resources, including those off the coast of Azerbaijan. Iran's efforts to block this hurt not only Azeri interests, but the interests of the Russian oil firms. Nor will the Russian government ignore the interests of the Russian petroleum industry, which is far more profitable and powerful than Russia's arms and atomic energy industries.<sup>47</sup>

As the 2000-mid-2001 period showed, an antagonistic Russian-American relationship can serve as a spur to improved Russian-Iranian relations. But as that period also showed, there appear to be important limitations on the extent to which Moscow and Tehran can cooperate even under propitious conditions. Although Moscow and Tehran may value cooperation with each other, neither has been willing to yield on anything to obtain it. This has been most evident with regard to the division of the Caspian Sea. And just as Putin earlier made it clear that he would not curb Russian cooperation with Iran to please the United States, since mid-2001 he has made it clear that he will not curb Russian cooperation

with the United States to please Iran. Nor does this situation appear likely to change anytime soon.

#### NOTES

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29. "Foreign Minister Kamal Kharrazi of Iran told the state news service that the five states should negotiate a peaceful settlement of the Caspian dispute, but he warned that Iran would 'seriously protect' its interests." Douglas Frantz, "Iran and Azerbaijan Argue Over Caspian's Riches," *New York Times*, 30 August 2001. See also Maleki, "What Happened in the South Caspian?"; Morteza Jabbari, "Caspian Sea Is Hundred Per Cent Iranian: ECO Legal Advisor," *Tehran Times*, 29 August 2001 (Internet edition).

30. See articles appearing under the rubric "Russia Responds to Terrorist Attack on U.S.," *Current Digest of the Post-Soviet Press*, 10 October 2001, 1-6. See also "Russia's New Foreign Policy: Suddenly Cosier with the West," *Economist*, 6 October 2001, 50.

31. See articles appearing under the rubric "Russia's Position on Own Role, Central Asia's Evolves," *Current Digest of the Post-Soviet Press*, 17 October 2001, 4-6, 12.

32. "Televised Address by Russian President Vladimir Putin," *Kommersant*, 25 September 2001, 2, translated in *Current Digest of the Post-Soviet Press*, 24 October 2001, 1-2.

33. Semyon Lang, "20 Soldiers on a Dead Man's Chest." *Noviye Izvestia*, 20 December 2001, 3, translated in *Current Digest of the Post-Soviet Press*, 16 January 2002, 3.

34. See, for example, the statement of President Putin published in *Trud*, 15 December 2001, 4, translated in *Current Digest of the Post-Soviet Press*, 9 January 2002, 3.

35. "Russia's New Foreign Policy: Suddenly Cosier with the West," 50.

36. "Russia and Afghanistan: All Smiles, for Now," *Economist*, 15 December 2001, 14.

37. Arkady Dubsky, "Our Allies Are in the City," *Vremya novosti*, 14 November 2001, 1, translated in *Current Digest of the Post-Soviet Press*, 12 December 2001, 19. See also Thomas Withington, "The Other Allies: Russia, India, and Afghanistan's United Front," *Current History*, January 2002, 40-44.

38. Alan Sipress and Steven Mufson, "U.S. Explores Recruiting Iran into New Coalition," *Washington Post*, 25 September 2001, A1, A9; "Iran and Afghanistan: Saying One Thing, Meaning Another," *Economist*, 13 October 2001, 46; and "Iran and Afghanistan: Benevolent Neutrality," *Economist*, 27 October 2001, 45.

39. Alan Sipress, "Bush's Speech Shuts Door on Tenuous Opening to Iran," *Washington Post*, 4 February 2002, A10.

40. Michael Lelyveld, "Russia: Will a New Formula for Sharing Caspian Riches Work?" *Radio Free Europe/Radio Liberty*, 28 November 2001.

41. Michael Lelyveld, "Iran: Azerbaijan-Kazakhstan Caspian Accord Irks Tehran," *Radio Free Europe/Radio Liberty*, 5 December 2001. See also Michael Lelyveld, "Caspian: Moscow Attempts to Set Sea Borders," *Radio Free Europe/Radio Liberty*, 10 January 2002.

42. Jeremy Bransten, "Russia/Turkmenistan: Once Again, Putin's Talks with Niyazov Yield No Substantial Results," *Radio Free Europe/Radio Liberty*, 21 January 2002; and M. A. Polaris, "Turkmenistan's Ambassador to Turkey Defects to Political Opposition," *Eurasianet*, 5 February 2002.

43. Arkady Dubnov, "Pleasant Trend," *Vremya novostei*, 22 August 2001, 6, translated in *Current Digest of the Post-Soviet Press*, 19 September 2001, 4.

44. "Russia and Azerbaijan Sign Gabala Radar Deal," Reuters, 25 January 2002.

45. Michael Lelyveld, "Russia: Oil Companies Shift Toward U.S.-Backed Routes," *Radio Free Europe/Radio Liberty*, 15 January 2002.

46. "Arms exports, unlike oil and gas, do not bring a lot of export duties or any other revenues to the Russian budget, since the defense industry very rarely shows any profits. The billions from Russian arms trade with authoritarian Asian regimes are somehow distributed within the Russian bureaucracy without much control exercised by the state." Pavel Felgenhauer, "Defense Dossier: Patron or Client State?" *Moscow Times*, 6 September 2001.

47. On the importance of petroleum for the Russian economy, see Amy Myers Jaffe and Robert A. Manning, "Russia, Energy and the West," *Survival* 43, no. 2 (summer 2001): 133-52. On Russian arms exports, see AUTHOR, *The Military Balance, 2001-2002* (London: International Institute for Strategic Studies/Oxford University Press, 2001), 109-11. The importance of exports for the Russian atomic energy was noted in an article reporting that although Russia in 2001 would bring its first new nuclear reactor into operation since the Chernobyl accident in 1986, "Russia is building six nuclear reactors abroad (in China, India and Iran)." Sergei Leskov, "Uranium Radiates Optimism," *Izvestiya*, 17 January 2001, 5, translated in *Current Digest of the Post-Soviet Press*, 14 February 2001, 13.