



Universiteit Leiden

MA Thesis

IRANIAN REALPOLITIK

Iran's Foreign Policy towards Armed Conflicts in Neighbouring Countries

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Introduction

The Islamic Revolution of 1979 under the leadership of Ruhollah Khomeini, which led to the overthrow of Pahlavi monarchy and established the Islamic Republic of Iran, can be seen as one of the most important points in the history of modern world, and especially in shaping of the Middle East region today. The Islamic Revolution and the Ayatollah brought with themselves a state apparatus based on religious and sectarian ideology of Shia Islam, which possibly defined the beginning years of the Islamic Republic. The initial years were mainly characterized by U.S embassy hostage crisis, hard-lined Islamic policies and fatwas, political suppression and assassinations, and a dwindling world support, which could also be observed during the Iran-Iraq war. Another characteristic of the new administration was the proclaimed hatred towards Israel and the United States, with the latter being labelled as the ‘Great Satan’.

But even during the initial years of the revolution and despite the proclaimed hatred towards both Israel and U.S., Iran was pragmatic to go forward in dealing with them when it seemed to be in its interests, most notably the Iran-Contra Affair of 1985. A major turn of events came after the demise of Ayatollah Khomeini in 1989 and Ali Khamenei becoming the Supreme Leader of Iran, and under the presidency of reformists and moderates like Akbar Rafsanjani and Mohammad Khatami. These leaders led the charge of changing the perception the world had of Iran, with renewed focus on improving relations with not only the Middle East countries, but others including the Western states as well, and emphasis on better economic and scientific cooperation; and put the ideological rhetoric of the Islamic Revolution on a backburner. Thus, it can be argued that Iran’s foreign policy is influenced by religion to a certain extent, but it is not a driving factor, rather can be seen as driven more by national security and economic interests based on realpolitik considerations.¹

Iranian authorities have always denied that their actions are based on sectarian grounds, and so have many scholars who have studied Iran’s foreign policy.² Although some kind of sectarian leanings can be seen, there are many notable examples where we can see Iran acting above its Shia identity in its international relations. Iran has also held a strict anti-U.S. and

¹ This argument has been put forward by many scholars over the years including Byman (2001), Milani (2006), Toscano (2012) and Ostovar (2016).

² Afshon Ostovar, “Sectarian Dilemmas In Iranian Foreign Policy: When Strategy And Identity Politics Collide,” *Carnegie Endowment for International Peace*, 2016.

anti-Israel ideology,³ while at occasions it has been known to cooperate with them in seeking its nationalistic goals.⁴ But very little work has been done to understand Iran's foreign policy decision making based on its national security and economic considerations, and is generally assumed to be based on the rhetoric of religious ideology, especially in the Western perception. Also, the literature on Iran's foreign policy generally classifies it based on different world regions and seldom looks at its neighbouring countries as a whole.

In this research, I would be looking at the foreign policy of Iran based on realpolitik considerations like national security and economic interests with respect to the situations of conflict in its immediate neighbourhood, i.e. nations which share their land borders with Iran. I would be looking at the case studies of Iran's cooperation with the United States in invasion of Afghanistan and Iraq, its support to the Karzai administration (led by majority Sunni leaders) in Afghanistan and to a Christian Armenia in its conflict with a Shia Azerbaijan, and the following relations with both the nations. Hence the question for this research is "How have realpolitik considerations played a role in driving Iran's foreign policy with respect to the situations of armed conflict in its neighbouring countries?"

Literature Review

The theory of realpolitik has been around since the time of Thucydides, with many scholars and thinkers in history writing about it. In contemporary times, realpolitik in the field of international relations has been associated with various scholars and leaders, most notably Morgenthau (1978), Cohen (1975) and Bew (2015), and Henry Kissinger and Mao Zedong are regarded as famous proponents of realpolitik in contemporary times.

Modern day realpolitik is argued to be less of a political theory but rather a philosophy or a way of conducting the business of politics, and Bew talks about it as "a vision of the future and a guide for how to get there" by making decisions based on national interests in order to achieve pragmatic objectives.⁵ Gochman and Leng defined two vital issues in realpolitik as political independence of state and the survival of the regime and control over the territory within national borders. They see the survival of the regime as central to the realpolitik

³ Iran's foreign policy towards U.S. and Israel are seen as exceptions to the generalizations, notably by Byman in *Iran's Security Policy in the Post-Revolutionary Era*.

⁴ Iran had extensive dealings with Israel during the Iran-Iraq war, including Iran-Contra Affair, and has regularly sought better cooperation with the United States. This has extensively been documented by Parsi in his book *Treacherous Alliance* (2007).

⁵ John Bew, *Realpolitik: A History* (New York: Oxford University Press, 2015).

approach and necessary for the pursuit of national objectives.⁶ They also state that the key component of *realpolitik* lies in rational decision making, and further call it as not being a proponent of war and the military force as being just a tool of statecraft but not the primary one, as *realpolitik* demands minimizing the risks while at the same time maximization of the benefits.

Many scholars have argued that the Iran's foreign policy can be viewed as *realpolitik* rather than on the basis of religious identity. Ehteshami has commented that "Revolutionary Iran has always been a "rational actor" in the classic Realist mold"⁷; Akbarzadeh further added that "the roots and aims of Iran's foreign policy are defensive, mainly pragmatic and based on state oriented and strategic issues."⁸ Barzegar argued that "the roots and aims of Iran's foreign policy are defensive, mainly pragmatic and based on state oriented and strategic issues."⁹ Takeyh also supports this argument about the Islamic Republic by stating that "Iran's internal policies are increasingly driven by economic calculations, while its international relations are largely predicated on rational designs."¹⁰

It has also been argued that despite being an autocratic ruler, Ayatollah Khamenei is sensitive towards the perception of his image among the Iranian public,¹¹ and thus this perception matters when it comes to decision making of the government. But still Tehran took decisions like supporting Armenia which was sure to anger its Azeri population which stands at about 20 million, or cooperating with the United States in Afghanistan and Iraq, which directly went against its domestic rhetoric of Islamic Revolution. Although the threat of facing a lash from its own population, Tehran went ahead with the actions countering its ideologue, deciding them as being in Iran's interests.

Takeyh describes Iran's foreign policy understanding as defined by 'three circles': the Persian Gulf region, the Arab Middle East, and Eurasia, with Persian Gulf being most important; it might be driven by ideology in one region, but by geo-political national interests

⁶ Charles S. Gochman and Russell J. Leng, "Realpolitik and the Road to War: An Analysis of Attributes and Behavior," *International Studies Quarterly*, Vol. 27, No. 1 (Mar 1983): 100.

⁷ Anoushiravan Ehteshami, "The foreign policy of Iran" in *The Foreign Policies of Middle East States* ed. Raymond Hinnebusch & Anoushiravan Ehteshami (London, Lynne Rienner: 2002): 284

⁸ Shahram Akbarzadeh, "Iran's Policy towards Afghanistan: In the Shadow of the United States," *Journal of Asian Security and International Affairs* 1(1) (2014): 65.

⁹ Kayhan Barzegar, "Iran's foreign policy in post-invasion Iraq", *Middle East Policy* 15(4) (2008): 47

¹⁰ Ray Takeyh, "Re-imagining U.S.-Iranian Relations," *Survival* 44:3 (2002): 24.

¹¹ Ray Takeyh, *Hidden Iran: Paradox and Power in the Islamic Republic* (New York, Times Books: 2006): 69

in the other.¹² But defining the foreign policy for entire Eurasian region in a same context is simply not possible as the region is too broad for any generalization. It can be observed through history that different aspects can be present while dealing with a same country or 'circle' depending on the bilateral and regional conditions and objectives. For example, Iran's policy towards its eastern neighbours Turkmenistan, Afghanistan and Pakistan have been different from each other. Also at the same time we need to keep in mind the difference between Iran's domestic rhetoric of ideology and sectarianism and foreign policy designs based on strategic calculations.

Many authors have also argued that its arch rival United States forms a key driver in Iran's foreign policy. This has also promoted a lot of scholarly work with regard to U.S. - Iran relations. But at the same time relatively less has been written about how Iran's relations with other countries are influenced by their existing relations or presence of United States, especially so when it comes to U.S. presence in the South Caucasus and Central Asia. Also, most authors have failed to mention the fact that right since the time of Rafsanjani Iran has also regularly sought better economic and scientific cooperation with the United States. Both Rafsanjani and Khatami have focused on improving relations with the United States, especially economic relations which would have led to an improved domestic economic situation, notably high inflation and unemployment.¹³

The presence of United States affects the regional power dynamics. Many authors including Milani (2006) and Barzegar (2014) have argued that Iran seeks to re-establish itself as an economic hub and a regional power, which directly motivates its foreign policy decisions. It actively pursues its foreign interests and seeks to increase its influence not only in its neighbourhood but in the Persian Gulf and Central Asia at large, with better relations with China, Russia, India, and countries in the Middle East and Europe as well. Many scholars have identified and acknowledged these ambitions of Iran, but at the same time they have failed to evaluate and deeply analyse them. Therefore, Iran also does not wish to see any significant shift of power in the region. This was also observed when the Taliban came to power in Afghanistan with their strong anti-Iran ideology, prompting Iran to extend its support to Northern Alliance. This is another reason why Iran does not wish U.S. presence in its neighbourhood, as it views it as a direct challenge to Iran's power and influence.

¹² Takeyh, *Hidden Iran*, 60

¹³ Barbara Ann Rieffer-Flanagan, "Islamic Realpolitik: Two-Level Iranian Foreign Policy," *International Journal on World Peace* Vol. 26, No. 4 (December 2009): 17

Another issue which is not frequently talked about is the changing dimension of Iran's foreign policy in the region. For the past couple of years Iran has shifted its policy of support to armed non-state actors to using economic influence and soft power. Iran has been reported to support armed groups like Hamas and Hezbollah, and Northern Alliance and other Afghan warlords as well, including some reports even suggesting its support to Taliban and al-Qaeda.¹⁴ Rather, with the changing dynamics of Iran's regional policy, most notably with regard to its northern and eastern neighbours, it has focused more on soft power, through cultural diplomacy, trade and tourism promotion, economic assistance, and infrastructure development and reconstruction.¹⁵ While Iran still continues to support non-state actors, it has diverted a significant amount of resources towards establishing its soft power. And although many authors have identified the 'soft power dimension' of Iran's policy, it has not been classified in terms of country-specific or region-specific phenomenon.

Last, but not the least, is the problem of perspective. A large majority of the work done on Iran's foreign policy provides a third-person or at best a second-person Western perspective. These works mainly reflect on events and issues with the U.S. as the 'protagonist'. So this leads us to understand aspects like 'what happened' or 'what it meant for the West or its allies'. This also forms the cause as to why Iran's foreign policy is viewed to be irrational or ideologically motivated by the common people. Notable exceptions to this are the authors Parsi, Milani and Akbarzadeh, who through their works have provided an Iranian point of view. So instead of 'what happened', they help us understand 'what led to it' or 'reasons as to why Iran does something' and 'how does it align' with Iran's foreign policy interests.

Contribution

While much has been studied and written about the foreign policy and external relations of Iran, much less has been studied regarding Iran's policy and its relations with its immediate neighbours, and even lesser with keeping in mind specifically the situation of conflicts prevalent in Iran's neighbourhood, the war in Afghanistan and Iraq and the conflict of Nagorno-Karabakh between Armenia and Azerbaijan. Although these conflicts have been studied with due importance to Iran, almost nowhere in the literature of Iran are these issues found together. Through this study I would be bringing the situation of armed conflicts in

¹⁴ Amir M. Haji-Yousefi, "Iran's Foreign policy in Afghanistan: The Current Situation and Future Prospects," *South Asian Studies* Vol. 27, No. 1 (2012): 70

¹⁵ The soft power aspect of Iran's foreign policy in its neighborhood forms my key arguments with regard to the relations with its neighbors.

Iran's neighbouring countries together, and Iran's pragmatic decision making in its foreign policy evolving around these external conflicts.

Also, I would try to emphasise on the gap in 'why' and 'how' part; most of the studies have evaluated how Iran acted in terms of its support to other states. I would try to focus on the 'why' part – why did Iran act in the way it did and what benefits did Iran seek to achieve through it in terms of national security and economic interests. In other words, I would be trying to do this study from an Iranian point of view, which in itself is not very often present across the literature.

While it is true from a geo-politics perspective that Iran wants to stay a powerful actor in its neighbourhood, I'll be making an argument that Iran is not afraid to make decisions contradicting its ideology of Islamic revolution to achieve its aims, particularly with respect to states sharing border with Iran. This includes supporting the Karzai government which is majorly Sunni, supporting Armenia which is a Christian state, against Azerbaijan, given the fact that it is Shia and ethnic Azeris form almost 15% of Iranian population, and Iran's cooperation with 'The Great Satan' in Afghanistan and Iraq. The last two cases are specifically important as they go directly against its rhetoric of Islamic Revolution. This study will also add to what Takeyh defined as 'three circles' of Iran's foreign policy, arguing its pragmatic decision making and maintaining its geo-political interests along with regional power balance in situations of turmoil in its immediate neighbourhood.

Research Outline

I would be trying to interpret the foreign policy of the Islamic Republic of Iran in its immediate neighbourhood with respect to its national security and economic interests. Being a major power in the Middle East region, Iran has not spent huge sums of money on modernizing the arms and equipment for its military forces. Rather it relies a lot on economic support to various state and non-state actors in carrying out its interests. My area of concentration would be Iran's neighbouring countries, notably Iraq, Afghanistan, Azerbaijan and Armenia, and the presence of the United States in Iraq and Afghanistan; and the focus would be on Iran setting aside its religious ideology of Shia Islam and Islamic Revolution in order to advance its security and economic goals on pragmatic considerations.

The main question of the research is further divided into three sub-questions (SQs) as listed below, which will be my case-studies in order to form my argument on Iran's foreign policy.

- SQ 1. Why did Iran go against its ideological rhetoric and cooperate with the United States (which it considers its arch enemy) in the invasion of Afghanistan in 2001 and Iraq in 2003 and how did it hope to benefit from this cooperation?
- SQ 2. Why did Iran support the majority Sunni government of Hamid Karzai post the downfall of the Taliban in 2001 and also invest in the stabilization and reconstruction of Afghanistan?
- SQ 3. What were the reasons for Iran extending its support to Christian Armenia against a Shia Azerbaijan during and post the Nagorno-Karabakh conflict in 1993 and how it has acted in its relations with both the nations with regard to its national security and economic interests?

Each sub-question lays emphasis on realpolitik decisions of Iran's foreign policy keeping in mind the history of the events that took place and Iran's actions regarding the same. The sub-questions will take into account the effect of Iran's actions with respect to the conflicts, and the role and support of Iran towards different sides of the conflict, specifically with regard to its own national interests, and the role of United States and Iran's attitude towards its presence. They will also take into account the various economic and security benefits Iran achieved or expected to achieve out of its decisions. By trying to answer these questions and

the events that followed, I would try to reflect on how the foreign policy of Iran can be seen as based on realpolitik.

However, a few limitations to the research need to be kept in mind while discussing the research outline. A major constraint would be the limitation of time and word count available for the thesis. Also the availability of resources and research work present and available, as I would be mainly focusing on sources and works available in English due to the lack of the knowledge of Persian, the official language of Iran. The limited availability of literature focusing on the national interests of Iran and evaluating the reasons behind its foreign policy decision making would also form a major limitation for this research.

Theory

Realpolitik can be best understood as politics driven by practical reasoning rather than based on moral or ideological considerations. In the view of August Ludwig von Rochau, a mid-nineteenth century German thinker regarded as the father of modern realpolitik by Bew¹⁶, realpolitik is not exactly a philosophy, but rather a method of working through contradictions emerging as a result of various forces. Humphreys also describes realpolitik most of all as an approach to foreign policy in which “preservation of the state and promotion of the national interest are the ultimate goals and power is the primary tool for achieving those ends” and “national interest be prioritized over all other ends and values,” and it does not matter even if it is held to be immoral at times.¹⁷

Bew argues that the meaning of the term ‘realpolitik’ has evolved over time, making a distinction between old German realpolitik and the modern day realpolitik of the English-speaking world, with the latter denoting more of a posture or a ‘philosophical inclination’, rather than a theory of international relations, and calling it, in words of Rochau himself, “a mere measuring and weighing and calculating of facts that need to be processed politically.”¹⁸ Rothe also described realpolitik as “a *framework* that serves as a guide for policymaking (italics mine).”¹⁹ Simply put, realpolitik is not really a political theory per se, but more of an approach to foreign policy decision making as based on practical considerations.

In Humphreys terms, realpolitik interests of a sovereign state can be ‘reasonably straightforwardly identified’, are defined in terms of power and work towards maintaining and enhancing the international position of the state.²⁰ Wayman and Diehl identified that states guided by realpolitik can use various measures including military, economic and political means to attain this power.²¹ As Cohen also points out, in realpolitik terms, “The security of a state will be most readily enhanced if it follows policies which will ultimately result in increase in its own power or decreases or at least no increases in its opponent’s

¹⁶ Bew, *Realpolitik*

¹⁷ Adam R. C. Humphreys, “Realpolitik” in *The Encyclopedia of Political Thought* ed. Michael Gibbons (New Jersey: Wiley-Blackwell, 2014)

¹⁸ Bew, *Realpolitik*, 301

¹⁹ Dawn L. Rothe, “Exploring Post-Resistance to State Criminality: Realpolitik Versus Ideology”, *Social Justice* 36(3) (2010)

²⁰ Humphreys, “Realpolitik”

²¹ Frank Wayman and Paul F. Diehl, *Reconstructing Realpolitik* (Ann Arbor: University of Michigan Press, 1994): 3-26

power.”²² Thus, realpolitik is a proponent of using all the means or combination of means at state’s disposal in order to wield its power and influence in an international arena, and maximise its own interests through any possible means.

Bew further identified realpolitik as based on multiple levels, for building a ‘nation-state in an unsteady and rapidly changing environment, without recourse to violent convulsion or repression’²³: holding real power as compared to claim or right of holding power or sovereignty (de-facto versus de-jure power), social and economic conditions and their effect on the distribution of power, and presence of ideological undercurrents.²⁴ He therefore presents a view of power over and above the military might, also classifying de-facto power, as inclusive of economic considerations, culture and history, religion and ideology, emphasising much on soft power and influence rather than simply based on hard power. Realpolitik as a principle works in consideration of all the above factors.

Although the origins of realpolitik can be traced down from ‘realism’, and despite the two terms being used interchangeably colloquially in the modern world, the difference between them is necessary to be identified. Realism primarily identifies states as only international actors which aim at maximizing their power, mainly in military terms, with armaments and weapons as means of power and security. Further, it focuses on maintaining the status quo and rules out any cooperation between states and does not talk about major changes and evolving international environment. Realpolitik on the other hand, as also previously discussed, encompasses a range of options, including political, military, economic, and/or other combinations in order to pursue the pragmatic interests of the state; and includes non-state actors and cooperation between different actors as means to strengthening of international position.

Therefore, for the purpose of this study, realpolitik is defined as a principle of foreign policy which encompasses utilization of all the means available to the state in order to pursue its pragmatic interests in its international relations. This includes not only means such as political, economic, military, diplomacy, culture, shared history, religion and ideology, but also cooperation and alliance formation between different state and non-state actors in order to advance ones objectives in order to improve and strengthen its position in the region and in the world order at large. Also, the international position does not only include the military

²² Ira S. Cohen, *Realpolitik: Theory and Practice* (California: Dickenson Pub. Co., 1975), 172

²³ Bew, *Realpolitik*, 18

²⁴ *Ibid.*, 300

standing, but comprises of economic and cultural influence and soft power, which without the use of military power can compel another actor to fulfil the will of the state.

Iran has been known to not invest very significantly on its military power, in modernizing its weapons and armaments, especially in comparison to its Arab neighbours like Saudi Arabia and United Arab Emirates. Instead, it relies on a combination of non-state actors, diplomacy and economic and cultural influence in its foreign policy to pursue its interests in the region. In the words of President Khatami, “Foreign policy does not mean guns and rifles, but utilizing all legitimate means to convince others.”²⁵ I would like to suggest that the Iranian foreign policy is based on realpolitik considerations. On multiple occasions Iran has been known to rise above the rhetoric of Islamic revolution and work on pragmatic foreign policy objectives in order to, as the theory of realpolitik above suggests, advance its international position in terms of its national security and economic interests.

At the same time it is important to understand that it is not possible for realpolitik by itself to account for all the foreign policy decisions of a state. As with any other political principle, only one theory or principle by itself is insufficient to understand all the decisions made by a nation, which has to include multiple considerations before making any policy decisions. This can be assumed as the case with Iran as well. While many scholars have argued that Iran’s policies are based on realpolitik, we need to look at them through different lenses to get a better understanding. For this study, Iran’s foreign policy decisions in its immediate neighbourhood is looked upon from the lens of realpolitik, as use of various means available and not limited by an ideology or such in order to advance its national security and economic interests and influence in the region.

²⁵ Takeyh, *Hidden Iran*, 111

Methodology

The methodology that will be used for the purpose of this research is across case analysis, qualitative study and case oriented approach. A qualitative study of the three case studies would be done evaluating the reasons behind Iran's foreign policy decisions and how it benefitted or hoped to benefit from them in medium to long term. A case oriented approach will also help understand the commonalities in Iran's decision making throughout the different case studies. I have chosen three different case studies on Iran's decisions and actions with regard to the situation of armed conflict in its neighbouring countries where Iran acted over and above its ideology of Shia Islam and Islamic Revolution and worked with regard to its national security and economic interests. Such a multiple case study approach takes in regard different regions and actors, like Iraq has both Sunni and Shia Muslim population and is part of the Middle East, Afghanistan is majority Sunni (almost 80%) and lies in Central Asia, and Azerbaijan is Shia Islam and Armenia is Christian, forming the part of South Caucasus region, and over that the presence of United States in almost all of these countries further helps in analysis of points of similarities across different case studies with respect to Iran.

Case selection and analysis

The first case study (defined as SQ 1 specified in Research Outline) is regarding Iran's cooperation with United States in invasion of Afghanistan and Iraq. Iran has time and again classified United States as one of its greatest enemies; the enmity can be traced back to 1953 with the Shah coming to power with the support of United States, and its continued interference in Iran's internal affairs even after the downfall of the Shah.²⁶ President Ahmadinejad also demanded an apology from the U.S. for "crimes committed against Iran".²⁷ But at the same time Iran directly extended its cooperation to the United States in its invasion of Afghanistan in 2001 and Iraq in 2003 (both Muslim regimes), which resulted in regime change and conflict situation in both the countries. This case study is crucial to understand for two reasons: first, reasons for Iran's cooperation with its arch enemy; and second, without direct military involvement, it strengthened Iran's position significantly in the region.

²⁶ Enayatollah Yazdani and Rizwan Hussain, "United States Policy towards Iran after the Islamic Revolution: An Iranian Perspective," *International Studies* 43, 3 (2006): 270.

²⁷ "Iranian leader demands U.S. apology," *BBC*, 28 January 2009. Retrieved from http://news.bbc.co.uk/2/hi/middle_east/7855444.stm

The second case study (defined as SQ 2) relates to the position of Iran on the Karzai administration in Afghanistan, which is majorly Sunni in religion. Since the fall of Taliban in December 2001, Iran has reflected a significant influence and soft power in Afghanistan. Tehran supported the stability and government formation post the fall of Taliban in 2001, as noted by Akbarzadeh, “In its early formative years, Tehran encouraged Shia and non-Pashtun ethnic groups to recognize and join the Karzai government. Tehran’s appeal to Tajik and Uzbek leaders in the Northern Alliance was an important factor for political stability of the Karzai government.”²⁸ This case study emphasises on how and why Tehran is interested in stability of Afghanistan and expanding its influence and soft power in the country (in pursuit of its national security and economic interests) rather than the religion of the administration.

The third case study (defined as SQ 3) is based on Iran’s support to Armenia against Azerbaijan in the Nagorno-Karabakh conflict in 1993 and the relations since. It is important because Armenia is a Christian state and Azerbaijan is Shia Muslim, and also ethnic Azeri people form almost 15% of Iran’s population. Supporting a Christian state against a Shia one is in direct contradiction to Iran’s religious rhetoric, yet this policy was preferred as seen in line with Iran’s *realpolitik* interests. This case study analyses Iran’s foreign relations with Armenia and Azerbaijan, its pragmatic dealings with both the nations, and how national security and economic considerations can be seen as forming the driving factor behind Iran’s foreign policy towards the two countries.

In all the three case studies above, we can observe Tehran put aside religion in order to serve pragmatic decisions based on national security and economic interests. These cases will form my arguments for the analysis of Iran’s foreign policy based on *realpolitik* considerations instead of religious agenda, and how Iran benefitted or hoped to benefit from these policies. Based on the result of the analysis I plan to argue my hypothesis that Iran’s foreign policy with regard to armed conflicts in its neighbouring countries can be seen as driven by the principle of *realpolitik*.

²⁸ Akbarzadeh, “Iran’s Policy towards Afghanistan,” 68

Sub-Question 1:**Helping the ‘Great Satan’: Iran – U.S. cooperation in invasion of Afghanistan and Iraq**

Despite calling the United States its arch rival, Iran has time and again showed pragmatic interests in cooperation with the U.S. The initial evidence for the same can be observed in the Iran-Contra affair during the Iran-Iraq war less than a decade after the Islamic Revolution and the acts of hostility towards the U.S. Then Iran under the presidency of Rafsanjani started indicating their interests in improving the relationship, first with *Tehran Times* (considered a mouth-piece of the Foreign Ministry) carrying in their editorial that “any sign of goodwill will be responded [to] by goodwill on the Iranian side”, soon followed by Rafsanjani himself declaring that improved relations with the U.S. “would not be in contradiction with Iran’s objectives,”²⁹ and showing their willingness of living with the U.S. presence in the Persian Gulf region under the leadership of President Khatami.³⁰

A major turn of events took place after President Khatami gave his famous interview to CNN which he started by congratulating “the followers of Jesus Christ” on New Year, and statements like “I respect the great American people” and “American civilization is worthy of respect.”³¹ U.S.-Iran relationship took a huge turn under the leadership of President Khatami, especially with regard to co-operation in the invasion of Afghanistan and Iraq. But at the same time many scholars have also argued that in both Afghanistan and Iraq, Iran has played to their capacity of keeping the U.S. bogged down in their own game, so as to prevent any kind of threat it might pose to Iran.

Iran’s cooperation with the United States in the region can be seen as part of pragmatic decision making in achieving its foreign policy objectives keeping in mind the dynamics of the region. Iran has been well aware of the presence of the United States in the region of its neighbourhood, and under Khatami adapted a much more forward looking approach based on mutual cooperation instead of confrontation. This, clubbed with Iran’s own aspirations of being a regional power urged it towards a limited cooperation with the U.S. Other aspirations of Iran, as also previously mentioned, are better economic and scientific cooperation, market

²⁹ Ray Takeyh, *Guardians of the Revolution: Iran and the World in the Age of the Ayatollahs*, (New York, Oxford University Press: 2009): 171

³⁰ Ibid, 198

³¹ “Transcript of interview with Iranian President Mohammad Khatami”, CNN, January 7, 1998

for its energy resources, lifting of sanctions, and its nuclear ambitions in the past decade all point towards the requirement pragmatic decisions and better cooperation with the U.S.

The greatest turn of events in Iran-U.S. relations were perhaps the attacks on September 11, 2001. Iran was quick to show empathy with the United States, with President Khatami expressing his condolences and demonstrations against terrorism on Iran's streets.³² Khatami soon realized the window of opportunity opened by the War on Terror and the invasion of Afghanistan, where the U.S. needed Iran's expertise in the region, intelligence and its contacts within Afghanistan, especially the Northern Alliance. And Iranian administration, including Ayatollah Khamenei and the conservative leadership with their deep enmity towards the U.S., understood that supporting the coalition would best serve Iran's interests.³³ Supporting the U.S. served Iran in multiple ways: it got rid of the anti-Iran Taliban regime, striking a massive blow to Pakistan and Saudi Arabia's influence, enhanced Iran's reach in the region, and facilitated cooperation and better relations with the United States.³⁴ As Iran's foreign minister Kamal Kharrazi declared, "We have some common points with the U.S. over Afghanistan."³⁵ Due to Tehran's direct interests, it provided overwhelming support to the U.S. efforts: allowed the use of its eastern airports and seaports (namely Chabahar) to U.S. transport planes and vessels, offered to perform search and rescue of the downed pilots, and assisted with intelligence support.³⁶

Post the downfall of the Taliban and success at the Bonn Conference, both of which would not have been possible without the efforts of Iran, it expected to take home two major take-away for the future, stability in Afghanistan and better relationship between United States and Iran, not only in Afghanistan but in other spheres as well. Iran saw the success of cooperation as 'foundation for a broader strategic dialogue between the United States and the Islamic Republic.'³⁷ And Iran did succeed in making a few friends. The U.S. State Department was in favour of a strategic opening with Iran, with cooperation over terrorism, intelligence sharing, and border sweeps to catch al-Qaeda fighters. But the proposal was not

³² Ali M. Ansari, *Confronting Iran: The Failure of American Foreign Policy and the Roots of Mistrust* (London, Hurst & Company: 2006): 181

³³ Takeyh, *Guardians of the Revolution*, 208

³⁴ Ansari, *Confronting Iran*, 182

³⁵ Takeyh, *Hidden Iran*, 122

³⁶ Mohsen M. Milani, "Iran's Policy Towards Afghanistan", *Middle East Journal* Volume 60, No. 2 (Spring 2006)

³⁷ Mir H. Sadat and James P. Hughes, "U.S.-Iran Engagement Through Afghanistan", *Middle East Policy*, Vol. XVII, No. 1 (Spring 2010): 32

favoured by the Pentagon, and blocked by the hard-liners at the White House, like Cheney and Rumsfeld.³⁸ Over that happened the incident of *Karine-A* and President Bush labelling Iran as “axis of evil”, which perhaps forms the most damaging incident for U.S.-Iran relations in modern times.

Just a little more than a year after the ‘axis of evil’ speech, came the U.S. invasion of Iraq. Many, including in U.S. and Israel believed Iran to be the main target, and so did the administration in Tehran.³⁹ This also made them reluctant at first, but again Iran was optimistic and pragmatic. As with Afghanistan, Iran had superior intelligence and familiarity with the region, along with some levels of influence, especially among the Shia community of Iraq, and with interests in Iraq’s stability, they hoped to renew the dialogue with United States; as Ansari put it “America might know how to get into Iraq, but it will need Iran’s help to get out.”⁴⁰ Further, although impossible just militarily, but if Saddam would have found a way out to ensure the survival of his administration, an emboldened Saddam would have been a greater threat to Tehran than the U.S. presence. As with Afghanistan, Iran again offered humanitarian assistance and pledged to assist downed pilots, and also pressed its Iraqi Shia allies to cooperate, something which is easier said than done given the scepticism amongst them.⁴¹ Also, due to U.S.’ backing of Shias, Iran expected, rightly so, the post-Saddam government to be friendly towards Tehran.⁴²

Another factor Iran had to keep in mind was the role and interests of Iraqi Kurds and Turkey. The situation of instability could lead to disintegration of Iraq, with the Kurds in the north declaring their independence. This in turn would have caused two major problems for Iran: first, the situation might have led to calls for independence from within the Iranian Kurds as well, which number around 6 million, and would have led to internal disturbance; and second, the power vacuum would have caused involvement of regional powers like Turkey and Saudi Arabia, something which Iran did not wish.⁴³ Therefore, while its support towards Kurdish factions, Iran opposes any effort that might lead to formation of a Kurdish state and would disturb the regional power balance. At the same time Iran has been worried

³⁸ Trita Parsi, *Treacherous Alliance: The Secret Dealing of Israel, Iran, and the United States* (London: Yale University Press, 2007), 228

³⁹ *Ibid.*, 240

⁴⁰ Ansari, *Confronting Iran*, 197

⁴¹ Takeyh, *Guardians of the Revolution*, 216

⁴² Shahram Akbarzadeh and Dara Conduit, *Iran and the World: President Rouhani’s Foreign Policy* (New York: Palgrave Macmillan, 2016), 3

⁴³ Parsi, *Treacherous Alliance*, 242

about Turkish interests in the region, with its perception that Turkey would claim Mosul if Iraq collapses and take over the oil fields in northern Iraq.⁴⁴ This along with growing ties between Turkey and KRG becomes a source of concern for Tehran with regard to Iraq.

Also, as in Afghanistan, Iran played a crucial and constructive role towards the stabilization and reconstruction of Iraq. As Milani has noted, since the establishment of post-Saddam government, Iran has “provided Baghdad with more support than even the staunchest of the United States’ allies.”⁴⁵ Iran played a key role in stabilization of Iraq, pressured its Iraqi allies to cease violence against Sunnis or U.S. forces, and pledged more than \$1 billion for Iraqi reconstruction, mainly in order to create an economic sphere of influence. This is evident by the increase in trade relations between the two countries, which surpassed \$8 billion in 2010 and has mostly benefitted Iran. It is also believed that Iran also uses Iraq to bypass the sanctions, probably by smuggling oil across the Iranian-Kurdish or the southern Iran-Iraq borders.⁴⁶ The other key driver for Iran was its security policy; Iran’s national security is directly affected by the situation in Iraq and it views its influence mainly to counter three primary threats: spill over of any ethnic or sectarian conflict into Iran, perceived use of Iraqi territory as a launch pad for U.S. actions against Iran, and the presence of anti-Iran armed militias like Mujahedeen-e Khalq Organization (MEK/MKO) in Iraq. Thus, Iran’s policy during the Iraq’s invasion of 2003 can best be called, in words of Zimmermann, that of “active neutrality”; while it did not directly engage in conflict, it gained a strong foothold by infiltrating Iraq’s vital agencies taking advantage of the regime change, and consolidated its influence in Iraq.⁴⁷

It is worth noting here that United States directly helped Iran in improving its standing and influence in the region. On Iran’s eastern border in Afghanistan was the Taliban, the extremist hard-lined Sunni Pashtun with their alliance with Pakistan and Saudi Arabia, responsible for continued hostilities against Iran; on the west was Iraq ruled by Saddam Hussein, an old rival of Iran. United States through its 2001 war in Afghanistan and 2003 invasion of Iraq toppled Iran’s two most dreaded enemies right next to its border. Iran, who had already accepted the reality of the presence of United States under the reformist

⁴⁴ Akbarzadeh and Conduit, *Iran and the World*, 118

⁴⁵ Mohsen M. Milani, “Tehran’s Take: Understanding Iran’s U.S. Policy”, *Foreign Affairs* Volume 88 No.4 (July/August 2009): 58

⁴⁶ Babak Rahimi, “Iran’s Declining Influence in Iraq”, *The Washington Quarterly* 35:1 (Winter 2012): 38

⁴⁷ Doron Zimmermann, “Calibrating Disorder: Iran’s Role in Iraq and the Coalition Response, 2003–2006”, *Civil Wars* 9:1 (2007): 21

leadership of President Khatami, saw it as an opportunity to both getting rid of its immediate enemies and establishment of their sphere of influence in the region, and hence, was more than willing to cooperate with the United States.

The above paragraphs highlight Iran's interests in toppling the Taliban in Afghanistan and Saddam Hussein in Iraq; what we also need to understand here is Iran's interests and desire for improved relations for cooperating with the United States. As also previously discussed, better relations between the two countries have been stressed by Rafsanjani and Khatami, as well as Ayatollah Khamenei's own top advisor on foreign policy Mohammad Javad Larijani. Better relations with the United States become necessary for a key number of issues: to combat Iran's key economic problems like unemployment and inflation, lifting of sanctions on Iran and finding new markets for its goods and oil and natural reserves, its encirclement by the U.S. as a perceived existential threat, and also its nuclear ambitions.

For Iran, the conflict in Afghanistan and Iraq was seen as direct path to mend its relations with the U.S. As Parsi has noted, "Tehran is capable of securing its interests in Afghanistan and Iraq without the U.S., and feels no need to be helpful unless Washington is willing to reciprocate at the strategic level."⁴⁸ Also, as noted by a senior diplomat of Iran in the aftermath of the September 11 attacks, Tehran decided did not qualify their cooperation in Afghanistan or make it conditional to change in U.S. policy, expecting that the huge impact of the cooperation would by itself build a better relationship; the diplomat also called this assumption a big error on their part.⁴⁹ A giant step was taken by Tehran in this regard in May 2003, just after the success of the invasion of Iraq, in a final attempt to reach out to the U.S. Through the Geneva channel, Iran literally put almost everything they had on the table, and the proposal bore the approval of Ayatollah Khamenei himself. In their last attempt to seek better relations, Iran proposed to end its support to armed non-state actors, cooperation against all terrorist organizations, accept peace with Israel, talks on nuclear issue and 'mutual respect', in return of lifting of all sanctions, better cooperation, recognition of Iran's legitimate security interests and pursuing of peaceful nuclear program.⁵⁰ It was a proposal for long term peace and cooperation, but was rejected by the hard liners in White House, including Dick Cheney, stating that "we don't deal with the evil"; The U.S. rejected the

⁴⁸ Sadat & Hughes, "U.S.-Iran Engagement Through Afghanistan", 37

⁴⁹ Ibid., 33

⁵⁰ Parsi, *Treacherous Alliance*: Appendix A

proposal for peace in the region, in what Parsi appropriately called in his book, ‘Snatching defeat from the jaws of victory’.⁵¹

With all of Iran’s key regional rivals gone, the biggest threat that Iran faced was definitely its encirclement by the United States, a threat which Iran regarded as ‘existential’⁵². This probably explains the allegations of Tehran providing limited support to insurgency in Iraq and also in Afghanistan; if the U.S. is bogged down with domestic problems in Iraq and Afghanistan, it would simply not have the resources to attempt anything against the Islamic Republic, and thereby also sending a message that if U.S. tries something, Iran has the capacity to retaliate through its loyal non-state actors, which would directly lead U.S. into a quagmire from which getting out would be extremely difficult. In the words of Ayatollah Khamenei himself, “[i]f the U.S. ventured into any aggression on Iran, Iran will retaliate by damaging U.S. interests worldwide twice as much as the U.S. may inflict on Iran.”⁵³

Conclusion

Although the presence of the United States was already there in the Persian Gulf, the attacks of September 11th changed the region forever. The invasion of Afghanistan and Iraq by the United States led Iran to dispose of its two biggest arch-rivals in the region, the Taliban and Saddam Hussein, but directly led to rise of what Tehran perceived as even greater and existential threat, the encirclement of Iran by the United States. Iran’s initial cooperation with U.S. was attributed to its two main interests, downfall of Taliban and expected improved relations with the United States. Even after the ‘axis of evil’ speech, Iran willingly cooperated with U.S. in Iraq, pursuing its own national security interests, but along with the perception that after Afghanistan and Iraq, Iran could be the next target. Therefore, Iran’s foreign policy in the region (and perhaps the allegations of its support to armed non-state actors) can be directly seen as a result of this perceived threat.

⁵¹ Ibid, 238

⁵² Milani, “Tehran's Take”, 46

⁵³ Zimmermann, “Calibrating Disorder”, 26

Sub-Question 2:**Iran's support to the Karzai government and stabilization of Afghanistan**

To the east of Iran sharing more than 900 km of porous border lays Afghanistan, a country engulfed in turmoil of war for almost four decades now. Apart from a porous border, they both also share a long history of ethnic, linguistic, cultural and economic ties; Iran is directly affected by the political-economic situation prevalent in Afghanistan. It is generally argued that Iran has always desired a 'stable and independent Afghanistan', with a government appropriately representing the ethnic diversity of the country and is also friendly towards Iran.⁵⁴ Iran also sees Afghanistan as a gateway to Central Asia and China, making it all the more interested in its stability. At the same time it also seeks to prevent any kind of further spill-over of the conflict in Afghanistan, which in some sense already plagues Iran. Also, Iran does not appreciate the presence of any foreign forces in Afghanistan, and its policy is greatly influenced by the presence of United States in the country.

It can be argued that the Iranian policy towards Afghanistan is shaped by pragmatic considerations and cannot be explained simply by the 'ideological factor' present in Iran's foreign policy rhetoric. A direct evidence can be seen by the role played by Iran in collaboration with the United States in the downfall of the Taliban (discussed in detail in the previous chapter), as a key actor towards the success of the 2001 Bonn Conference and its support to the Karzai government in Afghanistan. Iran has regularly used its influence in Afghanistan to gain influence in the political and economic environment through focusing on its relations with the Karzai administration, enhancing its trade and commercial relations, support to various warlords and emphasis on the Afghan reconstruction.

There are several factors controlling the relations of Iran and Afghanistan, what Milani calls the 'spheres of influence': political, economic and cultural.⁵⁵ Through these spheres Tehran has tried to meddle in many aspects in Afghanistan to pursue its security and economic interests. Primary of these interests remains the presence of United States in Afghanistan, the production and trade of opium, preventing the resurgence of extremist groups like the Taliban, economic access to the Afghan markets and to Central Asia and

⁵⁴ Milani, "Iran's Policy Towards Afghanistan", 235

⁵⁵ Ibid.

China at large, and establishment of Iran as a regional power. As Milani wrote about the Iranian policy in Afghanistan targets four major goals: “to collaborate with the Karzai government without abandoning its support for Iran's other allies in Afghanistan; to engage heavily in the reconstruction of Afghanistan in order to create an "economic sphere of influence"; to avoid direct confrontation with the U.S. while pressuring Kabul gradually to reduce U.S. influence; and to reduce the flow of narcotics to Iran.”⁵⁶

Presence of the United States in Afghanistan: Despite initial cooperation with the United States in the downfall of the Taliban to establishing a government under Hamid Karzai and extending support to an U.S. favoured Pashtun-led government in Afghanistan, Tehran has been vehemently opposed to a long term U.S. presence in Afghanistan. In the words of President Rouhani, Iran “is opposed to the presence of any foreign force in the region, the Middle East, the Persian Gulf and particularly the Islamic country of Afghanistan... They should all leave and leave the security of Afghanistan to its own people.”⁵⁷

Iran’s opposition to U.S. presence serves its foreign policy towards Afghanistan in multiple ways. First, it directly affects the stability in Afghanistan. Taliban, which forms the primary extremist force in Afghanistan, is comprised mainly of ethnic Pashtun people. In accordance to *Pashtunwali*, which defines the way of life for a Pashtun, the presence of foreign ‘occupying force’ calls for an ‘holy war’ against the invaders.⁵⁸ This situation implies a continued struggle in the form of *jihad* against the ‘foreign infidels’, which also makes the situation ripe for growth and spread of extremism and Salafist ideology against those ‘who endanger their ideology and beliefs’⁵⁹, which can further lead to instability by becoming a possible ground for civil or religious wars.

Second, the presence of U.S. military forces in Afghanistan is perceived as a direct existential threat to the Islamic Republic of Iran.⁶⁰ Iran believes that the presence of U.S. military is a part of greater U.S. policy to hold and reinforce its strategic position in the Persian Gulf as well as the South and Central Asian region, which has to come at the expense

⁵⁶ Milani, “Iran's Policy Towards Afghanistan”, 249

⁵⁷ “Rouhani Meets Karzai, Urges Withdrawal of All Foreign Forces from Afghanistan,” *Naharnet*, December 8, 2013. Retrieved from <http://www.naharnet.com/stories/en/109065>

⁵⁸ Thomas H. Johnson and M. Chris Mason, “No Sign until the Burst of Fire: Understanding the Pakistan-Afghanistan Frontier” *International Security*, Vol. 32, No. 4 (Spring 2008): 63.

⁵⁹ Kayhan Barzegar, ”Iran's Foreign Policy in Post-Taliban Afghanistan”, *The Washington Quarterly* 37:2 (2014), 125

⁶⁰ Milani, “Iran's Policy Towards Afghanistan”, 235

of Iran's interests. In Iran's perspective, this undermines Iran's position in two ways, by sacrificing the neutrality of Afghanistan in regional matters, and greatly undermining the influence Iran exercises in Afghanistan. Third, and perhaps what summarizes Iran's opposition to presence of U.S. troops is the fact that Iran views itself as a regional power, and the presence of United States in the region, and especially in its immediate neighbourhood both to the east in Afghanistan and the west in Iraq, and not forgetting U.S. relations with Pakistan, greatly undermines the ambitions of Iran.

The problem of Afghan drug trade: Milani regards the issue of opium production and drug trade in Afghanistan as the 'most contentious issue' from Iran's perspective.⁶¹ According to UN Office on Drugs and Crime (UNODC), about 89 per cent of opium and 39 per cent of morphine and heroin produced in Afghanistan enters Iran in its way to the Western European markets through Turkey. Iran has also been the country with largest amounts of drug seizures in Middle East, estimated at 24,926 metric tonnes for 2009, with Afghanistan and Pakistan taking second and third spots with 2,188 and 2,116 metric tonnes respectively.⁶² Iran has an "extensive and internationally recognized counter-narcotics policy",⁶³ works directly in cooperation with UNODC and also demands and in some cases successfully obtains bilateral cooperation from countries in Europe.

Iran has paid a heavy price for its 'war on drugs', not only in economic terms of finance and resources, but also human lives. According to Iran's Interior Minister General Mustafa Mohammad Najjar, more than 15,000 of its citizens have been killed or injured in its fight against drugs.⁶⁴ About 10 per cent of the Iranian army is posted along the border with Afghanistan, which has focused more on counter-narcotics operations rather than conventional military roles. Iran has more than 50,000 personnel deployed in order to combat the problem of drugs.⁶⁵ Also from 2005-2006, Tehran has contributed annually more than \$50 million in supporting anti-narcotics efforts of the Afghan government.⁶⁶ But as we are aware, after all the financial and human costs, the drug trade is still prevalent, which also

⁶¹ Milani, "Iran's Policy Towards Afghanistan", 250

⁶² UNODC World Drug Report 2011. Retrieved from http://www.unodc.org/documents/data-and-analysis/WDR2011/Seizures_2011_Final.pdf

⁶³ Stephen Carter, "Iran's interests in Afghanistan and their implications for NATO", *International Journal* Vol. 65(4) (Autumn 2010): 983

⁶⁴ Iran's Interior Minister General Mustafa Mohammad Najjar, "Addiction Treatment Camps Launched in 5 Provinces" [in Farsi], *Kayhan Daily*, June 6, 2011

⁶⁵ Sumitha Narayanan Kuttu, "Iran's Continuing Interests in Afghanistan", *The Washington Quarterly* 37:2 (2014): 146

⁶⁶ *Ibid*, 144

affects the Iranian population due to the availability of large quantities of drugs passing through the country. UN data suggests that about 3 per cent of the Iranian population over the age of 15 is addicted to heroin, and Iran has made it a priority to help them recover from the addiction, with immunity from prosecution if they come out voluntarily.⁶⁷

Another aspect that troubles Iran is the problem of drug trade as a direct threat to stability in Afghanistan. According to UNODC report on opium cultivation and production in Afghanistan in 2016, net opium poppy cultivation from past year had increased by 10 per cent to 201,000 hectares, and potential production of opium by 43 per cent to 4,800 tonnes.⁶⁸ Revenues from the drug trade have been directly fuelling the insurgency in Afghanistan, but as U.S. had aligned itself with support from various Afghan warlords and drug lords, it did not challenge the drug trade until October 2008 on the pretext of terrorism being its primary target, which allowed the drug trade to flourish in Afghanistan. Hence, Iran has always kept the Afghan drug problem on priority, including emphasizing on the issue in bilateral talks.⁶⁹

Economic assistance towards Afghanistan: Milani calls creation of “economic sphere of influence” as one of the main objectives of Iran, with the ultimate goal of developing into a hub for transport of goods and services between Persian Gulf and Central Asia, China and India through Afghanistan, and also enhance its political and security objectives in the region.⁷⁰ Iran has committed itself towards the economic reconstruction and development of Afghanistan right since the downfall of the Taliban and the Bonn Conference, committing \$560 million for Afghan reconstruction in the International Pledging Conference in Tokyo in 2002 and an additional \$100 million in the London Conference on Afghanistan Reconstruction in 2006.⁷¹ Iran has directly assisted in the stabilization of Afghanistan and of the Karzai government through various means which has also reinforced Iran’s role and position in Afghanistan.

The stability and reconstruction of Afghanistan is vital from the standpoint of Iran’s access to Central Asia, China and India. Wilde has argued that Iran is reshaping its foreign

⁶⁷ UNODC, “Responding to drug use and HIV in Iran”, 19 November 2008, Retrieved from <https://www.unodc.org/unodc/en/frontpage/responding-to-drug-use-and-hiv-in-iran.html>

⁶⁸ “Afghanistan Opium Survey 2016 – Executive Summary”, UNODC and Afghan Ministry of Counter Narcotics, Retrieved from http://www.unodc.org/documents/crop-monitoring/Afghanistan/AfghanistanOpiumSurvey2016_ExSum.pdf

⁶⁹ “Iran, Afghanistan discuss relations, fight against drugs” (Reported by IRNA), BBC Monitoring Middle East, 21 September 2005

⁷⁰ Milani, “Iran's Policy Towards Afghanistan”, 251

⁷¹ Ibid.

policy by lowering the importance of the Middle East region in favour of close relations with its eastern neighbourhood. In that regard, the development of Afghan infrastructure and importantly the construction of better highways “is closely linked to a policy aiming at economic and political cooperation with the Central Asian republics and the setting up of a larger regional network.”⁷² Thus, Iran’s efforts at infrastructure development in Afghanistan can also be seen in part as a strategy to establish a trans-regional cooperation and regional integration of Central Asia with a common new market for Iranian exports, industrial and agricultural projects, and exploitation of natural resources. The shift in policy can also be observed in Iran’s increasing economic exchanges and energy exports to Asian markets, most notably to India and China, which is also vital for economic development of Iran.⁷³ Afghanistan also provides Iran with a direct corridor to China, which reduces their dependence on the Strait of Hormuz, which could potentially convert into a choke point.

Afghanistan also provides Iran with an easy access to a huge market for Iranian goods and energy. Since 2002, the amount of trade between both nations has significantly increased, making Afghanistan Iran’s fourth largest trade partner in non-oil exports. As a reference, Iran’s exports to Afghanistan in 2012 amounted to \$2.874 billion,⁷⁴ with more than 2000 different Iranian companies operating across different sectors. At the same time Iran also provides Afghanistan with half of its oil consumption.⁷⁵ Also present in the country is Imam Khomeini Relief Committee (IKRC), Iran’s largest charity organization, which works directly if the Afghan people, providing payments to newlyweds, support to orphans, loans and stipends for basic needs and vocational courses. It thus successfully through economic help forms a bond with the local Afghans, which helps in both creating a positive image for Iran and gather intelligence.⁷⁶

Another issue which Tehran is much worried about is the resurgence of extremist groups like the Taliban in Afghanistan. According to Barzegar, in Tehran’s viewpoint “poverty and poor development have been the main bases for the revival of the Taliban and extremism in the country.”⁷⁷ From the point of view of stability in the region, Iran does not wish to see the

⁷² Andreas Wilde, “Continuity and Hiatus: Structural Patterns of Iran’s Policy in Afghanistan”, *Internationales Asienforum*, Vol. 40 No. 1-2 (2009): 29

⁷³ Barzegar, “Iran’s Foreign Policy in Post-Taliban Afghanistan”, 120

⁷⁴ Kutty, “Iran’s Continuing Interests in Afghanistan”, 147

⁷⁵ Akbarzadeh, “Iran’s Policy towards Afghanistan”, 67

⁷⁶ Kutty, “Iran’s Continuing Interests in Afghanistan”, 148

⁷⁷ Barzegar, “Iran’s Foreign Policy in Post-Taliban Afghanistan”, 123

resurgence of Taliban or Sunni extremism on its eastern border. Iran's fear is not based on ideological perspective but rather on fear of destabilization of Afghanistan, and the fact that return of Taliban may also lead to a stronger position for Pakistan in the region. A resurgent Taliban and a stronger Pakistan would directly lead to exclusion of Iran from Afghanistan, and could tarnish Iran's greater strategy for the region. For all these reasons, as Barzegar put it, "Iran has always committed itself to reconstruction and development efforts in such fields as financial aid, transportation and energy, trade, social structure, and refugee matters."⁷⁸

Conclusion

Iran's foreign policy towards Afghanistan seems to fit in the mould of "classical foreign policy", driven by security, political and economic interests and not inspired by religious or ideological priorities, and has contributed more towards overall stabilization of Afghanistan than to instability or extremism. Milani has also argued that Iran has followed a moderate policy and engaged in reconstruction and stabilization of Afghanistan, opposed the extremist groups like the Taliban and al-Qaeda, and has actively assisted in counter-narcotics.⁷⁹ Afghanistan also provides Iran with an opportunity of breaking its international isolation with renewed connections to China and Central Asia, and re-establish itself as a regional power and a hub for economic cooperation.

Iran has specifically focused on influence through soft power in Afghanistan – increased trade, economic aid and reconstruction, infrastructure and business investments, emphasis on shared history and cultural diplomacy, gathering information and direct and indirect support to different actors. This provides Iran with significant levels of influence in Afghanistan, including the Afghan government. A peaceful Afghanistan free from extremist actors like Taliban and al-Qaeda and drug trade is essential for Iran's economic and security interests in the region, as well as its national security concerns with regard to the Taliban and the presence of its arch rival United States on its immediate borders.

⁷⁸ Barzegar, "Iran's Foreign Policy in Post-Taliban Afghanistan", 123

⁷⁹ Milani, "Iran's Policy Towards Afghanistan", 256

Sub-Question 3:**Iran's support to Christian Armenia against Shia Azerbaijan**

To the north of Iran lie its South Caucasus neighbours Armenia and Azerbaijan. Iran, Armenia and Azerbaijan share territorial border with each other. Again, religious demographics also play an important role in the region. On one hand Armenia is a majority Christian state, with Christianity forming up 94.8% of the total population of Armenia,⁸⁰ and on the other hand is Azerbaijan, with 98% of the population being followers of Islam, and a total of more than 83% people being Shia Muslims.⁸¹ At the same time not only is Iran a proponent of Shia Islam, is home to a significant amount of Azeri people (estimates vary between 15-20% of Iran's population), who also form the largest ethnic minority in Iran.

Just looking at these factors, it is easy to conclude that Iran should support a Shia Azerbaijan against a Christian Armenia in case of a situation of conflict or even in its foreign relations. But it is not the case. Post the break-out of Nagorno-Karabakh conflict, Iran held to maintaining a neutral stance, but it is generally observed that it favours Armenia against Azerbaijan. This suggests that there is more to Iran's South Caucasus policy than just religious sentiment. In this chapter I would try to evaluate Iran's foreign policy towards its neighbours in South Caucasus, Armenia and Azerbaijan, its relations with both the countries, the extent of Iranian commitment, and what might be the factors influencing Iran's policy formation.

Historical Perspective to the conflict

Both Armenia and Azerbaijan were part of the former Soviet Republic and gained independence in 1991. Post-independence, both were involved in territorial conflict over the region of Nagorno-Karabakh. The region was made a part of Azerbaijan by the Soviet Union and was inhabited by ethnic Armenians. The region is now under Armenian 'occupation',⁸² with Armenia invoking the principle of 'peoples' right to self-determination' and Azerbaijan calling it a violation of territorial integrity.⁸³ The Nagorno-Karabakh conflict now forms the

⁸⁰ Armenia Census of 2011 Retrieved from http://armstat.am/file/article/sv_03_13a_520.pdf

⁸¹ Administrative Department of the President of the Republic of Azerbaijan: Religion. Retrieved from http://files.preslib.az/projects/remz/pdf_en/atr_din.pdf

⁸² Göktürk Tüysüzoglu, "How demand for security influence the shaping of foreign policy: Using the theory of securitisation to understand Armenia–Iran relations", *Journal of Eurasian Studies* 5 (2014): 196

⁸³ Svante E. Cornell, "Undeclared War: The Nagorno- Karabakh Conflict Reconsidered", *Journal of South Asian and Middle Eastern Studies* Vol. XX, No. 4 (Summer 1997): 8

key driving factor of the foreign policy of both Armenia and Azerbaijan.⁸⁴ The three main regional powers – Russia, Iran and Turkey, have different outlook towards the conflict. After trying to stay neutral at the time of outbreak of the conflict, Turkey openly allied itself with Azerbaijan in the armed conflict with Armenia; Iran, however, while claiming to maintain its neutrality and offering to mediate the conflict, did extend limited support to Armenia seeking to improve its relations.⁸⁵ But any negotiated solution has become very difficult due to “Armenia’s securitization of this region as integral to its own societal identity” and has equated its security with the political security of the state.⁸⁶

Factors influencing Iran’s foreign policy

The situation of regional security with the conflict between Armenia and Azerbaijan played a direct role in the relationship of Iran with the region. Considering the crucial nature of the conflict with regard to the geopolitics, Iran offered its assistance to both parties to reach a peaceful resolution to the escalating conflict, while trying to stay neutral at the same time.⁸⁷ Although it is widely considered that Azerbaijan had been subjected to external aggression and invasion by Armenia,⁸⁸ and Turkey deciding to support Azerbaijan, Iran was inconclusive on supporting any side. Iran, which had based its post-Islamic Revolution policy on sectarian basis and portrayed itself as ‘political leader of Shi’ism’, and ethnic Azeri people forming the largest minority group of Iran and majority of the population in the north-western Iran, it was widely expected that Iran would support Azerbaijan in the conflict against Armenia. Rather, Iran allied itself with Armenia, and the relations between the two states have been good ever since.

Perhaps the most helpful in deciding Iranian course of action at that time was the hard-lined and anti-Iran President of Azerbaijan, Abulfaz Elchibey, who in 1992 went all the way to threaten the territorial integrity of Iran, labelled Iran on several occasions as a ‘doomed state’, and predicted the unity of Azerbaijan (with the Azeri majority parts of Iran) within the

⁸⁴ Tracey German, “The Nagorno Karabakh Conflict between Azerbaijan and Armenia: Security Issues in the Caucasus”, *Journal of Muslim Minority Affairs* 32:2 (2012): 220

⁸⁵ Svante E. Cornell, *Small Nations and Great Powers: A Study of Ethnopolitical Conflict in the Caucasus* (London: Routledge, 2001), 308

⁸⁶ Tüysüzoglu, “How demand for security”, 196

⁸⁷ Emil Souleimanov and Ondrej Ditrych, “Iran and Azerbaijan: A Contested Neighborhood”, *Middle East Policy*, Vol. XIV, No. 2, (Summer 2007): 106

⁸⁸ Cornell, “Undeclared War”, 10

next five years.⁸⁹ This was directly indicative of something Iran did not wish in its neighbourhood. President Elchibey was overthrown in a coup d'état in the summer of 1993, and many in Azerbaijan alleged Iran's involvement into the coup.⁹⁰ The new Azerbaijani President Heydar Aliyev made several visits to Iran and the relations have improved significantly since then. Iran and Azerbaijan have signed various bilateral and multilateral agreements regarding economic cooperation and extraction and transportation of Azerbaijani oil and natural resources. But there still exists a climate of suspicion with Tehran fearing Baku's support to an independent movement of Azerbaijan.⁹¹

As we can observe, Iran's relations in the region with regard to its support to Christian Armenia instead of Azerbaijan which is Shia confirms about the nature of Iran's policy in the region as driven by its geo-political interests and which directly contradicts the rhetoric of ideological or religious principles. Iran's decisions regarding its foreign policy in the region are affected by a number of considerations: political interests, Iran's perceived territorial threat, economic interests and fear of isolation, presence of foreign actors like the United States, and its foremost ambitions of re-establishing itself as the regional power.

Threat to territorial integrity: The greatest factor influencing the relations has to be what was perceived to be a territorial threat by Iran due to its Azeri minority and a rise of a strong and rich Azerbaijan. Azeris form Iran's largest non-Farsi speaking ethnic minority, with almost 15-20 million people, as opposed to around six million in Azerbaijan.⁹² Also, Azerbaijan is blessed with large amounts of oil and natural gas resources for its small population, which led to rapid prosperity. Iran thus started to realize the threat to Iran's territorial integrity coming from a strong and rich Azerbaijan. President Rafsanjani realized that the emergence of strong and independent Azerbaijan can lead to a rise of Azeri nationalism inside Iran, which could prove to be troublesome for Tehran.⁹³ So with declining economic condition of Iran, it has always seen the emergence of a rich oil-producing Azerbaijan as a long-term threat to Iran's integrity; Iran prefers a weak Azerbaijan on its north, a sovereign state but dependent on outside support.⁹⁴

⁸⁹ Cornell, *Small Nations and Great Powers*, 314

⁹⁰ Ibid.

⁹¹ Zarifian, "Iran and Its Two Neighbours Armenia and Azerbaijan", 390

⁹² Cornell, *Small Nations and Great Powers*, 310

⁹³ Ibid., 314

⁹⁴ Souleimanov and Ditrych, "Iran and Azerbaijan", 113

The threat was first directly identified due to the threatening rhetoric of Azerbaijan's President Elchibey in 1992, something which also led to Iran developing better relations with Armenia. Nevertheless, Iran could not afford to take the risk of a popular uprising in the Azeri dominated cities in north-western Iran which might have led to a threat to Iran's territorial integrity with Iranian Azeris supporting Azerbaijan. Even when the Armenian troops marched towards the Iran-Azerbaijan border in October 1993, which threatened a major refugee crisis with several Azeris crossing the border into Iran and would have threatened their integration with Iranian Azeris and their mobilization in Azerbaijan's conflict against Armenia, Iran was swift to react. It set up refugee camps not inside its own territory, but in Azerbaijani soil. Although setting up of refugee camps outside Iran was expensive, economic factor was considered secondary to the 'potentially explosive situation' of Azeri unity and to prevent any pressure by its Azeri minority to intervene.⁹⁵

This threat of territorial integrity has not only been the driving factor of Iran's relations with Azerbaijan, but affects its relations with Armenia as well; and although this was the factor which first drove Iran to support Armenia, Iran has acted in a pragmatic way with priority to its national security interests. When Nakhchivan, an exclave of Azerbaijan faced the threat of an attack by Armenia in September 1993, which would have triggered a massive flow of refugees across to Araxes River into the Iranian side, Iran mobilized its troops against Armenia, which was enough to intimidate it, and the Armenian foreign minister provided his assurance to Iran against any attacks on Nakhchivan.⁹⁶

Economic interests: Iranian leadership has described its relationship with Armenia as 'strategic'; Iran and Armenia have signed around ninety MoUs on mutual cooperation, and Iran has made multiple infrastructure investments in Armenia.⁹⁷ Economic cooperation with Armenia offers Iran some respite from the embargo imposed on it, and helps in increasing 'its regional effectiveness with energy and transport projects.'⁹⁸ Today Iran has established itself as Armenia's largest trading partner, and is actively trading with the Armenians in Karabakh region as well.⁹⁹ According to Iran's First Vice President Eshaq Jahangiri, annual trade between the two nations stands at \$300 million, and with Armenia joining the Eurasian

⁹⁵ Souleimanov and Ditych, "Iran and Azerbaijan", 106 and Cornell, *Small Nations and Great Powers*, 313

⁹⁶ The argument has been jointly observed from discussions of the actions by Cornell in *Small Nations and Great Powers*, 318, and Souleimanov and Ditych in "Iran and Azerbaijan", 106

⁹⁷ Zarifian, "Christian Armenia, Islamic Iran"

⁹⁸ Tüysüzoglu, "How demand for security", 196

⁹⁹ Cornell, *Small Nations and Great Powers*, 314

Economic Union (EEU), Iran has got access to trade and goods export to a broader market, with Armenia forming the crucial trade route for Iran.¹⁰⁰

Another big factor that promotes Iran's interests in economic cooperation with Armenia is the threat of isolation faced due to continued adversary U.S. policies against Iran. To counter this threat, Iran's support to Armenia works in two ways: first, Armenia has always had good relations with Iran and never showed any kind of hostility in the region; Armenia provides Iran with electricity and Iran views its commercial relations with Armenia as a pathway to trade and energy transport routes leading to European markets¹⁰¹, and second, strong relations with Armenia also lead to improved relations with Russia which Iran considers crucial against U.S. sanctions.

Since the coming of President Aliyev to power, Iran's economic relations with Azerbaijan have also improved, especially in terms of exploitation and transportation of Azerbaijan's oil resources. A potential turn of events came in April 1995 when Azerbaijan expelled Iran from a 25 per cent share in an international oil consortium at the behest of United States, driving Iran to label President Aliyev as a puppet of the 'Great Satan'. To appease Iran, Aliyev offered it a 10 percent share in another consortium in Shah-Deniz, which Iran accepted showing its pragmatic decision making, and further tried to establish its influence in oil markets and bring economic profits at the same time by signing a deal with Azerbaijan for exploitation of two more Azerbaijani oil fields, which amounted to a \$1.5 billion deal between the two states.¹⁰²

Political interests: The actions of Azerbaijan's President Elchibey led Iran to adopt a much more active stance towards Armenia. Ansari wrote about the conflict that Iran "openly professed neutrality in the war, but leaned towards Armenia, with some reports that Iran went do far as to supply Armenia with weapons. Thus it was that the Islamic Republic of Iran supported Christian Armenia over Shia Azerbaijan, because the Azeris had offended Iranian *national* sensibilities."¹⁰³ Iran supported Armenia with the required supplies, goods and energy, served at least as a transit route if not directly supplying weapons to Armenia, and it has also allegedly trained the Armenian fighters; Iran just stopped short of any kind of

¹⁰⁰ "Iran, Armenia Form Commission to Boost Trade", *Asbarez*, 20 October 2014, Retrieved from <http://asbarez.com/128025/iran-armenia-form-commission-to-boost-trade/>

¹⁰¹ William Ward Maggs, "Armenia and Azerbaijan: Looking toward the Middle East", *Current History* Vol. 92, No. 570 (January 1993): 10

¹⁰² Souleimanov and Ditych "Iran and Azerbaijan", 104-105

¹⁰³ Ansari, *Confronting Iran*, 141

military involvement.¹⁰⁴ Iran's support to Armenia was also vital considering what Iran perceived to be a grave territorial threat to its sovereignty, which will be discussed in detail in the further sections.

At the same time Iran is aware of the political dependency of Armenia on it, which is also evident by the fact that Armenia is one of the only regional actors to have never shown any hostility against Iran. This was best understood when in 2005 President Ahmadinejad gave his infamous statement against Israel and denial of the Holocaust, Vartan Oskanian, the then-foreign minister of Armenia refrained from evaluating the issue in respect of bilateral relations with Iran.¹⁰⁵ Armenia has always given due respect to its relations with Iran and has made sure nothing jeopardizes these relations, like when in 1994 Armenian forces accidentally shot down an Iranian military plane, Armenian officials travelled to Iran without any delay to make sure that the relations between the two nations are not affected, and the trade values actually grew after this incident.¹⁰⁶ Also, Armenia is perhaps the only country in the region which has always vocally supported Iran's nuclear program.¹⁰⁷

Presence of external actors: Another thing that displeases Iran is the presence of United States in Azerbaijan and the Caspian Sea region. The United States has solidly penetrated the region. President Ahmadinejad in 2006 expressed Iran's opposition towards any "foreign interference" in the Caspian region. In May 2005, Iran and Azerbaijan also signed a non-aggression mutual pact, but at the same time Azerbaijan has also shown their military cooperation with the United States.¹⁰⁸ Iran has always been sceptical regarding the presence of United States in its neighbourhood, and sees it as a direct challenge to its ambitions of being a regional power. Also, the presence of U.S. and its military cooperation with Azerbaijan generates a potential threat of use of Azerbaijani territory in case of a future U.S. aggression against Iran. Therefore, Azerbaijan's cooperation with the United States further drives Iran's relations with Azerbaijan; Iran does not wish to see a strong U.S. ally in the region that might be used against it. Iran has also found an ally Russia as a common foe to

¹⁰⁴ Cornell, *Small Nations and Great Powers*, 319

¹⁰⁵ Julien Zarifian, "Iran and Its Two Neighbours Armenia and Azerbaijan: Resuming Relationships under America's Suspicious Eyes", *Iran and the Caucasus* 13 (2009): 387

¹⁰⁶ Julien Zarifian, "Christian Armenia, Islamic Iran: Two (Not So) Strange Companions Geopolitical Stakes and Significance of a Special Relationship", *Iran and the Caucasus* 12 (2008): 131

¹⁰⁷ James Barry, "Brothers or Comrades at Arms? Iran's Relations with Armenia and Azerbaijan" in *Iran and the World: President Rouhani's Foreign Policy* ed. Shahram Akbarzadeh and Dara Conduit (Palgrave MacMillan, New York: 2016): 63

¹⁰⁸ Zarifian, "Iran and Its Two Neighbours Armenia and Azerbaijan", 393

Azerbaijan. Iran is also keen on cooperating with Russia as a show of standing up against the U.S. pressure on their isolation policy.¹⁰⁹

Conclusion

The conflict of Nagorno-Karabakh still plays an important role in influencing the foreign policy in the region. The position of Iran during the conflict also shows a great awareness on its part – if the Armenian troops had brought about a failure of the Azerbaijan state, it would have deteriorated the internal political scenario of Iran significantly; the people of Iran, both Azeri minority as well as Persian majority, might not have tolerated that.¹¹⁰ Iran therefore, while supporting Armenia made sure that it did not go to the extent of causing a power imbalance in the region. It has also been noted that for Iran’s policy, “economic interests tended to outweigh any desire to spread potentially destabilizing ideology to the region.”¹¹¹

Dorsey has also stated that, “Few nations have less in common at first glance than Armenia and Iran.”¹¹² Even then, Iran has maintained with Armenia a strong bilateral relation over the years based on political, economic and cultural cooperation. As can be observed from the analysis above of Iran’s relations with Armenia and Azerbaijan, it would not be wrong to arrive at the conclusion that Iran’s foreign policy with regard to its northern neighbours is based on pragmatic decision making and does not depend on the ideological perspective of Shia Islam or Islamic Revolution. We can also point out that the foreign policy decisions depend on a range of factors including territorial threat, economic and commercial relationship, political considerations, and also the threat of isolation and the role of external actors in the region. Evaluating Iran’s foreign relations with Armenia and Azerbaijan reveals a rational and pragmatic perspective; as Cornell also wrote about the relationship between Iran and Armenia, “the existence of such co-operation shows that the age of *Realpolitik* is not over, given the different worldviews of the principal actors.”¹¹³

¹⁰⁹ Cornell, *Small Nations and Great Powers*, 317

¹¹⁰ Souleimanov and Ditych, “Iran and Azerbaijan”, 113

¹¹¹ Olga Oliker, “Conflict in Central Asia and the South Caucasus: Implications of Foreign Interests and Involvement” in *Faultlines of Conflict in Central Asia and the South Caucasus* ed. Olga Oliker and Thomas S. Szayna (Pittsburgh: RAND, 2003): 228

¹¹² James M. Dorsey, “The Growing Entente between Armenia and Iran”, *Middle East International*, No 439, December 4, 1992: 17.

¹¹³ Cornell, *Small Nations and Great Powers*, 320

Discussion

Since the Islamic Revolution and the overthrow of the Shah in 1979, the region around Iran has witnessed a plethora of geo-political changes and conflicts. The two major events under Ayatollah Khomeini were the 1979 invasion of Afghanistan by the Soviet Union and the 1980 invasion of Iran by Saddam Hussein which led to the Iran-Iraq War which lasted for almost eight years. After the death of Ayatollah Khomeini in 1989, Ayatollah Ali Khamenei was declared as the Supreme Leader of Iran (incumbent). Post-1989 scenario of the region was no different, and although Iran did not have to face external military aggression, it was directly affected by the evolving external conflicts.

First was the 1991 Gulf War, when U.S.-led coalition attacked Iraq in response to its invasion of Kuwait, and brought U.S. forces in the Persian Gulf and at immediate borders of Iran. This was soon followed by the dissolution of the Soviet Union and independence of Armenia and Azerbaijan on Iran's northern borders. Both nations were in a state of conflict over their claims on the region of Nagorno-Karabakh, and a full scale war erupted in the winters of 1992; the conflict is still on-going. Along with the troubles on the northern borders, a situation of civil war prevailed on Iran's eastern borders in Afghanistan, which led to the formation of the Taliban in 1994 and its rise to power and takeover of the Afghan government in 1996. The hard-lined anti-Shia anti-Iran Taliban government had hostile relations with the Islamic Republic, and almost reached a state of open war in 1998.

The attacks of September 11 changed the situation altogether by bringing significant U.S. forces in the region, first in Afghanistan in 2001 followed by Iraq in 2003, thereby also completing the encirclement of Iran. But at the same time U.S. helped Iran's position in the region, by getting rid of its two of the biggest enemies on either side, and at the same time providing hope of better relations in the future through their cooperation in both the countries. It can be observed that over the years, Tehran has put religious ideology and sectarianism on a backburner and gave way to pragmatic decision making with regard to national security and economic interests in its foreign policy, with a goal of promoting stability in the neighbourhood and establishing its political and economic spheres of influence, and marching towards a greater objective of re-establishing itself as a regional power.

The first evidence can be seen in the Nagorno-Karabakh conflict between Armenia and Azerbaijan on Iran's northern borders, where Iran went directly against its ideological

rhetoric of Shia Islam and the Islamic Revolution when it, while claiming neutrality, actively extended its support to Christian Armenia as opposed to Shia Azerbaijan. The religion was side-lined to give way to national security and economic interests. Iran's policy towards the conflict can be best described as 'active neutrality', which did not only determine Tehran's stance towards the conflict, but also led to shaping of its relations with both the countries in short to medium term. A challenge to Iran's territorial integrity and regional influence as posed by a strong Azerbaijan, together with its economic and political interests and favourable terms with Armenia motivated Iran's policy in South Caucasus neighbourhood.

At the same time Iran has been pragmatic and realist in face of any threat due to the actions of its ally Armenia as well; the threat posed by Armenian invasion of Nakhchivan and Iran's mobilization of its forces to prevent that and send a message at the same time is a testimony of that. Also, setting up on refugee camps not on Iranian territory but on the border side inside Azerbaijan sets to demonstrate that money and expenses is not a problem for Tehran as much as the integrity and keeping any threat at bay amongst its own population. And although offended when it was expelled from the oil consortium deal by Azerbaijan, it was pragmatic on signing a deal in another sector with Azerbaijan when it observed genuine interests from the other side and considering opportunities of economic profits and at the same time better political relations with Azerbaijan.

Around almost the same time, Iran was faced by a hostile government on its eastern borders in Afghanistan. When given a chance in 2001, it did not hesitate in collaborating with one of its 'greatest enemies' United States, and actively assisted in the downfall of the Taliban and efforts in bringing stability in Afghanistan by supporting the new government led by a Sunni Pashtun, and massive reconstruction efforts. Tehran was a crucial ally in the success of the invasion and the Bonn Conference that followed, where it extensively used its influence and contacts in the region in general and within the Northern Alliance in particular. Also keeping in mind to strengthen its reach and influence in the country, Tehran was generous enough in supplying Afghanistan with huge sums of money for reconstruction, and bribing the officials at the same time to keep its hold intact in pursuing its interests in the region. Instability in Afghanistan is also a direct threat to national security of Iran, due to terrorism, drug smuggling, and a massive presence and inflow of Afghan refugees to Iran, and any spill-over of the crisis, and Tehran has been actively engaged in keeping a check on these problems.

A strong hold in Afghanistan becomes all the more important considering its geographic location and the access it provides to Central Asia and China, the former regarded as a natural sphere of influence by Tehran. Access to the region also provides Iran access to larger economic markets for its goods and natural resources, and an effective measure to counter the regime of sanctions placed against it. In strengthening its hold, Iran was not afraid of using all the tools available in its basket, a shared common culture, religion, economic aid and natural resources, and most importantly its knowledge and expertise of the region. Stability of Afghanistan is also important considering it to a primary for pipeline politics in the region, and Tehran's interests in pipeline projects to Indian and Chinese markets.

One factor that has influenced Iran's policy throughout the time frame is the presence of United States in the region. Better relations with the U.S. were first voiced by President Rafsanjani, and saw active efforts in that direction when reformist Mohammad Khatami became the president; Iran had always opposed the presence of U.S. forces in the Persian Gulf, but it was under President Khatami that Tehran accepted the reality and showed their willingness to live with it. Tehran regularly advocated improved relations with Washington, especially with regard to economic and scientific cooperation, something which was much needed for Iran due to the sanctions imposed on it and also to control its rising unemployment and high inflation.

The invasions of Afghanistan and Iraq by the United States was seen as a huge opportunity by Tehran, as a path to better relations with the U.S. and getting rid of the Taliban and Saddam Hussein, both a direct threat to the Islamic Republic. Getting rid of its enemies on either side also gave Iran an opportunity to consolidate its hold and influence in both the countries, develop better political and economic relations with the new governments, thereby creating its spheres of influences in both. Better relations with the United States would also have led to lifting or at least easing of sanctions imposed on the country, and would have assisted Iran in realizing its nuclear ambitions, for which Washington has been one of the strictest opponents.

But one of Iran's fears which came into being after the U.S. invasion of Iraq was that U.S. had completed the encirclement of the Islamic Republic. U.S. had its presence in the Persian Gulf, military cooperation with Azerbaijan, and now in Afghanistan and Iraq as well. It is also worth noting here that Iran has not involved militarily in any conflict post the Iran-Iraq War, so it has directed its policy towards its support to non-state actors, both armed and

unarmed Shia and Sunni groups, through which it also exerts part of its influence in the region and also on United States. They also serve as a means to convey that if any kind of action is taken against the Islamic Republic, they hold the strings to stability of the region and have the capacity to engage any aggression into a predicament, and make the cost of the same unbearable.

Looking at armed conflicts in Iran's immediate neighbourhood and its response towards them, a policy of 'active neutrality' can be observed. Though using its military to convey a threat, it has stopped short of any direct military involvement. Rather, harnessing its intelligence and realpolitik policy, it has taken sides in the conflicts through economic aid and assistance, logistics to even providing military training and arms and equipment to different sides and non-state actors, thereby minimizing its risks while maximizing benefits, an approach typical to realpolitik. This policy has also accredited Iran with significant levels of soft power and influence within different parts of region, the official governments and the local power holders and warlords, which Tehran actively uses to pursue its realpolitik interests.

Conclusion

Iran's foreign policy has evolved substantially since the time of the Islamic Revolution in 1979, passing through almost a decade of war and more than three and a half decades of sanctions and conflicts in its neighbourhood. A major shift came after the demise of Ayatollah Khomeini in 1989, and especially under the presidency of Akbar Rafsanjani and Mohammad Khatami. Although both were pragmatic leaders, Khatami specifically has been accredited with the vital shift in Iran's foreign policy, with his anti-isolationist position and promotion of better relations with the United States as being key and a necessity to Iran's economic development, by arguing that "We may be able to close the door to a certain extent, and in some areas. But given the way the world is progressing, tomorrow it would be impossible to close the doors".¹¹⁴ Iran's foreign policy under Khatami was predicated on "détente, mutual respect and dialogue," with a shift away from terrorism and violence and towards building cooperation, as Khatami himself said, "Foreign Policy does not mean guns and rifles but utilizing all means to convince others."¹¹⁵

The most important drivers in Iran's foreign policy in its neighbourhood are its national security and economic interests, which seem to go hand in hand in most of the cases. From its policy decisions on support to Armenia, cooperation with the United States in Afghanistan and Iraq, and its support towards stabilization and reconstruction of Afghanistan all point in the direction of pragmatism in the foreign policy, decisions which directly have an effect on improving both security as well as economic standing of Tehran in the whole region. It also shows a tendency of continued support towards its allies, using all possible tools to advance its standing and influence in the region; religion, culture, economic aid, reconstruction, trade and cooperation, support to de-facto and local power holders, all serve as means to advance its national interests in terms of the policy of realpolitik.

The role of its economic interests has increased over the years in Iran's foreign policy, and now serves as a key driver in Tehran's decision making. Better relations and economic influence in its immediate neighbourhood grants Iran with easy access to markets not only in those countries, but through them to the greater part of the region in general. It also provides as an opportunity to retaliate against the regime of sanctions put against Iran by the United States, thereby making these connections all the more important.

¹¹⁴ Takeyh, *Guardians of the Revolution*, 186

¹¹⁵ *Ibid.*, 197-198

Although there are several proofs that Iran still continues to support some armed non-state actors, the support has more to it than simply the agenda of Islamic revolution and religious ideology; they serve more as vehicles for serving its geo-political goals rather than the spread of the revolution. They serve as a means of pursuing its pragmatic foreign policy goals, and ensuring its influence in the region. Especially with regard to Afghanistan and Iraq, any limited support to an insurgent group serves a purpose for Tehran by upholding its influence in the territory and at the same time keeping the U.S. forces bogged down, thereby anticipating for an early exit of the foreign forces and also sending a message against any possible hostility against the Islamic Republic in the future.

Iran's foreign policy shows an excellent understanding of the region, and its flexibility of working with various actors to advance its interests, specifically through its dealings with both Shia and Sunni groups and warlords. It does not hesitate in collaborating with actors with whom it had been at loggerheads in the past if it helps in advancing its agendas, nor does it hesitate in dealing with other states if it is assumed to be favourable for the Islamic Republic, especially when it comes to economic benefits. Ideology and sectarianism mainly form a part of Iran's domestic rhetoric, but the foreign policy is formed on the basis of pragmatic interests and decision making. Iran's decisions are based on a detailed cost-benefit analysis, and although ideology and sectarianism plays a role in the rhetoric, the foreign policy of the Islamic Republic of Iran, specifically with regard to its immediate neighbours, is guided by pragmatic national security and economic considerations and not on the ideas of an Islamic Revolution.

Limitations and points for future

At the same time there are also some limitations to the work above, or rather scope for future research. The main limitation is the discussion on Iran's nuclear program; it is almost impossible to paint a complete picture without getting into the frame Iran's nuclear ambitions and what they call their right for the same. Iran's foreign policy for almost the last decade and a half has focused a lot on and revolved around the issue of nuclear power. Being a signatory state of the Non Proliferation Treaty (NPT) and the fact that IAEA did not find any evidence of military purposes of its nuclear program, Tehran has always stressed that the program is solely for peaceful purposes. While U.S. had continued its objections towards the program, its neighbours like Armenia and Iraq have supported Iran's right to a peaceful nuclear program.¹¹⁶

Although things have taken a turn with Joint Comprehensive Plan of Action (JCPOA), colloquially the Iran nuclear deal signed in 2015, many presumptions still remain, more so with the presidency of Donald Trump, who has publicly been vocal in his opposition of the deal. Except for a few points, it was not much emphasised for two main reasons: first, because of the concentration of this study in the situations of armed conflict in Iran's immediate neighbourhood, and second, that the deal is still in its initial phase and the uncertainty that looms under the Trump presidency. Perhaps a further study of the topic can talk more about the role of nuclear diplomacy in the region.

Also, the study talks about Iran's policy in general and does not go deep into the roles of different individuals and organizations. The views of the President and the Parliament, Ayatollah and the Guardian Council, bodies like Islamic Revolution Guards Corps (IRGC) and military, and perhaps most importantly, views of the ruling president as being reformist or conservative, moderate or hard-lined. Therefore, it does not specifically go into the roles and changes under the leadership of different Presidents, for example, moderate Khatami versus hard-lined Ahmadinejad. Along with that the difference in domestic rhetoric in comparison to pragmatic foreign policy decisions needs to be studied. A deeper and more detailed study of Iran's political atmosphere is required to emphasize on this aspect.

¹¹⁶ Islamic Republic News Agency, <http://www.irna.ir/en/>

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