On Iran’s Expanding Ties with Russia and the EEU

While the US is in initial talks with Iran to revive the JCPOA and there is a possibility of Iran’s re-entry in the European/western markets, it remains that a fundamental shift in the form of a ‘look East’ policy has already taken place. While China and Iran have already signed a multi-billion dollar deal as a means to integrate Iran with China’s Belt & Road Initiative (BRI), bi-lateral economic and military cooperation between Iran and Russia, too, is fast expanding to the extent that Iran is increasingly looking to join the Russia-led Eurasian Economic Union as well. Iran’s direct participation in mega regional connectivity projects will effectively define its geo-political and geo-economic outlook as eastward, with its economic relations with the West developed and defined in relation to its overall economic ties with the East, and as a key territory linking the two geographies.

The push to expand Iran-Russia ties has been motivated by Russia’s concerted efforts to develop the north-south trade corridor as a means to offset the West dominated east-west corridor, which remains vulnerable to Western sanctions. Ever since the recent conclusion of Nagorno-Karabakh war, direct political dialogue between Russia and Iran to expand their ties to insulate the region (Russia-Iran backyard) from external interventions, both economic and military, has increased. The dialogue evolving between Russia and Iran shows a fundamental shift away from mere focus on geo-political calculations and cooperation in the Middle East to redefining Russia-Iran ties in the light of global developments that include a concerted US push to re-establish its lost domination. There are, therefore, both regional and global imperatives for the bilateral ties to expand. Indeed, this is already happening at an unprecedented pace.

In the first week of June 2021, Iran’s exports increased by 40 per cent during the 18 months of temporary activity of the Eurasian economic agreement, said Iran’s Minister of Energy Reza Ardakanian. At the same time, Iran’s imports from the EU decreased by 13 per cent during the same period. The massive increase in Iranian exports came after Iran and the EEU signed an interim agreement in 2018. As a result of the success of this interim agreement, Iran and EEU are already involved in talks to turn the interim arrangement into a permanent one. There is no denying that the imperative of expanding cooperation with Russia/the EEU into multiple fields of the polity has strong political backing in Iran as well.

In February 2021, after his arrival in Tehran after a 3-day trip to Moscow, Mohammad Baqer Qalibaf, the speaker of Iran’s parliament, confirmed Iran’s formal request to become a full member of the EEU. While Iran is yet to become a full member, there is no denying that Iran’s presence in the EEU can fundamentally change the political landscape in Eurasia, especially in the South Caucasus and the Middle East. As a member of the EEU, Iran would not only cooperate with its members at the highest strategic partnership level, but membership in the organization will give the country serious trump cards in the implementation of its foreign policy more assertively vis-à-vis its traditional rival states both in the Middle East and the West (EU and the US).

What is even more important is that membership in the EEU will effectively end Iran’s ‘isolation’ that the US claims to have been able to impose on the Iranian regime through sanctions. As such, even if the Iranian regime was facing ‘isolation’, its growing ties with Russia/EEU, as also China, will bolster its national power potential and make it a lot more confident in its talks with the US/EU on the revival of JCPOA and member states’ full compliance with the terms of the 2015 deal.

Accordingly, as part of their efforts to push their direct military cooperation deeper to develop their ties into a formal strategic alliance, a recent surge in direct military co-operation outside of Syria/the Middle East has also
happened, with Russia even reportedly providing the Iranians with a state-of-the-art satellite system to boost its military capability in the region. The news comes on the heels of an official Russian confirmation of “the mood [in both Iran and Russia] for deepening dialogue and developing contacts in the defense sphere.”

The fact that cooperation in both military and economic spheres is developing under the extended umbrella of the EEU means that the organisation, through its ties with Iran, itself will have the opportunity to remove the tag of being a network of post-Soviet states.

To a significant extent, the EEU has already attracted enough attention to discard this western tag. For instance, by the end of last year, Moldova, Uzbekistan, and Cuba had already joined the union as observers. Vietnam, Iran, Singapore, and Serbia are already in an alliance under a free trade zone treaty. About 50 states have expressed their interest in cooperation with the bloc at different levels. A formal inclusion of Tehran will open up the way for the EEU to expand beyond its traditional territorial borders.

As far as Russia is concerned, Moscow wants, as mentioned above, to construct alternative paths to markets in the Middle East and beyond, a strategic goal that makes extended cooperation with Iran indispensable. It is for this very reason that Moscow has been strongly supporting the construction of the Nakhchivan corridor – a land route connecting not only Azerbaijan to its Nakhchivan exclave between Turkey and Armenia, but also Russia and Turkey and – crucially – Russia and Iran.

The rapidly expanding bi-lateral ties between Iran and Russia and Iran and the EEU are, therefore, born out of interests that serve both countries and regions (Middle East and Eurasia) in multiple ways, which is quite likely to unsettle many a policy maker in Washington over the possible failure of its policy of forcing the Iranian regime into submission to eventually bring a political change in Iran, for Tehran’s increasing cooperation with Russia/EEU on the one hand, and China on the other hand, directly undermines US/Israeli objectives.

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