

# IRAN AND ARMENIA: A SYMBIOTIC RELATIONSHIP

(İRAN VE ERMENİSTAN: SEMBİYOTİK BİR İLİŞKİ)

**Zeynep KAYA**

Assist. Prof.  
Gedik University  
Department of International Relations

**Abstract:** *The aim of this paper is to portray the fact that Armenia and Iran are partners despite their cultural and economic differences because of political considerations. Iran and Azerbaijan possess a symbiotic relationship that appears to be centered upon energy and economic benefits but it is simply political self-interest. Iran despite its religious form of government, has good relations with not only the Muslim nations but also the Christian states as well, Armenia is no exception. It is true that Armenia needs all the friends that are willing to cooperate in order to free itself from the landlocked geography. Azerbaijan, being a long time foe since the Nagorno Karabagh conflict, Turkey and the United States supporting the Azeri view, has left an isolated Armenia in the region. Russia being a foster parent and a military ally to Armenia has provided the greatest support. Iran, on the other hand is a regional power with nuclear capabilities. Armenia compared to Iran as a state has nothing to offer to Iran but Armenia is a bulwark against Azeri insurgency in Iran. Their relationship may appear to be symbiotic and functional but an isolated Armenia and an Iran that feels threatened by an Azeri population that is 18% of its total population need to abide by each other. First, a brief history of the relations will be provided. Second Iran and its foreign policy is dwelled upon. Third, Armenian foreign policy will be evaluated. Fourth, the issues that are most important to the relationship, energy, economics, Nagorno Karabagh conflict will be discussed. Fifth, why Iran and Armenia will continue to be allies despite their dissimilarities will be presented. The argument will be centered upon why a regional power like Iran needs a small power like Armenia as a partner. Questions like, what does Armenia have to offer Iran will be posed and answered. Finally, an overview of the paper will be presented accentuating on regional power small power differences.*

**Keywords:** *Armenian Foreign Policy, Azerbaijan, Energy, Eurasia, Iranian Foreign Policy.*

**Öz:** *Bu makalenin amacı kültürel ve ekonomik farklılıklarına rağmen aslında Ermenistan ve İran'ın siyasi sebeplerle partner ülkeler olduğu gerçeğini ortaya koymaktır. İran ve Ermenistan enerji ve ekonomik çıkarlar etrafında şekillenen bir simbiyotik bir ilişki gibi görünürken aslında basitçe siyasi menfaatlerden kaynaklanmaktadır. İran din temelli devlet yapısına rağmen sadece Müslüman milletlerle değil aynı zamanda Hristiyan devletler ile de iyi ilişkilere sahiptir ve Ermenistan da buna dâhildir. Ermenistan'ın içinde bulunduğu kapalı coğrafyasının dışına çıkabilmek için kendisi ile işbirliği yapmaya hazır tüm dostlarına ihtiyacı olduğu doğrudur. Azerbaycan'ın Dağlık Karabağ çatışmasından bu yana uzun süreli bir düşman olması, Türkiye ve Amerika Birleşik Devletleri'nin de Azeri görüşünü desteklemesi, Ermenistan'ı bölgede izole etmektedir. Rusya bir ebeveyn ve askeri müttefik olarak Ermenistan'a en büyük desteği vermektedir. İran ise nükleer kapasitesi bulunan bölgesel bir müttefik konumundadır. İran ile karşılaştırıldığında Ermenistan'ın bir devlet olarak İran'a önerebileceği bir şey bulunmazken İran'daki Azeri ayaklanması tehdidine karşı bir siper görevi görmektedir. Aralarındaki ilişki simbiyotik ve işlevsel görünse de izole edilmiş bir Ermenistan ve nüfusunun %18'ini oluşturan Azeri nüfusu kendisine bir tehdit olarak gören İran birbirleriyle anlaşmak durumundadır. Öncelikle ikili ilişkilerin tarihi kısaca incelenecektir. İkinci olarak İran ve dış politikasına değinilecektir. Üçüncü olarak Ermenistan dış politikası değerlendirilecektir. Dördüncü olarak ikili ilişkiler açısından en önem taşıyan konular olan enerji, ekonomi ve Dağlık Karabağ sorunları tartışılacak, beşinci olarak İran ve Ermenistan'ın aralarındaki farklılıklara rağmen neden müttefik kalmaya devam edecekleri betimlenecektir. Temel argüman İran gibi bölgesel bir gücün Ermenistan gibi küçük bir ülkeye neden müttefik olarak ihtiyacı olduğu fikri çerçevesinde incelenecektir. Ermenistan'ın İran'a ne sunabileceği gibi sorular cevaplanacaktır. Son olarak, bölgesel güç ve küçük güç farklılıklarına değinilerek makalenin genel bir değerlendirmesi sunulacaktır.*

**Anahtar Kelimeler:** *Ermenistan dış politikası, Azerbaycan, Enerji, Avrasya, İran dış politikası*

## 1. History of Iranian-Armenian Relations

The Caucasus stressed both by Brzezinski (1998) and Mackinder (1944) employs a very important part of the world geography. Brzezinski points to the fact that Central Eurasia is the commanding station of the world system whereas Mackinder in the beginning of the 20<sup>th</sup> century generated the term Heartland. The Heartland (where the continental masses of Eurasia were concentrated) served as the pivot of all the geopolitical transformations. Mackinder's heartland dictum was:

Who rules East Europe commands the Heartland;

Who rules the Heartland commands the World-Island;

Who rules the World-Island commands the world (Mackinder, 1944).

Regardless to say, the Caucasus as a region occupies an important place in both history and politics. Just as volatile and restless as the Balkan region, it is one of most critical regions of the world. Ismailova and Papava (2008: 283) press the view that, the Caucasus have a heterogeneous legal and political status and it is not an integrated region in political, socioeconomic senses. The Caucasus (Papava, 2008) can be examined in three parts. The first part is coined as North Caucasus consists of the Russian Federation. The second Central Part consists of three independent republics Armenia, Azerbaijan and Georgia. The third, South Caucasus, consists of Iran and Turkey. Due to its political and social heterogeneity, the central caucasus attract most of the attention. The topic of this paper also concentrates on the central caucasus region. Armenia and Iranian relations will be dealt within the given structure.. Why does Iran and Armenia have a symbiotic relationship? Why does Armenia play an important role in Iran's foreign policy making? Why does Armenia need Iran especially when it is supported by Russia in political, economic issues? The region's importance is due to its hydrocarbon resources. Control of the transit routes brings both political and economic power to withholders.

The beginning of the relationship occurred out of necessity. As the Soviet Union disintegrated newly independent states emerged. As the newly independent states drifted apart from Russia, the region tried to adapt itself to both the new comers and the new hegemon. Iran having experienced the Islamic revolution and having the objective of exporting the Islamic revolution was cautious towards the new environment. In 1991 Armenia became an independent state. Iran did not take much interest in providing support for the newly independent states. As the Nagorno-Karabagh conflict blasted, Iran knew that it could be indifferent. The conflict between its two neighbors put Iran in an extremely difficult position (Zarifian, 2008: 130). Azerbaijani president Elchibey's nationalistic discourse alarmed Iran and pushed it towards Armenia. Armenia having already the support of Russia enjoyed Iran's friendly gestures. Armenian officials travelled to Iran and the volume of trade increased (Hunter, 1994:49). The official visits between the presidents and the officials reaffirmed the importance of the newlyfound friendship (Zarifian, 2008: 131).

Both Armenia and Iran had to be vigilant in defining their rapprochement.

Russia was involved in almost all aspects of Armenian political, social and economic life. Armenian-Iranian ties did not accumulate into a military alliance. In 2007 Armenian premier stated that “Armenia limits its relations with Iran to consultations only in terms of security (Zarifian, 2008: 132)

As the new geopolitical reality changed, old alliances suffered a breakage. The collapse of the Soviet Union presented a new game; the increasing influence of the US in the Middle East was unavoidable. Double containment policy of the US ushered in an uneasy era for Iran. Newly Independent States (NIS) formed a new ground of action for . A collapsed giant could well be

*Both Armenia and Iran had to be vigilant in defining their rapprochement. Russia was involved in almost all aspects of Armenian political, social and economic life. Armenian-Iranian ties did not accumulate into a military alliance.*

revived by bringing up the pieces. New security threats rose such as the conflict between Armenia and Azerbaijan, inner conflicts in Georgia also worsened the situation (Sadegh-Zadeh, 2008:2). Iran’s economy experienced a downfall after its war with Iraq. The economic casualties pushed Iran towards finding new partners in the region. Another burden on Iran’s shoulders was its ethnic diversity. Sadegh-Zadeh (2008:2) reports that only 51% Persians make up the majority of the population. The remaining 49% is made up of Azerbaijani’s (24%), Kurds (7%), Arabs (3%), Lurs (2%),

Gilakis and Mazandarani (8%) and Turkmens (2%). A revived Nagorno-Karabagh conflict can easily have a domino effect in Southern Iran, which could destabilize its Azerbaijani inhabitants.<sup>1</sup> Iran, in a suffocated international arena chose to go north to find new partners.

Armenia on the other hand, was in an even worse situation. The Nagorno Karabagh conflict with Azerbaijan 1988 came to a stalemate which facilitated both parties in gaining their independence from the Soviet Union in 1991. In 1994, a ceasefire took place Armenian forces took hold of Nagorno Karabagh and a significant order of Azerbaijani land. At the time the time the Azeri nationalistic government of President Elchibey posted a threat to both Iran (effecting its Azeri population) and Armenia (nationalistic government in Azerbaijan meant that more harsh political measures would be taken towards Armenia). Common enemies pulled both of the troubled parties together. Iran was not only concerned by Azerbaijan but also was uncomfortable with the

<sup>1</sup> The new figures show that the Persian population in Iran has risen to 61%, Azeri (16%), Kurd (10%), Turkmen and Turkic Tribes (2%) (Central Intelligence Agency[web], 2011). It can be inferred that as the Persian population increased by 10%, the Azeri population have decreased by 8%. The Kurdish population increased by 3% and the Turkmen did not change.

newly formed US-Israeli-Turkish axis that supported the Azerbaijani thesis in the Nagorno Karabagh conflict (Sadegh-Zadeh, 2008: 2). Iran was faced not only with the threat of internal disorder but also with a challenge to its regional superiority. It can be inferred that the Iranian Armenian relationship was more an asset to Iran than to Armenia. Armenia with its landlocked geography and closed borders with both Turkey and Azerbaijan is willing to cooperate with any state that will give support to its national interest; an Islamic Iran is no exception. Iran's Islamic revolution is not a threat to Armenia since it is Armenian Apostolic<sup>2</sup> (94.7%) and Christian (4%) by religion.

## 2. Iranian Foreign Policy Objectives

At the beginning of 1990's Iran's first aim with regards to its northern neighbors was to recover its formal economic and political influence (Zarifian, 2009:386). Iran's foreign policy towards the South Caucasus is dictated by national interest. Iran has drawn closer to Armenia in an attempt to balance Azerbaijan's rising power in the region. This alone is in fact a drift from the policy of importing the revolution and the ideology. As a new industrializing country, Iran was concerned with its economic interest over religious ideology in its foreign policy and understood if it chose to spread its ideology, many countries would not have trade relations (Gresh, 2006:1).

Iran pursues a two-pronged policy: one aimed at impressing the domestic audience, the other is aimed at international policies (Rieffer-Flanagan, 2009:8). Iranian foreign policy, particularly the foreign policy after the Islamic Revolution can be examined under four parts. The first part consists of the Khomeini's leadership (1979-1989). The second part is Rafsanjani's presidency (1989-1997). The third part is mainly under the influence of Khatemi (1997-2005). Finally in the last part Ahmedinejad's presidency will be dealt with. The major concern is whether ideology is influential or is realpolitik the overriding element in foreign policy objectives.

First 10 years after the revolution the foreign policy principles were ideologically driven. It provided a just cause for the first Gulf War. The Iraqis were fighting for the western values whereas Iran was fighting for the good and God. Iran turned its disadvantage into its advantage.

---

2 It is the official religion and church of Armenia. Founded in the first century by two of the Apostles of Jesus Christ, Saints Thaddeus and Bartholomew, it is one of the five ancient Eastern Orthodox churches. At the beginning of the fourth century, Armenia became the first nation in the world to declare Christianity (The Armenian Church [web], 2011).

Regardless to say, the first few years after the Islamic Revolution the major drive for foreign policy were ideology. There were two guiding principles. The first principle was to resist Western ideals and cultural values. The second principle was exporting the Islamic revolution (Rakel, 2007: 167). The first principle mainly consisted of having distant relations with the US and closer relations with the Soviet Union. It tried to have normalized relations with the allies of the super powers such as Western Europe, Japan and China (Rakel, 2007). The second principle, consisted of supporting and providing the spread of the Islamic Revolution in the region. Islam was the major force behind Iran, and the survival of the state depended on strict adherence to preserving the theocratic state. At the outset of the First Gulf War, most states of the region was cautious of Iran and its revolution, therefore chose to have closer ties with Iraq. Oman established relations with Iran and Saudi Arabia followed. Only Kuwait took precaution. The Iranian call for cease fire with Iraq. UN Security Council Resolution (UNSCR) 598 came into effect in 1988. War wreck Iran had to reorganize its relations with the West. Further, it had to find the means in generating capital to jumpstart its economy. Reconstruction of foreign policy and reintegration of Iran to the international system was needed.

During Rafsanjani's presidency, a more pragmatic approach to foreign policy was used. President Rafsanjani did not want to follow Khomeini's foreign policy principles nor his dictum of exporting the Islamic revolution. Khomeini's death in 1989 helped him to formulate new foreign policy principles. Conservatives like Rafsanjani tried to improve economic relations with the US in order to attract foreign investment as a tool for improving foreign relations (Rieffer-Flanagan, 2009:9). Whereas neoconservatives pressured to continue the policy of exporting the Islamic Revolution, regardless of the method whether it was by subversion or terrorism. The new Supreme leader reevaluated the export of revolution dictum:

“This is what exporting the revolution means: to enable all the nations in the world to see that they are capable of standing on their own feet, resisting submission with all of their strength by relying on their own will and determination and by replacing their trust in God” (Moslem, 2002).

Iraq's invasion of Kuwait in 1990 changed the outlook of policies in the region. Iraq, rather than Iran threatened the peace and security of the Persian Gulf region. Iran was the country to condemn the invasion (Rakel, 2007:173). Iran also took active part in supporting Kuwait and the West against Iraq. It declared itself neutral during the Second Gulf War and Gulf states began to gather around Iran. Rafsanjani's bid for reestablishing Iran as a regional



power was becoming effective. It was no longer an isolated outcast but a regional gravity center.

The disintegration of the Soviet Union also signaled a new era for Iranian policies towards the Caspian Sea region. The newly independent states produced a new outlet for oil transportation. European states could become potential buyers of Iranian oil. Economic partnership with the Persian Gulf and newly independent states and Europe would in fact break the chains of political isolation and reinvigorate Iran into the global economy.

Khatemi presidency continued Rafsanjani's foreign policy principles and improved relations with not only its neighbors but also with the European Union. He also tried to ease the relations with the US by initiating a "dialogue of civilizations". As Khatemi tried to further the "dialogue of civilizations", Supreme president Khamenei continued to support radical groups such as Hezbollah in Lebanon and Hamas in Gaza (Rakel, 2007:179). This dichotomy of power sent mixed messages to the western world. As the dialogue continued, the attempts to export the revolution also continued. Could Iran be regarded as being genuine in its attempts to normalize relations with the West?

Despite Khatemi's efforts in normalizing Iran's relations with the west, President George Bush declaring Iran in the "axis of evil" accompanied North Korea and Iraq in his state of the union address, disturbed the process (Rieffer-Flanagan, 2009: 9). Iran had supported the US in Afghanistan in its "war against terrorism".

Ahmedinejad presidency neglected the pragmatic approaches of Rafsanjani and Khatemi. He pursued a more hostile approach towards the West and Israel. Iran's pressure on acquiring and using nuclear energy has also reached a climax during this period. Ahmedinejad also repeated his disappointment with the US in 2008:

"I have said many times that we would like to have good relations with everyone, including the US. But these relations must be based on justice, fairness and mutual respect...One can embark on a new period of talks. I've said that our absolute principle for these talks is fairness and mutual respect. We helped in Afghanistan. The result of that assistance was Mr. Bush directly threatening us with a military attack. For six years he has been engaged in similar talk against us" (The New York Times, 2008).

Iran has a realistic foreign policy. It carefully avoids a clash with the Israeli

army. It uses indirect measures such as Hamas and Hezbollah to weaken Israel in a war of attrition. At the same time, it uses its struggle with Israel as a tool to win support from other Muslim countries that are distrustful towards the Islamic revolution.

Iran is also in a conflicting position with Russia on the division of the Caspian Sea. The main problem of whether the Caspian Sea is a lake or a sea presents a quagmire. This is not a new problem but a major area of concern for littoral states of the Caspian Sea ever since the fall of the Soviet Union. If the Caspian is a sea, then it would be divided into shares and according each

*There are no immediate security threats for the Caspian Sea. Caspian Sea neighbors are more willing to follow Russia than Iran on matters of security. It would be for Iran's use to have a partner like Russia on matters of energy since they challenge yet complement each other.*

states coastline, an equidistant median line principle would be applied(Caucasian Review of International Affairs [web], 2009).

<sup>3</sup> If the Caspian is a lake then it would be divided between the states that have a coastline among the Caspian. Russia and Kazakhstan would benefit from such a division because their coastline is longer than the other concerned states. Iran on the other hand would benefit from the lake thesis because it would raise its sharehold from 13% to 20%.<sup>4</sup>

Both Russia and Iran are members of Caspian Economic Cooperation Organization. The main aim of this organization is bolstering a permission for a trans caucasian pipeline and joint security. If Russia and Iran can not to form a bloc for securing pipeline projects across the seabed, Nabucco project will be halted. There are no immediate security threats for the Caspian Sea. Caspian Sea neighbors are more willing to follow Russia than Iran on matters of security. It would be for Iran's use to have a partner like Russia on matters of energy since they challenge yet complement each other.

3 A median line is defined in the UN Convention on the Law and the Sea (UNCLOS) article 15. The article states that "Where the coasts of two States are opposite or adjacent to each other, neither of the two States is entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured. The above provision does not apply, however, where it is necessary by reason of historic title or other special circumstances to delimit the territorial seas of the two States in a way which is at variance therewith" (United Nations[web], 1982).

4 There are other issues, such as control of the surface as opposed to control of the seabed, transit rights, and so on – but the core of the problem is the sea/lake conundrum. Azerbaijan, Kazakhstan and Russia have already settled the issue between themselves by signing bilateral agreements dividing 64 percent of the sea. These agreements are not recognized by Iran, so the final solution to the legal status of the Caspian still remains to be settled( (Caucasian Review of International Affairs [web], 2009)



As it can be inferred, Iran despite its ideological setting, prefers to pursue a realistic foreign policy that is based on self interest. Survival of the state is more important than survival of the ideology. This is understandable because the age of globalization has witnessed a downturn of most strict ideologies.

### 3. Armenian Foreign Policy Objectives

Armenian foreign policy goal of “complementarity” stresses the strategic importance of the relationship with Russia but it does not neglect U.S and EU either (Zarifian, 2009:395). Armenia according to Papazian (2006:235) has nothing to offer for trade. They have no economic or political power, their options are limited. Even changing the administrators does not change the options. Rather than having long range policy goals the unchanging problems are solved within daily bases. Lack of capital and lack of accomplishment in domestic affairs puts Armenia in a disadvantaged position. Nagorno Karabagh conflict is linked with almost every issue in Armenia but the overarching element in policy making is security. Armenian foreign policy aims to secure the survival of the state and its population.

Russia’s influence on Armenia is uncontestable. Russia has three bases in Armenia, namely Gumri, Erebuni, Meghri. They have cooperation agreements on space technology and strategic studies. In 1994, Armenia signed up the Partnership for Peace with NATO and then participated in the alliance maneuvers in the Black sea. After the September 11 attacks Yerevan opened its airspace to the American aircraft (Minassian, 2008:12). Partnerships with EU are not neglected. All these arrangements are done under Russia’s auspices. According to Serge Sarkissian “the security, sovereignty and territorial integrity of Armenia”<sup>5</sup> are important and involvement in international cooperation will not hamper the alliance with Russia

In order to halt the spread of revolutions, the Russian and Armenian regimes have adopted the same interventionist policy of restoring the authority of the state. The power ministries of army, police and intelligence service act as the backbone of their political administrations (Minassian: 2008:10).

Ter-Petrossian declared that his main goal was the physical security of Nagorno Karabagh’s Armenian’s he did not mention independence or reunification. Armenia’s national interest is dependent on one major issue: Nagorno Karabagh so national interest and making policy choices is not concentrated on what is beneficial for the country rather it is the choice

---

5 Speech delivered by Serj Sarkissian December 1, 2006.

between what is least harmful (Papazian [web], 2006). Ter-Petrosian (1997) coined it in his famous article as not “a choice between good and bad, but rather between bad and worse”. At the beginning of the Armenian independence the major question was that could an independent Armenia exist? It needed a cause the Nagorno Karabagh conflict provided the national cause for the continuation of the statehood. The answer for the question was Nagorno Karabagh conflict. Armenia needed a national cause for the continuation of the statehood and conflict provided it.

The diaspora, Armenians who are living abroad, is also influential in policy making. The diaspora provides the capital that Armenia desperately needs. In exchange for capital their voices are heard in Yerevan. The diaspora and the government have different foreign policy goals. The diaspora is part of the nation but not part of the state (Migdalovitz, 1996).

President Kocharian approached the Nagorno Karabagh conflict in a different way:

“The Nagorno Karabagh issue is a national issue and we have to settle it with dignity. Proceeding from the principles of peaceful resolution, we should achieve the international recognition of the Karabagh people’s right to self-determination, ensuring its development within safe frontiers and the permanent geographic connection with Armenia” (Kocharian[web], 2000).

Regardless to say Nagorno Karabagh is the penultimate issue on Armenian foreign policy making. The conflict provides the cause for the continuation of the statehood. Armenian foreign policy aims to secure the survival of the state and its population.

## **4. Common Issues and Causal Relations**

### **4.1 Economics**

Armenia’s export commodities consist of pig iron, unwrought copper, non-ferrous metals, diamonds, mineral product, foodstuffs, energy. Its main export partners are: Russia(15.9%), Bulgaria(15.5%), Germany(13.1%), Netherlands(9.8%), Belgium(7.2%), Iran(5.2%), Georgia(5%)(World Fact Book[web], 2011).

Armenia’s import commodities consist of natural gas, petroleum, tobacco products, foodstuffs, and diamonds. Its partners are Russia (22.1%), China (10.7%), Ukraine (6.1%), Iran (5.7%), Germany (5.6%) and Turkey (5.6%)

(World Fact Book [web], 2011). Russian hegemony in Armenia is unarguable. Any instability that is experienced in Russia will have sudden repercussions in Armenia.

Armenian economy faced a recession with GDP declining 14% in 2009. Declines were experienced in construction sector<sup>6</sup>. The economy began to recover in 2010 with 5% recovery (World Fact Book [web], 2011). Armenia developed a modern industrial sector, supplying machine tools, textiles and other manufactured goods in exchange for raw materials and energy. Armenia is dependent on Russian economy. Russian companies own most key infrastructures. Electricity services were privatized in 2002 and were purchased by the Russian RAO-UES in 2005. Construction of a gas pipeline to deliver gas from Iran is put on hold to complete the Yerevan Thermal power plant (World Fact Book [web], 2011).

Iran compared to Armenia has a much stronger outlook. Its population of 77,891,220 compared to 2,967,975 is grandiose. Its economy is based on the state sector<sup>7</sup> and oil sector. There is a small number of private sector activities. This sector is limited to workshops, farming, and services. Iran has unemployment and underemployment. Many educated youth seek for jobs that are abroad (World Fact Book [web] 2011).

Iran's major export commodities are petroleum (80%), chemical and petrochemical products, fruits and nuts, carpets. Its major export partners consist of China (16.2%), India (12.6%), Japan (9.9%), Turkey (6.8%), South Korea (5.7%) and Italy (5.3%) (World Fact Book [web], 2011).

Iran's import commodities are more varied. Industrial supplies, capital goods, foodstuffs and other consumer goods, technical services are dominant factors contributing to import. Its partners are; China (17.5%), UAE (16.7%), Germany (7.6%), South Korea (6.3%), Russia (5.7%), Turkey (4.8%) and Italy (4.2%) (World Fact Book [web], 2011). China is one of major economic partners of Iran but since the driving force behind its economy is oil revenues, it needs to develop alternative energy sources since that it is evident that fossil energy sources will become obsolete in the near future.

It is evident that Armenia needs Iran as a partner since its economy is strongly influenced by Russia. Iran does not need Armenia as a partner in economic matters but instead uses Armenia as a political tool to maneuver its relations with the West. Armenian-Iranian economic relations are not a necessity for

---

6 Construction, agriculture, and manufacture are the major sectors contributing to Armenia's economy.

7 When compared with Armenia Iran is more dependent on the state sector. Ironically, Armenia appears to give priority to privatization yet the companies are privatized by Russia. Monopoly of privatization occurs.

Iran but it's a tool to attain administering power on political issues of the region. Armenia counts on Iran and its transportation routes to develop its economic relations with Asia (Zarifian, 2008: 133). Nagorno Karabagh conflict is a barrier for Armenia to overcome in order to be active in trading lines in Asia. Armenia aims economic circulation and mobility of its people the only outlet for this purpose is Iran.

The development of cargo transit is also important for Armenia. Armenia exports products of agriculture and imports consumption goods such as construction materials, and machinery (Zarifian, 2008: 133). Iran also helps Armenia to develop better economic ties with Asia. Iran is a transit route to Asian markets. Armenia needs Iran for economic circulation and as an outlet for mobility of its people.

*Armenia needs Iran as a partner since its economy is strongly influenced by Russia. Iran does not need Armenia as a partner in economic matters but instead uses Armenia as a political tool to maneuver its relations with the West.*

#### 4.2 Energy

Armenia depends fully on Russia and Russian companies to procure oil and gas. Since it cannot benefit from Baku-Tblisi-Ceyhan(BTC) pipeline its only alternative against Russia in case of emergency is Iran. Iran needs Armenia as a transit point to deliver its gas to Europe. Armenia desperately needs to break the monopoly of Russian superiority over supplying gas (Oilgas[web], 2011).

High tension power lines are another concern for the energy cooperation between the countries. There are already two high-tension power lines between Iran and Armenia the third one is also planned (The World Factbook[web], 2011). The building of a hydroelectric plant on the river Arax and Iran financing the fifth unit of Hrazdan thermoelectric plant are examples of the cooperation that is taking place. Armenia produces more energy than it consumes, therefore it plans to sell the surplus to Iran (De Wall, 2010).

Energy cooperation plays a big role in Armenian-Iranian relationship. Construction of a gas pipeline from Iran to Armenia has been completed (Oilgas [web], 2011).<sup>8</sup> The plans of building the pipeline was announced in 2002<sup>9</sup> and the project started in 2006 and completed in 2007. Iran by entering

8 The Iran-Armenia gas pipeline is 140km pipeline from Iran to Armenia. The 100 km Iranian section runs from Tabriz to the Iran-Armenia border. The Armenian section runs from the Meghri region to Sardarian, and another 197 km of pipeline is planned to reach the center of the country, where it will link up with the existing distribution network (Oilgas[web], 2011).

9 Armenian Energy Minister Armen Movsisian announced on 15 April 2002 that the Armenian government has prepared a new agreement on the planned construction of a natural-gas pipeline from Iran to Armenia (Central Asia Caucasus Institute [web], 2002)

in Armenia hopes to send its gas via transit route to the European Union. Russia hopes to brush away that threat since Gazprom has a certain monopoly over gas distribution. It is noted that in order to limit the flow of the gas from Armenia to elsewhere; Gazprom intervened by its subsidiary firm to decrease the size of the pipes in diameter<sup>10</sup> to stop the overflow of gas to Europe (Socor[web], 2007).

Iran is also leading the building of a third electricity transmission line to Armenia (Mehr News[web], 2011). Iranian Minister of Foreign Affairs Ali Akbar Salehi also recorded that they were planning to build a hydroelectric power plant on Aras River. The negotiations continued on the subject that based on which a 180-megawatt power plant will be built in Iran and another 180-megawatt power plant will be built in Armenia.

Tehran is not only planning to build new power plants and transmission lines but also is willing to renovate the infrastructure of Armenia (Asbarez[web], 2011). Building a highway between Armenia and Iran is a small step towards achieving that goal.<sup>11</sup> This move would not only help the Armenian infrastructure but also would prosper the economic relations and trade volume between the two neighbors.

Iran also plans to help Armenia on developing its sources of alternative energy. A wind driven plant was financed by Iran in 2005 (Zarifian, 2008: 135). Building a second gas pipeline is also discussed but no concrete step has been taken to start it. There are also plans of a railway project between the two countries (Armenpress[web], 2010).

Iran having the world's largest gas reserves after Russia seems to profit from any conflicting situation. Any conflict that is involved with Russia contributes to the worsening of relations concerning energy. The next best alternative for energy supplies and economic relations is always Iran. Iran's fostering role for the states in Caucasus cannot be neglected. Georgia, Armenia, Azerbaijan all have benefitted from this special relationship. An example of this cooperation would be the Georgian Iranian agreement to swap energy via Armenia (Armenpress[web], 2006).<sup>12</sup> As the states in the Caucasus try to drift

---

10 This was done despite Iran's will. The gas pipe's diameter of 1720 millimeters was reduced to 700 millimeters. This would hinder Iran from exporting its gas to elsewhere but Armenia (Socor[web], 2007).

11 The budget allocated for the proposed project is \$60 million. According to the Asian Bank, the estimated cost of the project is \$1.5 billion. However, only \$300,000 has been allocated for the first stage. As part of the program, Armenia's existing roads from the border with Iran to the border with Georgia will be reconstructed and expanded (Asbarez[web], 2011).

12 Iranian and Georgian energy ministers pointed to a three-party agreement for electricity transfer among the three countries Georgia and Armenia in Yerevan. According to the agreement, Iran will transfer some 50 megawatts of electricity via Armenia to Georgia from end of November. 2006 (Armenpress [web], 2006).

away from the control of Russian energy and economic grip, Iran is doing its best to transfer its energy from Caucasus into Europe, which would not only increase its economic gain but also provide a threshold for practicing power over the region and influencing others in Europe.

Iran needs Armenia as an access transit to deliver its gas to Europe. Due to its political inclinations Russia is preferred over Iran. Iran needs to deliver its surplus to other markets. If it can become an alternative to Russia on gas, it will not only benefit from it through its economy but it will also.

### 4.3 Nagorno Karabagh

Nagorno Karabagh was part of the Soviet Republic of Azerbaijan but with an Armenian majority. Cease fire agreement was signed in 1994 a situation of “no war, no peace” has prevailed. Armenia captured the de-facto control of Nagorno Karabagh and 14% of Azerbaijani land. Today it’s a defacto Armenian entity with functioning institutions but is not recognized as a state. De Waal (2010:159-160) summarizes the situation the conflict as a sovereign state (de Waal,2010:159-160). It is not just a regional conflict, it has spill over effects. Minsk Group<sup>13</sup> is actively involved in the conflict. The line of contact that divides Armenian and Azerbaijani forces are monitored by six observers

Each party to the conflict appears to have benefitted from the stalemate. Does the Minsk Process offer a long lasting solution to the conflict or is it simply a conflict management mechanism is debated; only latter appears to be true.

The natural relationship that was expected from the conflict was that Shia Iran would side with Shia Azerbaijan. After all, Iran was trying to export its revolution and this principle was one of the most important tools of formulating foreign policy goals (Rieffer-Flanagan, 2009:21). Azerbaijan hoping to strike a better deal with the US on Caspian Oil put some distance between itself and Iran. Theran didnot interfere in Tajikistan or Afghanistan to promote a theocratic state. Both of the countries were ripe to have such formulations.

During the conflict Iran worried that if Azerbaijan was supported, a unification could take place between the “divided” Azerbaijanians that had been separated by the Persina and Ottoman Empires (Gresh, 2006:1). A nationalistic cause could threaten the the unity of the state. Iran also did not want to disturb the natural balance of power in the region that was controlled

<sup>13</sup> Minsk Process consists of a conference which occasionally convened never meets as a group and co-chairmanship. Named after a city where the mediators never met.



by Russia. Iran viewed the Nagorno Karabagh conflict as an internal affair of Russia. Iran also feared that any “secessionist movements” in its territory could be exploited by others. Therefore was no choice but being neutral. Papazian(2001:78) summarizes the situation as:

“Siding with azerbaijan would produce unnecessary domestic pressures from the upper rich Armenian elite in Iran Such a move would also be seen as religiously based and therefore stir international criticism On the other hand, the radical Islamic government would not support a Christian actor fighting against a muslim republic. Neutrality was therefore the safest reality.”

Iran shares borders with all sides of the conflict (Schaeffer[web], 2003). Neutrality continued until Azerbaijan increased its rhetoric for unification with Southern Azerbaijan. Iran came closer towards Armenia, signed a bilateral treaty of friendship and economic cooperation at the end of 1992 (Cornell, 1998:56).

*Iran's conviction of Azerbaijan is not limited to the Nagorno Karabagh conflict. There is a serious disagreement between the to states over the issue of Caspian Sea status.*

President Aliyev changed Azerbaijan's approach towards Nagorno Karabagh. Iran knew that no matter how moderate the new Azerbaijani president was, the threat persisted for its Azerbaijani population. A stronger Armenia against Azerbaijan would keep Azerbaijani ideals out of Iran. A stronger Armenia also signals a deterred Azerbaijan. Azerbaijan's ascension to economic and political power of the region is delayed. Iran is also protecting its regional oil investments that might be endangered in case Armenia collapsed (De waal, 2003:4).

Iran's conviction of Azerbaijan is not limited to the Nagorno Karabagh conflict. There is a serious disagreement between the to states over the issue of Caspian Sea status. The second disagreement is over the installation of a US radar base on the Azerbaijani border and finally the deram of a “greater Azerbaijan” (Minassian, 2008:7).

Being an Islamic Republic one would expect Iran to side with yet another muslim state, Azerbaijan. On the contrary Iran prefers to have conflict saturated Azerbaijan in order to present it as an undesirable place to secede to. Azerbaijani minority in Iran will have no interest in joining with their departed brothers and Azerbaijan will not have the means and interest to stir up the Azerbaijani minority in Iran. Yet a conflict that is uncontrollable is not desirable either, a stalemate at best is aimed at. Fuel from Russia was also delivered to Armenia via Iran (Schaffer[web], 2003).

After the cease fire and formal negotiations took place, Iran acted towards the

process with its Azerbaijani minority in mind. It refused to back a proposal concerning the creation of a trade corridor between Armenia and Azerbaijan. Since this arrangement would extend the common border between the Republic of Azerbaijan and Iran, Iran resisted the efforts (Migdalovitz, 1996:23).

The Nagorno Karabagh conflict has pushed Azerbaijan-Turkey and the US in one bloc and Armenia-Russia and Iran in another. Recent developments in the crises have showed that Azerbaijan and Russia are pulling closer under the mediation efforts of Russia (24 Ocak Rusya-Ermenistan-Azerbayjan). Armenia is unwilling to join NATO which is a plus for both Iran and Russia. The insistence of BTC by the US pact and the introduction of the NABUCCO<sup>14</sup> gas pipeline project are all efforts of blocking the monopoly of Gazprom in that region. NABUCCO is firmly backed by the European Union and its plan to diversify its gas supply and routes of transportation. Total of 3300 km of pipeline will bypass Russia and Armenia (Kuser, 2007).

## 5. Conclusion

Iran isolated by the Western world and Armenia isolated by Turkey and Azerbaijan share a common goal of breaking up the vicious circle. Iran is haunted by internal implosion and isolation therefore it clings to its relationship with Armenia. Armenia on the other hand apart from the foster parenthood of Russia doesn't have any allies to rely on.

The symbiotic relationship pertains to the two countries depending on one another for survival. It is evident that Iran does not need Armenia as an ally. This relationship acts as a facilitator on issues of economy, and of energy. Armenia does need Iran as an alternative to Russian influence that is witnessed in all aspects of life.

The relationship persists because Iran and Armenia are both isolated and have many rivals within their immediate region. They are both non-aligned and Iran in most issues, particularly on nuclear weapons issues, is regarded as being belligerent.

Both of the states are a perfect example of a realist conviction. Iran is an Islamic republic. Armenia is known to be the first Christian state. Their only common ground appears to be on the need to pursue the politics of survival and persistence on national interest. The symbiotic relationship is based on necessity. The necessity that does not provide them many options.

---

14 Nabucco is the new gas bridge from Asia to Europe and the flagship project in the Southern Corridor. It will be a pipeline to connect the world's richest gas regions - the Caspian region and Middle East - to the European consumer markets (Nabuccopipeline [web], 2011)

**BIBLIOGRAPHY**

- “Iran and Georgia to Swap Power via Armenia” *Armenpress*. September 26th, 2006  
<http://armenpress.am/eng/news/519004/www.ishudom.com> (Retrieved 01 03, 2012)
- “Tehran Allocates \$60 million for Iran-Armenia Highway” *Asbarez* 10 03 2011.  
<http://asbarez.com/94027/tehran-allocates-60-million-for-iran-armenia-highway/> (retrieved 01 03, 2012)
- “Integration and Division in the Caspian Sea” *Caucasian Review of International Affairs*, Issue 30, April 20, 2009  
[http://www.cria-online.org/CU\\_-\\_file\\_-\\_article\\_-\\_sid\\_-\\_35.html](http://www.cria-online.org/CU_-_file_-_article_-_sid_-_35.html) (Retrieved 01 03, 2012)
- “Armenian Minister Announces New Accord for Proposed Iran-Armenian Pipeline” *Central Asia Caucasus Institute*, 15 4 2002  
<http://www.cacianalyst.org/?q=node/632> (Retrieved 12 29, 2011)
- “Iran” *CIA The World Factbook* 29 12 2011  
<https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html> (Retrieved 12 29, 2011)
- CORNELL, Svante E. (1998) “Iran and the Caucasus” *Middle East Policy*, p. 56
- GRESH, Geoffrey (2006) “Coddling The Caucasus: Iran’s Strategic Relationship with Azerbaijan and Armenia” *Caucasian Review of International Affairs* Vol.1 p.13
- HUNTER, Shireen T. (1994) *The Transcaucasus in Transition*. Washington D.C: The Center for Strategic and International Studies.
- KOCHARIAN, Robert “President Robert Kocharian’s Inauguration Speech at the Special Session of the National Assembly” *Ministry of Foreign Affairs, Armenia*, 21 May 2000.  
[http://www.mfa.am/old/speeches/000521rk\\_inaguration.html](http://www.mfa.am/old/speeches/000521rk_inaguration.html) (Retrieved January 29th, 2012)
- KUSER, Michael “US Flip-Flops on Caspian Oil” *Business Week*, 25 September 2007.

“Iran to Build a third electricity transmission to Armenia” *Mehr News*, 29 05 2011.

<http://www.mehrnews.com/en/newsdetail.aspx?NewsID=1323883> (Retrieved, 01 03, 2012).

MEHTIEV, Elkhan “Perspectives of Security Development in the South Caucasus” published by the Austrian Defense Ministry, [www.bmlv.gv.at/pdf\\_pool/publikationen/10\\_ssg\\_10\\_meh.pdf](http://www.bmlv.gv.at/pdf_pool/publikationen/10_ssg_10_meh.pdf) (Retrieved January 29, 2012).

MIGDALOVITZ, Carol (1996) “Armenia Azerbaijan Conflict” *Federation of American Scientist* December 3, 1996  
<http://www.fas.org/man/crs/92-109.htm> (01 04, 2012 retrieved).

MINASSIAN, Gaidz (2008) *Armenia, A Russian Outpost in the Caucasus*. Working Paper, Moscow: Russia/NIS Center.

MOSLEM, Mehdi (2002) *Factional Politics in post Khomeini Iran*. Syracuse: Syracuse University Press.

“Nabucco Pipeline” *Nabucco Pipeline*.

<http://www.nabucco-pipeline.com/portal/page/portal/en> (Retrieved February 05, 2012).

“Iran Armenia Pipeline” *Oilgas Iran* 2011.

<http://www.oilgas.ir/> (Retrieved 12 29, 2011).

PAPAVA, Vladimer and Eldar Ismailov (2008) “A New Concept for the Caucasus” *Southeast European and Black Sea Studies*, pp. 283-298.

PAPAZIAN, Lalig (2001) “A People’s Will: Armenian Irredentism over Nagorno Karabagh” in *The Making of Nagorno Karabagh*, 78. London: Palgrave.

PAPAZIAN, Taline (2006) “From Ter-Petrossian to Kocharian: Explaining Continuity in Armenian Foreign Policy, 1991-2003” *Demokratizatsiya* Vol.14, No.2

RAKEL, E. Patricia (2007) “Iranian Foreign Policy since the Iranian Islamic Revolution: 1979-2006” *Perspectives on Global Development and Technology* pp. 159-187.

RIEFFER-FLANAGAN, Barbara Ann (2009) “Islamic Realpolitik: Two level Iranian Foreign policy” *International Journal on World Peace*, No.7 p.35

- SADEGH-ZADEH, Kaweh (2008) "Iran's Strategy in the South Caucasus" *Caucasian Review of International Affairs* Vol. 2, no. 1 (Winter) pp. 1-7.
- SCHAEFFER, Brenda (2003) "Iran's Role In the South Caucasus and Caspian Region: Diverging Views of the U.S and Europe" German Institute for International and Security Affairs, July 2003 Berlin, pp. 17-23
- SOCOR, Vladimir (2007) "Iran Armenia Gas Pipeline: Far More Than Meets the Eye" *Eurasia Daily Monitor* March 21, 2007  
[http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=32607](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=32607) (Retrieved December 29, 2011).
- TER-PETROSSIAN, Levon (1997) "War or Peace: Time for Thoughtfulness" *Hayastani Hanrapetutiun*, November 01, 1997
- The Armenian Church. "The Armenian Church"  
<http://66.208.37.78/index.jsp?sid=1&id=10472&pid=3> (retrieved 12 29, 2011).
- "Interview with President Ahmedinejad" *The New York Times*, 26 September 2008.
- "UN Oceans and the Law of the Sea: Division for Ocean Affairs and Law of the Sea" UN Oceans and the Law of the Sea: Division for Ocean Affairs and Law of the Sea . December 10, 1982  
[http://www.un.org/depts/los/convention\\_agreements/texts/unclos/part2.htm](http://www.un.org/depts/los/convention_agreements/texts/unclos/part2.htm) (Retrieved March 01, 2012).
- WAAL, Thomas De (2003) *Black Garden: Armenia and Azerbaijan Through Peace and War* New York: New York University Press.
- WAAL, Thomas de (2010) "Remaking the Nagorno Karabakh Peace Process" *Survival*, pp. 159-176
- ZARIFIAN, Julien (2008) "Christian Armenia, Islamic Iran: Two (Not So) Strange Companions Geopolitical Stakes and Significance of a Special Relationship" *Iran and the Caucasus* Volume 12, Number 1, pp. 123-151.
- ZARIFIAN, Julien (2009) "Iran and Its Two Neighbors: Armenia and Azerbaijan Resuming Relationship Under America's Suspicious Eyes" *Iran and the Caucasus* Volume 13, Number 2 pp. 383-400.

