

GEOPOLITICS OF CENTRAL ASIA IN THE CONTEXT OF THE IRANIAN FACTOR

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Abstract

This article examines geopolitical tendencies around Central Asia (CA) in the context of the Iranian factor in international relations. In all political processes in CA interests are underscored by energy security and the struggle of the competing powers for dominance and access to energy resources in the region. Iran's role is shown as both a source of tension in the region and a transit route for CA hydrocarbons. Within this framework the negative impact of the US anti-Iranian strategy on the whole geopolitical situation in the region is revealed. It is argued that without resolving Iranian-American disputes and achieving the adequate balance of interests in the CA between the US and Russia there will not be geopolitical and, hence, economic stability in the region.

Keywords: *Central Asia, Caspian region, Iran, oil-gas pipelines, US, Russia, Kazakhstan, Turkmenistan*

Introduction

Since the collapse of the former USSR Azerbaijan and the states of the post-Soviet Central Asia (CA) have been regarded first of all through the prism of their rich energy resources. This fact has logically brought their unification under the term “Caspian region”, which takes into account both their geographical position in the energy-rich zone of the Caspian Sea, and historical-cultural closeness to each other. The important geographical location of this vast region in relation to the transport and communication networks in the “West-East” and “North-South” directions, concentration of tremendous oil and gas resources here, as well as its vulnerability to the problems of the neighbouring regions of South Asia and the Middle East, have revived the ideas of the Heartland and “Eurasian Balkans” with the emphasis on the specific role and significance of CA in world politics.

In the heart of the ongoing geopolitical struggle in the region lies a long-standing Russian-American rivalry over dominance in this region that involves many interested regional actors on both sides. The struggle of leading world powers for geopolitical and geo-economic domination in the Caspian region is explained first of all by their geo-strategic aspirations for leadership in the post-Cold War world order, as well as by necessity to solve various regional and global security problems, many of which are linked with the Islamic Republic of Iran.

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One of the actual issues within the aforementioned limits is the influence of the present Iranian-American confrontation on the geopolitical development of CA region. Strategic limitations laid on the CA region by this tension have brought at some periods distancing, at others rapprochement with Iran. This relationship created its own economic-political consequences, and this is the subject of this paper.

Distancing from Iran before 2001

The essence of the Iranian foreign policy lies in formation of a multi-polar world order under the aegis of the UN, in which Iran and other Islamic countries will represent one of the poles. At the same time CA is considered in Tehran as a continuation of the region of the Persian Gulf, which is a vitally important zone of Iranian economic interests as a whole¹. In this connection the Islamic Republic traditionally defends the project of energy routes from CA states through its territory as the cheapest and most economically grounded².

However, the Iranian strategy met the following problems on the way to its realization:

1. Socio-economic consequences of the Soviet Union's collapse and differences in political make-up, with an Islamic regime in Iran and secular states in CA; inability of the Iranian economy at present to provide the CA states with high-quality technology and big investments. Besides, there are differences between the Sunni and Shia, Persians and Turks, which present common approaches in some cases and the basis for differences in another;
2. The significant barrier in relations between Iran and the CA states is the problem of determination of the Caspian Sea legal status, where the Iranian position differs from positions of other Caspian states;
3. On the global level the deepening of Iranian-Central Asian relations is hampered by the ongoing tense relations between Iran and the United States. This, as time has shown, proved to be the most important element in the system of Iranian-Central-Asian economic relations.

The US economic sanctions, non-admission of Tehran to the energy projects of the CA region, and formation of a negative image of Iran as a state-sponsor of international terrorism hinder development of full-fledged relations with CA states. On the whole Tehran considers that Washington continues to be hostile to revolutionary Iran, aspires to world leadership, acts against Iranian economic goals in the newly independent states of CA, and leads a propagandist campaign against Iran. Moreover, Tehran considers the US military-technical cooperation with CA states and NATO's movement towards the East³ as an American desire to control and dominate in the Caspian region, as part of the US global efforts to surround and

¹ See, for example: Хатами, Мохаммад,, “Ислам, диалог и гражданское общество”, Москва, РОССПЭН, (2001), pp. 46, 52.

² Бикдели, Али-Реза, „Положение транзита Исламской Республики Иран и стран Центральной Азии“, in: Аму-Дарья, Тегеран, № 12, Лето (2002), pp. 5–29.

³ “New Regional Developments and National Security of the Islamic Republic of Iran” (Round-table discussion), in: An Iranian Quarterly Discourse, Vol. 1, Summer (1999), No.1.

isolate Iran. In this sense conflicts in Afghanistan and Palestine are also regarded by the conservative Iranian clergy as an “attack on the whole Moslem world”⁴. Tehran also regards the growing presence of Israel, a US ally, in the CA as a challenge to its regional interests.

The above-stated problems in Iranian relations with CA countries, coupled with US political-diplomatic pressure on them over the Iranian issue brought a certain distancing of the CA states from Iran during the period before September 2001.

Specifically, before the advent of the pro-western cabinet of Mohammed Khatami to power in Iran, Iranian-Uzbek relations were distinguished by certain complexity, insufficient understanding of the cardinal problems of regional and interregional relations. The relations were preconditioned to a great degree by the active participation of Iranian radicals in Tajikistan’s civil war in 1992 and the supposed desire of conservative Tehran to use this war as a spring-board to penetrate into Central Asia. The tension in bilateral relations with Iran did play not a less important role in the orientation of Uzbekistan towards the US during this period.

The influence of the Iranian-American confrontation on CA was revealed most visibly by the fact that the transportation route through the territory of Iran, in spite of its economic attractiveness, did not play a decisive role in external economic strategy of the leading energy states in CA – Kazakhstan and Turkmenistan. The anti-Iranian sanctions, for instance, restricted joint Iranian-Kazakhstan activity in the oil-gas sphere only to swap operations⁵.

On the other hand, American leadership postponed indefinitely the licence payment for the oil company “Mobil” to participate in exchange operations with Iran, thus complicating the oil export from Turkmenistan⁶. Construction of a main gas pipeline through Iran, involving a consortium headed by the English-Dutch oil concern “Royal-Dutch-Shell”, was virtually frozen due to the American sanctions. Turkmenistan considered this project commercially the most profitable.⁷ It was supposed that the gas would flow from Turkmenistan through Iran to Turkey, and the first sector of the pipeline had been already finished (Korpedje-Kurt-Kuy). In 1999 only 1,5 bln m³ was pumped through the pipeline, in 2000 – 2 bln.c.m. (4 bln.c.m. by plan), for 6 months of 2001 – 2,2 bln.c.m. Execution of the rest of the project was stopped for financial reasons.

In response to this situation Ashgabat and Astana were looking for alternative sources of energy export to world markets. Iranian-US tensions were not only reflected in the flow of capital to the oil-gas sphere of these states, but also stimulated their political manoeuvring within the limits of the Iran-US-Russia triangle and promoted militarization of the Caspian Sea that not only delayed development of the regional economy, but hampered realization of the American plans here as well.

⁴ Dareini, Ali Akbar. “Hard-Line Leader Speaks Out”, in: Associated Press, December 7, 2003.

⁵ Iran.EIU, in: Country Report, London, 1-st Quarter, (1997), p. 21.

⁶ Lelyveld, M., “Turkmenistan: President Refuses to Sign Oil Pipeline Agreement”, in: RFE/RL, November 5, 1998.

⁷ Юданов, Ю., „Центральная Азия – новый фаворит иностранных инвесторов“, in: Мировая экономика и международные отношения, Москва, № 4, 2000, с.103; Каменев, Сергей, „Энергетическая политика и энергетические проекты Туркменистана“, in: Центральная Азия и Кавказ, Швеция, № 4 (28), 2003, с. 136, 137.

These circumstances, alongside the change of power in Tehran in 1997, gradually brought changes in CA states' external priorities, connected with the growth of hopes for the pro-western course of the M. Khatami team and for normalization of Iranian-American relations. A significant role here was played by Tehran's cautious and flexible tactic towards Central Asia.

The growth of cooperation with Iran after 2001

During the period before September 11 various US economic sanctions and financial restrictions against Iran did not bring about any significant breakthrough. Militarization of the Caspian region and the speeding-up of the armament race virtually put the Caspian states on the brink of the so-called "resource" wars, a development that was largely influenced by American-Russian competition in the sphere of energy resources.

The influence of the Iranian-American factor on the development of the CA states adversely affected, first of all, the realization of vitally important pipeline and transport-communication projects, which would provide an exit for the national raw materials and products to the world markets.

The atmosphere of the first months of the Afghan war, supposedly favourable for normalization of Iranian-American relations, induced the Kazakh government at the end of 2001 to revive its efforts of persuading the US of the expediency of the pipeline projects through the territory of Iran⁸.

In spite of the fiasco in the talks held with the US, economic considerations and an officially declared multivector external strategy oriented Astana more and more to the development of energy cooperation with Iran. From the Kazakh point of view, the Iranian transit route is a direct exit to the sea ports, and, hence, a direct route to the customers of the Kazakh oil, and not only one of the most profitable exit ways of the Kazakh oil to the Persian Gulf, but the most realistic intermediate route of raw material supply to the markets of the South Asia and Asian-Pacific states. However, as was stressed in Astana, the process of negotiation and then realization of the agreements between Kazakhstan and Iran was complicated, apart from the technical reasons, by the negative US position on it⁹.

Hesitations in foreign policy preferences of Astana were well illustrated by the trade turnover indicators of Kazakhstan with Iran and Russia. Within the period of the greatest US pressure and low financial investments into Kazakhstan's economy (1994-1999) there was a tendency in Astana towards weakening its relations with Russia and Iran, which was expressed in the lowest trade turnover indexes with these states (see tables in the appendix) in these years. With the reorientation of Kazakhstan's foreign policy priorities and the beginning of the war on terror trade indexes with these states gradually increased.

Turkmenistan is also vitally interested in partnership with Iran in the development of its national gas reserves, taking into account wide possibilities for the Turkmen gas to transit through Iranian territory. For Ashgabat, the Iranian corridor means a possible liquidation of Russian monopoly in the sphere of Turkmen gas export. According to the results of 2004, of

⁸ See, for example: Newspaper „Казакстанская правда“, April 10, 2002.

⁹ Жарикбаев, Айбат, „Транзит нефти“, in: Gazeta.kz, February 10, 2004, <http://www.gazeta.kz>.

\$6.4 bln of the general trade turnover of Turkmenistan \$750 mln reflected trade with Iran (compared to \$400 mln. of Iranian trade turnover with Kazakhstan)¹⁰.

Uneven development of Turkmenistan's relations with Russia are illustrated by corresponding indexes of their trade turnover in 1993-2001 (see tables in the appendix) – under steady growth, the import/export balance in bilateral relations was subjected to sharp rises and recessions dependent from the inner and external (the US factor) situations. At the same time trade turnover with Iran was inclined to a stable increase that confirms Ashgabat's course in this direction.

From its own side, the economic expediency of Iran for the Uzbek economy was illustrated by the reorientation of the Uzbek exports, in particular nearly 60% of the cotton export, towards the Iranian port Bender-Abbas¹¹.

However, continuation of western economic pressure on CA and an anti-Iranian US strategy created a favourable ground for preservation of the socio-economic and political instability of the CA region. Economic analysis of the situation in the region of CA testified that “indexes of the direct foreign investment flow per capita are still the lowest among the countries with transitional economy”¹².

At the same time different perceptions of the regional security threats and challenges, as well as of the rates and content of the democratization processes, became a serious obstacle on the way of mutual understanding between the governments of CA and the US. In particular, the traditional American approach connects the problem of Islamic fundamentalism with the problem of human rights and development of democracy in the region. American-Central Asian discrepancies in the ways and methods of solving regional security problems, unsettled problems in Iraq and Afghanistan, along with strengthening of American-Iranian confrontation, distanced the CA states from the US. The closure of the American airbase in Khanabad (Uzbekistan), as well as further consolidation of the Eurasian partnership within the framework of Shanghai Co-operation Organisation and the Eurasian Economic Community (EurASEC), has become the logical outcome for these tendencies. These political steps partly reflect the interests of Tehran, which consider cooperation with Russia as a counterbalance to US policy in CA.

Simultaneously, continuation of the American military presence in CA (Manas base in Kyrgyzstan) and the Caucasus reflected the sharpening of American-Russian competition in the region and general geopolitical tension in CA.

As a result of the reorientations of the CA states towards Moscow, the share of Uzbekistan's external trade turnover with CIS partners increased from 31.7% to 34.4% in nine months of 2003, whilst at the same time the trade indexes for non-CIS countries were reduced – from

¹⁰ Ионова, Е., „Восточный вектор во внешнеэкономической политике стран Центральной Азии“, in: Россия и мусульманский мир, Москва, № 9 (159), 2005, p. 108.

¹¹ Ташимов, Тулкин, „Поворот на Восток, in: Экономическое обозрение“, Ташкент, № 10 (73), 2005, p. 45, 47, 49.

¹² Расулев, А., Алимов, Р., „Структурные преобразования и повышение конкурентоспособности экономики Узбекистана“, in: Общество и экономика, Ташкент, № 6, 2003, p. 202.

68,3% to 65,6%¹³ [14]. Correspondingly economic relations with Moscow and Tehran were consolidating – Russia occupied first place among six leading trade partners of Uzbekistan for 9 months of 2005 – 19.2 % of export (151.9% increase compared to the level of 9 months of 2004) and Iran occupied the third place – 6.8 (125.6%)¹⁴.

Thus, various anti-Iranian restrictions in the oil-gas sphere, as well as continuing instability in Afghanistan and other countries adjacent to CA have altered the external political preferences of majority of CA states in favor of Iran and Russia both owing to economic and political motives that clearly contradict the US interests.

Contemporary tendencies

Present geopolitical situation in CA and the Caucasus continues to be largely defined by the ongoing Russian-American rivalry in the Caspian region. It is obvious that the result of this geopolitical competition is also influenced by CA and EU states, as well as the Iranian position in this process.

Meanwhile there are factors favouring both Russia and the US.

It is clear that Russia will lose nothing if the following tendencies in CA politics are further developed and consolidated:

- Development of multivector diplomacy of CA states under Russian influence;
- Strengthening of the EU energy cooperation with Iran, including active participation of Russia.

Indeed, in spite of the CA states' efforts to diversify their energy routes and increase trade turnover with neighbouring countries, one cannot ignore the dominant role and significance of Russia in their development, due to its geographic, economic and cultural significance.

Russia continues to be the second largest trade partner of Uzbekistan. Trade turnover between the two countries was about \$4 bln in 2007¹⁵. Meanwhile, in February 2008 Turkmenistan once more demonstrated its adherence to Russia, signing a contract on building a 188-km Turkmen gas pipeline with the Russian company Stroigas, whose main shareholder is the Kremlin-controlled Gazprom. It is obvious that the Turkmen leaders take into account all current political and economic obstacles remaining on the way of fulfilling the western-sponsored Trans-Afghan pipeline.

To guarantee its position in the region Russia has recently considerably increased prices on Central Asian gas, bringing them closer to the world levels, a move that may significantly hamper fulfilment of other alternative energy projects from CA.

¹³ „Экономика Узбекистана. Информационно–аналитический обзор. Январь–Сентябрь, 2004“, in: Центр эффективной экономической политики, Ташкент, № 7, декабрь 2004, pp. 56,57.

¹⁴ „Экономика Узбекистана. Информационно–аналитический обзор. Январь–Сентябрь 2005“, in: Центр эффективной экономической политики, Ташкент, № 11, декабрь 2006, p. 55.

¹⁵ „Узбекистан: Ташкент стремится диверсифицировать свои торговые контакты“, in: <http://www.eurasianet.org>, March 19, 2008.

At the same time pragmatic Europe is inclined to involve Russia and China¹⁶ in its Iranian projects, a tendency which contradicts US interests in the region. Iran, Russia and India have also conceived new areas of cooperation that connect northern Europe to the Indian Ocean via Iran and the Russian Federation. Already, Iran is an energy exporter to Europe through Turkey, funneling through Turkmenistan's gas and swapping oil with Kazakhstan and Azerbaijan.

In these circumstances the US fears that a recent gas deal between Iran and Switzerland may encourage other gas deals between Tehran and Europe. Despite US pressure for tougher sanctions against Iran, Tehran and Bern signed a 25-year supply agreement in March 2008, worth up to \$42 billion¹⁷.

Not surprisingly some experts¹⁸ stress that nowadays the EU has become the most serious economic competitor of the US.

However, there are tendencies in CA, the deepening of which correspond to common Euro-Atlantic interests:

- Development of local CA regionalism;
- Formation of geo-economic zone of cooperation, including Iran, EU and the regions of Persian Gulf and South Asia with a possible extension to CA.

In fact, a series of external factors, preconditioned mainly by the Iranian-American confrontation, necessitated geopolitical self-determination of the CA region. These are the crisis around Iranian nuclear program; the ongoing instability in Afghanistan and Iraq; sharpening of Shiite-Sunni tension in direct vicinity of CA; western strategy of “democratic involvement” in the region of CA; continuation of the policy of economic sanctions in an era of interdependent regional economies; the importance for the states of CA of speeding up, in the interests of security, the processes of economic integration through realization of common transport-pipeline strategies and other big economic projects in the region. It seems that under these conditions restoration of the Organization of Central Asian Cooperation, in that or another form, would best of all correspond to the interests of CA states both at regional and global level¹⁹.

In response to strained geopolitical situation in the region CA states have made during the last months slow but steady movements toward each other, among which Uzbek-Turkmen, Kazakh-Kyrgyz and Uzbek-Kazakh rapprochements should be mentioned. This tendency can be traced if we look at the external trade turnover figures for Uzbekistan during the last two years:

¹⁶ Shell, Repsol, “Wary of Iran Deal: Report”, in: Payvand News, May 3, 2008.

¹⁷ “US Fearful of Iran-Europe Gas Deals”, in: Payvand News, May 3, 2008

¹⁸ Fareed, Zakaria, „Будущее американского великодержавия - II. Америка опрометчиво свыклась с ролью лидера“, in: ИноСМИ, "Foreign Affairs", May 5, 2008.

¹⁹ Юлдашева Г.И., „Ирано-американские отношения на современном этапе и их воздействие на геополитическую ситуацию в Центральной Азии: Автореф. дис. ... докт.полит.наук“, Ташкент: УМЭД, 2006, p. 42.

Table 1: Uzbekistan’s External Trade Turnover with Central Asian States in 2006-2007
 (USD mln)

| | Exports | | Imports | |
|-----------------------|---------|--------|---------|--------|
| | 2006 | 2007 | 2006 | 2007 |
| CIS countries – total | 2685.5 | 4273.0 | 2060.6 | 2721.8 |
| of which: | | | | |
| Kazakhstan | 304.7 | 661.7 | 426.2 | 532.2 |
| Kyrgyzstan | 80.0 | 137.8 | 31.7 | 39.0 |
| Tajikistan | 169.9 | 191.8 | 16.0 | 16.0 |
| Turkmenistan | 33.7 | 77.1 | 13.5 | 11.2 |

Source: Figures taken from *Statistical Review of the Republic of Uzbekistan 2007*// Tashkent, 2008. – P. 157.

In spite of the fact that no new official documents have been recently signed on further consolidation of CA integration processes, it is clear that CA leaders have fully realized the need to coordinate more closely in their energy strategy, as well as in other regional problems of security. This can be regarded as a first step on their way to real future integration, which is surely an objective necessity in conditions of a globalizing world, and its threats and challenges to CA states.

Simultaneously, western-sponsored projects, by-passing Russia and including Iran and the Arab states, are being developed. The recent initiative of the Persian Gulf Council on Cooperation about the creation of a “GasOPEC” was immediately supported by Iran, who also examined its possible participation in the European-sponsored projects such as Nabucco and White Stream gas pipelines. According to analysts, these Iranian endeavors can reorient Central Asian energy routes through its territory and form a kind of “gas cartel” with Iran, Azerbaijan and CA. Moreover, Arab gas could be included into Nabucco, White Stream and the Iranian-Turkish pipeline²⁰.

In spite of the strong American opposition to Iranian participation in the Nabucco project, the US tries to balance its position with its European allies. As part of their joint efforts with regards to Iran, the EU and the US have suggested new incentives for Iran to scrap its uranium enrichment program²¹.

In late April 2008 Kazakhstan’s Senate ratified an energy export treaty with Azerbaijan, according which the Kazakh oil is supposed to be transported through the Caspian Sea to Baku to join the Baku-Tbilissi-Ceyhan (BTC) pipeline. The deal is characterized as a “breakthrough” for Kazakhstan, as Astana will likely discover great benefits in reducing its export dependency on Russia.

However, according to a Kazakh expert²², the issue is still open and is being worked on. It will depend on technical capabilities in the oil industry. Besides, the potential construction of a trans-Caspian oil pipeline will likely depend on the performance of the Kazakhstan Caspian Transportation System (KCTS). Anyway current expectations are that the launch of the BTC undersea extension will take place when the troubled Kashagan project comes online, which

²⁰ „Иран может возглавить локальный газовый ОПЕК“, in: ФК-Новости, 11 Март, 2008

²¹ Gollust, D., “Major Powers Make New Incentives Offer to Iran”, in: VOA, London, May 3, 2008

²² Lillis, J., “Kazakhstan: Astana Set to Make and Energy Export Break with Russia”, in: <http://www.eurasianet.org>, May 2, 2008.

is now expected only in 2011. It is worth considering economic assessments of *Citigroup*²³, which point out that adopting decisions on development of the least accessible energy deposits usually affect oil prices negatively, and realization of the projects is delayed due to complexity of the work, technical and financial unpreparedness of the companies, and certain political reasons.

It is clear too that Turkmenistan, another key state for realization of western regional projects, has problems at present which might hinder to some extent its participation in the Nabucco project due to insufficient extraction and energy export infrastructure.

Meanwhile, there is a concern about the Asian Energy Security Grid, formed by Iran, which can dictate its own rules both to Russia and the US. According to experts, Iran is betting on the total "interdependence of Asia and Persian Gulf geo-economic politics"²⁴. Besides, the framework for the \$7.6 billion Iran-Pakistan-India pipeline, also known as the "peace" pipeline, has been established. Nevertheless, it is clear that Iranian regionalization efforts are doomed under great pressure from different international institutions and other actors, primarily great powers that might hamper the realization of this project.

It is within this context, and also taking into account the tough and inflexible Iranian position on the nuclear program and support of Shia guerilla movements in Iraq, that Secretary of State Condoleezza Rice says she doubts that new international incentives can persuade Iran to halt what she believes is a drive by Tehran for nuclear weapons. She said the problem is not the lack of incentives, but rather Iranian nuclear policy, which she said appears to be weapons-related, despite Tehran's professions of peaceful intent²⁵. This explains why Washington maintains the option of a military strike against Iran.

The sharpening of the tension around Iran has forced Russia²⁶ to formally join the anti-Iranian sanctions, though economic cooperation with this country has not been suspended as a whole.

The experience of the last years clearly show inadequate and unfruitful conditions in the increasingly globalizing and interrelated world for any competition between regional powers. The present obstacles in the way of regional and global economic cooperation make it extremely important to find common solutions to existing problems on the basis of compromise and consensus.

Meanwhile, under current circumstances, when participation of potential participants of the Nabucco project – Turkmenistan and Iran - is highly problematic due to the above-mentioned reasons and the uncertain future of extension of the BTC pipeline to Kazakhstan, the CA republics are obliged to preserve sufficiently solid economic relations with Russia and try to find ways out of their present difficulties. For instance, Russia and Kazakhstan have recently coordinated a staged doubling of the power of the Caspian Pipeline Consortium until 2012

²³ „Во всем мире падают темпы разработки новых нефтегазовых месторождений“, in: Газета, May 5, 2008

²⁴ Escobar, P., „The Iranian Chessboard. Five Ways to Think about Iran under the Gun“, in: Payvand's Iran News, May 1, 2008

²⁵ Gollust, David, „Rice Doubts Iran Incentives Will Work“, in: VOA, London, May 2, 2008.

²⁶ „Россия присоединилась к санкциям против Ирана предпоследним указом В.Путина“, in: РБК, May 7, 2008

that will allow elaboration of joint approaches to the usage and development of the energy transport routes.

A strong pro-Russian tendency has also been proved by recent *Gallup* polls²⁷. According to these polls 92% of Tajik, 87% of Kazakh and 89% of Kyrgyz population, as well as 50 % of Uzbek population, highly appreciate Russian policy.

Responding to these tendencies, Turkish officials speak publicly for the participation of Russia in the Nabucco project in the hope that this would reconcile the main opponents in the energy sphere²⁸.

Conclusion

The involvement of Iran in the region of CA during recent decades has shown the inadequacy of efforts to limit the export of Islamic fundamentalism from Iranian territory using methods of economic sanctions and political isolation at regional and global levels. This is why the Iranian vector in CA foreign policies will steadily increase due to economic and political considerations, stimulated by de-ideologization of the Iranian foreign policy. It is obvious that this cooperation would strengthen more under new, moderate and flexible Iranian regime.

At the same time Iran continues to be a potential competitor for the CA states in the sphere of energy resources, which justifies a plurality of energy pipelines from the region.

Nevertheless, the tough Iranian position on the nuclear issue and its inflexibility in solving regional security issues have brought Tehran to the edge of war with the US. Any military action under the above-mentioned circumstances would surely involve all interested political parties, movements and states in Central and South Asia, Caucasus and Middle East, and would have potential for turning into another world war.

As a whole the positive dynamics of the geopolitical processes in the examined region will be dependent on well-defined constructive behaviour by all regional “game” participants, including the US, EU and Russia, Iran, as well as states of CA.

Meanwhile, it is worth to take into account positive changes in Iran as indicating the readiness of Tehran to moderate its position. It seems that with the advent of the new, more monolithic and united conservative cabinet in Tehran, prospects for holding serious talks with the US will grow. Especially if one takes into account the Iranian interest in “sincere cooperation”²⁹ with Russia and the US in the energy sphere and the possible development of new, positive approaches to the situation in the Caspian proceeding from this fact.

Balanced Eurasian-Atlantic cooperation in CA region corresponds to the interests of the CA states, which aspire to a multipolar world order and a collective security system in CA as the sole effective means of providing stability and development in the region. Moreover, constructive cooperation of the two main players in the region – the US and Russia – could

²⁷ Washington ProFile, May 9, 2008

²⁸ „Турция выступает за присоединение России к газовому проекту "Набукко"“, in: Интерфакс, 4 май, 2008.

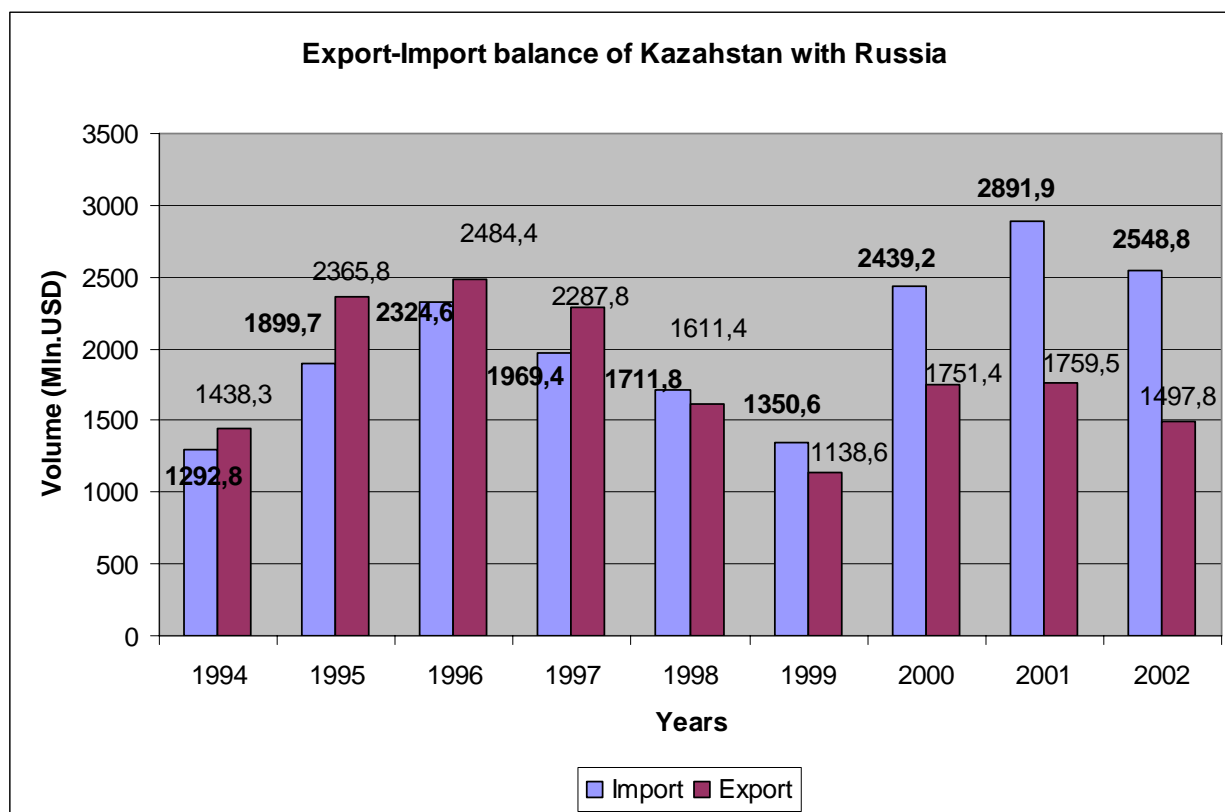
²⁹ Малеки, А., „Остается ли Каспийское море по-прежнему важным для всех игроков?“, in: Аму-Дарья, Тегеран, № 15, осень-зима 2004 г., pp. 28, 42- 43.

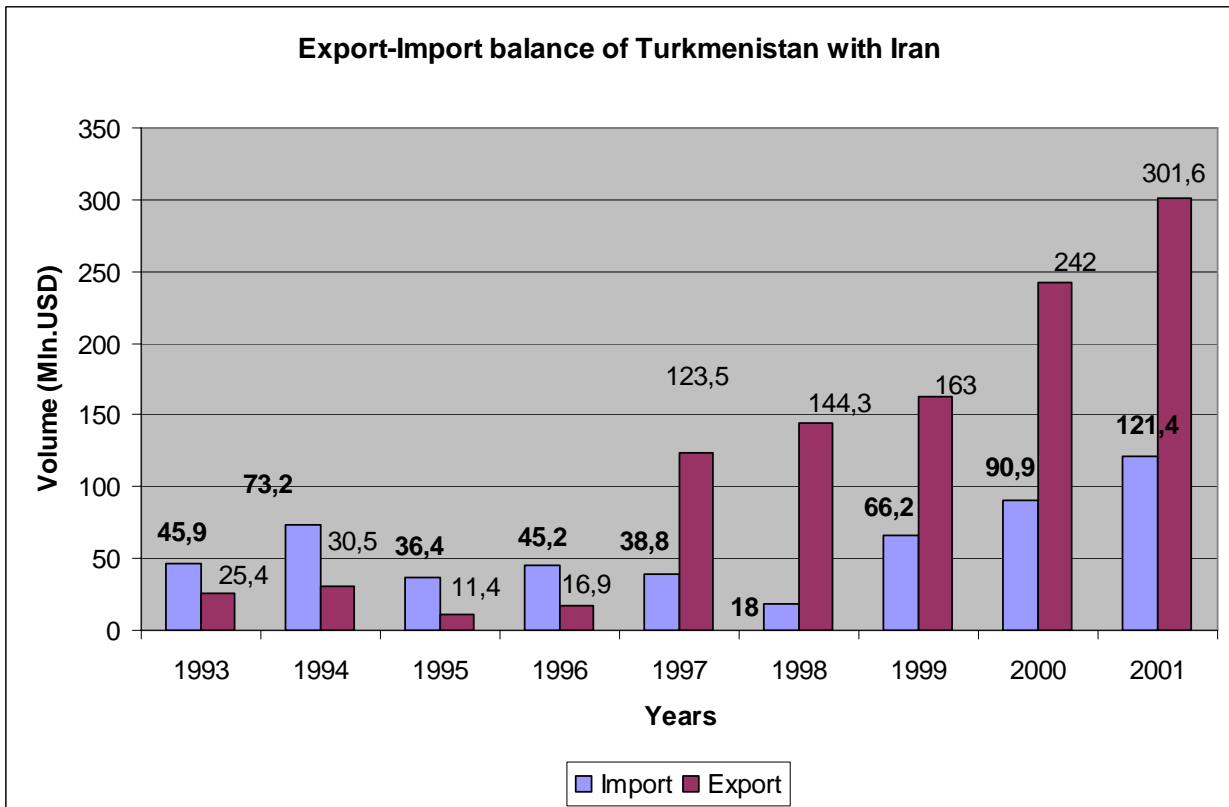
potentially restrict the growth of regional ambitions of Iran and China and serve as the basis of stability for forming a Eurasian system of energy supplies and transport links.

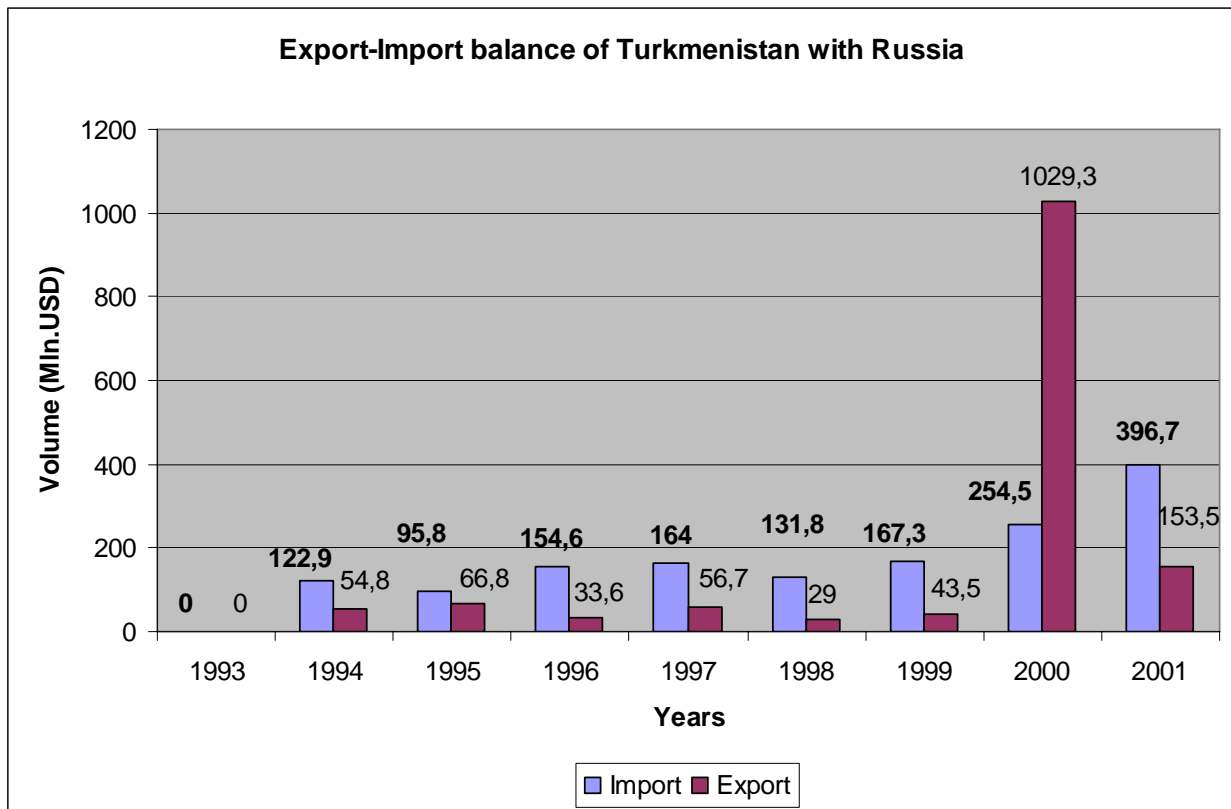
In the new multi-polar architecture of international relations, with various complex mechanisms of restraints and counterbalances Iran, as well as other states with hegemonic intentions, could become a stable, but not dominant, player in CA and the Caucasus.

APPENDIX

Trade Turnover of Kazakhstan (1994-2002) and Turkmenistan (1993-2001) with Russia and Iran*







* *Source:* Figures, presented in these diagrams, taken from “Statistical Yearbook for Asia & the Pacific”, 2003. United Nations/ Nations UNIES.