



CIA

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Iran: Response to Soviet Disunion

Summary

The rapid decline of central authority in the USSR will present President Rafsanjani with yet another serious foreign policy challenge. Rafsanjani has invested heavily in improving relations with the Soviet Union--looking to Moscow as Iran's main source of modern military equipment, as a source of some economic assistance, and as a counterweight to US influence in the Middle East. We believe that Tehran will now strive to craft a policy that preserves its ties to Moscow and allows it to gain influence in the republics. An immediate concern will be to ensure that the changes in Moscow do not jeopardize the arms relationship and to limit the danger that instability in the Soviet Muslim republics will spread to Iran. Iran also will focus on building official ties to the individual republics. Tehran will more actively seek to spread its Islamic ideology among Soviet Muslims--especially if it believes Turkey and Saudi Arabia are gaining influence in the republics--but we believe Iran's appeal will be limited in the near term in large part because of the ethnic and sectarian differences with most Soviet Muslims.

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Iran: Response to Soviet Disunion

The central theme of Iranian policy toward Moscow since the abortive coup of 19-21 August has been the preservation of good relations. Tehran's initial reaction to the coup was cautious and noncommittal: the Supreme Council for National Security--comprising the senior leadership of Iran--met in special session and announced that it was following the events in Moscow with "care and sensitivity," according to Iranian press. Foreign Minister Velayati subsequently stated publicly that Soviet developments were an internal issue and expressed his expectation that the changes would not affect the "favorable trend" in Iranian-Soviet relations. Upon President Gorbachev's return to power, both Rafsanjani and Velayati congratulated him on the "return to law and order" and called for the expansion of relations between the two countries, according to Iranian press reports.

Tehran's Dilemma

Public statements by Iranian leaders and newspapers suggest they would prefer to see a strong central government in Moscow under Gorbachev's leadership. On the eve of the coup, the Tehran Times, which generally reflects Rafsanjani's views, ran an editorial opposing "any weakening" of Gorbachev's government. A week later, Deputy Foreign Minister Besharati stated that "Gorbachev's leadership is of importance to us." Tehran almost certainly will seek to deal with whomever wields real power in the USSR, but Iranian press commentary across the political spectrum strongly suggests that Tehran suspects Russian President Yeltsin will become too close to the West.

Tehran's desire to maintain what both Rafsanjani and Velayati have termed Iran's "strategic relations" with Moscow underscores the importance of the USSR in Iranian foreign policy calculations and the difficulties posed for Iran by the collapse of Soviet power. Rafsanjani has invested heavily in improving relations with the USSR, looking to Moscow as a reliable source of modern military equipment, for assistance in economic development, and as a counterweight to US influence in the Middle East. At the same time, press reporting-

-suggests that Tehran has sought to expand relations with the republics, although this effort has been aimed at cultivating the generally conservative leaders there, whose positions may not be as secure in the wake of the coup. Rafsanjani, for example, was hosting Azerbaijan's hardline President Mutalibov in Tehran when the abortive coup occurred.

[REDACTED]

Iran's need for a strong partner to balance Western influence in the region and help rebuild Iranian power probably will push Tehran toward a policy emphasizing continued cooperation with Moscow, even as it adjusts to the new realities in the republics and seeks to gain influence there. We believe Iran will focus on three main goals in its Soviet policy:

- o Preserving the arms and trade relationships.
- o Encouraging stability in the Caucasus and Central Asia.
- o Expanding Iranian influence. [REDACTED]

Preserving the Arms and Trade Relationships

[REDACTED] we believe Iran will seek to avoid actions that would jeopardize its continued access to Soviet equipment and spares. Tehran has made the strategic decision to rebuild its military strength with primarily Soviet equipment, and the USSR has become Iran's chief supplier of modern weapon systems. Tehran already has taken delivery of MiG-29 and Su-24 aircraft from Moscow as well as missiles, artillery, and munitions. [REDACTED] Iran may also receive transport and early warning aircraft, submarines, armored vehicles, and advanced surface-to-air missile systems, [REDACTED]

[REDACTED] Because Western arms have largely been denied Iran during the last decade, Tehran perceives it has no good alternative to Soviet systems, and Iran's efforts to rebuild its military forces--devastated in the Iran-Iraq war--will be dependent on Moscow's continued willingness to supply modern arms. Tehran's desire not to jeopardize its continued access to Soviet equipment and spares will, for at least the near term, temper Iran's willingness to offend Moscow as it conducts relations with the Soviet republics, although Tehran probably recognizes that, as one of Moscow's top customers, it will have considerable leeway before the Soviets consider cutting off the arms supply. [REDACTED]

Iranian trade with the Soviet Union is also important, although it is relatively small compared with Iran's trade with the West. Iranian trade with the USSR in 1990 totalled \$333.4 million--roughly 1 percent of its total trade--while trade with the OECD countries reached \$18.6 billion. Nevertheless, the Soviets are Iran's only customer for natural gas, exports of which we estimate amounted to between \$200 and \$300 million in 1990. [REDACTED]

[REDACTED] Iran is bartering gas with Moscow for at least some of the advanced Soviet weapons it is acquiring, allowing it to preserve its limited hard currency. Tehran also plans to use natural gas exports to partially finance some \$7 billion in [REDACTED]

[REDACTED]

development projects, [REDACTED] These economic ties almost certainly will reinforce Tehran's interest in maintaining good relations with the Soviet central government. [REDACTED]

Encouraging Stability in the Caucasus and Central Asia

Instability in the Soviet Muslim republics, and ways to limit its impact, are growing concerns in Tehran. Senior Iranian leaders are worried about the potential for Soviet unrest degenerating into an ethnic civil war similar to Yugoslavia's. Interior Minister Nuri has publicly expressed concern that instability could provoke an exodus of Soviet refugees to Iran, which already hosts more than one million Afghan and Iraqi refugees. Because of these fears, and because Tehran's ties to the Soviet republics are primarily with the existing ruling elites, we believe that for the near term Iran will encourage the current republic governments to remain in power, to maintain domestic order, and possibly to retain close ties to Moscow. Indeed, the Tehran Times has cautioned the republics against "extremist nationalistic movements," and [REDACTED] prior to the coup, Tehran was quietly urging Moscow to keep order in the republics. Since the coup, it has been reported that Iranian clerics prominently shared the stage with Azerbaijani President Mutalibov at a political rally supporting him in Baku. [REDACTED]

The potential impact of Soviet "extremist nationalistic movements" on Iranian domestic stability will be a further incentive for Iran to encourage stability in the Muslim republics. [REDACTED]

[REDACTED] Tehran feared the implications for Iran if the Muslim republics were to become too restive. In particular, we believe Tehran suspects that Azeri and Central Asian nationalism over time may inspire similar separatist aspirations among Iran's ethnic minorities. The history of separatist revolts in northern Iran following both world wars and the generally secular, nationalist nature of the Azeri and Central Asian independence movements will continue to color the Iranian response to Soviet events. Iran's most immediate problem will be its chronically restive Kurdish minority, but over the longer term it may have to confront the reemergence of separatist sentiments among Iran's roughly 14 million Azeris. [REDACTED]

[REDACTED] Soviet Azeri nationalists are in contact with likeminded Iranian Azeris and that, during the rebellion in Soviet Azerbaijan in January 1990, Iranian authorities reacted harshly to small, pro-Azeri demonstrations in Iranian Azerbaijan, which they viewed as secessionist. [REDACTED]

[REDACTED] many Iranian Azeris are well assimilated into Iran's Persian majority, and this will serve to limit the immediate appeal of Azeri nationalism. [REDACTED]

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[REDACTED]

Expanding Iranian Influence

Iran is likely to view improved ties to the existing governments of the Muslim republics as the best way to build influence in the republics without jeopardizing relations with Moscow. Tehran has quietly expanded trade and political links to the republics during the past year, sending trade or political delegations to Azerbaijan, Turkmenistan, Tajikistan, and Kazakhstan, according to press [REDACTED]. Since the coup, Tehran has offered its good offices to help resolve the dispute between Azerbaijan and Armenia, and the Tehran Times has suggested that the leaders of the six Soviet Muslim republics meet in Tehran to adopt a coordinated approach to the emerging political structure in the USSR. In a clear sign that top Iranian policymakers are closely following and responding to the changes in the USSR, the Supreme Council of National Security declared its respect for the new union agreement concluded in Moscow and announced Iran's readiness to cooperate with all the republics in politics, economics, and cultural affairs. Rafsanjani reiterated these themes in a sermon delivered on 6 September and urged Moscow to give fair and equal treatment to all the republics. [REDACTED]

In the coming months, Tehran probably will seek to establish an official presence in the republics and to broaden commercial contacts. It may seek to open consulates or trade offices; the US Embassy in Moscow reports that last spring Iranian officials discussed with a Tajik delegation the opening of a consulate in Dushanbe. The commercial efforts will be mostly symbolic inasmuch as their economies are non-complementary. [REDACTED]

[REDACTED] despite the conclusion of an Iranian trade agreement with Tajikistan in November 1990, as of April 1991 there were no concrete results because of disorganization in both Tehran and Dushanbe. Iran might also seek to include some or all of the republics in the Economic Cooperation Organization, a trilateral economic grouping of Turkey, Iran, and Pakistan, that press reports indicate some of the republics have expressed an interest in joining. Some papers reflecting the views of hardline Iranian ideologues have urged the government to recognize the independence of the republics, but Tehran is likely to carefully weigh the effect of such recognition on its relations with Moscow before taking such a step. Tehran, for example, did not recognize the Baltic states until several days after Moscow did. [REDACTED]

Iran almost certainly will try to limit the growth of Saudi or Turkish religious or political influence among Soviet Muslims and will more vigorously promote its Islamic ideology. Iran probably will not hesitate to use overt methods to proselytize and will stress pan-Islamic themes to counter the nationalist impulse--which might infect Iran and also cause the largely Turkic Soviet Muslims to look to Turkey as a model. Iranian clerics have visited Azerbaijan and some Soviet Azeri seminarians plan to study theology in Qom, according

[REDACTED]

to press reporting. [REDACTED] Tehran broadcasts Islamic fundamentalist and anti-Saudi radio programs into the USSR, and, although such propaganda has been a longstanding feature of Iranian programming, Tehran may give such efforts a higher priority than it has in recent years. [REDACTED]

Tehran almost certainly will also make covert attempts to exploit radical Islamic elements in the Muslim republics as another avenue of influence, especially if the current leadership in the republics gives way to more progressive or nationalist forces. [REDACTED] Iran is supporting fundamentalism in Azerbaijan and Central Asia, and the Soviet press has reported at least one incident of an Iranian intelligence operative attempting to cross into Uzbekistan from Afghanistan last year. [REDACTED]

[REDACTED] Afghan guerrillas with contacts in the Muslim republics do not believe Iran has made a serious effort to contact Muslim activists in Uzbekistan, Tajikistan, or Turkmenistan. Iranian efforts to open cultural centers in the republics, which often serve as conduits of aid and advice to Islamic movements, would be one good indicator that Tehran is trying to build up its active measures assets in the USSR. [REDACTED]

Implications

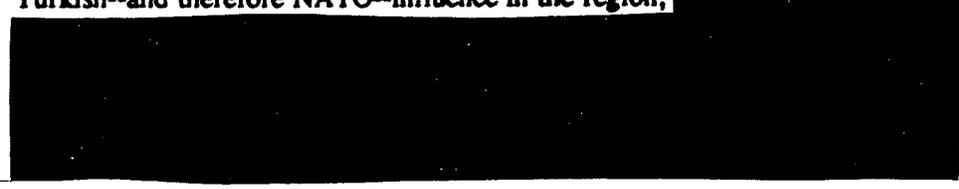
The decline of Soviet central authority presents Rafsanjani with yet another difficult foreign policy challenge. Moscow's diminishing capability and willingness to compete with Washington for regional influence has undermined Rafsanjani's strategy of balancing the Soviets against the United States. At the same time, the growing autonomy of the Muslim republics is probably more of a problem than an opportunity for Tehran, which must carefully balance its interest in expanding influence in the republics against the danger of offending Moscow or feeding instability on its border. Finally, [REDACTED] the events in Moscow have been seized upon by domestic Iranian factions as a metaphor for Rafsanjani's efforts to reform Iran: his opponents view the collapse of Soviet power as an object lesson in overdependence on Western assistance; his supporters point to the Soviet coup's failure as evidence that economic reform is irreversible. Rafsanjani will require all of his political skills to balance these competing interests, and for the next year Iranian policy toward the USSR is likely to be cautious. [REDACTED]



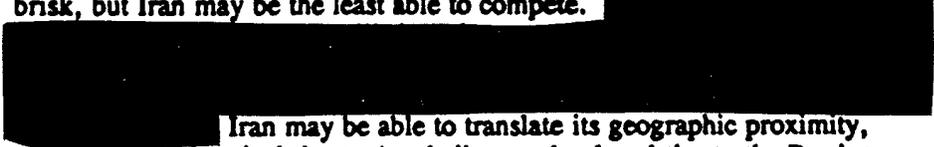
Events in the USSR will lead Tehran to seek new ways to try to counter US influence in the region. Iran will try to continue to use its relationship with Moscow, although Tehran almost certainly believes that Moscow will be an increasingly weak lever against Washington, especially given the rise of Boris Yeltsin, whom the Iranian press has identified as pro-West. As a consequence, Iran probably will accelerate its efforts to mend relations with states it has identified as political counterweights against the United States:

- o Tehran has already identified France as one power that might use diplomatic and economic influence to counter Washington in the Persian Gulf, and from time to time Germany, Japan, or the European Community are also touted for that role in the Iranian press.
- o Tehran probably will seek to strengthen ties to China, viewing it as a potential supplier of military technology and as an additional counter to the United States that, like France and the Soviet Union, sits permanently on the UN Security Council.
- o Iranian officials believe events in the USSR require Iran to expand relations not only with China but also with Pakistan to better resist US influence in the region.

As the Muslim republics begin to act more independently of Moscow, there is a good prospect for a reprise of the "Great Game" of competition for influence in Central Asia and Caucasia, with Iran, Turkey, and Saudi Arabia as protagonists. The Iranian press has already warned of the danger of growing Turkish--and therefore NATO--influence in the region,



The competition for the hearts and minds of Soviet Muslims is likely to be brisk, but Iran may be the least able to compete.



Iran may be able to translate its geographic proximity, religious and historical ties to Azerbaijan, and cultural ties to the Persian-speaking--but Sunni--Tajiks into some political influence. Its own economic and political problems do not make it a particularly attractive model for emulation by Soviet Muslims, and the ethnic and sectarian differences with most Soviet Muslims will be an additional obstacle to Iranian export of the revolution to Central Asia or Azerbaijan.



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[REDACTED]

Tehran probably sees an opportunity in Soviet upheaval to obtain a settlement in Afghanistan favorable to its interests. The Iranian press has suggested Moscow now may be less insistent on maintaining Afghan President Najibullah in power, and Iran has met twice in the past two months with the Pakistanis and the Sunni and Shia Afghan resistance groups to try to come to a coordinated position on a political settlement to the Afghan civil war. The perception of flexibility in Moscow, as well as Tehran's probable view that Afghanistan could serve as a potential springboard for influence in the region, may cause Iran to more actively seek an Afghan settlement that limits Saudi and US influence in Kabul. [REDACTED]

[REDACTED]

The changes in the Soviet Union may provide, however, an additional incentive for Tehran to resolve the main points of friction between Iran and the United States. [REDACTED]

[REDACTED]

Soviet-Iranian Relations: The View from the USSR After the Coup

The post-coup Soviet leadership is interested in maintaining good relations with Tehran, especially in the wake of diminished Soviet influence following the Persian Gulf crisis and the coup attempt. Presidential adviser Primakov's visit to Iran this month suggests the central authorities appreciate Tehran's support for the return of the legitimate Soviet government in the USSR. Although the new Soviet leadership is likely to assume an even more cooperative relationship with the United States in the Middle East, it will continue to view good relations with Iran as a means to help safeguard the USSR's southern borders and retain influence in the Gulf. The new central leadership will seek Tehran's support for a negotiated Afghan settlement and for any Soviet regional security initiatives. It is likely to honor all current agreements for arms sales and joint economic projects with Iran because the USSR desperately needs the hard currency. [REDACTED]

The new Soviet leadership may believe improved relations with Tehran will help restrain Iran from involvement in inter-ethnic conflicts in the Central Asian republics and Azerbaijan, but it is likely to remain wary of the potential for Iranian exploitation of such unrest. Moscow will therefore continue to encourage expanded Turkish and Saudi ties to the Central Asian republics to counter any disproportionate Iranian influence. Soviet Persian-language radiobroadcasts have commented unfavorably on calls by some Iranians for a more aggressive stance toward Azerbaijan and Central Asia in the wake of the coup attempt and the greater assertiveness of the Muslim republics. [REDACTED]

The leaders of the Russian Republic (RSFSR) and the Soviet Muslim republics have not yet elaborated a policy toward Iran but are likely to support the center's policy of improved political and economic ties. The RSFSR attention at this time is focused more on developing ties to Western and other wealthy countries than to Iran. While viewing any expanding Iranian ties with the Muslim republics as a function of those republics' foreign policy, RSFSR leaders are likely to try to guard against Iranian attempts to promote Islamic fundamentalism or anti-Russian nationalist sentiments in the republics. [REDACTED]

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[REDACTED]