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# CAN THE WEST STOP RUSSIAN-IRANIAN CONVERGENCE?

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More than a year on from the beginning of the Ukraine war in February 2022, there is no more business as usual for Russia-Iran relations. While bilateral ties are still characterized by an intense focus on security and defense, the two sides are opening multiple new areas of cooperation as well. In his visit to Moscow on March 29, Iranian Foreign Minister Hossein Amir-Abdollahian [announced](#) that both sides are finalizing a “long-term strategic cooperation agreement,” a document that will replace a similar deal signed in 2001 by then President Mohammad Khatami.

In fact, the newly released [Foreign Policy Concept of the Russian Federation](#) provides some clues on the comprehensiveness of future Russia-Iran ties. The document calls for “developing the full-scale and trustful cooperation with the Islamic Republic of Iran,” naming Iran first among the countries of the Muslim world.

The war in Ukraine has been a turning point for Moscow and Tehran’s relations. Foreign Minister Amir-Abdollahian [claimed](#) that trade between the two countries doubled in 2022, while Iranian Finance Minister Ehsan Khandouzi [said](#) Russia had invested \$2.76 billion in the country during the current financial year, becoming Iran’s largest foreign investor. Moscow and Tehran are working together on multiple fronts, facilitating bilateral trade and business, expediting the completion of transit routes (including the North-South Transit Corridor and its Caspian Sea component), and linking

their banking systems to facilitate financial transactions. All of these measures are aimed at circumventing Western sanctions and strengthening multilateral frameworks outside of Western institutions.

But what has motivated Moscow and Tehran to invest in strengthening their bilateral relations given all the potential risks and costs? Could conflicts of interest and competition put a crack in this burgeoning relationship? And what can the West do about it?

## What Pulls Them Together?

Lying at the core of this new cooperation is the two authoritarian states’ perception of external and internal pressures and a sense of urgency. They view the West as a common threat in at least two ways. First, Moscow and Tehran share the perception that Western powers are limiting their freedom of action on the international stage and their ability to defend their core security interests by isolating and excluding them.

Second, they accuse the West of being the main supporter of uprisings and protest movements that target the state’s power and aim to facilitate regime change. The West is equally perceived in both Moscow and Tehran as the most dangerous enemy of state. In this vein, both capitals have shared views about state stability and regime security. They also agree about the source of potential threats and share

similar grievances about what they perceive as the West's unjust actions.

Moscow and Tehran's [shared threat perception](#) and strategic sympathy is at the heart of what brings them together. Still, like in many other foreign policy areas, there is a deep divide within the Iranian regime regarding the value and reliability of Russia as a strategic partner. This divide is highly unlikely to disappear anytime soon, a reality that the Western powers recognize and will seek to capitalize on.

For the hardliners in Tehran, closer relations with Moscow are an insurance policy against the West. For them, the calculation is simple: Any improvement in relations between Iran and the West will be a net loss for the hardline camp in Tehran, including the Revolutionary Guards and its many political and economic interests.

The so-called moderate/pragmatic wing of the Iranian regime and the vast majority of the Iranian public, by contrast, believe that Russia is not a natural ally or a suitable strategic partner for economic cooperation. Instead, the only remedy to Iran's international isolation and economic pains is to hold direct talks with the Americans and, at a minimum, revive the 2015 nuclear deal. This faction's hesitation about Russia has been evident for some time and was most recently vocalized when President Ebrahim Raisi [visited](#) Moscow in January 2022. The skeptics in Tehran said it was just a [feel-good trip](#) for the hardline camp, which would soon find out that the promise of strategic relations with Russia is nothing but a pipe dream.

But despite these rifts, with the hardliners in control of all the levers of power in Tehran, the balance of domestic forces within the regime is tilting in favor of Russia. In the eyes of Supreme Leader Ali Khamenei, he and Russian President Vladimir Putin face a common threat, which makes Iran and Russia natural allies that should pool resources to protect themselves in a hostile strategic environment. Thus, any problems and conflicts of interest that might stand in the way are deemed to be minor and should be resolved for the sake of the greater strategic objective: ensuring state security. This approach explains why, despite conflicts of interest in the energy sector, where both countries compete for a larger market share, and notwithstanding minimal popular support for a stronger partnership, Russo-Iranian cooperation is advancing.

The view in Moscow and Tehran is that a lack of cooperation could be costly for both states, while there are plenty of opportunities if they work together. In this way, more than at any other time, recent dynamics have made both countries [interdependent](#). Any failure for Putin's Russia will be a strategic loss for the Islamic Republic as it will lose its main supporter on the international stage.

The leadership in Tehran believes the war in Ukraine and the deterioration of relations between Russia and the West could end up with Russia extending its security umbrella to Iran if Tehran plays its hand well. Especially when it comes to the nuclear file, at this point it is hard to imagine Russia supporting any Western initiative against Iran in the U.N. Security Council, a body it is [currently heading](#). This gives Tehran enough time to advance key areas of its nuclear program that are essential for weaponization if it makes a political decision to go for a nuclear bomb in the future.

Similarly, the fall of the Islamic Republic would be a blow to Russia's antagonism toward the West as it would deprive Moscow of a burden-sharing partner that has been effective in resisting U.S. order on Russia's southern flanks. Thus, Moscow can feel secure from the south at a minimum cost as long as an anti-American regime holds power in Tehran. After the onset of the war in Ukraine and driven partly by urgency, Moscow is even more aware of the value of the Islamic Republic to furthering its national security interests.

In these ways, while there is no formal commitment between Moscow and Tehran to create a fully-fledged alliance, there is an unwritten commitment, mostly at the deep state level, to mutual protection.

## Will Obstacles Derail Cooperation? The Case of the Energy Sector

Obstacles arising from competition and conflicts of interest between Moscow and Tehran have previously prevented the two sides from pursuing closer ties. But will conflicts of interest continue to offset Moscow and Tehran's push to expand cooperation? The energy sector is a good example to take a closer look at this issue.

Up until 2022, Russian companies were cautious about dealing with Iran as they had extensive interests in the West



Photo above: Russian Foreign Minister Sergei Lavrov and his Iranian counterpart Hossein Amir-Abdollahian hold a joint press conference following their talks in Moscow on March 29, 2023. Photo by YURI KOCHETKOV/POOL/AFP via Getty Images.

and feared U.S. sanctions on Iran. This dynamic changed significantly in 2022, however. In July of that year, when Putin visited Tehran, the National Iranian Oil Company (NIOC) and Russia's Gazprom [signed a \\$40 billion agreement](#) to upgrade Iran's oil and gas sectors. [According to Iranian energy sources](#), the agreement is designed to cover development projects at a number of oil and gas fields in Iran.

The list is said to include a \$10 billion investment in the North Pars gas field, which is due to deliver gas by 2026. This field, which is close to Iran's biggest gas field, the South Pars, had previously been a project given to a Chinese firm but that effort is now suspended. On closer scrutiny though, the deal raises a number of immediate questions.

According to NIOC, the new partnership with Gazprom is planned to focus on completing Iran's "unfinished liquid natural gas (LNG) plant." Work on this LNG plant, located in Bushehr Province, began 15 years ago and was suspended as U.S. sanctions and mismanagement prevented its completion, even though Iran has reportedly already invested \$2.5 billion in the plant.

Ironically, the Bushehr LNG plant had been given to Gazprom to complete in 2017, but the Russian company withdrew from the project after the Trump administration reimposed sanctions on Iran in 2018. This should raise serious questions about Gazprom's reliability as a strategic partner for a key Iranian economic project like this.

Iran continues to lag behind neighboring Qatar when it comes to expanding its LNG capacity. The two countries share the gas field — South Pars/North Dome — that is meant to feed gas into the Bushehr LNG plant and Qatar is way ahead of Iran. In 2022, Qatar was tied with the U.S. as the [top global LNG exporter](#). Doha also has enormous plans for [gas export capacity expansion](#) and in [2022 picked](#) ExxonMobil, TotalEnergies, Shell, and ConocoPhillips to fulfil this ambition. Meanwhile, for the last 20 years Iran has largely failed to attract any significant foreign investment in its side of the shared gas field, [thanks to sanctions](#) and Tehran's chronic lack of serious economic planning.

The head of NIOC, Mohsen Khojasteh-Mehr, has basically argued that the new Western sanctions on Moscow make

it much less likely that Gazprom will once again pull out of the deal. As he put it, “[Western] sanctions will not harm this [\$40 billion deal] and its subsequent contracts, because Iran and Russia have decided to [pursue] strategic relations under the sanctions.” This is an open admission that it is geopolitical realities, and not commercial logic, that are driving the new Russian-Iranian cooperation in the energy sector. Statements like these have raised doubts about the significance and durability of the deal.

In a clear jab at both Gazprom and the NIOC leadership, the chairman of the energy commission at the Iran Chamber of Commerce, Hamid-Reza Salehi, asked if Moscow would be willing to help Iran build the necessary infrastructure to export its gas to European markets. Salehi also doubted the logic of expecting Gazprom to invest in Iran’s LNG infrastructure since, [as he put it](#), “the company has little experience in converting natural gas to LNG and shipment,” adding that, “Iran should wait to see if the Russians are serious about investing [in Iran].” Salehi raises two important points that are reflected in much of the criticism in Tehran about the NIOC-Gazprom deal. The first issue is linked to the politics of the energy trade. Unlike Qatar, Iran has never made a strategic decision to prioritize the development of its LNG industry, nor has it focused on energy-hungry Europe as a key export market.

The suspicion has always been that Moscow puts pressure on Tehran to stay out of the European gas market since, until the Ukraine war broke out, the Russians provided [nearly half](#) of all the gas that the Europeans consumed. Put simply, Moscow has had no desire to see Tehran emerge as an alternative energy provider to Europe. The Russians are not only preventing Iranian gas from reaching Europe but are also opposing gas projects from countries like Turkmenistan that would transit Iran and Turkey en route to Europe. This is, at least, the criticism heard in Tehran.

In his struggle against the West, Putin has openly pointed to energy exports as a weapon. He has suggested that Russian gas exports to Europe could remain at sharply lower levels. The European Commission has even [warned](#) that there might be a total halt in Russian gas deliveries to Europe. In the face of such intense geopolitical competition, which could be protracted for years to come, there is absolutely no reason for Russia to help Iran upgrade its energy infrastructure with European markets in mind as a potential destination for its oil and gas.

In fact, the skeptics in Tehran are right in assuming the opposite makes more sense for Moscow — that the Russians pledge to invest in Iran’s oil and gas projects, but only to gain control over them. This would give Russia the ability to slow down the emergence of Iran as an alternative oil and gas exporter to European markets, and thus to replace Russia.

There are already clear signs of this competition between Iran and Russia. Some Iranian officials in the oil and gas industry believe that there is only one way for Iran to deal with the Russian threat to capture its oil export markets in Asia. Instead of competing with the Russians in Asia by providing discounts for its oil, Iran should look to export more oil to Europe.

The defenders of closer energy ties with Russia, which presumably includes Khamenei himself and the top leaders of the Revolutionary Guards, view the skeptics in Tehran as behind the curve. This influential group sees the Ukraine war as a ground-breaking moment in an epic struggle between the West and non-Western countries like Russia, China, and Iran.

They make the argument that Tehran needs to think big in terms of its global alignment and not prioritize tactical economic gains over deeper political ties with Moscow. Russia’s long-term estrangement from the West is so politically seductive for Khamenei because, in his mind, this will further weaken the West and elevate the position of the non-Western world.

Another way of looking at it is that Khamenei sees Russia’s divide from the West as directly helping the Islamic Republic survive as an anti-American political model. And for Khamenei and the Revolutionary Guards, the survival of the Islamic Republic, which Russia can aid through diplomatic support for the regime and military-security cooperation, is far more important than economically exploiting the moment when Russia’s dominance of Europe’s oil and gas markets is under pressure.

In this way, in opposition to the conventional wisdom that competition arising from conflicts of interest is likely to limit Russian-Iranian convergence, both sides calculate that the long-term strategic value of cooperation justifies economic concessions. For this reason, it is hard for the West to count on fissures and disputes between Moscow and Tehran as a way to disrupt the partnership.

## The West Faces a Difficult Task Ahead

In the short term, it seems as though the United States and Europe can do little to stop Moscow and Tehran from developing closer ties. This is because of the nature of their cooperation, which helps to assuage fears of an existential threat among elites in both countries. Without a revived nuclear deal in place and as the Islamic Republic continues to commit severe human right violations and kill innocent protesters, normalization with the current leadership in Tehran seems like a distant prospect.

For the European powers maximum pressure and further coercive measures will be options on the table, adding to the Islamic Republic's perception of vulnerability and helping to justify hedging toward Russia. A similar pattern can be seen on the Russian side as well. Russian aggression in Ukraine has barred any chance of near- to medium-term normalization with the West. Instead, Western pressure on Putin's regime strengthens the strategic logic behind Moscow's friendship with the Islamic Republic.

Put simply, as long as the West builds on its pressure campaign against Russia and Iran, Moscow and Tehran are likely to pursue further integration as a collective response. However, in the medium term, there are several policy directions that could help Western allies to manage the expansion of the Russo-Iranian axis.

First, the United States needs to engage with China on this issue. There are doubts about whether the Chinese leadership is happy with the destabilizing implications of closer Russo-Iranian relations, and especially the potential impact on regional security in the Middle East. Indeed, while Russia and Iran increasingly act as spoilers, Chinese and U.S. interests converge as both see the value of regional stability in the Persian Gulf and broader Middle East.

Second, the Western alliance should continue the strategy of raising the costs for Iran of providing security assistance to Russia. Beyond harsh political statements and symbolic European sanctions, the West needs to send more clear strategic military signals to Tehran. The North Atlantic Treaty Organization (NATO) can play a critical role in this process

by minimizing the security benefits for Tehran of partnering with Moscow.

This goal can be achieved through NATO's tactical maneuvering in the Persian Gulf, including boosting partnerships with Arab states in a bid to highlight the reciprocal consequences of Iranian intervention in European security affairs. While the Gulf region is not a high priority in [NATO's 2022 Strategic Concept](#), if the alliance pursues more active public diplomacy and provides a greater show of force in the region, it may convince Tehran that supporting Moscow will not increase its security in the short term.

Third, and lastly, the U.S. needs to maintain technical collaboration with Russia on the Iranian nuclear issue. This is even more critical now as recent analysis has shown Russia is adopting a more accommodative policy toward Iran's nuclear program. It can help to deter Russia from using Iran's nuclear program as part of its larger strategy of nuclear brinkmanship.

But more importantly it also pushes Moscow to adhere to its non-proliferation obligations and takes into the consideration the long-term risks of a nuclear Islamic Republic. Russia benefits from being recognized as a partner in this process, but there are far more important strategic benefits for the West from maintaining a dialogue with Moscow regarding the future of Iran's nuclear program.

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