

## **Iranian Foreign Relations: A Survival Strategy in the 21<sup>st</sup> Century<sup>1</sup>**

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### **Introduction**

This essay analyzes the context of Iranian foreign relations in the 21<sup>st</sup> century by focusing on the impact of global structure and regional realities on the foreign policy of Iran, labeled as an “axis of evil” state by President Bush. Moreover, this essay highlights the connections between domestic and international factors in making and implementing policy. Beyond its theoretical roots in explaining current international structure, this study relies on the wisdom of Linkage Politics theory for associating domestic factors to foreign policy. The essay tests Rosenau’s hypothesis,<sup>2</sup> asserting that greater homogeneity of elite attitude is necessary for cooperative policy to evolve in the developing countries. I expect to find support for Rosenau’s hypothesis, indicating a significant link between domestic and foreign variables.

Focusing on elite behavior, this study illustrates the changing attitude of the elite toward international cooperation in the context of structural and security considerations. Since the 1979 Revolution, experts mainly concentrated on the clashing side of Iranian foreign policy. Beyond its conflictual side, however, this study also highlights other aspects of Iranian relations within the global and regional context. Thus, the essay challenges some stereotypes about Iranian leadership and trends of Tehran’s foreign ties.

The demise of the Soviets, the Gulf War, the war on terrorism, the fall of Saddam, fluctuating oil prices, and the 2004 Majlis elections drastically changed Iranian politics. Tehran faces major economic and political challenges, and its leaders (both conservatives and reformist) must make difficult decisions in both domestic and foreign policy. In fact, more than other Persian Gulf states, Iran has prioritized its tight budget since it cannot meet all its obligations.<sup>3</sup> The growing security and economic constraints, combined with the rise of political discontent, have led to the necessity of cooperation and integration in the Middle East.<sup>4</sup> The identification and

analysis of such domestic factors that contribute to the formulation of foreign policy is central to the study of international politics.<sup>5</sup> Two factors fundamental to the study of linkage politics are the identification of sub-national actors involved in the policy process and the presence of external force.<sup>6</sup> Both factors are relevant and apply to the process of policymaking in Iran.

### **International Structure**

A major complexity in understanding foreign policies of some less developed countries (LDCs), like Iran, is the altered nature of the international structure in the 21<sup>st</sup> century. During the Cold War, foreign policy choices for LDCs were less complicated because the world was divided into two contending ideological camps of the East and the West. An LDC was either pro-East or pro-West, and each superpower more or less kept order within its own sphere of influence in order to avoid unexpected international conflicts. There were also non-aligned states, some of which were closer to one or the other superpower.

In the post-Cold War era, however, the emerged global structure has been more fluid and complex, which makes foreign policy analysis and calculations more difficult than ever before. For example, nowadays, people say that they live in a uni-polar system dominated by only one superpower, but this simplistic notion about current global structure is not accurate. This inaccurate notion is rooted in the Cold War era, when each superpower was a multifaceted global powerhouse (or pole), representing unique economic, ideological, military, and political dimensions. Now, the USSR is gone, and the US still represents a multifaceted global pole. Contrary to general beliefs, however, the US is not the only global player.

Contemporary global structure is a multi-layered system that depends on the issue under consideration. The most basic layer of global structure appears when we focus on international political and diplomatic relations issues. In this case, there is only one superpower—the US, representing a uni-polar world. This does not, however, guarantee that the US can reach all its foreign policy goals, as Washington could not lead the UN Security Council to a second resolution that would authorize the use of force against Saddam's regime before the start of 2003 invasion of Iraq.

The next layer of global structure is about the global military aspects. In this regard, we still live in a bi-polar world where America and Russia possess the largest military machines and enough

nuclear weapons to destroy the earth several times over. After a decade of declining military power under Yeltsin, the Russians have again begun to project their military power as indicated by their military campaign in the second war of Chechnya and by leasing military bases in Vietnam and (recently in) Kyrgyzstan. Under the leadership of President Putin, Moscow started to reassert itself as a global military power, especially in its surrounding area from Asia to Europe. Moreover, Russia is still a major producer and exporter of military equipments to LDCs like Iran. This provides Moscow with influence among LDCs. In fact, Russia has become the alternative global military power for Iran, which has been marginalized by the US.

The final layer of global structure is associated with business and economic matters. In this regard, there is a global tri-polar structure represented by three major (or first-rate) economic powerhouses—the US, the European Union, and Japan. Interestingly enough, all three economic powerhouses are from the former Western camp; thus, they have no major ideological differences. Although there is a rivalry among them regarding technology, capital, and market share, their competition is not a life-or-death matter, as it was between the US and the USSR. Moreover, the existence of these three first-rate economic powerhouses does not mean that there are no secondary global economic powers, like China<sup>7</sup> and Russia. In fact, the marginalized LDCs often try to access technology through their ties with such secondary powers. A good example is Tehran's growing relationship with Moscow, which provides Iran with access to high technology (including aircraft and nuclear), not available to Islamic Republic by the first-rate economic powerhouses. Nevertheless, Tehran has not given up on developing and maintaining ties with the major global economic superpowers. Despite its rocky relations with the US, Iran has managed to maintain working and growing ties with the EU and Japan,<sup>8</sup> which are among Iran's major trade partners. Using a balance-of-power perspective, one might say that Tehran is compensating its lack of formal ties with the US, with its growing economic and political relations with EU<sup>9</sup> and Japan. Thus, this is a survival strategy for the Islamic Republic of Iran.

### **Regional Alignment Structure and Politics**

Beyond the above-mentioned new global structure, there is also regional politics and alignments that influence Tehran's foreign policy. In fact, Iran is included in two significant geographic

areas: the Persian Gulf and Caspian Sea regions. While in the Persian Gulf region all states (except Iran) are aligned with the US, the alignment pattern of the Caspian states is more diverse. For instance, Azerbaijan and Georgia have clearly aligned themselves with the US, but Armenia and Tajikistan have closer working relations with Russia. Moreover, Kazakhstan and Kyrgyzstan have aimed to maintain balanced relations with both America and Russia, while Uzbekistan and Turkmenistan pursue a more independent foreign policy from both Washington and Moscow. This complex web of alignments provides Iran with different opportunities and challenges. It should be emphasized that Tehran has pursued a pragmatic and cooperative stand towards both regions,<sup>10</sup> since the end of Cold War and especially during President Khatami's era.

In the Persian Gulf region, Tehran has succeeded in mending its broken or damaged relations with all six Gulf Cooperation Council (GCC) states since the end of the Iran-Iraq War. In fact, Tehran enjoys different working relations with all six states, although it has closer ties with Kuwait, Oman, and United Arab Emirates than with the other three GCC states. This improvement of relations began even before reformist President Khatami came to power, although all GCC countries maintained close ties with the US. In this regard, one might argue that Tehran had accepted the current political reality of a significant American military presence in the GCC states, despite its goal of keeping all foreign forces out of the Persian Gulf region.

In the Caspian region, Tehran's relation with each state varies depending on the general posture of that state. For example, Iran has closer ties with Eirvan than Baku, despite the fact that Azerbaijan is the only Shia majority country among all Caspian states. This is mainly due to Azerbaijan's strategy of close ties to the US, and Washington's influence in Baku to marginalize Tehran's role in the oil-industry development projects. On the eastern shores of the Caspian, Iran has clear working relations with all Central Asian states with the exception of Uzbekistan, whose leadership imprecisely blamed Iran for their challenge with Uzbek Islamic movement. In this region, both Washington and Moscow aimed to minimize Tehran's role in the lucrative oil business contracts, from production, to distribution and sales. Nevertheless, Iran has managed from time to time to participate in some of the regional business deals. For instance, Iranians used Kazakh oil and Turkmen natural gas for the growing market of their Khorasan province, while Iran

sold oil and natural gas on behalf of Kazakhstan and Turkmenistan in its Persian Gulf ports. Tehran even played a minor role in the early oil consortium of Azerbaijan. Beyond the unique characteristics of each geographic region, however, there are a few observations to make.

First, all LDCs aim to protect their independence, which is even more significant for Islamic Republic. Recognizing its limited power base, Tehran has defended its sovereignty by playing one major power against another to maximize its policy options. Iran, however, is not unique in playing a "balancing act strategy," as Kyrgyzstan protects its independence by its balanced relationship with both global military powers of America and Russia. Instead of avoiding major powers, this means involving them in the country's challenges, so America and Russia are both provided with military bases in Kyrgyzstan. The balancing act strategy, however, is not limited to military aspects. One may utilize the business competition among the three global economic powerhouses in this region, as explained earlier.<sup>11</sup> Without a doubt, the records show that the US, the EU,<sup>12</sup> and Japan<sup>13</sup> are actively engaged in the economic development of the Caspian region, with the exception of US direct involvement in Iran.

Second, the geographic realities often explain regional alignments. For instance, land-locked Kazakhstan may use American Chevron Oil Company technology and capital to develop and explore its Caspian oil resources, but it had to come to terms with geographically dominant Russia to transport its oil via the Trans-Caspian Pipeline to international markets in the short-term. For a long-term solution and diversifying their export routes, however, Kazakhs negotiated with Iranians for a possible north-south pipeline to the Persian Gulf, despite Washington's displeasure.<sup>14</sup> Kazakhstan is not the only regional state that deals with Iran, despite American warnings. For example, Turkey signed and constructed a natural gas pipeline with Iran.

Third, in the Caspian area, Iran is considered a rogue state from an American perspective and a regional power to deal with for the former Soviet republics. For both the Western states and former Soviet republics, the revolutionary message of Iran originally represented a destabilizing factor. Most Caspian states, however, soon came to realize that the most dangerous version of Islam for them is not the Iranian style, but the type encouraged by Pakistanis and Saudis. With the exception of Uzbekistan, the Caspian states are not concerned about Iranian revolutionary Islam anymore, since the

majority of people in the Caspian states (except for Azerbaijan) are Sunni, not Shia. Tehran has succeeded in establishing friendly and working ties with most Caspian states. In fact, Kazakh and Georgian leaders have even tried to convince the US that Iran should not be marginalized and does have a constructive role in the region.

Fourth, distancing from the politics of Islam, Tehran has often played its geographic card with the Central Asian states and marketed itself as a bridge between these land-locked states and the warm waters of the Persian Gulf. Both within the multilateral structure of the Economic Cooperation Organization (ECO)<sup>15</sup> and the bilateral structure of Tehran's ties with each Central Asian states, Iran has offered its extensive transportation system to these states and acted as a gateway to Central Asia for all those who want to reach that market. In this regard, the trans-Iranian rail road was connected to Central Asian one in May 1996. Moreover, negotiation was completed for establishing banking, insurance, and other necessary services that would complement the transportation system.<sup>16</sup>

Moreover, there is a great deal of business activities in the boarder of Iran and Turkmenistan. Following the 1996 connection of the Iranian and Central Asian railroads at Sarakhs city, Tehran has been developing the infrastructure in the northwestern Province of Khorasan.<sup>17</sup> Iranian and Turkmenistan ties are increasingly growing, partly as a result of functional developments between the two states, and partly due to their general similar positions about the Caspian Sea resources. For instance, both Iran and Turkmenistan have an on-going dispute with Azerbaijan regarding their jurisdiction over certain oil- rich fields in the sea.

Sixth, Iran has offered to serve as a transit state for the oil and gas pipelines from Central Asia and the Caucasus region to the ports of the Persian Gulf. Despite the enthusiasm of Western oil companies, however, Washington actively lobbied in opposition to the southern (or Iranian) pipeline route, fearing to provide the Iranian religious leader with more political leverage against the US. Therefore, this route is not advocated by any major oil company, mainly due to the American opposition, despite its economic and geographic advantages. Nowadays, with the connection of Iranian gas pipeline to Turkey, there is talk about continuation of the same pipeline to Europe. In fact, this east-west line may one day replace the role of the north-south pipeline, which was supposed to connect Central Asian oil and gas to the Persian Gulf ports.

Furthermore, comparing the performance of Tehran and Ankara in the Caspian region, there are those who see only a rivalry between the two. Their expanding border facilities are, however, positive signs in regard to the maturity of both states in handling their differences and emphasizing their cooperative aspects.<sup>18</sup> Some experts claim that the Caspian region is and will remain dominated by the great powers and that the role of regional states, like Turkey and Iran, will be secondary to that of the major international players at best.<sup>19</sup> Others argue that either Tehran has lost geopolitical space to Ankara on the crucial issues of the Caspian Sea, Azerbaijan, and the Kurds,<sup>20</sup> or that the Iranian interests have weakened more than Turkish ones regarding certain issues.<sup>21</sup> In response, I argue that in post-September 11 and following the invasion of Iraq, the regional strategic balance improved for Iran. Despite Tehran's claim that Iran is encircled by American forces in the Persian Gulf, some Caspian region states, and Afghanistan. Two regimes that were dangerous for Iran are no longer in existence. East of Iran, there is no more the Taliban regime, with which Iran almost went to war in September 1998 after they killed several Iranian diplomats in Mazar-I-Sharif.<sup>22</sup> Now, the western boarder of Iran is also safer since Saddam's fall. After all, it was Saddam who invaded Iran in September 1980 and fought a bloody eight-year war. In fact, the absence of Saddam has led to the de facto prominence of Iran in the Persian Gulf a quarter of century after the Revolution.

Finally, in the Persian Gulf, the presence of US forces brought order to the region. This led to a much safer transportation of oil and gas to international markets and consequently lowered transportation and insurance fees. During the Iran-Iraq War, lack of security for oil tankers was one major reason for increased insurance and transportation costs, based on the Lloyds of London estimates. This extra cost had a negative impact on the Iranian oil revenues. Nowadays, the Persian Gulf area is secure, and there is no hostile incident between Iranian and US force since the end of the Iran-Iraq War. In fact, in a couple of occasions, US naval vessels rescued Iranian workers involved in accidents near Gulf oilrigs. With the improved border security, Tehran can focus more on its other priorities, including fighting the drug smugglers especially on the border with Afghanistan.

### **Domestic Environment**

Since the end of the Iran-Iraq War, Tehran has witnessed a

build-up of domestic pressures from opposing political factions and ethnic strife to hard economic conditions and growing demands for opening the political structure. This led to the unexpected victory of the mild-mannered President Khatami in the 1997 election and the growth of the reformist leadership factions (known as the Second Khoradad Movement). The reformists had a total victory in 2000 election for the sixth Majlis, followed by passing many reform-minded bills, almost all of which were vetoed by the un-elected Guardians Council. Meanwhile, the conservative forces had shut down more than 100 reformist periodicals and jailed hundreds of reformists.

The February 2004 election for the 7<sup>th</sup> Majlis was a decisive defeat for the reformist movement, which also signaled the end of the political reform movement, although the social reform movement is still intact.<sup>23</sup> For inside observers, this defeat was not unexpected, since the reformist had already lost the February 2003 municipal -council elections, despite the majority of reformist candidates being allowed to run. The reformists blamed their defeat on low voter turnout, but the real cause was voter apathy as a result of public disillusionment with undelivered promises of the reformists regarding more civil rights and greater governmental accountability and transparency. A major error of the reformist was in their failed strategy of challenging the conservatives “only” within the government structure, instead of organizing rallies, demonstrations, and public support. Serving as a loyal opposition, the reformists were less interested in representing the public demands than in promoting their own vision of the Islamic Republic. Thus, the public became indifferent to the plight of reformists who over-promised and under-delivered.

For the conservatives, however, the 2004 victory has a symbolic value: it signals to the outside world the unification of the Islamic regime.<sup>24</sup> As the traditional Islamic perspective suggests, unity is a sign of strength, especially when the Islamic Republic finds itself under growing international pressure from the US.

### **Final Remarks**

With the debate following the US invasion of Iraq, Washington and international political environment is not ready for a US military adventure in Tehran at least in the short run. With the fall of Taliban and Saddam, Iranian borders are safer in the east and the west. The borders with the other neighboring states are also secure; and US navy brought order to the shores of Persian Gulf. Thus, de-

spite eye-catching security concerns, the important aspects of Iranian foreign policy will be in its functional connections in terms of business, technical, and economic activities in order for the regime to survive indirect international pressures, particularly from the US.

Using a balancing-act strategy among EU, Japan, Russia, and China, Tehran has diversified its trade patterns. According to a series of multilateral (ECO) and bilateral agreements, Iran seeks to promote regional cooperation and coordination of functional issues. However, under the pressure of a number of domestic factors (from opposing political factions and ethnic strife, to hard domestic economic conditions and growing pressure for opening up the political structure), Iranian leaders (conservatives or reformists) must make a number of hard decisions in the near future.

Following the 2004 Majlis elections, the new leadership will most likely continue to expand its mutually beneficial relations with states in the Caspian Sea and Persian Gulf regions and beyond (except Israel and US), despite a number of limiting global and regional structures (as described earlier), in addition to some constraining international conditions and factors. Therefore, contrary to the views of outside experts, the consolidation of the power of conservatives (a minority right-wing regime) in Iran is unlikely to produce any drastic changes in Iranian foreign policy or relations, although conservatives potentially have the necessary legitimacy to initiate rapprochement with the US, as "it took only a Nixon to go to China."

### **Endnotes**

1. During 2001-2004 period, this research was conducted with the support from the Fulbright Persian Gulf Program, U.S. State Department University Partnership Grant in Russia, and a Rotary International Grant for the Caspian Region. However, these agencies are not responsible for the ideas presented in this work.
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3. Hooshang Amirahmadi, 1996. *Oil at the Turn of the Twenty First Century*, (UAE: The ECSSR Press).
4. Michael C. Hudson, ed., 1999. *Middle East Dilemma* (New York: Columbia University Press, New York). Also see, Kenneth Katzman, *Beyond Dual Containment*, (UAE: The ECSSR Press), 1996.
5. James Dougherty & Robert Pfaltzgraff, 1990. *Contending Theories of International Relations*, (New York: Harper Publishers).
6. John T. Rourke, 1990. *Making Foreign Policy*, (Pacific Grove, CA: Brooks/Cole).
7. See, FBIS, 7/6/2000.

8. BBC, 11/1/2001, 1/20/2002; FBIS, 12/28/1998, 11/3/2000; Financial Times, 11/3/2000; MEED, 11/10/2000; New York Times, 11/2/2000.
9. BBC, 1/16/2002, 5/27/02, 6/18/2002; FBIS, 12/22/1998; Financial Times, 10/28/1999, 1/8/2001; New York Times, 10/28/1999, 6/2/2002.
10. Shireen Hunter. "Iran's Pragmatic Regional Policy," *Journal of International Affairs*, 56: 2, pp. 133-147, Spring 2003.
11. For example, see: New York Times, 3/15/2002.
12. For US and EU activities, see: FBIS, 11/9/2000; Financial Times, 12/18/2002; New York Times, 7/31/2001.
13. For instance, see: MEED, 3/30/2001.
14. This argument is made based on author's interview with Kazakh foreign ministry officials who did not want to be identified.
15. For more information, see: [www.ecosecretariat.org](http://www.ecosecretariat.org).
16. For more information, see: [www.ecosecretariat.org](http://www.ecosecretariat.org).
17. In recent trips to this region, the author witnessed major on-going construction projects including roads, storage facilities, and shopping malls to name a few near Sarakhs area.
18. For more information about such issues including the security matters, see: FBIS 1/19/2000; MEED, 1/28/2000.
19. Shireen Hunter, "Turkey, Central Asia, and the Ten Years After Independence," *Southeast European & Black Sea Studies*, 1: 2, pp. 1-16, May 2001.
20. Robert Olson, "Turkey-Iran Relations, 2000-2001: The Caspian, Azerbaijan, & the Kurds," *Middle East Policy*, June 2002, pp. 111-129.
21. Robert Olson, "Turkey-Iran Relations, 1997 to 2000: the Kurdish and Islamist Questions," *Third World Quarterly*, 21: 5, pp. 871-890, 2000.
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23. "Analysis: What now for Iran?," BBC, 2/23/2004
24. Mahan Abedin, "Iran After the Elections," *Middle East Intelligence Bulletin*, 6: 2/3, February-March 2004.