# IRAN'S FOREIGN POLICY IN THE CASPIAN SEA BASIN Oscillation between National Interests and Islamic Adventures

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# Introduction

The Caspian Sea Basin is considered one of the largest energy reserves in the world. The subsoil of this immense land-locked sea has become a serious bone of contention among the littoral states grappling with the Caspian Sea legal regime. Despite the Alma-Ata Declaration of 1991, the new coastal states—Kazakhstan, Azerbaijan, and Turkmenistan—rejected the 1921 and 1940 treaties between Iran and the Soviet Union and insisted on creating a new legal regime.

At the third summit of the five Caspian Sea littoral states in Tehran on 16 October, 2007, Kazakhstan President Nursultan Nazarbaev stated that the 1921 and 1940 treaties between Iran and the Soviet Union on the Caspian Sea now belong to history.<sup>1</sup> Moreover, in January 2008, Iranian Foreign Minister Manoochehr Mottaki said that Iran's share of the Caspian Sea has never been

<sup>1</sup> See: Tehran Times Newspaper, 17 October, 2007.

50%, and the Soviet Union never allowed Iran to pass the hypothetical line. He added that Iran has never exploited more than 11.3% of the Caspian Sea. Although these explicit declarations angered the Iranian parliament and prompted an immediate response by Foreign Ministry Spokesman Hosseini, who specified that Iran's share of the Caspian Sea is no less than 20 percent, this incident showed that the Iranian government has accepted the division of the Caspian Sea based on the median line method contrary to national drives.<sup>2</sup> The pertinent question is why the Iranian government accepted the division of the Caspian Sea based on the median line, while Presidents Rafsanjani and Khatami insisted on the condominium regime or equal division? What priority is Iranian foreign policy pursuing that has overshadowed the importance of the Caspian Sea legal regime?

<sup>2</sup> See: Interview of Deputy Iranian Foreign Minister for European and American Affairs, *Ettelaat Newspaper*, 1994.

# The Caspian Sea: Common Border between Iran and the Soviet Union

The Caspian Sea is one of the world's largest inland seas with huge reserves of oil and natural gas. For Iran, the Khazar or Mazandaran Sea, as the Caspian is also known, has historical, political,

and economic significance. Iranian tribes such as the Talysh have been living on its southern coast for 3,000 years.<sup>3</sup> From the economic point of view, it has rich fish supplies, caviar, which is an important source of nutrition and trade for the people of Iran. The strategic importance of the Caspian Sea emerged for Iran when Russian Czar Peter the Great established the first naval base on the Caspian coast in the eighteenth century and showed his desire to expand the Russian borders to the Persian Gulf and Indian Ocean.

The first struggle between Russia and Iran over control of the Caucasus occurred in the early nineteenth century. Those battles led to the loss of parts of Iran's territory in the Caucasus and Caspian Sea basin, and Russia extended its territorial base. According to the treaties of Gulistan in 1813 and Turkmanchay in 1828, Russia possessed Iran's territories on the coast of the Black Sea and Southern Caucasus. Moreover, Iran lost full rights to navigate the Caspian Sea.

After establishment of the Communist regime in Russia (1917) and the creation of the Soviet Union (1922), the Communist Russian government annulled all the previous agreements with Iran, and Iran and Soviet Russia and later Iran and the Soviet Union entered new agreements on the Caspian Sea. The Treaty of Friendship in 1921 and Treaty of Commerce and Navigation in 1940 provided a legal regime for the Caspian Sea which international law experts call "sui generis." This means that it has been created by only two owner countries, Iran and the former Soviet Union, and is based on bilateral agreements. The international Law of the Sea and the maritime boundaries of states do not apply to the Caspian Sea.<sup>4</sup> Accordingly, in both treaties, neither party enjoys a preferential status visà-vis the other. So both countries have equal rights to the Caspian and it should be closed to all other nations apart from Iran and the Soviet Union.<sup>5</sup> In fact, Iran's navigation rights in the Caspian Sea denied by the Turkmanchay Treaty were restored by the Treaty of Friendship in 1921. Both countries emphasized freedom to navigate in the Caspian Sea in the Treaty of 1940. However, there was no specific mention of the navigation of warships in the Treaty of 1940, while the national security of both sides required that their warships have access to the Caspian Sea.<sup>6</sup> This situation was reminiscent of the pre-demise era of the Soviet Union when the Caspian Sea was established as a common sea between Iran and the Soviet Union and the two bilateral treaties confirmed their rights in the Caspian Sea. Despite the fact that the Caspian Sea was shared by Iran and the U.S.S.R. and Iran had the same rights as the U.S.S.R. in the sea, the Iranian government, particularly during Pahlavi's time, was not interested in activity in the Caspian Sea and did not have any active program for exploring or drilling oil and gas resources. Nor did it have a navy or warships in the sea. After the revolution, the Islamic Republic of Iran was engaged in an 8-year war with Iraq and concentrated its military force in the west and south. Iran avoided confrontation with the U.S.S.R. Both countries had equal sovereignty throughout the Caspian Sea, apart from the 10-mile exclusive fishing zone, and they did not have any borders in the sea. However, as a superpower, the U.S.S.R. enjoyed exclusive control over it and limited any Iranian activity in the Caspian Sea.

The disintegration of the U.S.S.R. created a new situation in the geopolitics of the Caspian Sea region, and the presence of the new republics in the basin of the Caspian Sea caused Iran to lose land borders with Russia and find new neighbors. On the other hand, the question for Iran was whether the new costal states would accept the old legal regime based on the 1921 and 1940 treaties, or whether the three new republics, Kazakhstan, Azerbaijan, and Turkmenistan, would be new claimants to the

<sup>&</sup>lt;sup>3</sup> See: Sh. Akiner, "Caspian Intersections: Contextual Introduction," in: *The Caspian: Politics, Energy and Security*, ed. by Sh. Akiner, Routledge Curzon, New York, 2004, p. 3.

<sup>&</sup>lt;sup>4</sup> See: B. Aghai-Diba, *The Law & Politics of the Caspian Sea in the Twenty-First Century*, IBEX Publishers, Maryland, 2003, p. 19.

<sup>&</sup>lt;sup>5</sup> See: M.A. Movahed, "Iran's View on the Legal Regime of the Caspian Sea," in: *The Caspian Region at a Cross-road: Challenges of a New Frontier of Energy*, ed. by H. Amirahmadi, Martin's Press, New York, 2000, p. 273.

<sup>&</sup>lt;sup>6</sup> See: W.E. Butler, The Soviet Union and the Law of the Sea, The Johns Hopkins Press, Baltimore, 1971, pp. 101-103.

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Caspian Sea and insist on the creation of a new legal regime regarding it. Iran soon realized that the new republics were opposed to the old regime and wanted to pursue new approaches to the legal regime of the Caspian based on their own interests. They had serious economic problems and the rich resources of the Caspian Sea, such as caviar, oil, and gas, would help them to resolve their problems. So establishment of a new legal regime involved Iran in a new situation which directly related to its national interests.

# The Caspian Sea Legal Regime after the Demise of the Soviet Union

The three newly independent states of Azerbaijan, Kazakhstan, and Turkmenistan challenged the legal regime which was confirmed in the 1921 and 1940 treaties. Although the Alma-Ata Declaration of 1991 obligated the new coastal states to observe all the agreements and treaties concluded by the Soviet Union, the national interests of the new republics ran counter to the old legal regime. The Caspian Sea has rich reserves of oil and gas and the global markets were faced with a rising demand for them. Competition among the five states increased to absorb the foreign investments provided for drawing up agreements with oil and gas companies on the exploration, drilling, and exploitation of oil and gas. This problem augmented the struggle among the five coastal states. Azerbaijan, Turkmenistan, and Kazakhstan saw the rich reserves of the Caspian Sea as a means for solving their economic problems, whereas Iran and Russia, which have other economic opportunities, protested against the presence of international companies in the Caspian region. The five littoral states met at the presidential and ministerial level on 25 occasions between 1994 and 2007,<sup>7</sup> but they were unable to reach any unanimous opinion on the legal regime of the Caspian Sea.

# A New Dispute: Is the Caspian a Sea or a Lake?

The problem of the Caspian's legal status has arisen among the five littoral states in the Caspian Sea because they differ in their opinion of whether it is a sea or a lake. If the Caspian Sea as a lake, international law stipulates that the use of its resources can only be decided unanimously among the countries on its shores, whereas if it is a sea, each state bordering on it is allocated areas where it may freely extract resources as it sees fit. In addition, in the case of a lake, "offshore" resources are shared in equal parts, whereas in a sea the territorial waters do not go beyond 12 nautical miles.<sup>8</sup> The Caspian thus constitutes a source of conflict among the five coastal countries of the Caspian Sea and they have differing opinions about the Caspian Sea legal regime. On the one hand, Russia, Azerbaijan, and Kazakhstan emphasize that the Caspian Sea is a sea and is governed by the international Law of the Sea. While on the other hand, Iran and Turkmenistan claim that the legal re-

<sup>&</sup>lt;sup>7</sup> See: D. Dabir, "Why has the Determining of the Caspian Legal Regime Taken 16 Years?" *BBC*, available at [http://www.bbc.co.uk], 16 October, 2007.

<sup>&</sup>lt;sup>8</sup> See: F. Renaud, "Caspian Sea: The Headache of Sharing It Out," *European Strategic Intelligence & Security Center* (*ESISC*), available at [http://www.esisc.org/documents/pdf/en/caspian-sea-the-headache-of-sharing-it-out-449.pdf,], 22 October, 2009.

gime of a lake governs the Caspian Sea. Since 1992, the countries have proposed different legal regimes for the Caspian Sea. These proposals are divided into two main groups: the condominium regime and the division regime.

## 1. The Condominium Regime

The present struggle over the legal status of the Caspian Sea began with reports that the Azerbaijan government had started negotiations with Western oil companies, British Petroleum (BP) in particular, regarding the drilling and exploitation of hydrocarbon resources in Azerbaijan's sector of the Caspian Sea in 1994.<sup>9</sup> Russia and Iran protested and insisted that Azerbaijan be governed by the 1921 and 1940 Soviet-Iranian treaties. They emphasized that the Caspian Sea is a common sea, its legal regime is based on the condominium regime, and all the countries must enforce the agreements which are in accordance with international law. According to this approach, the Caspian Sea as a body of water does not have any natural link to the open seas or oceans and, according to the international Law of the Sea, some large bodies of water entirely surrounded by dry land are known as lakes, others as seas. So the Caspian Sea is a lake. Therefore, the norms of the international Law of the Sea pertaining to territorial seas, exclusive economic zones, and continental shelves are not applicable to it.<sup>10</sup>

As for the five coastal states of the Caspian Sea, they must abide by the 1921 and 1940 treaties, both treaties are binding on all the littoral states, and the sea should be governed by the condominium regime. This regime expounds that all the resources of the Caspian Sea are to be shared jointly by all five states. So all the decisions on development of the resources of the Caspian Sea have to be approved by all five littoral countries and no state should be granted an exclusive economic zone in the Caspian Sea basin.<sup>11</sup> Moreover, navigation is free in the Caspian, except in the 10-mile coastal zone of each state.

Iran suggested that the exclusive costal zone be increased to 20 miles and the rest be condominium for all the littoral states.<sup>12</sup> Although Russia and Iran insisted on the condominium regime in accordance with the treaties of 1921 and 1940 and Iran pushed for establishing the condominium regime in the Caspian Sea between 1992 and 1997, there are some difficulties in both treaties. First, neither of the treaties specifically mentions the legal regime of the Caspian Sea, emphasizing only natural recourses, military and commercial navigation, and the freedom to fish.<sup>13</sup> Second, they do not forbid any exploration or research in the Caspian Sea. So, before 1991, the Soviet Union began offshore drilling without consulting with or receiving confirmation from Iran.

# 2. The Division Regime

It appears that the condominium regime based on the treaties of 1921 and 1940 was not complete and there were some difficulties with it. So three of the coastal states rejected it outright and Iran

<sup>&</sup>lt;sup>9</sup> See: J. Momtaz, "The Challenges and Perspectives of the Caspian Sea Legal Regime," *Political and Economy Ettelaat*, No. 123-124, 1995, p. 61.

<sup>&</sup>lt;sup>10</sup> See: M. Ghafouri, "The Caspian Sea: Rivalry and Cooperation," *Middle East Policy*, Vol. XV, No. 2, Summer 2008, p. 88, available at [http://www.thefreelibrary.com/The+Caspian+Sea%3A+rivalry+and+cooperation.-a0180861482].

<sup>&</sup>lt;sup>11</sup> See: M. Sheikhmohammday, D.M. Kilgoure, K.W. Hipel, "Negotiations Over the Caspian Sea: A Preliminary Graph Model Analysis," in: *Grope Decision and Negotiation (GDN)2006*, ed. by St. Seifent, Ch. Weinhardt, University of Karlsruhe, Karlsruhe, 2006, p. 101.

<sup>&</sup>lt;sup>12</sup> See: Interview of Deputy Iranian Foreign Minister for European and American Affairs, p. 1.

<sup>&</sup>lt;sup>13</sup> See: B. Janusz, "The Caspian Sea: Legal Status and Regime Problems," *Russia and Eurasia Programme*, Chatham House, London, August 2005, available at [http://www.chathamhouse.org.uk/files/3273\_bp0805caspian.pdf].

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and Russia decided to make some changes in it. For example, although Iran, like Russia, focused on the obligations of the treaties of 1921 and 1940, its approach initially differed from Russia's. Iran believed that the Caspian Sea was a condominium between Iran and the Soviet Union and, now that the disintegrated Soviet Union had created new states, Iran should keep its original share of 50%, while the others should make their own decisions about the other half.<sup>14</sup> Thus, new approaches emerged which supported division of the Caspian Sea.

### 2.1 Sectoral Division

Azerbaijan was strongly against the condominium regime and believed that the treaties of 1921 and 1940 were inadequate for defining the Caspian Sea legal regime. So, Azerbaijan signed a \$10 billion oil agreement with Western companies on exploiting oil resources in the Caspian Sea in 1997.<sup>15</sup> The Azerbaijan government formally demonstrated that the historical treaties between Iran and the U.S.S.R. were valid, but they did not mention division of the seabed. Moreover, according to the principles "*rebus sic stautibus*" and "Clean Slate," the new littoral states have the right to choose and the 1921 and 1940 treaties are not valid for the legal regime of the Caspian Sea. Thus, the Caspian seabed must be divided among the five costal states according to the international Law of the Sea. This approach stated that all the coastal countries consider the Caspian to be a sea and not a lake and apply the law of the sea to all of its issues.

# 2.2. Median Line Division

In 1996, the Kazakhstan government offered a proposal which was supported by Russia and caused the latter to change its view about the legal regime of the Caspian Sea. Kazakhstan suggested that the Caspian Sea be regarded as an enclosed sea. Thus, the U.N. Convention on the Law of the Sea of 1982 governs the Caspian Sea legal regime. According to this viewpoint, Russia and Kazakhstan proposed dividing the Caspian into sectors using the median line method as it relates to the seabed. The median line method follows the principle that the more coastal area a country has, the more sea area it gets. According to this approach, each country has the following shares<sup>16</sup>:

$\left( \right)$	Azerbaijan	Iran	Kazakhstan	Russia	Turkmenistan
	21%	13.6%	28.4%	19%	18%

Kazakhstan, Russia, and Azerbaijan agreed to this approach, whereas Iran and Turkmenistan were against it. Iran immediately realized that its national interests and security would be faced with serious challenges in the Caspian Sea basin. This was because Azerbaijan tended to engage the investments of Western oil companies, especially U.S. and Israeli companies, along with military cooperation with them, which would cause serious difficulties for Iran due to the U.S. and Israeli presence

<sup>&</sup>lt;sup>14</sup> See: B. Aghai-Diba, "The Legal Regime of the Caspian Sea," Majaleh Hoghoghi, No. 18, 1995, p. 25.

<sup>&</sup>lt;sup>15</sup> See: K.G. Singh, "Azerbaijan, Keystone in Energy Rich Caspian Basin", South Asia Analysis Group, Noida, available at [http://www.southasiaanalysis.org/papers7/paper687.html], 16 May, 2003.

<sup>&</sup>lt;sup>16</sup> See: B. Aghai-Diba, "National Interests of Iran in the Caspian Sea," *Payvand Iran News*, available at [http://www.payvand.com/news/09/sep/1102.html], 10 September, 2009.

near its borders, whereas Azerbaijan would be guaranteed its security and economic growth, which had been curbed by Russia and Iran.

Although Iran announced that it opposed the median line division and rejected any bilateral and trilateral agreements between the coastal states on the Caspian Sea, the first bilateral agreement was signed by Azerbaijan and Kazakhstan in June 1997. The second agreement between the two countries was signed in January 2001 on adhering to the borders of their sectors along the median line until a broader multilateral convention was signed.<sup>17</sup> In 1998, Kazakhstan and Russia divided the northern part of the Caspian Sea based on the median line between themselves and, in 2002, both countries signed an agreement on the joint development of three fields located on the median line, namely Kurmangazy, Khvalynskoe, and Tsentralnoe.<sup>18</sup> In addition, in 2001, Kazakhstan and Turkmenistan issued a joint communiqué that in principle divided their sectors of the sea along the median lines drawn during the Soviet era. Iran protested against those agreements and, contrary to the other littoral states, pointed out that the old treaties are still in force and that sovereign rights cannot be exercised unilaterally or through bilateral agreements until a new multilateral convention is concluded by all five Caspian states.<sup>19</sup>

### 2.3. Equal Division

In 2000, Iran realized that it did not have the power to overcome the opposition of the other states. So it announced that it would agree to division of the Caspian Sea if the other states accepted equal division. This condition was stated by President Khatami in a speech he made in the summer of 2000.

Iran's proposal would immediately give it two advantages. First, its share of the Caspian Sea would be no less than 20%, and not 13.6%, which is the share it would receive if the sea were divided according to the median line method. Second, Iran's proposal for dividing the sea, which suggests that division of the sea surface should correlate precisely with division of the seabed, would give it maximum guarantee of its national security interests and ensure its sovereignty over the water area contiguous to its coast, since the median line method applies only to division of the seabed and leaves the surface water area in common use. Consequently, Russian ships and, possibly in the future, NATO's naval forces would be able to travel freely throughout the Caspian Sea. Although Russia and Turkmenistan outwardly accepted Iran's proposal, none of the coastal states took it seriously and were not interested in it. This position of the littoral states showed that Iran is powerless in the Caspian Sea basin and negotiations about the legal regime of the Caspian Sea had failed.

The first Summit of Caspian Sea Heads of State held in Ashghabad in 2002 failed to achieve any agreement on the demarcation and legal regime of the Caspian Sea and ended without a final declaration. Despite Iran's opposition to division based on the median line, Russia, Kazakhstan, and Azerbaijan signed a tripartite agreement on the division of the northern 64% of the Caspian seabed based on the median line in 2003, which gave Azerbaijan an 18% share, Russia 19%, and Kazakhstan 27%.<sup>20</sup> Iran was left on its own, and Russia, along with the U.S, supported Kazakhstan and Azerbaijan.

<sup>&</sup>lt;sup>17</sup> See: "Putin, Aliyev Narrow Differences on Caspian Division," *Eurasianet Turkmenistan Daily Digest,* available at [http://www.eurasianet.org/resource/turkmenistan/hypermail/news/0008.html], 10 January, 2001.

<sup>&</sup>lt;sup>18</sup> See: M. Haghighati, "The Coming of Conflict to the Caspian Sea," *Problems of Post-Communism*, Vol. 50, No. 3, May-June 2003, p. 36.

<sup>&</sup>lt;sup>19</sup> See: D. Dabir, "The Change of the Iran's Policy on Dividing of Khazar's Interests," *BBC*, available at [http://www.BBC.Co.UK/Persian], 17 October, 2007.

<sup>&</sup>lt;sup>20</sup> See: S. Karbuz, "The Caspian's Unsettled Legal Framework: Energy Security Implications," *Journal of Energy Security*, available at [http://www.ensec.org/index.php?option=com\_content&view=article&id=244:the-caspians-unsettled-legal-framework-energy-security implications&catid=106:energysecuritycontent0510&Itemid=361], 18 May, 2010.

# Iran's Policy under Ahmadinejad

The election of President Ahmadinejad in 2005 and his adventurism in Iran's foreign policy, particularly the nuclear program, placed Iran in a weak position before Russia and the other littoral states of the Caspian Sea. A new aspect of the Islamic Republic of Iran's foreign policy initiated by the new president was the ideological approach. President Ahmadinejad showed that the main aim of Iran's foreign policy was to create a global Islamic government through Jihad with Israel and the U.S. Support of the Islamic countries and groups such as Hezbolah Lebanon, the declarations of the Iranian government, and the launching of a nuclear program despite international sanctions show that the Iranian government has focused on creating an Islamic global government in the world. Therefore, Iran has an Islamic-cosmopolitanism approach in its foreign policy. According to this viewpoint, formation of a single world community (in accordance with the Koranic verse "*this community is a single community, and I am your Lord, so worship Me*" [Sura 21, ayat 92]) is the most significant aim of the Islamic Republic of Iran. So Iran tried to integrate with other Muslim states to achieve this goal.

This desire has affected Iran's foreign policy in the Middle East and the Caspian basin, where Iran has Muslim neighbors. So President Ahmadinejad follows three strategies in Iran's foreign policy for establishing an Islamic global government: Exporting Islamic revolution ideologies, an anti-Israeli and anti-Western policy, and a Look East approach in Iran's foreign policy. In the Caspian Sea basin, Iran strictly followed the second strategy, the anti-Israeli and anti-Western policy, and Russia is to play an important part in this strategy. Iran needs Russia to support it in its standoff against America and Israel, and Iran believes that Russia can stop the adoption and implementation of U.N. sanctions against Iran. So Russia's support caused Iran to choose an indifferent policy in the Caspian Sea issue. The choice of an indifferent and mute policy has made it possible for Russia to pursue a dual approach to the Caspian Sea issues. While it supports equal rights of the littoral states to use of the surface waters, it is attempting to divide the seabed. In fact, common use of the surface water would make it possible for the Russian navy to be present everywhere in the Caspian Sea and prevent the expansion of U.S military influence in the region. It has also been participating actively in the oil and gas projects in the region and is in competition with Western oil companies. Therefore, it attempted to improve its economic and military relations with three of the littoral states and, with respect to the Caspian Sea, pursued a harmonious policy with them. So the harmonious relations among four of the coastal states caused them to ignore the 1921 and 1940 treaties and condominium regime.

Although the Caspian Sea legal regime was not finalized during the third summit of sea's littoral states in Tehran, the clear declarations of Azerbaijan, Kazakhstan, and Russia at that meeting showed that they have agreed on division of the Caspian Sea along the median line and intend to adhere to it. As one of the coastal states, Iran did not protest to these declarations. Instead, it tried to enlist the littoral states' support of its nuclear program and fend off any attack by the U.S on Iran via its northern neighbors and the Caspian Sea. Therefore, all the states confirmed that Iran, as a signatory to the NPT, has the right to generate and utilize nuclear energy for peaceful purposes within the framework of the NPT and the International Atomic Energy Agency Statute and, moreover, only the littoral states may deploy ships and military forces in the sea.<sup>21</sup> A look at Iran's subsequent view of the Caspian Sea legal regime confirms that it has accepted the median line and yielded to the other littoral states, particular-

<sup>&</sup>lt;sup>21</sup> See: S. Karbuz, op. cit.

ly Russia, in return for protection of its security, which is threatened by the U.S and Israel. This also shows that Iran's first priority is its nuclear program and that it is ready to accept division of the Caspian Sea based on the median line" for the sake of gaining the support of Russia and the other littoral states. Iran's acceptance of the median line method means that it will lose economic benefits in this basin. First, Iran will be excluded from the economic opportunities in the Caspian Sea. Iran's 13.6 percent share has the fewest oil and gas resources and the deepest water. Meanwhile, Iran always emphasizes that economic cooperation has a significant place in its foreign policy and encourages the Central Asian republics to choose Iran as an oil export route. However, the harmonious policy among Russia, Azerbaijan, Kazakhstan, and least of all Turkmenistan is rapidly curbing Iran's ability to pursue its national interests in region. For example, in September 2009, the leaders of four littoral states— Azerbaijan, Kazakhstan, Russia, and Turkmenistan-met in Kazakhstan's Caspian port, Aktau, and discussed Caspian Sea cooperation, but Iran was not invited. Although Iran protested against this, the other states argued that the meeting was not about the Caspian Sea legal regime, they were discussing future economic cooperation.<sup>22</sup> In this respect, the Iranian government faces a legality crisis; it wants to avoid any instability or clashes with the other littoral states, since any lack of circumspection, especially with respect to Azerbaijan, could threaten Iran.

# Conclusion

Despite the fact that Iran has been pursuing different strategies in its foreign policy to meet the Caspian Sea basin challenges, it has not been successful. The key problem for Iran is the U.S. presence in the region as a strong supporter particularly of Azerbaijan, which has limited Iran's activity in the region. Moreover, Russia as the greatest power in the Caspian Sea region prohibits any activity by Iran that may oppose its interests and security in the region. In fact, Iran finds itself trapped between the U.S. and Russia. Both of them prohibit Iran's military and political activities in the Caspian Sea region. While the U.S. has limited Iran's presence in the region by instituting sanctions and building strong economic and military relations with Azerbaijan, Kazakhstan, and Turkmenistan, Russia has taken most advantage of the hostility between Iran and the U.S. Russia will cooperate in Iran's nuclear program and support it if Iran pursues a mute and indifferent policy in the Caspian Sea region. Iran has agreed to dividing the Caspian Sea on the basis of the median line for the sake of its nuclear program, since it will make Iran an Islamic superpower in the world and promote creation of a global Islamic government like Iran's model government (Velayat-e-Faghih) in the world. So Iran has conceded to Russia and the other Caspian Sea states in return for their support of Iran's nuclear program. Security is also an important issue for Iran. At the third summit of the Caspian Sea's littoral states in Tehran, the countries agreed that they will also avoid using military force in mutual relations. In fact, this was a great achievement for Iran because this agreement reduced the threat of a U.S attack from a littoral state on Iran and enabled Iran to continue its nuclear program.

<sup>&</sup>lt;sup>22</sup> See: S. Blagov, "Caspian Littoral States Struggle to Forge Settlement," *Eurasia Daily Monitor*, Vol. 7, Issue 74, 16 April, 2010.