By George Friedman

For the past several weeks, STRATFOR has focused on the relationship between Russia and Iran. As our readers will recall, a pro-Rafsanjani demonstration that saw chants of "Death to Russia," uncommon in Iran since the 1979 revolution, triggered our discussion. It caused us to rethink Iranian President Mahmoud Ahmadinejad's visit to Russia just four days after Iran's disputed June 12 presidential election, with large-scale demonstrations occurring in Tehran. At the time, we ascribed Ahmadinejad's trip as an attempt to signal his lack of concern at the postelection unrest. But why did a pro-Rafsanjani crowd chant "Death to Russia?" What had the Russians done to trigger the bitter reaction from the anti-Ahmadinejad faction? Was the Iranian president's trip as innocent as it first looked?

A Net Assessment Re-examined

At STRATFOR, we proceed with what we call a "net assessment," a broad model intended to explain the behavior of all players in a game. Our net assessment of Iran had the following three components:

1. Despite the rhetoric, the Iranian nuclear program was far from producing a deliverable weapon, although a test explosion within a few years was a distinct possibility.

2. Iran essentially was isolated in the international community, with major powers' feelings toward Tehran ranging from hostile to indifferent. Again, rhetoric aside, this led Iran to a cautious foreign policy designed to avoid triggering hostility.

3. Russia was the most likely supporter of Iran, but Moscow would avoid becoming overly involved out of fears of the U.S. reaction, of uniting a fractious Europe with the United States and of being drawn into a literally explosive situation. The Russians, we felt, would fish in troubled waters, but would not change the regional calculus.

This view — in short, that Iran was contained — remained our view for about three years. It served us well in predicting, for example, that neither the United States nor Israel would strike Iran, and that the Russians would not transfer strategically significant weapons to Iran.

A net assessment is a hypothesis that must be continually tested against intelligence, however. The "Death to Russia" chant could not be ignored, nor could Ahmadinejad's trip to Moscow.

As we probed deeper, we found that Iran was swirling with rumors concerning Moscow's relationship with both Ahmadinejad and Ayatollah Ali Khamenei. Little could be drawn from the rumors. Iran today is a hothouse for growing rumors, and all our searches ended in dead ends. But then, if Ahmadinejad and Khamenei were engaging the Russians in this atmosphere, we

would expect rumors and dead ends.

Interestingly, the rumors were consistent that Ahmadinejad and Khamenei wanted a closer relationship to Russia, but diverged on the Russian response. Some said the Russians already had assisted the Iranians by providing intelligence ranging from Israeli networks in Lebanon to details of U.S. and British plans to destabilize Iran through a "Green Revolution" like the color revolutions that had ripped through the former Soviet Union (FSU).

Equally interesting were our Russian sources' responses. Normally, they are happy to talk, if only to try to mislead us. (Our Russian sources are nothing if not voluble.) But when approached about Moscow's thinking on Iran, they went silent; this silence stood out. Normally, our sources would happily speculate — but on this subject, there was no speculation. And the disciplined silence was universal. This indicated that those who didn't know didn't want to touch the subject, and that those who did know were keeping secrets. None of this proved anything, but taken together, it caused us to put our net assessment for Iran on hold. We could no longer take any theory for granted.

All of the foregoing must be considered in the context of the current geopolitical system. And that is a matter of understanding what is in plain sight.

Potential Russian Responses to Washington

The U.S.-Russian summit that took place after the Iranian elections did not go well. U.S. President Barack Obama's attempt to divide Russian President Dmitri Medvedev and Russian Prime Minister Putin did not bear fruit. The Russians were far more interested in whether Obama would change the FSU policy of former U.S. President George W. Bush. At the very least, the Russians wanted the Americans to stop supporting Ukraine's and Georgia's pro-Western tendencies.

But not only did Obama stick with the Bush policy, he dispatched U.S. Vice President Joe Biden to visit Ukraine and Georgia to drive home the continuity. This was followed by Biden's interview with The Wall Street Journal, in which he essentially said the United States does not have to worry about Russia in the long run because Russia's economic and demographic problems will undermine its power. Biden's statements were completely consistent with the decision to send him to Georgia and Ukraine, so the Obama administration's attempts to back away from the statement were not convincing. Certainly, the Russians were not convinced. The only conclusion the Russians could draw was that the United States regards them as a geopolitical cripple of little consequence.

If the Russians allow the Americans to poach in what Moscow regards as its sphere of influence without responding, the Russian position throughout the FSU would begin to unravel — the precise outcome the Americans hope for. So Moscow took two steps. First, Moscow heated up the military situation near Georgia on the anniversary of the first war, shifting its posture and rhetoric and causing the Georgians to warn of impending conflict. Second, Moscow increased its strategic assertiveness, escalating the tempo of Russian air operations near the United Kingdom and Alaska, and more important, deploying two Akula-class hunter-killer submarines

along the East Coast of the United States. The latter is interesting, but ultimately unimportant. Increased tensions in Georgia are indeed significant, however, since the Russians have decisive power in that arena — and can act if they wish against the country, one Biden just visited to express American support.

But even a Russian move against Georgia would not be decisive. The Americans have stated that Russia is not a country to be taken seriously, and that Washington will therefore continue to disregard Russian interests in the FSU. In other words, the Americans were threatening fundamental Russian interests. The Russians must respond, or by default, they would be accepting the American analysis of the situation — and by extension, so would the rest of the world. Obama had backed the Russians into a corner.

When we look at the geopolitical chessboard, there are two places where the Russians could really hurt the Americans.

One is Germany. If Moscow could leverage Germany out of the Western alliance, this would be a geopolitical shift of the first order. Moscow has leverage with Berlin, as the Germans depend on Russian natural gas, and the two have recently been working on linking their economies even further. Moreover, the Germans are as uneasy with Obama as they were with Bush. German and American interests no longer mesh neatly. The Russians have been courting the Germans, but a strategic shift in Germany's position is simply not likely in any time frame that matters to the Russians at this juncture — though the leaders of the two countries are meeting once again this week in Sochi, Russia, their second meeting in as many months.

The second point where the Russians could hurt the Americans is in Iran. An isolated Iran is not a concern. An Iran with a strong relationship to Russia is a very different matter. Not only would sanctions be rendered completely meaningless, but Iran could pose profound strategic problems for the United States, potentially closing off airstrike options on Iranian nuclear facilities.

The Strait of Hormuz: Iran's Real Nuclear Option

The real nuclear option for Iran does not involve nuclear weapons. It would involve mining the Strait of Hormuz and the narrow navigational channels that make up the Persian Gulf. During the 1980s, when Iran and Iraq were at war, both sides attacked oil tankers in the Persian Gulf. This raised havoc on oil prices and insurance rates.

If the Iranians were to successfully mine these waters, the disruption to 40 percent of the world's oil flow would be immediate and dramatic. The nastiest part of the equation would be that in mine warfare, it is very hard to know when all the mines have been cleared. It is the risk, not the explosions, which causes insurance companies to withdraw insurance on vastly expensive tankers and their loads. It is insurance that allows the oil to flow.

Just how many mines Iran might lay before being detected and bringing an American military response could vary by a great deal, but there is certainly the chance that Iran could lay a significant number of mines, including more modern influence mines that can take longer to

clear. The estimates and calculations of minesweepers — much less of the insurers — would depend on a number of factors not available to us here. But there is the possibility that the strait could be effectively closed to supertankers for a considerable period. The effect on oil prices would be severe; it is not difficult to imagine this aborting the global recovery.

Iran would not want this outcome. Tehran, too, would be greatly affected by the economic fallout (while Iran is a net exporter of crude, it is a net importer of gasoline), and the mining would drive the Europeans and Americans together. The economic and military consequences of this would be severe. But it is this threat that has given pause to American and Israeli military planners gaming out scenarios to bomb Iranian nuclear facilities. There are thousands of small watercraft along Iran's coast, and Iran's response to such raids might well be to use these vessels to strew mines in the Persian Gulf — or for swarming and perhaps even suicide attacks.

Notably, any decision to attack Iran's nuclear facilities would have to be preceded by (among other things) an attempt to neutralize Iran's mine-laying capability — along with its many anti-ship missile batteries — in the Persian Gulf. The sequence is fixed, since the moment the nuclear sites are bombed, it would have to be assumed that the minelayers would go to work, and they would work as quickly as they could. Were anything else attacked first, taking out the Iranian mine capability would be difficult, as Iran's naval assets would scatter and lay mines wherever and however they could — including by swarms of speedboats capable of carrying a mine or two apiece and almost impossible to engage with airpower. This, incidentally, is a leading reason why Israel cannot unilaterally attack Iran's nuclear facilities. They would be held responsible for a potentially disastrous oil shortage. Only the Americans have the resources to even consider dealing with the potential Iranian response, because only the Americans have the possibility of keeping Persian Gulf shipping open once the shooting starts. It also indicates that an attack on Iran's nuclear facilities would be much more complex than a sudden strike completed in one day.

The United States cannot permit the Iranians to lay the mines. The Iranians in turn cannot permit the United States to destroy their mine-laying capability. This is the balance of power that limits both sides. If Iran were to act, the U.S. response would be severe. If the United States moves to neutralize Iran, the Iranians would have to push the mines out fast. For both sides, the risks of threatening the fundamental interests of the other side are too high. Both Iran and the United States have worked to avoid this real "nuclear" option.

The Russian Existential Counter

The Russians see themselves facing an existential threat from the Americans. Whether Washington agrees with Biden or not, this is the stated American view of Russia, and by itself it poses an existential threat to Russia. The Russians need an existential counterthreat — and for the United States, that threat relates to oil. If the Russians could seriously threaten the supply of oil through the Strait of Hormuz, the United States would lose its relatively risk-free position in the FSU.

It follows from this that strengthening Iran's ability to threaten the flow of oil, while retaining a degree of Russian control over Iran's ability to pull the trigger, would give Russia the counter it

needs to American actions in the FSU. The transfer of more advanced mines and mining systems to Iran — such as mines that can be planted now and activated remotely (though most such mines can only lay, planted and unarmed, for a limited period) to more discriminating and difficult-to-sweep types of mines — would create a situation the Americans could neither suppress nor live with. As long as the Russians could maintain covert control of the trigger, Moscow could place the United States, and the West's economies, in check.

Significantly, while this would wreak havoc on Persian Gulf producers and global oil consumers at a time when they are highly vulnerable to economic fluctuations, a spike in the price of oil would not hurt Russia. On the contrary, Russia is an energy exporter, making it one of the few winners under this scenario. That means the Russians can afford much greater risks in this game.

We do not know that the Russians have all this in mind. This is speculation, not a net assessment. We note that if Russo-Iranian contacts are real, they would have begun well before the Iranian elections and the summit. But the American view on Russia is not new and was no secret. Therefore, the Russians could have been preparing their counter for a while.

We also do not know that the Iranians support this Russian move. Iranian distrust of Russia runs deep, and so far only the faction supporting Ahmadinejad appears to be playing this game. But the more the United States endorses what it calls Iranian reformists, and supports Rafsanjani's position, the more Ahmadinejad needs the Russian counter. And whatever hesitations the Russians might have had in moving closer to the Iranians, recent events have clearly created a sense in Moscow of being under attack. The Russians think politically. The Russians play chess, and the U.S. move to create pressure in the FSU must be countered somewhere.

In intelligence, you must take bits and pieces and analyze them in the context of the pressures and constraints the various actors face. You know what you don't know, but you still must build a picture of the world based on incomplete data. At a certain point, you become confident in your intelligence and analysis and you lock it into what STRATFOR calls its net assessment. We have not arrived at a new net assessment by any means. Endless facts could overthrow our hypothesis. But at a certain point, on important matters we feel compelled to reveal our hypothesis not because we are convinced, but simply because it is sufficiently plausible to us — and the situation sufficiently important — that we feel we should share it with the appropriate caveats. In this case, the stakes are very high, and the hypothesis sufficiently plausible that it is worth sharing.

The geopolitical chessboard is shifting, though many of the pieces are invisible. The end may look very different than this, but if it winds up looking this way, it is certainly worth noting.