

CHAPTER I

INTRODUCTION

A. Background

Global economic growth substantially for the year and the following year, to 3.9 percent for both years. The forecast comes from a continued strong performance in the euro area, Japan, China, and the United States, which all grew more than expected in the past year. Developed countries such as the United States, which occupies the first position at 2,9 percent and Spain, are in second place at 2,8 percent while for developing countries like India occupy the first position at 7,4 percent and China is at number 6,6 percent. Meanwhile, Russia 1,7 percent. IMF also project a short-term increase for several emerging economies and other developing countries, including a partial recovery for commodity exporters (Obstfeld, 2018).

Russia is among the lowest in the world because it has a low percentage among other countries. The majority of Russians in building their economies are still heavily dependent on raw materials and natural resources, but the defense industry is one of the most technologically intensive sectors in which Russia sees the position of international leadership. Reflecting on the second position after America, Russia here does not want to be left far behind by therefore technology-intensive and weaponry trying to be developed better. In the country, Russia, the defense industry is the primary source of work. On May 7, 2012, when Putin elected as a President of Russian again for the third time, he takes action to renew the generation of the modern weapons of Russian (Putin, 2012).

Internationally, the Russian defense industry is a source of significant revenue. As Sergei Chemezov, chief of the powerful state industrial holding Rostec, said in February

2015, “As for the conflict situation in the Middle East, I do not conceal it, and everyone understands this, the more conflicts there are, the more they (clients) buy weapons from us. Volumes are continuing to grow despite sanctions. Mainly, it is in Latin America and the Middle East” (Rostecha, 2015). In fiscal 2008, oil and gas revenues peaked, accounting for half of Russia's federal budget. However, since the global financial crisis hit the country in 2009, the Russian economy has begun to experience a fiscal deficit. In 2012, 2013 and 2014, Russia experienced a budget deficit of -0.02%, -0.7% and -0.6% of GDP, respectively. The exception is in 2011, when the Russian budget spent 0.8% of the GDP surplus (Economic, 2018).

The deficit happened because, in the Dmitry Medvedev era, Russia was carried away by the US economy, which was experiencing an economic crisis and then transformed into a global crisis. The crisis also resulted in a decrease in the number of requests, as well as the Russian currency, the Ruble also weakened. Many large companies reduce their investment. During Medvedev's tenure, not all of Medvedev's policies were in line with what Russia had done in the previous two periods. For example, the relationship between the country and Iran. So far, Iran has become one of the countries close to Russia and has a share in reviving the Russian economy. However, when Iran was criticized by the European Union and the United States for its nuclear development, Russia helped support sanctions against the nuclear development by the United Nations, so that relations between Russia and Iran had stretched.

The relations between Iran and Russia are strategic, and in addition to covering various military sectors, their relationship also covers the economic and political sectors. In those cases, Russia wants to strengthen cooperation with Iran during the Putin Era to solve the relations between Russia and Iran that had stretched. Russia also has concerned in this

cooperation with Iran to prevent the return of terrorists to Syria and the Middle East.

Levan Jagarian as Russian ambassador to Iran said:

"I want to note that Iran and Russia are in Syria with one goal, namely to fight terrorism, and they come at the invitation of the legitimate government of Syria."

The advisor to the Great Leader of the Iranian Islamic Revolution in the International field also touched on nuclear cooperation between Iran and Russia.

"Russia is currently building two nuclear reactors, where the Russian President has detailed information about the stages in Iran," Velayati explained (Pars, 2018).

Iran-Russia relations themselves have been going on for quite a long time. It was noted that the relationship between Russia and Iran began in 1500 with the trade accompanied by the conquest by Ivan the Terrible which finally opened the Volga-Caspian line between Muscovy and Iran (Atkin, 1780-1828). In the late 1990s and the beginning of the 2000s, Iran-Russia relations became stronger with Russia's desire to rival the US (Belopolsky, 2009). After going through the dynamics of relations during the period of Iran's nuclear issue, relations between Russia and Iran improved again, and to form a security alliance with the signing of military cooperation between the two countries in 2015 (Gady, 2015).

Iran's nuclear program is also a contentious issue in contemporary international politics by the United States, Russia, China, and Europe. Nuclear development in Iran received loud protests from Western countries, especially the United States. The United States accuses Iran of having plans to build nuclear weapons so that the United States imposes diplomatic and economic sanctions on Iran. Contrary to what the United States did, Russia said that sanctions would not

solve the problem or stop Iran's ambitions. Russia supports by supplying Iran with the latest weapons technology. Russia's foreign policy is outside of Russian geostrategic calculations and economic efficiency considerations because they do not consider changes in the concept of geopolitics that Russia has.

Indeed, in July 2012, Putin said that arms exports are “an effective instrument for advancing [Moscow’s] national interests, both political and economic” (Russia, 2012). Many are anticipating significant arms sales to improve ties with Iran such as Russian hardline politicians and generals who transfer ownership when Putin becomes president. Soon Moscow started helping Tehran's nuclear program. In October 2000, other important events can take place. Putin publicly abrogated the 1995 Gore-Chernomyrdin pact - limited conventional arms deal with Russia with Iran. According to press reports, in practice, the agreement gave Russia "a free pass to sell conventional weapons to Iran" until 1999 (wsj.com, 2000). Moreover, the public cancellation of the agreement indicates that Putin has an interest in closer cooperation with Iran (Borshchevskaya A., 2017).

B. Research Question

From the explanation of the background above, the formulation of the problem of this study is: Why Russia strengthened the cooperation with Iran especially on Arms Trade in the Vladimir Putin era on 2012?

C. Theoretical Framework

To analyze why Russian wants to strengthen its relations with Iran, the author uses the concepts of Foreign Policy and National Interest.

1. Foreign Policy

A country needs to formulate foreign policy. The policies implemented must fulfill all the interests of the community and the national interests of the country. Foreign policy is a set of formulas, values, attitudes, directions, and goals to maintain, secure, and advance national interests in the international arena.

Foreign policy is also a series of targets for how a country interacts with other countries in the political, economic, social, and military fields. For this reason, state actors carry out various kinds of cooperation, both bilateral, trilateral, regional, and multilateral cooperation. Usually, this foreign policy can be carried out in various ways, but there are three of the most common, namely through war, peace, and economic cooperation (Holsti K., 1992).

K. J. Holsti issued an argument that foreign policy is a strategy or plan of action formed by decision makers of a country in dealing with other countries or other international political units and controlled to achieve national goals as outlined in the terminology of national interests. There are five foundations for making sources of US foreign policy; the five foundations are:

1. External Sources include attributes that exist in the international system and on the characteristics and attitudes of a country in carrying it out. External Sources include changes that occur in the external environment, policies, and actions from other countries, both conflict, and cooperation, threats, support that directly or indirectly affects foreign policy in a country.
2. Societal Sources are all domestic social characteristics and political systems that shape the orientation of society towards the world. The point is that all non-government aspects of the political

system affect foreign policy. It includes geographical conditions, ethnicity, values or norms that develop in society, population, public opinion, and others.

3. Governmental Sources include all elements of the government structure that provide considerations for foreign policy choices that are either broadening or limiting choices to be made by policymakers, of course in the environment and interactions between parties within the government.
4. Role Sources, the role here is related to the role or status of the government as a decision maker.
5. Individual Sources include the values of a leader or decision maker as his ideology, his life experience, his childhood, his educational background, everything that affects his perceptions, character, and others. These things affect perceptions, choices, and responses or reactions from decision makers from other decision makers.

The state often uses the concept of foreign policy as a strategy in dealing with other countries or other international political units to achieve national goals and interests. Based on the concept above, Russia is conducting military and weapons cooperation based on external sources based on conflict and cooperation with Iran, which has the potential of arms trades and nuclear technology. Russia also concerns about the changes in the international system in economic and military. In this case, Russia then decides to strengthen cooperation with Iran as based on the economic sector and focused on arms trade to more significant the Russia existence in that sector.

2. National Interest

The World of International Relations cannot be separated from national interest. Because after all, the state is the main actor in International Relations. Where in a country

there must be a national interest that must be achieved. In this case, is it a national interest? According to Oppenheim (1987), the current concept of national interest is still considered too vague to be studied in international political science. Oppenheim believes that it is not a complicated idea, it is proved by a brief explanation, for example, as a form of "value held by a person and even all layers of a social group," or normatively as a foreign policy objective.

Oppenheim also outlines the general concept of interests that refers to the purpose of some things, which may be about prosperity. Besides, we can also see the internal and external point of view of national interest. An internal viewpoint refers to a national security facility to protect the country's sovereignty and territory. Then an external point of view can be seen from a state-actor perspective where the state should be seen as the most dominant actor in the international political stage (Oppenheim, 1987).

In the Dictionary of International Relations, the nation of national interest is the fundamental goal and the most critical factor that determines and guides decision makers in formulating foreign policy.

H.J. Morgenthau said that:

"The national interest is a state effort to pursue power, where power is anything that can develop and maintain a country's control over other countries."

Morgenthau also said that the concept of national interest is similar to the general concept of the United States Constitution in two ways: general welfare and legal protection rights. The concept contains the inherent minimum meaning in the concept itself, which is to protect its physical, political, and cultural identity from the disruption of other nations. In other words, the essence of the national interest, according to Morgenthau, is power (influence, power, and power).

Russian has a national interest through Iran, which is negotiating to exchange oil supplies with construction buildings. Russian decision to cooperate with Iran is the right thing to do because the US bans Iran from cooperating with other countries, in oil and weapon transactions, Russia even helping Iran in forming a nuclear reactor in Busher, the West gives economic sanctions to Iran in nuclear development which is thought to be close to making atomic bombs.

Jagarian said:

"The Russian partnership with Iran will not be affected by the new US sanctions against Tehran, especially in the technical and military fields."

D. Research Purpose

This research was conducted to explain how Russia wants to strengthen the coordination with Iran in the development of arms trade.

E. Hypothesis

Based on the background of the problem and the theoretical framework, it can be hypothesized that Russia strengthens the cooperation with Iran on shipping and supplying construction equipment to Iran, to achieve the best benefit and result for Russian economic. As well as for the national interests of Military security is the way Russia maintains it is country's identity amid international glass, especially the US and Iran, that Russia has a substantial quantity and quality of weapons.

F. Research Methodology

This research was carried out by using qualitative methods, namely by elaborate on existing facts supported by previous facts, then a conclusion was drawn. The techniques

used to collect data are using library research techniques. Where the data obtained comes from various sources, such as books, scientific journals, internet sites, newspapers, reports, online news, international agreement documents, and other sources both in printed and electronic forms that are relevant to this research.

G. Outline

Systematics in writing this paper will be divided into five chapters, as follows:

CHAPTER I. Contains an Introduction consisting of background, research question, theoretical framework, hypothesis, writing purpose, writing method, ranges of writing, and writing systematic with descriptions and data described in general.

CHAPTER II. Explain the continuation of the background — a description of the Russia Foreign Policy on Economy.

CHAPTER III. Describes the Russia-Iran cooperation on economic, especially on Iran support in Russia arms trade.

CHAPTER IV. Contains a review of the explanation which contains the core of the reviews in the previous chapters in the form of summary.