Chapter - V

Iran in the Present Security Environment
The cessation of hostilities between Iran and Iraq in 1988 necessitated restoration of stability in the Persian Gulf region, Iran’s faster reintegration into the international community and its greater participation in regional and global organisations such as the United Nations and the Islamic Conference Organization.

In the aftermath of the Iran-Iraq war President Rafsanjani’s foreign policy strategy can be discerned in the context of two overriding domestic policy objectives. These were the aspirations of the Islamic Republic to recover ground lost in the debilitating war and, in doing so to reassert its influence in the region. Iran’s economic and military recovery entailed the ending of its regional and international isolation. To this effect President Rafsanjani said:

The pressures of war, the psychological problems caused by the war, boycott and sieges created these (economic and social) difficulties. But now things can be different up to an extent as I especially emphasize peace. We should strive seriously for peace to be established in the region. If there is no peace in the region, then I do not think that matters can progress as they should..... Trust among neighbours and a calm situation in the region can automatically solve many problems for us1.

In the course of a flurry of diplomatic activity, including visits to a number of Gulf Arab states by high level delegations, Iran's announcement that it was working on a plan that would guarantee the security of the regional states provided the first concrete evidence of change in thinking and attitude at the highest decision making levels in Tehran. A fundamental precept of Iran's foreign policy, in the words of Rafsanjani, is "respect for territorial integrity as well as social and religious values of other peoples"\(^2\). In the context of the Persian Gulf region, this means, he said, "We do not want to become policeman,\(^3\) and, he added, "Iran should not humiliate or intimidate its neighbours or make them feel insecure", Instead, he urges, "We should all cooperate to build our region. The Persian Gulf area should become like an area around a home, like a common farmland."\(^4\).

Iran, in short, had embarked on the road to recovery under the guidance of a new spiritual and executive leadership. On the diplomatic front, Tehran had either restored full relations or had managed to reopen channels of communication with most of its antagonists (including the United States, Iraq, Saudi Arabia and Egypt) and was well on the way towards reintegrating Iran fully into the regional and international order.

\(^3\) For the text of Rafsanjani's speech see *Middle East Journal* 44, no. 3, Summer 1990, pp. 458-66.
\(^4\) *FBIS - NES*, 12 March 1991, p. 43.
The Kuwaiti crisis provided an opportunity for Iran, when it was the most sought after nation during the crisis, to play a greater role in the regional power game. Its adherence to its promise of neutrality and "correct" policy towards the area not only ended its diplomatic isolation but its probable participation in the new security structure was also widely discussed soon after the war. Saudi Arabia, whose ties with Iran were rapidly improving with high-level visits from both sides visiting each other's capitals, was pleased with Iran's neutrality in the war. Iran's appeal to the GCC states to set up a joint security system in the region to contain Iraq and curb the entry of foreign powers did not get any positive response from them. However, the confrontation of GCC states with Iraq was accompanied by a radical change in the climate of GCC relations with Iran. This change was evident in the 11th annual summit of the GCC held in Doha during 22 - 24 December 1990. The summit welcomed trends in Iran to improve and develop relations with the GCC member states. It also appreciated Iran's stand on the Gulf crisis. During a press conference in Doha, the Qatari foreign minister indicated that Iran should be included in security arrangement of the region by virtue of its geographical location. The Iranian foreign minister, two days after the GCC summit, stated that Iran "welcomes the positive points in the latest communique and is willing to discuss with the Gulf states, the principle of

cooperation, to guarantee the security of the region from any influence of foreign powers, and in the interest of the Muslim people of the region."^6

However, the euphoria generated in the immediate aftermath of the second Gulf war gradually began to cool down as the coalition partners got down to the brass tacks of establishing a viable security structure for the region. Desirous of playing a greater role in any future security set-up for the region, Iran lobbied actively for its inclusion in security arrangements of the region. The GCC countries, however, shared none of Iran's enthusiasm.

i) The Damascus Declaration

A proposal for a security pact in the region to replace the US led multinational troops after the Gulf War was put forward soon after the defeat of Iraq. It was tentatively designated as the Mutual Defence Organization. The plan was conceived when foreign ministers of the six GCC states, Egypt and Syria met in Damascus on 5-6 March 1991 and agreed to set up an eight-party security structure. The statement of principles, interalia, dealt with the security in the Persian Gulf but there was no mention of Iran. It spoke in grandise terms of the intention "to build a new Arab order to bolster joint Arab action". It also agreed to establish an Arab peace-keeping force as part of an ambitious regional security plan. This multilateral force was to consist of

Syrian and Egyptian troops as well. Iran was completely kept out of this security scheme. The exclusion of Iran was due to many reasons, principally Iran’s relations with the key-power in the area, Saudi Arabia. Another important reason was that due to Iran’s geo politics and geo-strategic position in the Gulf, any alliance with Iran would automatically give a defacto recognition to Iran’s predominance in the region\(^7\). This exclusion naturally led to the decline of Iran’s role as a strong regional power\(^8\).

In order not to be left out of the evolving security structure as also to prevent further decline in its position and to play a greater role in the region, Iran launched a diplomatic campaign aimed at building up goodwill in the GCC states. Iranian President Rafsanjani sent his envoy to the GCC capitals with a proposal for forming a common market as a prelude to some sort of security understanding. The Iranian government also decided to re-establish ties with Saudi Arabia with a hope of a new security pact which would include all littoral states of the Persian Gulf. On 17 March 1991, the foreign minister of Iran, Velayati, met his counterpart, Prince Saud al-Faisal, in Jeddah\(^9\). In his three-day talks, the Iranian foreign minister touched upon

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8. Iran’s declining role as a strong power in the region was due to: (i) the declining influence of the USSR in the region; (ii) the successful and strong influence of the military presence of the US and the Western allies, (iii) increasing influence of the Western powers on the GCC states.

the question of Haj assuring the Saudi foreign minister that Iranian pilgrims would abide by the Saudi rules during the Haj. The Saudis, on the other part, agreed to increase the previous number (45,000) of Iranian pilgrims to a quota of 115,000. By the end of their talks, the Iranian foreign minister, in an interview, said, "The Kingdom of Saudi Arabia and the Islamic Republic of Iran have reached an understanding on solving all problems between them."10.

Despite Iran's significant diplomatic achievements during the Kuwaiti crisis, the war in 1991 and subsequent developments in the region forced a number of uncomfortable policy decisions on Tehran. The emergence of the now moribund "6+2" (the GCC, Egypt and Syria) Arab configuration in March 1991, which was intended to provide security for the Persian Gulf region, highlighted, in Tehran's view, the Arab states' desire to Arabise the Gulf region. Tehran was concerned that, in the aftermath of the anti-Iraq war, the Persian Gulf Sheikhdoms were looking towards a counterweight to Iran's rising power11, rather than seeking a strategy of cooperation and collective action on matters relating to the Persian Gulf as a semi-autonomous region. The Bush administration had repeatedly acknowledged the importance of Iran's role in the future security of the Persian Gulf. Thus, for example, Secretary of State, James Bakar III, in his testimony to the Senate Foreign Relations

11. R. Hollis, Gulf Security : No Consensus (London : Royal United Services Institute for Defence Studies, 1993), p. 120.
Committee on February 7, 1991 declared: "No regional state should be excluded from these (security) arrangement. Post war Iraq could have an important role to play and so could Iran as a major power in the Gulf". Yet, the Bush security plan outlined to congress on 6 march 1991, did exclude Iran. The Damascus Declaration issued by the GCC plus Egypt and Syria on the same date also excluded Iran from this ethnolinguistic "Arab peace force", in spite of GCC assurances that this force was not aimed against Iran and inspite of the fact that such GCC states as Oman believed that "security in the region without Iran is unthinkable."  

However, other GCC state, such as Saudi Arabia, Bahrain and Qatar were not inclined towards supporting Iranian participation in the security setup. In fact the GCC Secretary General made it clear that the GCC will not give Iran a direct role in the Gulf security system. This was in sharp contrast to the views expressed during the crisis which called for Iranian participation in security arrangement.

The fact that the accord envisaged the deployment of Egyptian and Syrian military forces in the region was not lost on Iran and was interpreted by the Iranian leadership as an attack on Iran's legitimate interests in the Gulf and

its security considerations. Iran really had no choice in the short terms but to use persuasion as the policy instrument best suited to place it at the centre of discussion surrounding security in the Gulf. It used its close ties with Syria to enter the Arab discussions. Yet, Tehran remained particularly concerned with Egypt’s apparent attempts to position itself as the main guarantor of security for the GCC states and, by extension, the entire Persian Gulf region.

The plan failed to pick up because it was narrow and exclusive in its approach and the geographical factor was underestimated. There was general disillusionment among the members of the GCC which was evident during the 12th summit meeting of the GCC states. The camaraderie between the GCC states on the one hand and Egypt and Syria on the other did not last long. Saudi Arabia and Kuwait showed their reluctance to have large numbers of permanently stationed Egyptian and Syrian troops on their soil. In reply to a question (soon after the Declaration was issued) on whether the regions security will be confined to Egypt and Syria or if other Arab countries would be participating in the security forces, the Kuwaiti Deputy Prime Minister, Sheikh Sabah al Ahmad al Jaber al Sabah said the role of Egypt and Syria was fundamental but that "security was not confined to Syria and Egypt." This indicated Kuwaiti reservation on

15. This summit was held in Kuwait from 23 to 25 December, 1991. Main subjects discussed included security arrangements for the region, Iran’s role in it, Damascus Declaration, and economic unification among the GCC states.
16. Pasha, n. 14, p. 120.
these two Arab countries and it is now known that from the very outset Kuwaiatis preferred reliance on Anglo-US presence. Thus it was not surprising when Egypt announced that it was withdrawing its troops from Kuwait. Moreover, promises of economic aid to Egypt and Syria were not repeated.

Egypt's rift with GCC states was over the issue of Iran and Western presence. Egypt disagreed with moves by GCC states to involve Iran actively in Gulf security and preferred reliance on Arab states with minimal Western (effectively American) involvement. The Kuwaiati with extreme reluctance agreed to the stationing of Egyptian and Syrian troops, because the US rejected Kuwaiti attempts to have US troops based on its territory, despite an elaborate but unsuccessful effort by Kuwait to create a false Iraqi security threat.

There was general erosion of the GCC rulers' faith in neutral and an exclusively Arab security alliance. The Amir of Kuwait cut the path when he called for a realistic attitude towards the post-war environment in the Persian Gulf in accordance with the New World Order. He implied that the fellow rulers should follow his lead in entering into bilateral defence pacts with the Western states and accept their protection. Kuwait then signed a 10 year defence Cooperation Agreement with the US which permitted the US to stockpile weapons in Kuwait and the visit of US warplanes.

and ships.\textsuperscript{18} The Amir of Kuwait then went ahead and placed orders for 40 F-18 fighter planes and showed interest in the purchase of Apache helicopters and Abram tanks in order to give more teeth to the Kuwiti armed forces\textsuperscript{19}.

The precedent set by Kuwait led to a rush of bilateral defence agreements between the Gulf monarchies and the West. Following the Kuwiti example, Bahrain too signed a defence pact with the US. The most powerful GCC State, Saudi Arabia, adopted a somewhat different strategy. It went in for a massive arms purchase programme worth same $ 20 billion from the US instead of signing a direct defence treaty\textsuperscript{20}. The bilateral defence pacts sounded the death knell of the Damascus Declaration. It showed that the GCC states reposed more faith in the Western powers, particularly the US, rather than on a home-grown security arrangement for their defence. The GCC states had become much more dependent on the West for their security and protection of their regimes in the aftermath of the Kuwiti crisis. As regards the Iranian contention that the security of the Gulf should be the responsibility of the littoral states and external powers showed be kept out, there were simply no takers.

The new pattern of arms transfer and defence agreements revealed the true proclivities of the GCC rulers. They concealed their latent urge for seeking individual security

\textsuperscript{18} Amir Sajedi, "Iran's Relation with Kuwait" \textit{Strategic Analysis} (New Delhi), vol. XVI, No. 7, October 1993, p. 882.
\textsuperscript{19} Ibid., p. 882.
under Western umbrella. Restraint had to be observed because of apprehension about popular upsurge. To tame the situation, a cooling off period was imperative. A similar facade was created about the need for security and armament to meet the projected Iraqi threat. However, the ground realities were that the Iraqi military machine had been destroyed and there was a continuing process under the UN auspices to completely debilitate that country's military potential. The real source of threat was hedged by circumstantial evidence available in bits, in and outside the region, pointed towards Iran. Another driving factor could be the suppressed mutual bickerings and the latent wariness towards Saudi Arabia. 21.

The Islamic Republic of Iran was not unconcerned or silent spectator of the post war scramble for security in the Persian Gulf region. As noted earlier, it projected its role and was opposed to the presence of foreign military personnel in the region. On being cold-shouldered by the GCC rulers in the wake of defence pacts and arms build-up, Iran geared itself on this course. It embarked on an unprecedented arms acquisition programme. Foreign MInister, Dr. Ali Akbar Velayati admitted unequivocally: "Ofcourse, we purchase weapons, but for our own defence" 22.

Iran acquired arms from a variety of sources. As part of a $ 10 billion arms for oil deal signed with the Soviet

22. Ibid., p. 708.
Union in 1989, Moscow transferred arms worth $1 billion to Iran in 1991. It included MIG 29 fighters, SU-24 fighter bombers, SA-5 SAMS and artillery pieces. In 1992, Iran got another pond 1 billion worth of equipment from the former Soviet Union, mainly Russia. Iran also showed interest in buying submarines enabling it to control the Strait of Hormuz\(^23\). It was reported that an unspecified number of Iranian sailors were being trained at a submarine base at Latvia while 500 Iranian pilots were under instruction in Russia. It received from North Korea missiles and nuclear technology and from China fast moving patrol boats equipped with the latest Styx missiles. The purchase of these weapons made the GCC states nervous who perceived it as a new threat to naval operations in the Gulf and the Arabian sea considered to be the life line for oil exports of the region\(^24\).

Apart from conventional weapons, Iran also accelerated its nuclear, chemical and biological weapons development programmes. There were widespread reports that Tehran was trying to recruit German, Russian and Kazak Scientists to develop nuclear and chemical weapons. Iran also signed an agreement with China for the purchase of 300-MW nuclear plant and approached India for the supply of a 10-MW reactor\(^25\). Iran’s quest for nuclear technology created considerable alarm in the West. The US, in particular, put

\(^{23}\) Wireless File (USIS, New Delhi), 25 September, 1992, pp. 4-5.

\(^{24}\) Sajedi, no. 7, p. 779.

\(^{25}\) Abidi, no. 20, pp. 709-10.
pressure on all those countries which showed an inclination towards cooperating with Iran in the nuclear field not to go ahead with the deals signed so far or which were in the offing.

ii) Iran Looks Northward:

Iran was aggrieved at the isolation forced on it by the Damascus Declaration countries in their attempt to forge a regional defence apparatus. All along the crisis Iran had indicated its desire to have a major say in regional defence arrangements but when it failed to secure formal endorsement by the GCC status it moved towards cultivating closer relations with the Central Asian Republics in order to break its probable isolation and to buttress its bargaining position. Looking beyond the region, Iran was wary of the lumbering US presence in the area. With the end of the cold war and the disintegration of the Soviet Union, the US emerged as the single dominant power under the new world order. The Gulf crisis proved beyond doubt the capability of the US to push other nations into a path determined by it. It is in this context that the Iranian fraternization process in the Central Asian region has to be looked into.

The rapid disintegration of the USSR and the subsequent emergence of the independent states in central Asia and the Caucasus has brought about a radical transformation in the politics of the region. During the cold war years, this

26. These states are Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan in Central Asia and Armenia and Azerbaijan in the Caucasus.
region was of crucial importance for projecting Soviet military might both nuclear as well as conventional. Nuclear tests were regularly carried out in Kazakhstan. ICMBS like the SS-18 and strategic bombers capable of carrying nuclear weapons were stationed in a number of republics. Besides, 15-16 divisions of conventional troops with accompanying air power, armour and air lift capability were earmarked for this region. The Soviet military presence in Afghanistan was all along sustained from this region.27.

With the end of the cold war and the disintegration of the Soviet Union, Central asia has attained a new relevance in regional politics. All the Central Asian states are Muslim. Sunni Islam is the dominant form of Islam there, though it is not the exclusive Islamic affiliation of the indigenous people. In Uzbekistan a large and important Shii community exists with historical ties to Iran. The Caucasian republic of Azerbaijan separated by the Caspian Sea from the other five republics in Central asia, is predominantly Shiite. All the republics with the exception of Tajikistan (where Persian is spoken) speak Turkic dialects. During seven decades of Soviet rule, there is no doubt that Islam was not only frowned upon but brutally suppressed. But the Communist Party of the Soviet Union (CPSU) could not ignore it in totality. Even during the last few decades of the Soviet rule there were multi-tiered religious activities.

The first was the establishment of Islam officially

sponsored and rigidly controlled by Moscow. The second was based upon local Islamic tradition, especially the Sufi brotherhoods. The Sufi brotherhood was constantly persecuted by the Soviet state and was compelled to go underground. The third was modern Islamic fundamentalism with distinct political overtones which sought to galvanize the Muslims against the atheist ideology and thereby weaken Soviet hold over central Asia.\textsuperscript{28} Quite naturally, this type of religious activity also had to face the wrath of the Soviet State and could only function from the underground. Given central Asia's Islamic affiliation, it is no wonder, therefore, that neighbouring Muslim powers are competing for influence in this region. Prominent among them are Iran and Turkey.

Iran is the only country of the Persian Gulf which has initiated a consistent policy towards the Central Asian/Caucasian states though the Saudis have also shown keen interest in the region. There is a sequential link between Iran's policies towards the Persian Gulf and its northern region. Having been isolated by the GCC in any regional security arrangement, Iran turned towards cultivating closer relations with its northern neighbours with a view to buttress its bargaining position \textit{vis-a-vis} the GCC\textsuperscript{29}.

Iran's policy was based on certain geographical, historical, and cultural premises which placed it in a

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pivotal position of the linkage between Central Asia and the Persian Gulf. It shares its borders with Turkmenistan and Azerbaijan and has long standing cultural-religious interests in Tajikistan. Iran has twice many Azeri’s living on its territory than in Azerbaijan. Both the Uzbeks and Tajiks, though Sunni Muslims, join the Azeris and the Iranians in celebrating the Iranian new year, Nowruz. The emergence of independent states in Central Asia/Caucasus presented Iran with potential opportunities as well as threats. Situated geographically between Central Asia and the Persian Gulf, Iran saw itself as a bridge between the north and south. The region was received as a potential access route for Iran to the Black Sea and Europe through Trans-Caucasia and to China and the Pacific through Central Asia. Iran also recognized the economic potential of this region. According to Finance Minister, Mohsen Nourbakhsh, the region constituted a potential market of $8-10 billion for Iranian exports. By cultivating the Central Asian republics Iran not only hoped to stretch the crisis prone area but also to acquire strategic depth vis-a-vis the GCC. The collapse of the Soviet Union was also fraught with potential links. The whole hinterland of Iran now lay exposed to influence. With Turkey to its west and a majority of Turkish speaking Sunnis to its north, Iran was, as it were, surrounded by a Turkish world. The Iranian leaders saw this as detrimental to their country’s security.

Soon after formation of the Commonwealth of Independent States (CIS), Iran’s National Security Council declared its readiness to recognize the independence of former Soviet republics including those in Central Asia. It was subsequently endorsed by the Iranian Majlis. Shortly thereafter, Iran allocated $2.1 million in its 1992-93 budget for the opening of embassies/consulates and other necessary facilities. The Iranian foreign minister Ali Akbar Velayati, went on a ten-day visit to the newly independent republics in late 1991. The purpose of this visit, according to Velayati, was expansion of relations with Muslim countries which was the primary goal of the Islamic Republic’s foreign policy. Meanwhile the Iranian President Rafsanjani declared that Iran, employing all its potentials, was ready to assist Muslim countries, especially those in Central Asia/Caucasia.32.

Relatively deep and extensive ties soon developed between the republics of Central Asia and Iran. Tajikistan is one of the republics where the Iranian influence is paramount. Tajiks are one of the oldest branches of Iranian people, who have shared history, language, religion and culture with Iran. It is also one of the countries where the strength of Islamic movement is on the rise and of late Tajikistan has witnessed civil strife due to intense rivalry between Islamic forces and former communists.33.

1992, the then President of Tajikistan, Rahman Nabiev, paid his maiden visit to Iran. Several agreement in the field of economy, education and culture were signed between the two countries. A joint economic commission to explore the potential of economic cooperation in different fields was formed and Iran agreed to provide a $50 million-credit for the purchase of Iranian goods.

One important development in Tajikistan was the decision to adopt the Persian language and script as the official medium of communication. Iran promised to supply all the necessary infrastructure for this purpose. Tehran offered a large number of scholarships for Tajik students and agreed to train Tajik diplomats. Iran radio broadcasts special programmes for Tajikistan and TV news from Iran is relayed live once a day for Tajik television.34

In Turkmenistan too, Iranian influence is prominent Iran has large Turkoman population who share common ethnic and linguistic background with the people of Turkmenistan. Both countries have three border points at each others' frontiers at Pol, Bajgiran and Sarakhs. The nationals of both countries residing near the border have been permitted to cross the border without formalities and have been allowed to travel within a radius of 45 km from the common frontiers.35 Meanwhile the construction of a railroad

35. Ibid., p. 224.
linking Tajan in Turkmenistan with Mashad via Sarakhs in northern Iran is in full swing. The road passing through Bajgiran border point is being widened to make it an international highway. A daily bus service between Mashad and Ashkabad has also been inaugurated recently. The two countries have also decided to activate their ports on both sides of the Caspian Sea in addition to building two dams over Arak and Tajan, two rivers running on their borders. Tehran has also undertaken to provide 6.5 million tons of crude oil and in return import 3 billion cubic meters of gas every year.\textsuperscript{36}

Kazakhstan plays an important role in Iran's transportation and communication plans for the region. The Silk Route Project of Iran depends in part on Kazakhstan for access to China. The expansion of shipping lines in the Caspian Sea involves Iranian port of Auzali and now Shahr and Etan in Kazakhstan.\textsuperscript{37} Meanwhile, the Uzbek capital, Tashkent, has been made the hub of Iran air, which would make the city the major air-terminal of Central Asia.\textsuperscript{38}

Iranian initiative was instrumental in the formation of the Caspian Sea Littoral States Organization in February 1992 which includes besides Iran, Azerbaijan, Kazakhstan, Turkmenistan, and Russia. The aim of the Organization is cooperation in the field of economy, shipping, fisheries and

protection of environment. Another organization floated by
Tehran is the Association of Persian Speaking People (APSP)
covering Iran, Tajikistan and Afghanistan. The purpose of
APSP is the promotion of Persian language, literature and
culture.

Iranian leaders have announced that Iran must play a
greater role in Central Asia in order to counter the
influence of Turkey, which they claimed was seeking
influence in order to defeat the forces of Islamic
revivalism. In view of Turkey's pro-Western oriculation,
the Iranians perceive Turkey as an agent of the US in
Central Asia. In an effort to counter Ankara's growing
influence in the region and by extension that of the US,
Tehran is actively promoting the Islamic cause in Central
Asia. After seven decades of brutal suppression of religion,
there is a sudden revival of Islam all over the region.
There has been a significant rise in the observance of
Islamic rites in day-to-day life, religious marriages and
attendance at mosques. Consequently, the construction of new
mosques and religious schools is taking place at a
phenomenal rate. For instance, in Tajikistan the number of
mosques has gone up from 18 to 3000 in just two years while
in Uzbekistan it has increased from 160 to 5000. The
Iranian government has liberally funded the construction of
mosques and religious schools and has supplied religious
literature in Azerbaijan, Tajikistan and rest of Central
Asia.39. The Iranian President Rafsanjani declared that Iran

39. K. Warikoo, "The Resurgence of Central Asia", Strategic
was determined to help the poor people of the region to the best of its ability in accordance with the teachings of the Holy Quran. Islamic militants have become active in many Central Asian countries. President Karimov and Nazarbayev are already facing protest from Islamic opposition — the latter from Alash and the former from Islamic groups based in Farghana Valley where Sharia Courts have been set up and women forced to wear veil. It is, however, important to keep in mind that while at the grassroots level, the strength of Islamic groups is on the increase, the secular elite who were former party bases of the CPSU are still dominating in key positions. The general impression of Iran among this secular elite is that it is not a progressive country and pursues radical Islamic politics. They, therefore, prefer secular Turkey to Islamic Iran.

iii) Iran and the Economic Cooperation Organization (ECO)

All along the Kuwaiti crisis the Iranian's contention that the security of the Gulf region is the responsibility of the littoral states, failed to evoke any positive response from the GCC countries. Iran then moved towards cultivating the Cultural Asian republics with a dual motive. It not only hoped to stretch the crisi-prove area but also to acquire strategic depth vis a vis the GCC. It was with this intention that the Regional Cooperation for Development (RCD), formed in 1964, was revamped as a foreign policy tool.

40. FBIS-NES, 12 May 1992, p. 43.
The Shah of Iran had worked for an American commitment to support Iran against any kind of aggression, not just one controlled by international communism. Iraq was the specific case in point, but the US was not prepared to go any further than restating existing commitments in a bilateral form. This Iranian expectation of aid against any aggression lay at the back of the Shah's receptivity before the 1959 agreement to the idea of creating a confederation composed of Iran, Turkey, Pakistan and Afghanistan. He stated at a news conference on 27 September 1958 that "Iran proved for the first time that Persian-speaking nations are forming such a unity which is aimed at defending their own territories against any aggression." 41 In retrospect, what is also interesting about the impact of the Iraqi revolution on Iran's foreign policy was the birth of the idea of regional powers helping themselves that finally led to the formation of the RCD between Iran, Turkey and Pakistan in 1964. 42 This organization has always had an aura of authenticity in the region because it was created as an expression of the independence of Iran, Pakistan, and Turkey in the context of the declining US-sponsored Central Treaty Organization (CENTO).

With the withering away of the Soviet State and the emergence of the Central Asian / Caucasian republics these newly independent Muslim republics sought Iran's

championship of their membership in the Economic Cooperation Organization (ECO), a revamped version of RCD. Although these republics are members of the Commonwealth of Independent states (CIS), they are free to join or establish any international organization of their choice. They have, therefore, been spawning multilateral organizations to shape their regional identity as well as political destiny. Iran has been happy to oblige. In February 1992 they were invited to join the ECO. Turkmenistan Uzbekistan and Azerbaijan were the first three republics to apply for membership. Their application was approved at the first summit meeting of the ECO held in Tehran on 16-17 February 1992. Tajikistan and Kirghystan were also admitted as full members at this summit meet at which Kazakhstan joined the ECO as an observer. In November 1992 Afghanistan too was admitted as a full member of the ECO. Now the vastly expanded regional grouping covers 600 million square kilometers and includes nearly 300 million people.

Elaborating on Iran’s primary goal of stability in Central Asia and the Caucasus, Rafsanjani said on 16 February 1992 at the ECO summit: "Viable stability and peace are of great importance to our strategic and sensitive region. This important goal can only be achieved through the extensive collaboration of all regional countries".43

Iran has sought to give a religious colour to what is basically an economic organization. Commenting on the summit 43. FBIS-NES, 18 February 1992, p. 46.
meet of the ECO, Rafsanjani declared that it was a meeting of large Islamic family. Still others in the Iranian establishment described the formation of the ECO as a prelude to the setting up of an Islamic common market. While Rafsanjani cited examples of OPEC and the Association of Southeast Asian Nations with favour, Turgut Ozal, the President of Turkey, insisted that ECO should develop an infrastructure similar to the European Community. At present, differences do exist in the approach of each of the three—Iran Pakistan and Turkey—particularly Iran and Turkey who have their own rival regional interests.44

The ECO is linked via Iran and Azerbaijan to the Caspian Sea Littoral States Organization and via Turkey to the Black Sea Organization. This new grouping—Caspian Sea Grouping in Velayati's words, can "better handle the geo-political situation of the region."45 Networking between ECO and the Caspian sea Littoral States Organization and the Black Sea Organization will create new opportunities for regional cooperation and development in the future. For the present, the ECO's relative underdevelopment has to be overcome if it is to evolve into a dynamic regional grouping like the European Community or the Association of South East Asian Nations (ASEAN). The countries present in the ECO are of diverse nature with different economic priorities. Afghanistan and Tajikistan are caught up in a political turmoil while Azerbaijan is fighting a long drawn-out low

45. FBIS-NES, 18 February 1992, p. 48-49.
intensity warfare with neighbouring Armenia. In such a situation it will be very difficult for these countries to develop their national and regional identities at one and the same time. At the moment, the best course of action would be to intensify bilateral cooperation among themselves and then move on to cooperation at the regional level in a phased manner.

The conflict between Azerbaijan and Armenia was an alarming development for Iran as the involvement of outside powers has security implications for Tehran. The Rafsanjani administration worked hard to prevent spillover of the bloody Armenian - Azerbaijan conflict into the Iranian northern borders areas. The conflict between the Armenian Christians and the Azeri Shiis has deep historical, ethnic, territorial, and cultural roots, and armed hostilities between the two republics intensified since their independence, posing a potential threat to the security of northern Iran.

Azerbaijan which has a large Shii populations is one of the republics in which Iran has showed great interest in expansion of relations. The conflict over the disputed Nagorno-Karabakh between Azerbaijan and Armenia was a cause of concern to Iran as the involvement of big power, could undermine Iran’s Security. Iran offered its good offices to mediate between Azerbaijan and Armenian republics as it shares common borders with them. Azerbaijan under Ayaz Matalibov, a former communist, showed interest in establishing relations with Iran. It was granted membership
of ECO and the Caspian sea Littoral States Cooperation Organization. As the war in the Karabakh region intensified, the Armenian forces blockaded the supply routes to Nakhichevan causing disruption in the road link between Azerbaijan and Nakhichevan. Iran opened its borders and extended food and medical help to this region. In the first instance Iran sent 200 tons of foodstuffs and medicines. After the Armenian forces cut off the electricity supply to this region, Iran supplied them with their requirements of electricity. Iran, through its territory, provided safe passage of air and land corridor to the Republic of Azerbaijan. This enabled Azerbaijan to supply the essential needs to Nakhichevan region. Wounded soldiers were sent to Iranian hospitals Iran offered gas supply to Azerbaijan on deferred payment basis. The Islamic Republic of Iran clearly explained its stand vis-a-vis the Nagorno Karabakh dispute. The Iranian Ambassador to Azerbaijan republic said:

The Islamic Republic could no longer see a war spreading across its borders. It initiated its mediation efforts on humanitarian and Islamic grounds following requests from both belligerent sides because bloodshed among innocent people is in no way acceptable to us, especially when the blood of Muslims may be shed.

47. Ibid., 13 June 1992.
Iran stated that Karabakh is a part of Azerbaijan and no geographical change in the existing border is acceptable and the only solution to the problem is through peaceful means. A spokesman of the Iranian Foreign Ministry stated that the continuation of hostility in the region is against the interest of Armenia and Azerbaijan. It provides a fertile ground for the intervention of foreign powers and wastes the resources and energies of the new republics.\(^{48}\)

Both Azerbaijan and Armenia sought the Iranian government's help to diffuse the situation in Nagorno-Karabakh. The Iranian President, Rafsanjani, while meeting the foreign minister of Armenia, announced Iran's readiness to mediate in the dispute. But Iran was not happy with the Armenian offensive on Azerbaijan and the escalation of hostilities. Tehran termed the Armenian offensive as flagrant violation of Azerbaijan sovereignty.

However, Iran continued its mediation to find a solution to the problem. Velayati's efforts finally paid off on 15 March 1992 when he and the representatives of Armenia and Azerbaijan signed a declaration in Tehran on resolution of the conflict. Iran's four point plan stipulated a permanent cease-fire in the region, the deployment of an observer force, an exchange of POWS, and an exchange of the dead from both sides. The cease-fire for a seven day truce was to be the first step towards a more permanent cease-fire\(^{49}\).

\(^{48}\) *Ettelaat* (Tehran), 18 February 1992.

\(^{49}\) Ramazani, n. 30, p. 418.
The Iranian-brokered cease-fire facilitated the fact-finding mission of UN special envoy, Cyrus Vance, who began his tour on 19 March. Velayati, besides condemning the intensification of armed hostilities between the warring parties, expressed serious concern to Secretary General Boutrous Ghali about the spread of the conflict. He called on neighbouring countries and big powers "not to send arms to the warring countries" and on the UN to cooperate in the matter. 50

However, Iran’s goodwill and mediation has drawn it into controversy with Azerbaijan. This was due to internal instability and factional fights between the supporters of Mutalibov and the Azerbaijan Popular Front (APF) led by Abdulfazl Elchibey. It is widely believed that the Defence Minister in the Mutaliber government, who was from the Opposition APF, in order to embarrass the government, did not defend two important and strategic cities of Lachin and Shusha which led to the fall of these two cities to Armenian forces. As a result, the pro-APF press blamed Iran for the fiasco. 51 The turn of events led to the overthrow of Mutalibov and coming to power of Elchibey who is known for his pro-Turkey and anti-Iranian stand. The Iranian representative, while returning from Armenia and Azerbaijan in May 1992, expressed anxiety about the Nagorno-Karabakh conflict turning into a Muslims Christian conflict and the possibility of Iran being drawn into it. He added that further mediation by Iran should be stopped as long as the

50. FBIS-NES, 5 May 1992, pp. 52-3.
51. Shafiee, n. 32, p. 222.
political situation is not settled.\textsuperscript{52}

The Western world is worried about the activities of Iran in Central Asia and its emergence as a regional power. The US, in particular, does not view with favour Iran's growing ties with the region. Consequently, in the Central Asian region, traces of shadow boxing between Iran and the US could be detected. Ever since the process of disintegration began in the Soviet Union, the US showed least interest in the Central Asian republics. As Iran initiated its fraternization process in the region, the US raised the bogey of the danger of "Islamic fundamentalism" there. Secretary Baker, after his visit to the republics in February 1992, spelled the US concern in a derisive manner. According to him "United States views the republics solely as a means for checking Islamic revival; otherwise, they have no other worth". This view was supplemented by reported remarks of some NATO officials that the growth of Islam in Central Asia is not in the interest of the West and that it showed be confronted militarily.\textsuperscript{53} The US did not like Iran's growing ties with Central Asian states. There were motivated reports in the American and Jewish Press the Kazakhstan, which is a nuclear power, had secretly transferred nuclear warheads to Tehran\textsuperscript{54}. President Nazarbayev and the CIS headquarters in Moscow had to issue a denial that Iran had bought four nuclear warheads from Alma

\textsuperscript{52} Ettelaat (Tehran), 18 May 1992.
\textsuperscript{53} News From I.R of Iran, no. 58, 29 February 1992, p. 1. cited in Abidi, n. 29, p. 16.
\textsuperscript{54} P. Stobdan, "Islamic Reawakening in Central Asia: Towards Stability or Conflict", Strategic Analysis (New Delhi), vol. XV, no. 6, September 1992, p. 507.
More recently, a report released by the US Institute of Peace in Washington warmed of threats in the region posed by some combination of Iran, Islamic fundamentalism, instability and the presence of nuclear capability. High on Washington's agenda is limiting Iran's role in the region. The Chief of CIA, Robert Gates, said that he had talked to several leaders of the Central Asian republics about the threat arising out of the Iranian arms stockpiling.  

However, the embryonic interaction between the Persian Gulf and Central Asia might provide some strategic depth and cushion to Iran. But so long as oil lasts there the US interest in involvement will loom large in the region. The possible grounds for grouse might include containment of "Islamic fundamentalism", human rights, ethnic composition, oil production and price, intervention in the internal affairs of other states, and extra regional terrorism.

In order to contain Iran and counter its growing influence in the region, the US has started encouraging Saudi Arabia to play a more active role in Central Asia. Unlike Iran, Riyadh has petro-dollars to spare and has demonstrated its willingness to spend lavishly to win over people to its side.

55. *Business and Political Observer* (New Delhi), 14 October, 1992. It may be recalled that under the agreement on Strategic forces signed at Minsk in December 1992, CIS members undertook to respect obligations of the former USSR and pledged to pursue a coordinated policy in the area of disarmament and international security. The final decision about the use of nuclear weapons rested with the President of Russia in consultation with the leaders of other republics where nuclear weapons were stationed--Ukrania, Belarus and Kazakhstan. The former nuclear republics also signed the START in May 1992.


57. Abidi, n. 29, p. 17.
iv) Saudi Arabia in Central Asia:

The Kingdom of Saudi Arabia has, of late embarked upon an ambitious assistance programme for the region. A beginning in this direction was made with the announcement by Prince Bandar bin Sultan of $1 billion emergency aid for Central Asia. Additional Saudi aid has been routed through the OIC and the Muslims World League. The Jeddah based Islamic Development Bank (IDB) is conducting a feasibility study for the construction of Persian Gulf-Central Asia railroad which could give a tremendous boost to the volume of trade in the Gulf. With Saudi embassies now being opened in all the states, focus is gradually shifting to intensive bilateral cooperation. Kazakhstan has been the first to set up a joint Saudi-Kazakh bank, Al Baraka - Kazakhstan Bank. Similar joint ventures are being planned for the other republics too.

Riyadh is also actively abetting the revival of Islam in Central Asia in a big way. In October 1992 a million copies of the Holy Quran were donated by the Saudi monarch to the Central Asian Muslims Board. Religious scholars from the region have been financed by Riyadh to participate in courses on contemporary Islam run by Al-Azhar in Cairo. Riyadh is also helping even increasing numbers of Central Asians to make pilgrimage to Mecca. It has provided $7

million to the religious seminary in Tashkent for Islamic studies, underwritten the salaries of religious school teachers in Dushanbe. The Central Asian leaders, fully aware of the Saudi economic strength, showed keen interest in that country. The Heads of State of most of the republics have paid visits to Riyadh and returned with promise from the Saudi government that the latter will help them in setting up a new financial system.

There is possibility that in the years to come a Turkey-Saudi nexus might develop in the region with encouragement from the West aimed at containing Iran. Both Riyadh and Ankara are staunchly pro-Western and both have their own reasons to prevent Iran from becoming too strong a regional power. The Saudi-Iran rivalry in the Gulf and the Islamic World is well known. Riyadh can also enlist the services of Pakistan which is also active in the Central Asian region. Were such a nexus to emerge in the future it can pose serious problems for Tehran and create impediments for its ambitious Central Asian policy.

v) Security and Defence Strategy of the Islamic Republic

The continuing "no war - no peace" situation with regard to Iraq, despite Iraqi unconditional acceptance of 1975 Algiers Accord in August 1990, made little progress towards finalizing a peace treaty. This prompted the Iranian leadership to acquire military superiority and preparedness in the region. A number of reasons can be presented for this

attitude. Firstly, long years of war had taught the Iranian leaders the lessons of not entering into a conflict unprepared and with inferior arms, especially against a militarily well equipped enemy. Military deterrence, furthermore, achieved through a well armed and equipped military machine, was seen to promise future security for the Republic: "We are working towards an army which is small but efficient", in the words of Mohammad Javed Larijani, the President's advisor on foreign relations. 61

Preparedness, efficiency and firepower would become essential aspects of the Islamic Republic of Iran's (IRI) post war military doctrine. The emphasis would be on air force. Former Defence Minister, Akbar Torkan, explicitly endorses the emphasis put on air force by IRI's leadership when he said in 1990: "the air force has so far played the biggest role in reconstruction of armed forces equipment."62 The airforce commander himself has underlined the need to have an effective air force and advanced air defence system in place as the minimum guarantee of the country's security, particularly during its critical reconstruction and rebuilding period. 63

The eight-year war with Iraq and the subsequent turbulence in the Persian Gulf made Iran feel that the region is volatile, and it must equip itself adequately to play the pre eminent role that history and geography have

61. Financial Times Survey (London), 1993 : II
conferred on it. It perceives a pre-eminent role for itself in the Persian Gulf and will not allow others to undermine it. The inter state and intra-state politics of the Arab region of the Persian Gulf continues to make Iran still relevant to the region. And the Iranians' strategy and tactics to use Islam as a trump card to keep up their position have paid dividends so far.

The presence of Great Powers in the region, at the "invitation" of their allies like Saudi Arabia and Kuwait, and the latter's belligerent attitude towards Iran, created a peculiar security environment in the region. The Iranians made a tactical move by agreeing to sell Iraqi crude (along with Turkey in order to neutralize the effectiveness of extra regional power's solutions to the region's problems.64.

The current Iranian military effort indicates a substantial commitment by Iran's leadership since it is taking place at a time when funding is scarce. The population is growing rapidly—it now stands at more than 65 million -- and income from oil sales, Iran's main source of income, has declined significantly due to lower prices and reduced production capability. Iran's inflation rate is running at 60% and unemployment is near 30%. Its currency, the rial, has lost substantial value. Foreign debt, now at $35 billion, is mounting, despite debt rescheduling.

agreements, repayments remain in arrears. Despite these problems if Iran succeeds in building its military capabilities, growing economic distress might increase the incentives for external aggression.

However, as long as Tehran is conscious of US power and resolve it will not seek direct confrontation or even attempts to undermine the current regional order are likely to be limited by the lessons of Desert Storm. One move that Tehran can make is to acquire nuclear weapons or biological weapons (BW) before moving directly against the GCC states. It might hope that these weapons would deter the US and its allies from intervening to oppose it. It might also believe that such a capability would intimidate GCC states into not inviting US or other Western forces to intervene, or that it would lesson the risks of a military move against GCC states. The US might then be more cautious in how it conducts a war against Iran, and less able to impose optional terms against Iran, and less able to impose optimal terms for ending it. Some scholars argue that the US might not have gone to war against Iraq to liberate Kuwait if Baghdad had had nuclear weapons.

Another Possible action Iran could take is to use indirect means—subversion -- to


destabilise or even overthrow GCC governments, and to present the US and its allies with an ambiguous situation that complicates their response.

A. Iran's Rearmaments Strategy:

Rebuilding Iran's shattered post-war military was one of the IRI's primary tasks. It was to be undertaken in conjunction with economic development and an opening to the outside world. All three were part of or comprehensive reconstruction strategy67.

The rearmament strategy was three pronged. First, it called for reorganization and selective rebuilding of the conventional armed forces. The end of the war with Iraq did not make it easier to acquire new weapons system. Western states maintained an unofficial embargo which, with their growing suspicion of Iran's intentions, had taken on an air of permanence by the mid 1990s. Prior to the collapse of the Eastern bloc, Iran tried to acquire weapons from states like Poland, Czechoslovakia, Yugoslavia and Romania. In the 1990s, Russia has become the largest and most important supplier of conventional arms to Iran. Russia's willingness to supply advanced arms has been due to its need for hard currency and a more positive attitude towards Iran than in the 1980s. The Russians regard the Iranian role in Central Asia and the Caucasus as more positive main than of Turkey.

The most explicit indication of the more positive that of

67. See Rafsanjani's vow to rebuild Iran's "defensive power", in FBIS-NES, 3 February 1992, pp. 46-47.
Turkey. The most explicit indication of the more positive attitude towards Iran was Russian foreign minister Anderei Kozyrev's March 1993 call for a "Strategic Partnership" between Russia and Iran. Russian--Iranian relations are likely to grow stronger as US--Russian relations deteriorate. Some Russians have argued that if the North Atlantic Treaty Organization (NATO) expands to East Central Europe, one of the possible Russian responses could be to increase strategic cooperations with Iran.

Second, the development of Iran's defence industries to ease dependency on foreign suppliers has been a cardinal principle of the Islamic Republic. The defence industries' achievements have been remarkable but Iran has tended to exaggerate them, while underestimating structural deficiencies and constraints.

Third, Iran's experiences in the Iran Iraq war and the lessons of the Gulf war have led it to attempt either to produce or acquire weapons of mass destruction (WMD) to obtain a deterrent and retaliatory capability. But the development of WMD is also beset by structural deficiencies, like an unsophisticated defence industrial base and low research and development capabilities, while the attempted acquisition of WMD, particularly ballistic missiles, has been held back by intense foreign pressure and financial stringency.


Russian arms transfer agreement with Iran included the sale of as many as 105 Mig 29 air superiority fighters with associated air-to-air missile and a significant number of SU-24 modern strike aircraft with associated air-to-surface missiles. The July 1991 agreement brought more MiG-29s, MiG-31s, SU-24s and possibly MIG-27s.\(^{70}\) Given their range, refuelling capability and capacity to deliver precision-guided munitions, SU-24s have raised concerns among Iran's neighbours, even in a country far away from Iran, such as Israel. Moscow has also agreed to supply Iran with 12 Tupolev-22 M supersasonic long-range bombers.\(^{71}\) Iran has also acquired SA-5 and SA-6 surface-to-air system and is seeking more advanced system such as SA-10S, SA-8S, SA-13S and SA-11S. It is also looking to purchase early-warning radar and electronic countermeasures. Tehran is also keen to acquire more modern air defence command, control and communications (C^3) -- an area in which it is weaker than several other regional powers.\(^{72}\)

Besides building up its air force, Tehran is pushing to develop its naval capability that would allow it to deny control of the Gulf and adjacent Arabian Sea waters to hostile regional and American naval operations in the event of or during conflict. It also wants to be able to threaten oil shipments through the Strait of Hormuz. It has placed

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special emphasis on missiles, mines, power projections and submarines, and has acquired 100 C-801 and some 60 silkworm anti-ship missiles. It has also installed anti ship missiles, I Hawks and SA-6 missiles on Abu Musa and the two Tuns\textsuperscript{73}.

Most of Iran's conventional build up can be justified as necessary for legitimate self defence. However some systems acquired, such as long-range attack aircrafts and submarines, raise the possibility that Iranian efforts are motivated not only by deterrence and self defence against possible Iraqi, Israeli or US active but also for regional intimidation and, ultimately even hegemony. The Iranian WMD and ballistic missile programme strengthen the latter possibility.

In the aftermath of the Iran-Iraq war and Desert Storm Iran stepped up its efforts to improve existing chemical weapons and acquire biological and nuclear weapons. Iran continues to stockpile increasing numbers of chemical weapons despite having signed the Chemical Weapons Convention (CWC) and its denial that it has any WMD capability.\textsuperscript{74} Iran's chemical weapons include mustard gas and nerve agents, and is likely to be in a position to develop chemical warheads for its missiles\textsuperscript{75}. Iran's main

\textsuperscript{73} The Iran Brief, 6 March 1995, p. 1.
\textsuperscript{74} For example President Rafsanjani stated in 1993: "We do not intend to get access to chemical and nuclear weapons", see Voice of Iran, IRNA, ME/1602/A/5, February 1993.
\textsuperscript{75} US CIA Director James Woolsey, Testimony before the House Foreign Affairs Committee, 24 February 1993.
focus is on developing anthrax biotoxins and bacteriological weapons.\textsuperscript{76}

Iran's desire to acquire ballistic missiles in the aftermath of the Iran-Iraq war was primarily motivated by Iraqi developments in the field and by a general proliferation of ballistic missiles in the Middle East state. Saudi Arabia, Pakistan, Afghanistan, Syria and Israel are all known to have ballistic missiles, though Iraq remains the focus of concern. Since 1994 Iran's ballistic missiles programme has come from two separate but interrelated initiative\textsuperscript{77}. First, Iran has openly purchased missiles from North Korea, China, Libya and Syria. It obtained Scuds from Libya in 1985 and from Syria in 1986. Second, since 1985 when it decided to invest in an indigenous ballistic missiles capability, Iran has sought assistance from North Korea and China.

However, it is the nuclear concept of Iran's rearmament programme that has caused the most controversy and alarm. Iran began seeking nuclear cooperation with countries that had nuclear expertise. In 1986, Pakistan reportedly offered to train Iranian scientists in return for financial assistance with Pakistan's own nuclear programmes, and in 1987, both countries signed an agreement on technological cooperation in the military-nuclear field that included

\textsuperscript{76} Ibid.

\textsuperscript{77} See John Reed, "Defence Exports - Current Concerns", \textit{Jane's Special Brief}, Section 8-Iran, April 1993.
despatching 39 Iranian nuclear scientists to Pakistan for training\textsuperscript{78}. However, Pakistan will probably limit itself to training Iranian scientists and engineers for fear of damaging its relationship with the West. Islamabad also does not wish to border yet another nuclear power.

But two countries, namely China and Russia, have been willing to supply Iran with nuclear technology and training and have not buckled down to Western pressures.

The US State Department Spokesman commented that any nuclear cooperation between China and Iran is "highly imprudent and should be avoided". He noted that "as party to the non-proliferation treaty (NPT), Iran is obliged to subject all its nuclear activities to IAEA safeguard inspectors"\textsuperscript{79}.

The US Assistant Secretary of State, Edward Djerejian, took up the matter with the Indian Ambassador because Iran was negotiating for the purchase of a 10-megawatt nuclear reactor from India. The US had asked India not to go ahead with the reported plan to supply the reactor to Iran. He added that the US had urged all nuclear supplier countries to avoid any form of nuclear cooperation with Iran, even under nuclear safeguards, because as he put it, "there is no adequate evidence that Iran is genuinely committed to the exclusive peaceful uses of energy."\textsuperscript{80} The US also warned

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Iran against purchasing nuclear technology or arms from the former Soviet republics. The US expressed concern about a "military axis" involving Iran, Pakistan and China. President Rafsanjani openly condemned the US for "forcing" other countries not to cooperate with Iran on nuclear projects. He mentioned China and India as the countries thus pressurized and threatened.

Iran's motivation for acquiring nuclear weapons are numerous. Possession of nuclear weapons enhances prestige and regional status. It would also have both strategic and political value, providing deterrence against nuclear threats and intimidation by other states. Nuclear weapons could reduce the military options of "global arrogance" --- those of the US and its allies --- in the region.

Paradoxically, while the utility of nuclear weapons has been de-emphasized by the West in the post cold war period in favour of reliance on sophisticated conventional technology, countries like Iran and North Korea might see nuclear weapons as the only way to deter the West.

Ensuring a regional nuclear balance between Israel and the Islamic world might be another Iranian motivation to "go nuclear". This was reflected by the Iranian Deputy President, Ataollah Mohajerami, who has stated that if Israel continues to have nuclear arms, the Muslims state should cooperate to arm themselves with nuclear weapons. Otherwise, he asserted, Israel would use its weapons to maintain regional superiority.81

The Iranian unprecedented arms build up has considerably alarmed both the GCC states and their protector, the US. However, there are two important threats to the region’s stability -- dangers that are more likely to occur in the short run. One, possible conflicts among GCC state that could disrupt oil shipments and provide opportunities for Iran and Iraq to spread their influence; and second internal instability, conflict and perhaps hostile take-over in key GCC states, especially, Saudi Arabia.

Some of the GCC states such as Qatar and Oman fear Saudi domination. Border disputes between Saudi Arabia and Qatar, for example, led to border clashes in 1992 Oman has sought good relations with Iran, Yemen and now Israel to balance Saudi power. Given the disagreements among the GCC states, it is not surprising that they are all attempting to develop their own individual national power relative to their neighbours while de-emphasizing GCC-wide approach.

On the domestic front, the GCC states may become more unstable. There are two sets of reasons to fear instability, which in the extreme could produce regimes hostile to the US and its allies and facilitate Iranian and Iraqi expansionism. One is internal to the GCC states: key states such as Saudi Arabia faces difficult economic, political and succession issues that are likely to test severely the cohesion of the ruling elite. Another is the policies of Iran and Iraq which are likely to encourage instability in some GCC states. GCC states like Saudi Arabia and Bahrain are coming under increasing domestic political pressure to
carry out major political reforms.

The US Strategy:

It is not in the interest of the US or the interest of the region to be dominated by a hegemonic Iran or Iraq. Therefore, the primary long term US and allied objectives should be to preclude such a development. It could pursue this objective by adopting balance-of-power approach—balancing Iran and Iraq against each other— and tilting against whichever side appeared to be gaining the upper hand. The US has not played the balanc-of-power game well in the past and, given the nature of the US political systems it is unlikely to be able to do so in future. Prior to the Iraqi invasion of Kuwait, the balance-of-power favored Iraq. The balancing logic would have required the US to encourage and facilitate a build-up in Iranian military capabilities and tilt against Iraq. Washington did not do so82. It, instead did the opposite -- a tilt in favour of Iraq.

This difficulty has led the Clinton administration to call for "dual containment" -- containing both Iran and Iraq. That is to say that both states will be treated as pariah as long as they stay on the current cause. It also narrows the possibility that Washington would seek to improve relations with one in the hope of dealing with a challenge from the other.

The US objectives towards the two vary in significant ways. The US has a much tougher policy on Iraq: an embargo on the sale of its oil; a ban on the import of most products; an effective ban on Iraqi control over northern Iraq and a limit on its control in the south. In effect it appears that the American goal is to overthrow the Iraqi regime. But in case of Iran the US has sought to limit the exports of technologies and financial assistance and credit from Western nations. It does not aspire for the over-throw of the Islamic government.

The "dual containment" strategy has a problem. It might produce increased cooperation between Iran and Iraq. Both countries realize that neither can dominate the region as long as the US remains the dominant power in the area. A balance of power logic could encourage the two cooperate tactically against the US. When the two Yemens went to war with each other in 1994 both Iran and Iraq sided with Sana government against Saudi-backed opposition. Iran is also helping Iraq to cope financially with effects of the UN-imposed embargo by allowing imports of Iraqi oil to Iran.

"Dual containment" does not explicitly address other significant threats and interests in the Gulf, like internal instability in key friendly states and tension among GCC states. Iran and Iraq are likely to encourage more near-term threats.