

## Book Review

# Oil and Iranian Foreign Polic

Reviewd by Seyed Shamseddin Sadeghi\*

**Mahmood Vaezi**, *Oil and Iranian Foreign Policy*, Tehran: Institute for Strategic Research, 2010, 646 pp.

Possessing the world's third largest oil reserves and the second largest natural gas reserves - as well as being located at the center of the strategic energy ellipse - Iran has always played a strategic role in the realm of the political economy of oil in the world. On the other hand, during the past 150 years, energy, and most notably oil and gas, have enjoyed a significant place in the formation of Iran's political economy as well as national interests and it can continue to play a crucial role in the promotion of Iran's regional and international status.

It is noteworthy that an increase in Iran's share in the production, trade, and transit of energy will make the world economy dependent on the Iranian economy in this sector. It will also enhance Iran's national security, while providing the grounds for moving towards development. Furthermore, according to the provisions of the country's Fourth Development Plan, around 70% of investments

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in the enlargement of oil and gas industries have to be secured through foreign investment, given the fact that, according to the 20-Year Perspective Document, Iran must become the foremost country in the region in scientific, technological and economic terms. Iran's international status in the energy sector behooves its foreign policy to be defined and designed within a constructive engagement with the axes of regional and global power.

Considering the two variables of oil and foreign policy, *Oil and Iranian Foreign Policy*, which is a compilation of papers presented to the national conference on oil and Iranian foreign policy in March 2010 by prominent Iranian scholars, indicates the importance of oil as the dominant aspect in Iranian political economy during the past 100 years, representing part of the concerns held by Iranian authorities and researchers in this respect. Organized in one preface and 26 papers, the contents of this book contain five main themes within five chapters.

The first chapter offers three themes as follows: 1- The future of Iran's oil and gas and the type of relationship with the world, 2- Main parameters of Iran's oil industry with reference to external relations, 3- Natural gas and Iran's national security considering such factors as different attitudes held by the actors of the oil sector in world energy trade. Stressing the significance of oil in developmentalist foreign policy, in this part, researchers discuss the overall policies regarding Iran's oil industry declared by the Supreme Leader. They then examine the existing conditions and the future prospects of Iran's gas industry, comparing the state of Iran's gas industry with that of Russia and Qatar, and presenting challenges and opportunities ahead for Iran.

In the second chapter, Iran and Energy Diplomacy, the authors address the major themes of the book including 1- Iran's energy diplomacy and great powers in the Persian Gulf region, 2- national interests and security of the Islamic Republic of Iran, 3- application of energy diplomacy in Iran-China relations, and lastly 4- Iran and



geopolitical developments in the oil and gas markets. The main argument of this chapter of the book is that while extrapolating the energy strategy of the great economic powers of the world (China, Russia, European Union, and the United States), the necessity of designing energy diplomacy for the Islamic Republic of Iran with reference to the future energy markets of Iran, as well as outlook of the world's energy situation in two decades, should be emphasized.

In the third chapter, Energy Security and Foreign Policy, the following subjects are studied: 1- energy security and lessons for Iran, 2- relationship between foreign policy and international politics, 3- oil, geo-economy and Iranian national security, 4- oil, foreign policy and diplomacy, 5- interaction between oil and foreign policy in the foreign policy of the Islamic Republic of Iran, and 6- energy security, Iran's foreign policy and the European Union. This chapter presents a perspective of Iran's international relations, highlighting the place, importance and role that the country is able to play in preserving world energy security, including that of the EU member states.

The fourth chapter, entitled Iran and World Opportunities in the Energy Sector, addresses issues such as 1- Iran and world opportunities in the oil industry, 2- theoretical study of Iran's capacity with regards to intervention in world oil markets, 3- Iran's role in oil and gas interactions in the Caspian basin, 4- Russian dominance over EU energy markets and the country's deterring role in transferring Iran's energy to Europe, 5- the new structure of the international political economy and Iran's place in energy transfer in the Caspian basin, and 6- development of the Iraqi oil industry and its impacts on energy markets and Iran's situation. Highlighting Iran's geopolitical and geo-economic position, in this chapter, the authors examine the role and capacity of the country's oil and gas infrastructure for energy transfer to the neighboring countries, particularly Central Asian and Caspian basin nations, analyzing major obstacles to realizing such a role.

Chapter five, Foreign Sanctions and the Iranian Oil Industry,



includes the following themes: 1- economic sanctions and their effects on the Iranian oil industry, 2- imposition of sanctions against Iran and their impact on expanded relations between the Iranian government and the Venezuelan government, 3- Iran's geo-economic importance for the European Union and the question of sanctions, 4- a contribution to the issue of oil and Israeli foreign policy. Dealing with subjects such as forms of oil embargoes, political economy of sanctions, and costs and efficacy of sanctions, the researchers in this chapter analyze the impact of United Nations sanctions as well as U.S. and EU unilateral sanctions against Iran during the past three decades, with a particular focus on punitive measures targeting the Iranian oil industry. Researchers also enumerate threats and opportunities posed to the Iranian decision-making institutions in this regard.

Overall, this book can serve as a valuable source for Iranian and foreign researchers who are interested in Iranian studies in the two areas of energy and foreign policy, helping them better understand the issues at stake in those fields. It is especially noteworthy that some of the papers have been presented by figures that have long held executive positions in the Iranian oil industry as well as foreign policy-making, thus having intimate knowledge about the issues at hand. Hence, these papers can be useful for learning their viewpoints.